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 Europe House, Strasbourg

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NOTE TO READER

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

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IN THE CHAIR: MR DANKERT

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

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 16 September 1983¹.

¹ For items concerning approval of the Minutes, membership of Parliament, receipt of a letter of amendment, motions for resolutions under Rule 49, petitions, authorization of reports and request for opinions, and application of the Rules of procedure, see the Minutes of this sitting.

2. Application of Rule 49

President. — I wish to inform the House of the content of a letter which I have received from the chairman of the Committee on the Rules of Procedure and Petitions concerning the application of Rule 49 to the resolution tabled by Mr von Hassel.

You will recall that this resolution, which concerns the secretariat of the European Parliament, was sent to the members of the Bureau and to the Secretary General on the understanding that this is no way prejudiced the result of discussions in the Committee on the Rules of Procedure and Petitions.

Following Parliament's rejection on 9 June 1983 of an interpretation proposed by this committee, the Committee on the Rules of Procedure and Petitions

President

considers that a thoroughgoing modification of Rule 49 should be submitted in the near future.

At the same time, I am told by the chairman of this committee that at all events any such modification of Rule 49 will not be retroactive. I therefore consider the doubts expressed on the admissibility of the resolution tabled by Mr von Hassel and others to have been removed.

As for the substance of this resolution, I repeat what I said in the sitting of 10 March 1983. The competent authorities of the Parliament will consider the action to be taken on this text with specific reference to the judgment of the Court of Justice of the European Communities in Case 230/81 between the Government of the Grand Duchy of Luxembourg and the European Parliament and to the provisions of the Staff Regulations.¹

3. Order of business

President. — At its meeting of 14 September 1983, the enlarged Bureau drew up a draft agenda for this part-session. This has been distributed.

During the meeting held this morning, the chairmen of the political groups authorized me to propose to the House the following changes.

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

With regard to Tuesday's agenda, Mr Chambeiron and nine other signatories have requested, under Rule 56, that the Fergusson report on arms procurement within a common industrial policy and arms sales (Doc. 1-455/83) be withdrawn from the agenda for this part-session.

Mr Chambeiron (COM). — *(FR)* Yes, Mr President, several of my colleagues and I myself feel that the European Parliament is not the place for this debate. Some of us think Parliament is not competent to discuss the subject, but we all agree that it would have been better to spend the time we are going use discussing the Fergusson report dealing with things that are bothering international public opinion today, by which I mean the problems of peace and the conversion of military arsenals.

There is no doubt that the rapporteur's choice of title, 'Arms procurement within a common industrial policy and arms sales', which is intended to be both technical and moralizing, is nothing more than a subterfuge. The aim, as we are all aware, is to push the idea of European defence.

We have always maintained — and we shall remain firm on this — that none of the problems of European defence are Parliament's problems.

There is no point in looking for a reference to Parliament's scope in this respect in the Treaties. There isn't one. There is no reference to Parliament or to any other institution of the Community either. We are all perfectly well aware that the terms of reference of the different European institutions was settled years ago, without needing to be reminded. And we aren't the only ones to say so. Look at the annexes to the report and you will see that MPs from groups other than mine have taken the same stand and expressed the same opinions.

And to back up my arguments, I should like to quote an authority which, I imagine, is unimpeachable — the Atlantic Council. In last month's *Atlantic News*, No 1559, the Council expressed very serious doubts as to the European Parliament's powers in the matter of defence. The problem, in fact, is one for the Member States and the Member States alone. Every country is entitled to defend itself as it sees fit — although this does not mean that there is no room for intergovernmental discussion. There is, but not in the Community institutions or within the framework of our political cooperation.

The Prime Minister recently reminded us that the Western European Union was the only European organization able to deal with the question of defence and the attendant matter of arms production. This is the only consultation structure whose representatives may discuss European defence.

This is why, Mr President, we are calling for the Fergusson report to be withdrawn from the agenda, and we see no reason why we should not discuss the question of peace and disarmament instead.

(Applause from the left)

President. — Does anyone wish to speak in favour of Mr Chambeiron's request?

Mr Boyes (S). — Mr President, yes I would like to support the removal of this item from the agenda. It is incredible to me that when we are living in the most dangerous period ever faced by mankind, this Parliament, the elected representatives of 10 European nations should spend time discussing a resolution on arms procurement and the sale of armaments which make the world a more dangerous place. The cruise missiles, which will lower the nuclear threshold dramatically, and make the world a much more dangerous place, have never been discussed in full in this Parliament, although it is estimated that they will be stationed in Britain on 14 October. I think the elected representatives of Europe should be talking about peace. Our overwhelming concern in this Parliament should be for peace, but instead of that, month after month, meeting after meeting, we are concerned with weaponry, war and destruction. I hope that this Parliament will vote overwhelmingly today to take this particular item off the agenda and insist that if it has to be replaced the Bureau replaces it with something to which the people of Europe can look and say: 'At least the elected representatives are concerned about peace.' I want this Parliament to be a big institution for peace.

¹ For items concerning documents received and the texts of treaties forwarded by the Council, see the Minutes.

² See the Minutes.

Mr Bonde (CDI). — *(DA)* There are still a few of us who support law and order. I should therefore like to ask the President where he gets his authority to deal with defence-policy matters. There is after all a principle of legality which is applicable to activities of all the institutions: there must be a legal basis for anything they concern themselves with. In what Article should I look for this legal basis? Since the Commission is the guardian of the Treaties, I should like to ask the Members of the Commission to give us an assurance that under no circumstances will any attention be given to the report which is before us here today and, for safety's sake, I would also ask the representatives of the Council to indicate to us that under no circumstances will any action be taken on the piece of paper which may emanate from Parliament on matters which this Assembly has no authority to concern itself with.

Mr Hänsch (S). — *(DE)* Mr President, I should like to ask Mr Chambeiron, of the Communist and Allies Group, whether he is aware that the Fergusson report has its origins in, among other things, a motion for a resolution, one of whose sponsors was Mr Marchais, on the Community arms procurement policy in the global context of the industrial policy. Hence you are, in fact, one of the forces behind this report!

President. — Mr Hänsch, that was not a point relating to the agenda but rather a polemical remark. Mr Klepsch, do you wish to speak in favour of keeping this report on the agenda?

Mr Klepsch (PPE). — *(DE)* Yes, Mr President. I have to assume that neither Mr Chambeiron nor Mr Boyes has really read the Fergusson report, for if they had, they would not have moved this request nor would they have been able so to justify it. Such a presentation can only emanate from someone who has missed the significance of both.

The Fergusson report has two components: the first, on the arms trade, is based on a report drawn up by our (then) colleague, Mr Dankert, and on a number of motions for resolutions tabled by various Members of the House. The aim is to make provision for a common code of behaviour within the Community's external economic policy and so bring arms exports under a degree of control. As this is an aim which promotes peace, one could be forgiven for seeing in the attitude of Mr Chambeiron and Mr Boyes a desire for the maintenance of unlimited arms exports.

On the question of the common industrial policy, this House adopted by a large majority (including a large majority of the Communist and Allies Group, if I recall correctly) a report which I had the honour of drawing up. That report went considerably further than the present one drawn up by Mr Fergusson on the basis of a realistic appraisal of the possibilities of attaining a common industrial policy. The Fergusson report confines itself exclusively to exploring the possibilities for promoting such a common industrial policy, to the exclusion of everything devoted to military aims. Hence I feel that Mr Chambeiron's request

for the withdrawal of the Fergusson report really had another report in mind, namely that on European security, which has yet to be presented to the House and which is not scheduled for debate until, I think, next January. Today we are concerned with a number of questions raised by a series of motions for resolutions tabled by Members of the House and with questions which have already been repeatedly debated and approved by large majorities, and on no more than one follow-up aspect. I therefore ask you to reject Mr Chambeiron's request.

(Parliament rejected Mr Chambeiron's request)

President. — The Fergusson report accordingly remains on the agenda for Tuesday.

(Applause)

With regard to Wednesday's agenda, Mrs Nielsen's report on migrant workers, labelled 'possibly', has not in fact been tabled in time and has therefore been withdrawn from the agenda at the request of the Committee on Social Affairs and Employment.

An oral question tabled by Mr Bord, on behalf of the EPD Group, on the centralizing of electoral results at the European elections of June 1984 in Strasbourg (No 88/83) is proposed for a joint debate with the oral question tabled by the political groups on the same subject.

Mr Cousté (DEP). — *(FR)* While we are talking about Wednesday, Mr President, can I please ask if the Turner report on the Community trademark is definitely on the agenda? Will it be discussed in the morning or the afternoon, bearing in mind that the agenda you have already proposed, Mr President, is to be maintained for Tuesday?

President. — It is down for Wednesday, after the continuation, if any, of Tuesday's agenda.

With regard to Thursday's agenda, the Hopper report, on behalf of the Committee on Economic and Monetary Affairs, on consumer taxes on beer, wine and alcohol (Item 213), the Delorozoy report, on behalf of the same committee, on turnover tax and excise duty on imports in international travel (Item 214), and the Simonnet report, on behalf of the Committee on Budgets, on the Financial Regulation (Item 220) have not been adopted in committee and are therefore withdrawn from the agenda.

Sir Fred Catherwood, I understand you have a question to raise about Thursday?

Sir Fred Catherwood (ED). — Mr President, our group did not have the Beumer report when we met last week and we have not had time to discuss it this morning. I would ask the House if we could possibly agree to put this off. It is an extremely controversial report. Because it is on value-added tax, it is highly sensitive electorally. It is also very complex. It was also altered at the very last possible moment and we have not had time to consider the implications of the alterations. Therefore I would earnestly ask my colleagues if they would agree to defer this item to the next part-session.

President. — This is the Beumer report, on behalf of the Committee on Economic and Monetary Affairs, on a twelfth directive on the harmonization of the laws of Member States relating to turnover taxes and a common system of VAT (Item 215).

Mr Berner (PPE). — (NL) Mr President, the report was approved in committee with one abstention. But I do not think there will be any problems as regards deadlines or that the committee will have any objection to the report being held over until the next part-session.

President. — Mr Beumer agrees to the postponement of this report.

Are there any objections?

Mr Herman (PPE). — (FR) Mr President, we have this text to read now, and we shall be discussing it on Thursday. For a report of this importance, this seems to me to be quite enough time to get together on a topic that has already been amply discussed and on which the members of the Committee on Economic and Monetary Affairs managed, with a compromise, to reach unanimity. I think we can talk about it this week.

Mr Griffiths (S). — If I heard Sir Fred properly, he said that this report was not available for the European Democratic Group to discuss last week, yet I see on the order paper that amendments had to be in by 12 noon last Thursday. Now, if that is the case, how could that group have the opportunity of putting in amendments if the report was not available to them? I suggest this item must be delayed.

President. — Mr Griffiths, we have only to vote now on whether we should have it on the agenda or not. (Parliament decided to postpone the report)

Mr Aigner (PPE), chairman of the Committee on Budgetary Control. — (DE) Mr President, I should like to raise another matter. As you are aware, the Committee on Budgetary Control, of which I am a member, unanimously adopted a draft resolution on the butter disposal scheme which was carried by three quarters of the House at our last part-session. The Commission has, as the House will be informed later, ruled negatively on the scheme, and I feel this to be such a critical state of affairs as to merit urgent debate in the presence of the responsible commissioner. It really is a bit much that the responsible commissioner should not be in the House to justify his rejection. My group has therefore requested urgent debate for Thursday in the presence of the responsible commissioner on the subject of the Christmas butter scheme. (Applause)

President. — I think the question of an urgent debate can only be decided when the House comes to vote on the subjects for topical and urgent debate.

Only then will it be possible to see about the Commissioner being present — if at all, for at the moment a special sitting of the Council is taking place in Athens.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Commission quite appreciates the concern felt in this matter and is prepared to exchange views with Parliament. I would, of course, prefer it if this exchange took place when the Commissioner primarily responsible was present. As you know, Mr Dalsager has to be in Athens at the moment for a Council meeting, and the Commission will therefore be in a position to make a statement on Thursday and then to discuss the matter with Parliament.

President. — Do you want to take the floor again, Mr Aigner, or rather not?

Mr Aigner (PPE), chairman of the Committee on Budgetary Control. — (DE) Mr President, my sole concern is that we should have enough time, for this debate can certainly not be hurried.

President. — With regard to Friday's agenda, the Committee on Energy and Research has requested the procedure without report for a proposal for a decision on the framework programme for Community scientific and technical activities, 1984-87 (Doc. 1-395/83). The Committee on Economic and Monetary Affairs, which has been asked for its opinion, has lodged a protest against the adoption of this procedure.

I remind the House that, pursuant to Rule 34 (2), such a protest must be made by a political group or at least 10 Members of Parliament.

Mr J. Moreau (S), chairman of the Committee on Economic and Monetary Affairs. — (FR) Mr President, to be very explicit about this, our committee felt, in spite of the fact that the Committee on Energy and Research decided not to submit a report on this subject, that it was important enough for our committee to submit a draft opinion — which was adopted — and for us in this House to hold a debate on it.

(More than Members rose. The Commission proposal was accordingly referred to the committee responsible)

Mrs Walz (PPE), chairman of the Committee on Energy, Research and Technology. — (DE) Mr President, to my considerable astonishment I note that you have chosen this moment to ask Mr Moreau to produce the requisite 10 Members; Mr Moreau could have done that earlier. Six committees have declared themselves to be in favour of the procedure without report. The rapporteur of the Committee on Economic and Monetary Affairs is no longer in the Chamber. We all approve of the procedure without report, and I feel that you exceeded your powers by addressing such a request to Mr Moreau.

President. — Mrs Walz, the requirements of Rule 34 are quite clear and have been observed. A protest is not valid if made by a committee. It has to be done either by a group or by 10 Members, and this can only occur in plenary sitting after the report has become available but before the vote. That was clearly the case here.

Mr Klepsch (PPE). — (DE) I would just like to say that we have succeeded in setting an unfortunate precedent. How are we ever going to simplify our work by resorting to the procedure without report, in compliance with the committee's wishes, if we subsequently override such a decision in plenary sitting? The decision just taken is of course valid; I merely wished to draw attention to the consequences thereof.

President. — Rule 34 is Rule 34, Mr Klepsch.

Mr Klepsch (PPE). — (DE) If everyone does the same, we shall never have a procedure without report!

Mr Hord (ED). — Mr President, I did try to catch your eye on the proposal with regard to Italian tobacco. You may recall that this issue came before the House last part-session and the Parliament decided that it should go to committee, under Rule 34 (2). It has been referred to committee — the Committee on Agriculture is the competent committee — and I can tell you that the Committee on Agriculture has decided to draw up a report on the situation of the Italian tobacco industry with regard to the earthquake which, I would remind the House, took place three years ago. I am the rapporteur, and the committee has decided to submit that report in time for the second part-session in October.

President. — We shall be voting on that question tomorrow. If you can convince the Assembly not to accept the topic for urgent debate and deal with it later, then we shall do so, but for the moment the proposal is to vote on a request for urgent debate tomorrow morning.¹

(Parliament adopted the order of business thus modified)

4. Delegation of the power of decision to a committee (Rule 33)

President. — Under Rule 33, I propose that the following Commission proposals be referred to the appropriate committees with the power to take a decision:

— proposal for a Council regulation laying down certain measures for acid oils from refining of by-products of olive oil or olive residue oil (Doc. COM(83) 466 final);

— proposal for a Council directive amending Directive 64/432/EEC as regards brucellosis in respect of the buffered brucella antigen test, the microagglutination test and the milk-ring test as applied to samples of milk from milk-tanks (Doc. COM(83) 496 final).

Mr Hord (ED). — Mr President, if I understood you aright, you have had a request to refer to committee, for a decision, a proposal in regard to olive oil. I believe the Committee on Agriculture itself is considering this matter tonight I just wondered whether you could represent this proposal tomorrow after the Committee on Agriculture has come to a conclusion.

President. — No, this is a different matter which also concerns olive oil, but it is a completely different proposal as far as I can see.

Mr Hord (ED). — Mr President, it is possible for us to be furnished with more reasons for the need for urgent procedure, because it seems unrealistic that this House should be expected to take instant decisions on matters on which it has no detailed information whatsoever?

President. — Mr Hord, this is not a matter of urgent procedure; it is proposal under Article 33. That means a proposal to finalize the debate in the committee concerned and not in the plenary sitting if the need does not arise in committee for this to be done. As we are applying this procedure for the first time, perhaps it will be a good thing if I leave the decision until you have seen tomorrow morning, from the Minutes, whether you can agree or not.

(Applause)

If there is then no opposition, it will be declared accepted.

The third proposal of this kind concerns

— a proposal for a Council directive on air-quality standards for nitrogen dioxide (Doc. COM(83) 498 final).

Any objections raised when these Minutes are adopted tomorrow morning will be dealt with as laid down in Rule 33. If there are no objections, this proposal will be considered adopted.

Mr Habsburg (PPE). — (DE) Mr President, I would like to remind the House that the Chair announced, during the last part-session, that two hours would be set aside during this part-session's urgent debate procedure on Thursday for a debate on Turkey. I should like to know whether this is still the intention, for, if so, it is a complete travesty of the concept of urgent debate. When one decides a month in advance on the substance of a forthcoming urgent debate the element

¹ For other changes to Friday's agenda, see the Minutes.

Habsburg

of urgency has obviously been lost and been replaced by a slow burner, which is in fact what this affair amounts to. Is it still in the offing or not?

President. — Mr Habsburg, we have already had this discussion. I can only point out that the group chairmen have decided to make a proposal. We shall see what this proposal is.

Mr Chambeiron (COM). — *(FR)* Mr President, you will understand that I find it difficult to let what Mr Hänsch said just now go without reacting. I am very surprised at what he said.

Mr Hänsch has either read the annexes to the report or he has not (in which case he would have done better to refrain from making any comments). As I find it difficult to believe he wanted to give a tendentious interpretation, all I can say is that he didn't really understand what he read.

Because it is clear. Look at Annex IV — that is to say, the motion for a resolution tabled by Mr Marchais and his colleagues from the Communist and Allies Group: it says, quite simply — and this is the motion for a resolution — that the Assembly of the European Communities, considering that matters of defence are in no way within the jurisdiction of the Community, declines to put any questions of defence on the agenda and considers that it would be unacceptable for the Commission to discuss matters of defence in any way whatsoever, including within the framework of the common production of armaments.

I should like to say, quite simply, that Mr Marchais' resolution contains neither more nor less than this. There is no point in trying to make it say what it doesn't say.

You only have to read it. And I am pleased that it is addressed to the Commission, because it says that the Commission should not discuss matters of defence.

When I raised the question of jurisdiction just now, I thought the Commission would back me up; but I see that the Commission has not said a word — which is tantamount to approving what Mr Klepsch said. There is nothing new here. The debate is the same as the one we had four years ago, except that we have gone a little further with our desire to push the idea of a European Defence Community.

That was what I wanted to say.

Mr Israël (DEP). — *(FR)* Mr President, I have been a Member here for three years. I should like to ask you a question which will surprise you. Can you tell me who Mr Marchais is? I have never seen him.

(Laughter)

Mr Alavanos (COM). — *(GR)* Mr President, after some slight delay, since I did not wish to make Parliament's work more difficult, I wish to raise a matter in connection with the Jackson report. This report has

not appeared in Greek, nor has it been delivered to our offices, nor is it in our postbox, nor is it available from the Distribution Service. Since Rule 61 (1) states as a condition for proceeding with part-sessions of the European Parliament that all relevant documents should be available in the official languages, I would like to request — I think on behalf of all our Greek colleagues — that today's debate on the Jackson report be postponed until it has been made available in Greek as well.

President. — The group chairmen and myself took steps this morning to extend the time-limit for tabling amendments in view of the difficulties of distributing this report in certain languages. So far as I know, it is now available, but we will go into the matter, because its availability must be beyond doubt. I quite agree with you.¹

Mr Provan (ED). — Mr President, I think, following Mr Hord's speech a short while ago, you would agree that it is the first time that we have operated Rule 33. Perhaps as Members of Parliament, we have not been fully furnished with all the facts on the reports that you were talking about and which are being referred to committee for decision. Could you therefore give us an undertaking that in future we shall be given the full facts regarding these reports so that we can take a proper decision as to whether they should be sent to committee or be taken on the floor of the House?

President. — Mr Provan, I think that the proposals concerning directives can be ascertained. We have decided to take a decision tomorrow morning on the proposals. I think that gives us sufficient time to inquire into the background of these proposals.

Mr Provan (ED). — I agree with you entirely, Mr President. I am grateful for the decision you came to. However, if in future we had a bit of paper, rather than a verbal proposal from you in the Chair, we could have a discussion in the groups during the preceding week on the proposals so that we should know exactly what we were letting ourselves in for.

President. — I think we should not prolong this procedure too much. It may sometimes happen that a proposal comes up and one has to decide immediately whether to bring it before the plenary sitting in order to have Rule 33 adopted, otherwise it goes to committee and we follow the normal procedure. Therefore, from that point of view there are a number of dead-lines which have to be respected. I agree with you that we should look for ways and means of ensuring that on the Monday of the part-session, one has on paper the proposals which are to be put

¹ For items concerning the time-limit for tabling amendments, membership of Parliament and speaking time, see the Minutes.

President

forward under Rule 33. It is not the first time the procedure has applied. Sir Fred has been quite successful in his committee in invoking Article 33, so it can work.

5. Action taken on the opinions of Parliament

President. — The next item is the Commission's statement on the action taken by it on the opinions and resolutions adopted by Parliament.¹

Mr Boyes (S). — In June 1984, many Members of this Parliament will be asking people to elect them again. One thing is absolutely certain: the number of people living in poverty will be much greater than it was when we asked people to vote for us in June 1979. I notice that according to Section C, Part 2, the Commission intends to present proposals for a second programme during the last quarter of 1983. I would suggest to the Commission that every month that goes by, every month's delay, gives less opportunity for a second action programme against poverty to be implemented.

So I make two appeals, one to our Committee on Budgets to ensure that money is provided for a second action programme; but, above all, to the Commission not to delay in bringing forward a report; otherwise the people of Europe on the major questions of peace, unemployment and poverty are going to say to those who knock on doors and hold meetings: What did you do about it? I hope that the answer to that question will not be negative because of any hold-up in Commission proposals.

So will the Commissioner tell me exactly in which part-session he is going to bring forward this report?

Mr Andriessen, Member of the Commission — (NL) The Commission fully agrees with the honourable Member that this is an urgent matter. I would remind you that the debate on this question took place during the September part-session and that the Commission announced that a report would be published in the autumn. Partly because others have to be consulted, we cannot comply with Parliament's requests any sooner. I cannot, of course, say whether the report will be available for the November part-session. It seems unlikely to me. The Commission said this autumn, and the honourable Member can take it that that is when it will appear.

Mr Patterson (ED). — Two questions: the first arises from Mr Boyes's question. Will the Commission at least allow Parliament's Social Affairs Committee to see the draft of this second poverty programme? Otherwise we shall have to vote on the funds for this poverty programme blind, and that would be a pity. My second question: can the Commissioner now report on what the Commission is doing about the directive on temporary work? You will remember that

last month he said it was still too early to comment. Can he now comment today?

Mr Andriessen. — (NL) As regards the first question, the Commission is, of course, prepared to exchange views with the parliamentary committee on important matters at any stage. I must point out, however, that any extension of the proposed procedure will make it more difficult for us to keep the promise I have just repeated, that we shall be appearing before Parliament with a programme this autumn. We must therefore try to reconcile the need to discuss this matter and the Commission's need for information. I believe that is something on which the appropriate Commissioner might usefully exchange views with the committee.

As for the second point, I must tell you that I do not have any more information now than I had at the last part-session. I would also point out that during the debate the Commissioner responsible for this area stated his position on many of the points raised. I can only add that a written answer to the specific question asked will be forwarded to the committee and so, of course, to Parliament.

Mr Rogers (S). — During the last part-session, Parliament debated a report on the financial activities of the European Coal and Steel Community. Since then I have read in our national press that Commissioner Andriessen made a statement in Luxembourg to the effect that the British steel industry should once again take out something like 500 000 tonnes capacity on top of the extraordinary amounts it has had to take out over the last couple of years.

In view of the proposals of Parliament that are outlined in this report, may I ask the Commissioner what notice he has taken of Parliament's views in this matter? When he issued his statement in Luxembourg, was he speaking in a purely personal capacity? Or was it in an official capacity? And if he was in an official capacity, could he and Commissioner Davignon decide who is going to orchestrate the rundown of the European steel industry?

President. — Mr Rogers, may I suggest that you take up this question during Question Time? I do not think it is a question on the follow-up to resolutions of Parliament adopted during the last few part-sessions. I really must refer you to Question Time as far as this kind of problem is concerned.

Mr Rogers (S). — Mr President, I would urge you, before you pass your snap judgement, to read the report presented by Mr Gabert during the last part-session, in which this Parliament, of which you are the President, asked the Commission — and an undertaking was given by Mr Pisani — that there would be

¹ See Annex II.

Rogers

no implementation and reordering of the guidelines that cover the Coal and Steel Community until certain factors had been taken into consideration.

What I want to know is this. Is the Commission as a group or Mr Andriessen as an individual — I do not mean this personally, but in his capacity as a Commissioner — so arrogant that they can throw out the views of Parliament within a matter of weeks and make wide Draconian statements, especially in areas for which, I understand, Mr Andriessen has no responsibility? If he has a responsibility, then maybe he should sort it out with Mr Davignon and Mr Tugendhat. There are too many fingers in the pie already. I would like to know in what capacity that statement was made and why full recognition was not taken of Parliament's views on the Gabert report on the financing of the European Coal and Steel Community? If that is not a follow-up, Mr President, I would like to know what is.

President. — You are no longer addressing Mr Andriessen in his personal capacity, so perhaps he will reply.

Mr Andriessen. — (NL) I still feel that the honourable Member's question, interesting though it is, exceeds the limits of what Parliament and the Commission have agreed to discuss with one another under this item of the agenda. One reason I say this is that I do not want the agreement watered down in the future. But, as I have been publicly told that I have no responsibility for this specific aspect of the steel affair, I am particularly pleased to take this opportunity to deny what has been said.

In the committee concerned, I referred to the decision the Commission took on 29 June of this year regarding the restructuring of the steel industry in an exchange of views between the committee and the Commission that was entirely in keeping with the normal procedures. I did so in my capacity as the Commissioner responsible for this matter, and I was, of course, speaking on the Commission's behalf. I cannot imagine that any Member of the Commission would raise the question in this Parliament of implementing the decision the Commission took on 29 June of this year. The Commission still believes that that decision must be implemented, and I shall therefore certainly act on the decisions it has taken.

Mr Cousté (DEP). — (FR) I should like Mr Andriessen to answer two questions.

The first question, which follows on from what our worthy colleague Mr Patterson said, has to do with the directive on temporary work. He did not answer this, and we asked the Commission at the September part-session and again today what its position would be. In view of the contradictions in the amendments — which were in fact adopted by a very small number of

voters — I, for one, said there was no point in purely and simply withdrawing the directive. Neither Mr Patterson, the rapporteur for the Committee on Social Affairs, nor I myself have received any answer on this so far.

The second question was evaded, but it is, to my mind, a very important one. Has everything been done to ensure that the Christmas butter sales takes place properly? Mr Aigner, the chairman of the Budgetary Control Committee, has in fact stressed the importance of the Christmas butter operation on a number of occasions.

IN THE CHAIR : MR KLEPSCH

Vice-President

Mr Andriessen. — (NL) I must apologize for presumably not fully understanding Mr Patterson's question regarding what was discussed in September. That is why I said that I would give a written answer. I have a note here which says that during the debate the Commission made its position clear on this particular point, the possibility of temporary employment agencies established in one Member State also operating in other Member States, if that is the point to which Mr Patterson was referring in his question. If the Commission's statement was not absolutely clear to Parliament, I must say that, after a lengthy discussion, the Commission still believes that there should be no recommendation for such harmonization for the very simple reason that it would amount to interference in areas for which the Member States are at present responsible. The Commission does not, therefore, feel it can comply with this suggestion.

As regards the second question, I have just said that the Commission would appreciate the opportunity of exchanging views with Parliament on the decision it has taken as to whether or not it should comply with the recommendation Parliament made during the last part-session regarding the Christmas butter campaign. I do not think it would be a good idea to anticipate the debate on this subject. What I will say, however, is that the Commission looks forward to this debate as an opportunity to explain how it feels the problem of the butter surpluses must be tackled and that there are other, better ways than that indicated by Parliament. The Commission hopes that it can make it clear to Parliament and the public on that occasion that it is trying to pursue a cohesive policy on dairy products.

Mr Lomas (S). — Just two quick points reverting to the item on the new anti-poverty programme. Is the Commissioner able to give a figure for the amount that the Commission will be asking for the new programme?

Is it the figure that was in the Boyes report or does it differ from that?

Lomas

Secondly, would the Commission, when considering priorities, please take into account the needs of the inner city areas? Very often these are not in nationally designated assisted areas. For instance, my own constituency in the East End of London is in the south-east region of Britain. It is certainly not one of the poorest regions, but there are, in certain parts of it, 30% unemployed and 25% of the population are ethnic minorities. It is a very severely deprived area. Could I make a plea to the Commission not to overlook those kind of areas just because they are in relatively well-off regions?

Mr Andriessen. — (NL) I am quite prepared to pass the honourable Member's plea for information on the contents of the second anti-poverty programme on to the Commissioner responsible. I hope the honourable Member will understand that I am not able at the moment to give him an accurate answer, but I will forward the suggestion he has made to the relevant quarter.

As regards the resources to be set aside for this purpose, I should like to say this: during the debate Commissioner Richard invited Parliament to use its budgetary powers to ensure this programme is given the priority which Parliament believes it deserves. I should like to stress this. In the preliminary draft, Parliament called for 20 million units of account, if I remember rightly, on the understanding that the Member States contribute a similar amount. As the consultations are still in progress, I cannot yet say precisely what resources will be involved. But I will bear this suggestion in mind. As this is an urgent matter, adequate resources must be provided. Otherwise, it would be better to leave things as they are.

Mr Hord (ED). — If I may return to the question of Parliament's opinion on Christmas butter sales last part-session, it seems to me that the Commission has, in fact, confirmed that it does not have enough money left in the 1983 budget to deal with substantial disposals of butter or any of the other commodities which are in substantial surplus for this year. Whether it is the Christmas butter sale expounded by Mr Aigner and supported by this House, or whether it is substantial amounts of sales by way of exports, there is not enough money in the budget, and therefore the Commission is unable to carry on with its responsibilities of managing the market.

Would the Commission confirm that that is the situation, and say what it intends to do, having regard to the seriousness of the situation of such high levels of surplus agricultural products at the moment?

Mr Andriessen. — (NL) I appreciate that this point is politically important, and I therefore appreciate that it will keep on coming up under this item of the agenda. But I would point out once again that (a) the

Commission has announced that it intends to issue a statement on Thursday which will deal with all the aspects of the matter, including that to which the honourable Member has referred, and (b) however you look at it, this is a subject that is not covered by the Agreements between Parliament and the Commission on the substance of this specific item of the agenda.

I therefore hope that you will not expect me to give a detailed explanation of the Commission's position. The author of this proposal requested that this debate be held in the presence of the Commissioner primarily responsible. I believe we should comply with this request, and I would therefore ask you to wait for a detailed answer to the question until Mr Dalsager addresses Parliament on this matter.

President. — I think the Commissioner's request is reasonable, since at previous stages of our discussion we have already reached similar conclusions.

Mr Provan (ED). — I refer the Commissioner to Item No 6 in the report from the Commission, i.e. the Gautier report on coordinating agricultural research. Can he give me any indication as to the action that the Commission has taken, since that report was asked for as a matter of urgency during the last part-session? I stress, Mr President, the matter of urgency during the last part-session. I have a report in front of me from the European News Service which says that common research programmes in the Community are now hindered by budgetary restraints. How can the Commission come forward and ask Parliament for something as a matter of urgency when it knows that it cannot carry it out financially?

Mr Andriessen. — (NL) In reply to the first question, I can tell Parliament that later this month the Commission will be submitting to the Council an amended proposal that takes account of Parliament's proposals. The Commission will obviously not be forwarding to the Council a proposal for which there are no financial resources in the budget. The honourable Member need not concern himself about that.

Mr Aigner (PPE). — (DE) I would like to ask the Commission a few questions with regard to Thursday's discussion.

Can the Commissioners present ensure that the Commission statement this coming Thursday will answer the following questions?

1. What will be the quantity of intervention stocks of butter in storage at the end of 1984 — i.e., those which will have been in storage for two years at that time — on the basis of the Commission's own export projections of something in the region of 350 000 tonnes? If we have to add the massive stocks from last year to the 800 000 tonnes we currently have in storage, the disposal of such combined quantities

Aigner

could prove highly problematic and ultimately cost the Community twice or three times as much.

2. Am I correct in saying that the Commission renewed, at the end of March 1983, the generally applicable refund of 135 ECU per 100 kilos for the C2 zone, only to raise it suddenly to 149 ECU on 1 May 1983 for all trading partners in order to make possible the pre-fixing of some 46 000 tonnes of butter for a well-known operator with Eastern European connections? The pre-fixed refund is apparently to be further adjusted to the tune of 8.16 ECU per 100 kilos after the opening of the milk marketing year 1983/84. Commercial circles inform me — and I would like to have the Commission's view on this — that the delivery of these 46 000 tonnes of butter will mostly not take place before autumn 1983. In the intervening period it is being privately stored at the Community's expense; in other words, the Community's services are being doubly exploited with a view to increasing personal profits.

3. Can the Commission tell us how it intends — in the absence of exhausting the internal market reserves — to dispose of 800 000 tonnes of butter, in the light of current market trends, sinking world market prices and a steep curtailment in world demand?

4. Can the Commission state whether it is empowered to pay for an operation such as the Christmas butter scheme after it has been completed — that is, next year? Either way the financial burden for the Commission remains unchanged, for it must make the interest payments, whether the butter is being sorted or sold. It is, therefore, not so much a question of the budgetary year or of insufficient resources — the resources exist in the budget. Can the Commission confirm that the 350 million ECU are not to be considered as a free gift, as has been said, but rather as a modest subsidy of 33 %, as we suggested, while the export option amounts to almost 50 % of the value of the produce? Can the Commission confirm that our disposal scheme would be both cheaper and more efficient than any superficial analysis they have presented heretofore?

President. — I do not think that Mr Andriessen should, or even can, give an answer to this now, but that these questions should be raised in connection with the Commission's statement on Thursday.

Mr Patterson (ED). — The Commissioner did say he had not understood my question. In reply to Mr Cousté, he said that I should get a written reply. Could I be absolutely certain he is going to reply to my question, which is whether I can have a detailed analysis, as was promised by Commissioner Richard, of Parliament's vote on all the clauses in the temporary work directive, not just on the one concerning right of establishment but on all the others as well? Commissioner Richard did say that he

needed time to analyse it. He has now had several months, so can I have that in a written reply, please?

President. — I do not think you need reply, Mr Andriessen, since the speaker has asked you to deal with these questions in the written answer which you intend to give him.

6. Welcome

President. — On behalf of the Parliament, I extend a hearty welcome to Mr William Morrison, leader of a delegation from the Australian Parliament which is visiting us here.

(Applause)

7. Request to waive a Member's parliamentary immunity

President. — The next item is the report by Mr Donnez, on behalf of the Legal Affairs Committee, on a request for the parliamentary immunity of a Member to be waived (Doc. 1-766/83).

Mr Donnez (L), rapporteur. — *(FR)* Mr President honourable Members, this is the third time in a row — and I hope it will be the last — that we have heard a request from the Italian Minister of Justice to waive the parliamentary immunity of Mr Pannella.

Let me briefly outline the facts. A number of people are on trial in Italy for contempt of the Italian Constitutional Court — and this is a very special kind of offence which can only be proceeded against if the said court gives its agreement, as has happened in this case — and they have claimed that the insulting utterances, the defamatory utterances, that is the very least you can say, that they made about the Italian Constitutional Court had been decided on by the national secretariat of the Radical Party at a meeting attended by Mr Pannella. Hence, of course, potential proceedings against Mr Pannella for conspiring to insult and defame the Italian Constitutional Court. The potential proceedings, of course, come up against the problem of parliamentary immunity, and a request has therefore been made to waive it.

You are very familiar with our rules — we have shaped them together — and you are as familiar as I am with the principles governing parliamentary immunity. The idea is to guarantee both the European Parliament and the independence of the Euro-MPs — in other words, to protect the institution we form by protecting the effectiveness of these MPs from the powers that be. And we decided, in particular, that parliamentary immunity should not be waived when the offence was recognized as being of a political nature. We even decided that the opinion of the MP in question should be sought, because that is what our rules say. But we also decided that if the MP, Mr

Donnez

Pannella in this case, waived his own immunity, we could not necessarily accept it because, as I say, parliamentary immunity is primarily a guarantee for the parliamentary institution.

In the case in point, the offence is of a political nature or, more precisely, it is a question of utterances of a political nature made by Mr Pannella. So I would ask you to maintain our rules and decide that parliamentary immunity should not be waived. The case we are discussing today is identical to the one we had a few months ago and I find it very strange that we can contemplate changing our minds so soon.

This is the rule I am asking you to apply by adopting the report I have the honour of submitting to you.

President. — The debate is closed.¹

8. Court of Auditors

President. — The next item is the report by Mr Aigner, on behalf of the Committee on Budgetary Control, embodying the opinion of the European Parliament on the appointment of six Members of the Court of Auditors of the European Communities (Doc. 1-790/83).

Mr Aigner (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, the legal basis for the presentation by your Committee on Budgetary Control of this motion for a resolution is Article 206 (4) of the EEC Treaty, which stipulates :

The members of the Court of Auditors shall be appointed for a term of six years by the Council, acting unanimously after consulting the Assembly.

However, when the first appointments are made, four members of the Court of Auditors, chosen by lot, shall be appointed for a term of office of four years only.

The members of the Court of Auditors shall be eligible for reappointment.

Article 51 of our Rules of Procedure provides as follows :

Before the appointment of Members of the Court of Auditors by the Council pursuant to Article 206 (4) of the EEC Treaty, Parliament shall adopt an opinion on this matter on the basis of a motion for a resolution tabled by the appropriate committee.

On behalf of the Committee on Budgetary Control I am now presenting the motion for a resolution, which was adopted unanimously in committee; I have, however, been requested to clarify certain points.

Six years ago, this House ratified the appointment of the first members of the Court of Auditors. The term of office of six of those members expires on 17 October 1983. The EEC Treaty provides that Parliament is to have a say in the nomination of members of the Court of Auditors. Three of the six names proposed concern reappointments namely, Mr Lelong, the current president of the Court of Auditors, Mr Mart, from Luxembourg, and Mr Middelhoek, from the Netherlands. The remaining three are candidates for office: Mr Carey, from Great Britain, Mr Haase, from the Federal Republic of Germany, and Mr Vallas, from Greece.

There is, I feel, no need for me to go into the candidates' *curricula vitae* at this point. They are to be found in Document 1-762/83. The Committee on Budgetary Control is satisfied that their experience, professional formation and academic background equip them adequately for membership of the Court of Auditors. The Committee also discussed several important matters concerning these candidates, including the pertinent provisions of the Treaties.

I would like to cite, in particular :

The members of the Court of Auditors may not, during their term of office, engage in any other occupation, whether gainful or not [206 (6)].

In the performance of these duties, they shall neither seek nor take instructions from any government or from any other body. They shall refrain from any action incompatible with their duties [206 (5)].

In the course of a discussion it transpired that all members of the Court of Auditors either reside in the Grand Duchy or, in the case of new appointees, take up residence there, so that they are full-time servants of the Court. As regards their honorary functions the Court has adopted particularly stringent rules. We were sufficiently heartened by this to be able to state that the members of the Court of Auditors have, in the performance of their duties, complied fully with the terms of Article 206 of the EEC Treaty.

The Committee on Budgetary Control decided unanimously to recommend that Parliament should join with the Council in appointing these three candidates. We did, however, express one criticism of the Council: It delays for some considerable time before consulting Parliament on its recommendations, with the result that Parliament's hearings and deliberations are constantly pressed for time. Furthermore, there is little point in presenting a name to Parliament in the absence of prior consultation between Council and Parliament. Rather, Council should forward a complete list of all potential candidates to Parliament so that the latter's hearings could be conducted on the basis of the complete dossier.

¹ For the vote, see Annex I.

Aigner

To close, I would like to express my thanks — and I feel sure I can do so also on behalf of Parliament — to the departing members, Mr Leicht, Sir Norman Price and Mr Vitalis, for their excellent endeavours over the past years.

Both Parliament and our Committee on Budgetary Control have succeeded in organizing very close and, I think one may say, exemplary cooperation with the Court of Auditors. Each has respected the other's domain in the knowledge that the contribution of each partner was crucial for the control and, as a result, the success of the endeavour. Parliament is not equipped to carry out in-depth investigations in the Member States. For such thorough investigations, and the analyses thereof, it relies on the Court of Auditors and its team of officials. On the other hand, the Court's endeavours would be all to no avail if it could not be followed up by parliamentary control and the option of sanctions. In this scheme of things the cooperation brought about an atmosphere of mutual confidence between the Court of Auditors and the Committee on Budgetary Control in which the departing members, Mr Leicht, Sir Norman Price and Mr Vitalis, played no small part. I would like to reiterate my thanks to them from the floor of the House.

I would ask the House to emulate the voting pattern in committee by adopting this report unanimously.

Mr Kellett-Bowman (ED). — Mr President, Parliament takes the making of these appointments very seriously indeed, because we lean very heavily on the Court in the work that we do, especially in the Budgetary Control Committee.

Now, I have two small reservations about what we are doing, and both of them follow from the belief that members of the Court should be full-time members. Mr Aigner has mentioned paragraph 6 of Article 206, which asks that members of the Court should not be involved in other activities, and that, of course, I fully endorse.

Separately — and if you think about it, it is separate — I think we should ask the members of the Court to be full-time. By that I mean not necessarily working on other things but working full-time for the Court.

I hope that the Court, which will reconstitute itself in the next few days, will bear these points in mind.

I join with Mr Aigner in thanking the retiring three members of the Court for the sterling work they have done. They have set a good example to those that follow them, and we look forward to working very closely with them in the future.

President. — The debate is closed. The vote will take place during the next voting-time.

9. *Film-making*

President. — The next item is the report by Mrs Pruvot, on behalf of the Committee on Youth,

Culture, Education, Information and Sport, on the promotion of film-making in the Community countries (Doc. 1-504/83).

Mrs Pruvot (L), rapporteur.— (FR) Mr President, honourable Members, when it drew up the report before you today, the Committee on Youth, Culture, Education, Information and Sport wanted to make proposals and provide details of things that have to be done quickly by efficient, practical work on the Community's part.

We are delighted at the support the Commission representatives have given for our work and our proposals. Although we may agree that the main cause of the decline of the cinema as popular entertainment has been the development of television, we should also remember that, although television has deprived the film industry of its monopoly of audio-visual expression, it has provided a new medium for the dissemination of cinematographic works. In other words, another market has been opened up. Television and the cinema are not necessarily conflicting or competing. What we must do is make proper arrangements so the two media can collaborate in a way that is profitable to both. Greater television involvement in film-making and the fixing of film prices at a fairer level could be envisaged.

In most countries of the Community, the television authorities enjoy a state monopoly and are not subject to real competition. This enables them to abuse their dominant position as film buyers to keep prices too low. This does not happen in the USA, where television companies, which are private, provide 45 % of the film industry's earnings on the national market.

A second aspect of the situation of the film industry in the countries of the Community is the problem of film production proper and the question of national aid for film-making. Our Parliament had the opportunity to look at this question last year, by asking the Commission not to continue with the drive against the current system of national aids for film-making, as this aid should not be seen as a barrier to competition on the European film market (which in fact does not exist), but as essential measures to enable the European film industry to survive. That is the second principle of our report.

I now move on to the third point, which is perhaps the most important one. Although the film industry in the Community countries is in a state of serious crisis today, the American one seems never to have been so prosperous. This over-riding difference is not due, to my mind, to any difference in the standard of what is produced, but to a huge difference in the means available for distribution. We have here, I believe, a typical situation in which the size of the available market plays a very important part in determining the success of films.

Pruvot

The American film industry can count on a huge basic national market of more than 200 million consumers, and it has a world-wide distribution network too. Most of the films produced in the Community countries are still designed for fairly small national markets which do not have the publicity and distribution facilities they have in America. But since we agree that the creation here of a genuine common market in Europe is a very faint hope, bearing in mind that many of the cultural characteristics of films are inevitably also national characteristics, how can we help the European film industry to emerge from the present crisis?

First of all, the success of American productions in the countries of the Community proves that, although there is no common market for film-making as yet, there is already a fairly integrated common market as far as distribution and therefore consumption are concerned.

So what we want the Community and its institutions to do is enable European film producers to compete with the American ones on an equal footing on both our own and the world market. With this in mind, the motion for a resolution before you makes three specific suggestions: first, tighter control of semi-monopolistic and unfair competition on the part of American companies on the European market; second, Community action to improve the efficiency of the distribution arrangements for films produced in the Community; and, third, an annual European film festival.

As far as the first proposal is concerned, all we are asking the Community to do is implement the provisions of the Treaty of Rome on monopolies and unfair competition. The major American film distributors are abusing their strength on the European market to force cinemas to accept conditions and rules that enable them to exercise what amounts to real control over the market.

Secondly, the absence of any European distribution network that is powerful enough to stand up to the American majors means that the career of any original European film depends on American networks, which are bound to distribute their own films first.

Third, the idea of an annual European film festival, with Community support, could ensure that some of our films get the sort of collective publicity that would go some way to making up for the delays they have to undergo because of the specific publicity which the major distributors guarantee their own productions.

To conclude, Mr President, I think I can say that, in this report, we provide a series of proposals which are practical and realistic and could be taken up and implemented by the Commission very quickly — and without any major expenditure — thereby making a decisive contribution to safeguarding and promoting the film industry in the countries of the Community.

Standing up for our film-making is not just standing up for one section of our industry and job security in a sector undergoing a crisis. Supporting the European film industry means, above all, supporting an important medium of European cultural expression, one that is living and of high quality.

Success in this sector means more than producing first-class films. European directors and artists are already doing that. What we have to do is make sure that these films really reach the public. That is the fundamental problem and that is where the size of the market and respect for the rules of competition could play a very important part — and one that the Community must back up with its own efforts.

This report does not call on the Community to promote cultural protectionism in the film industry. That would be both regrettable and absurd. What it does do is ask the Community to make the conditions of film-making in the Community today fairer. It is not for us to influence the European spectator, who is still the best judge of the standard of films, or to restrict his choice. What we want to do is guarantee an equal chance of success to films that are made in Europe.

Mr Schwencke (S). — *(DE)* Mr President, ladies and gentlemen, Europe's cultural heritage is rich. No responsible politician would ever dream of harmonizing such a cultural diversity which has its roots in history, religion and national identity. This immense and gratifying European cultural diversity is not confined to the traditional arts — music, theatre, literature, painting and sculpture, but extends to the newer medium of films. I feel sure that there is no one in Europe, from Copenhagen to Palermo, from Brest to Istanbul who cannot immediately call to mind several films whose artistic expressiveness exercised such a profound influence upon him as to have very probably kindled an interest in other peoples and regions.

The European film industry is, as the rapporteur has indicated, in serious danger. That danger is, to begin with, of an economic nature. The fall in cinema attendances has by no means come to an end in Europe. Furthermore, well over half of the films projected in Community cinemas — in some Member States it is as high as 90% — are not European, but American productions. These powerful American distribution organizations determine the outlook of our citizens through the publicity they employ, they use their financial resources to fund the public lobby, for television too, and purchase, in the usual capitalistic way their own cinemas, which are then tied to the well-nigh exclusive showing of American films.

Some Member States and governments have responded to this overlapping, this increase in the distribution of American films to the detriment of

Schwencke

Community productions, by providing national aids to promote film-making. I believe such measures constitute an important step in the right direction. However — and herein lies the main reason for this report — the Commission has declared such national aid to be inadmissible under the Treaty. In 1981, it brought an action against Denmark, the Federal Republic of Germany, Italy, France and Great Britain, pursuant to Article 169 of the EEC Treaty. We thus have the Commission as guardian of the Treaties and, simultaneously, assassin of the Community film industry! I believe this doesn't add up. It is now incumbent on Parliament to declare categorically the priority of the cultural asset represented by the film, for films cannot be marketed like soap-powder and cannot fall victim to competition in the same way as any other product on the Community market.

The Pruvot report is comprehensive and its most important evidence stems from a hearing instigated by me, which took place in March 1982 and which was attended by a cross section of participants ranging from illustrious film directors to modest provincial cinema owners. That hearing strengthened our conviction that a dismantling of such national aids to the Member State film-making industry would be a prelude to the total disappearance of that industry. The Committee on Youth, Culture, Education, Information and Sport is unanimous in its opinion that national aids for the promotion of a cultural product, namely films, are necessary in creating a national and regional identity, that measures to stimulate creativity in the Community and to protect against the flooding of the Community film market by American productions are necessary and that we must further develop, through this medium, the production of original films in contrast to the stereotype American offerings as the Community's individual cultural contribution and, finally, that the Community needs a showpiece for its own productions in the form of an individual film festival. Munich has been suggested as a likely location, while some proposed amendments favour a system of rotation. I would say that we should decide in favour of Munich, at the same time leaving open the possibility of holding it occasionally in other countries. Finally, we are in the happy position, as a result of our discussion with those concerned, of knowing even better what Europe needs in the way of a cultural policy: preservation of national films is priority number one!

Mr Brok (PPE). — *(DE)* Mr President, ladies and gentlemen, the cinema is the authentic art form of the 20th century. This is the spirit in which it should be promoted. With this aim in mind we must make a particular Community effort to ensure the future of the Community film industry. This applies equally to the tactics of the non-Community picture studios and distributors.

Films are a typical means of expressing national identity and, as such, we ought to support the merits of national aid in this area. We should use the floor of this House to echo Mr Schwencke's statement that the cinema is a cultural asset, an art form and it must not be confused with soap powder. It cannot be subjected to the same criteria as any other consumer product.

Moreover, we ought to take joint Community action with the object both of looking into the commercial practices of American firms and of supporting the existing Community film industry. Community action is also needed to bolster our distribution and export firms with a view to achieving a better world-wide distribution of our domestic productions than has hitherto been the case. We must proceed primarily by building on the strong points of the existing distribution system which can, in turn, be appropriately coordinated and promoted. Apart from the aid package outlined we must take the necessary steps to ensure a wider screening of domestic films by television networks in the Community Member States, thereby weaning the latter off the cheap fare from overseas.

This report does not set out to put a stamp of Community uniformity on our film industry. It goes without saying that the cinema is apart of the intrinsic culture of each nation, an expression of national identity. It is this, above all, which provides the European cinema with its wealth of diversity. Our group supports the idea of a festival of European films and the award of a prize for the best European-made production and we would like to see suitable provision set aside for this in the Community budget. To avoid the pitfalls of centralized bureaucracy we should commission the Association of Film Directors to carry out the task, thereby ensuring an appropriate and competent operation.

Mr Papapietro (COM). — *(IT)* Mr President, ladies and gentlemen, I should like first of all to congratulate Mrs Pruvot on her excellent and very comprehensive report, with the valuable proposals it contains.

Mr Schwencke has just recalled the episode from which the resolution originated. The question was already discussed in this Chamber last year, and was the subject of a motion for a resolution which I personally had the honour of presenting, and which Parliament adopted. The Commission was then asked to give up its inappropriate and largely unjustified attitude towards the national film industries. Parliament's request, which was supported by directors and producers from all over Europe, was on that occasion successful.

The Pruvot report now addresses itself to the crisis in cinema-going, the relationship of the cinema to television and modern means of broadcasting, and, above

Papapietro

all, the relationship between the European and American film industries. The report paints an accurate picture of the problems behind the crisis. Its judgment and denunciation of the subordinate position of the European film industry in relation to its American counterpart is right, as is also its denunciation of the intolerable practices of the film distribution companies — above all the American ones — which are beyond question contrary to the rules of competition of the EEC Treaty.

In the limited time available to me, I will only dwell on two points.

I would emphasize that national aid to the film industry is useful, and is necessary to maintain the artistic quality of the product, but it cannot resolve on its own a crisis that does not stem from a lack of quality in the films produced, even if, for every film by Fellini or Godard, what a lot of trash there is, and often, what a lot of vulgarity — often financed nationally, too — and, at the same time, what a lot of great American cinema!

The crisis in the European film industry does not stem only from conditions of commercial colonialism, or weakness in regard to film distribution. It stems from something more complex: firstly, the deep change in the structure of leisure itself — and this is what we have to dwell on — and, hence, the decline in cinema-going. This is a phenomenon that is tending to become increasingly complex, with cable TV, TV by satellite, and video cassettes. This is the first difficulty. The American film invasion is the second.

As Mrs Pruvot has said, these complex problems cannot be tackled and resolved with autarkic, protectionist measures.

It only remains for me, therefore, to say that I agree with the proposals, above all the proposal for a European Film Festival, preferably to be held in a different place on each occasion, and probably to be arranged — as proposed in an amendment — by the Association of Film Producers and Directors.

Mr Cousté (DEP). — *(FR)* Mrs Pruvot's report on the promotion of film-making in the Community is a very good one. We approve of it, we support it and we think that, when she says the Europeans are not competing with each other but with the Americans, she is right. But what is important is to strengthen the ties between the various European film producers. We already have the example of cooperation between France and the Federal Republic since the 1981 agreement, and joint assistance has been given to certain coproduction projects. There is no doubt that the Franco-German assessment committee for film projects eligible for assistance, like the last Fassbinder film, is a success. So it was decided — and this is good thing

— to boost this cinematographic cooperation between France and the Federal Republic by setting up a similar system of joint assistance with distribution. This is a precise response to Mrs Pruvot's concern.

But we have to go further than this. On 17 and 18 September 1982, there was a conference in Naples where they proposed a multilateral European agreement on the coproduction and distribution of films on the lines of that already existing in the Federal Republic. These are the lines we should be working along and, of course, we should be working towards a European film festival too. However, one word of warning: the arrangements for the festival must be made as carefully as possible, as there are already important, long-standing and highly regarded festivals in Berlin and Cannes and Venice.

Lastly, the resolution underlines, and quite rightly, the essential role of short films both as a form of cinematographic expression and as a means of training filmmakers. This should be supported so as to lead to the adoption, at Community level, of measures to encourage producers in the various countries to make short films. I should add that this is particularly essential as we are living in a world where trends in the distribution of films will lead and already are leading, with the introduction of new techniques (cable and satellite in particular), to a new situation. Europe must unite to promote the European film industry.

Mrs Péry (S). — *(FR)* I should like to start by thanking Mrs Pruvot for taking her subject so seriously and by assuring her she has our support. The European film industry is in a state of crisis in spite of the fact, as the rapporteur pointed out, that the general public is very fond of this most popular art-form. However, today, people can go to the cinema in their own homes, nice and warm and surrounded by their families. The attractions of television and video are undeniable. I shall not go into the various aspects of the report in any greater detail, as you have already had them explained to you, but I shall talk about the competition between the traditional forms of distribution and the development of new techniques. I should also like to put forward certain measures that would protect the projection of films in cinemas, this being something people in the profession are concerned about.

The countries of Europe could agree on some common rules to harmonize relations between the cinema and television. They could, for example, get the television authorities to broadcast fewer films at weekends and to wait two or three years after the première before showing them at all. In much the same way, there should be a waiting-time of several months before films can be distributed on video too. We have to have European cooperation if we are to campaign against the illegal copying and distribution

Péry

of works. And lastly, these new forms of distribution should make a greater contribution to covering the cost of producing films.

The European film industry is in a state of crisis, but the American film industry, as we have already heard, is not, for 47 % of the films screened in Europe come from America. I am not particularly protectionist and I often find American films good, but it has to be admitted that a liberal policy is of no help to our seventh art, in spite of the undeniably high standards of what we produce. We have to strike a fresh balance between European and American films. Agreements could be concluded in the technical industries — for copies of films, for example — and in the field of distributing European films outside the Community. We could keep a certain percentage of screen time for European films when programmes are being planned in our various countries. The honourable Member who spoke before me reminded us that on 17 September 1982 in Venice, Jack Lang, the French Minister of Culture, suggested a multilateral European agreement on the coproduction and distribution of films, using the provisions that already link France and Germany. But this European cooperation cannot replace national aid as things are at the moment: abolishing this aid would kill the film industry in the countries of Europe.

The need for collaboration between television and the cinema, the creation and renovation of cinemas in underprivileged areas and the adoption of new measures to encourage shorts and provide support for art and experimental films are all potential focusses for a European film policy.

Mr Adamou (COM). — *(GR)* Mr President, we consider that Mrs Pruvot's proposals relating to the situation and problems of national film industries in the Member States of the Community are positive. She very rightly stresses the dramatic consequences of the crisis in the film industry in EEC countries because of competition from large multinational companies, and in particular the threat to the culture and further advancement of Western European countries posed by the flood of American films. The statistics are indeed frightening. American films have taken over the markets in the Community's Member States, from a proportion of 30% in Italy up to 92% in Britain. If we bear in mind that the characteristic feature of the American cinema is a glorification of all kinds of violence and crime, it becomes easy to understand how great is the danger threatening not only the psychological well-being, but the cultural progress and spiritual development of our peoples owing to the cultivation of Americanism. I stress the term 'Americanism.'

Nevertheless, we would like to comment that at certain points in Mrs Pruvot's resolution it should be

made clear that the measures proposed apply to the film industries in all our countries, and not just to some film industry in the Community. Otherwise, we should find ourselves trapped in the same vicious circle, with many threats to the national identities of our peoples.

Subject to these reservations, we shall vote in favour of Mrs Pruvot's proposals.

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, the President of the Commission, Mr Thorn, would have liked to take part in this debate. Unfortunately, business elsewhere in the Community prevents him from being here today. In view of the limited speaking-time, I cannot, of course, consider every detail of the analysis or even of the resolution, an important resolution.

I will confine myself, if I may, to saying that Parliament and the Commission very largely agree on the need for action to be taken to help the film industry and on the form this action should take. I am also pleased to see that the majority of this Parliament at least now understands the Commission's opinion on assistance for the film industry. The Commission has never opposed such assistance. It has been concerned in the past about the way in which it has been provided. Consultations on this subject are now in progress and will, I hope, produce a satisfactory solution.

When preparing for this debate, I was struck by something that Moravia said: 'Through the invention of the film man is placed before a gigantic enlargement of himself. He raises his head and sees himself in action. Television, on the other hand, reduces man in size, making him a dwarf, a miniature'. Although I do not fully agree with this statement, I do share the view expressed on films made for the cinema. In my opinion, such films are culturally irreplaceable. It is a pity that far fewer people go to the cinema now than before the introduction of television. It is obvious that from an economic point of view — as has rightly been pointed out — television obtains expensive films cheaply. The cinema-goer provides much of the finance that goes into the films seen on television. This produces a false relationship between revenue from the cinema and revenue from television. Something must be done about this, but I do not think it will be easy to do it quickly.

Before the end of the 1980s, the Member States of the Community will have on average three conventional television channels, thirty cable channels and a number of satellite channels. How programmes are to be found for all these channels will then become a particularly urgent question. Not only will there have to be more coproductions: a fair price will also have to be paid for films that are shown.

Andriessen

There need be no doubt — nor is this disputed here — that our film industry is in a healthy condition as regards the quality and quantity of the films it produces. Culturally, the challenge can therefore be accepted without further ado. But the film industry is less healthy when it comes to distribution. While it is true that film production is a flourishing activity with strong roots in firm ground, the same cannot be said of distribution. Where distribution is concerned, it is extremely important for us to join forces in the Community, because the likelihood of success in this area is directly related to the number and variety of the films produced. In this connection, I can also say that the Commission is looking very carefully at the present situation as regards the distribution of films and, if necessary, will take action. I also note that it is more widely agreed that competition which is considered unfair should be combated than that the principle of competition should be accepted for this product as such, even in this Parliament.

The Commission will, of course, need to have further consultations, internally and externally, before the ideas contained in this resolution are implemented. The Commission is prepared for this, and it is also willing to pave the way for the European film festival, an idea that you have suggested. And we are talking not only about films that last the whole evening, but about short films as well, not only the commercial circuit but also the non-commercial film-clubs and cinemas that specialize in artistic and experimental films. Thought will also be given to cinemathèques, which are true cultural centres, and, just as you have proposed, to those men and women who earn their daily bread by making films.

After the resolution has been adopted, the Commission will have a clear recommendation to help it map out its policy. A resolution that will, of course, continue to bear the name of Mrs Pruvot, who has been responsible for drawing up excellent report, on which I should like to congratulate her most sincerely. I hope and expect the final outcome to be a substantial increase in the number of people wanting to go and see our films in the Community and possibly outside.

President. — The debate is closed.¹

10. *School textbook commission*

President. — The next item is the report by Mr Brok, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on the establishment of a school textbook commission (Doc. 1-494/83).

Mr Brok (PPE), rapporteur. — (*DE*) Mr President, ladies and gentlemen, European unification, and with it, the consolidation of a durable peaceful coexistence worthy of the name, can be assured if we are successful in rallying Community youth to such ideals and, in organizing their education along lines faithful to them, we can help to prevent chauvinism from ever taking roots again in Europe. This highlights the need to have recourse to the Community dimension with regard to school curricula, not by the addition of an exclusively Community subject but rather across the board, supplanting the exclusively national view and, in the process, affording the young generation a truly global Community outlook.

Such an objective necessitates the gradual elimination from school textbooks of mutually-held preconceived ideas which, in turn, would have the additional effect of contributing towards peace in Europe. A French writer once said: 'they even manage to turn the truth on its head. Each nation has spawned its own self-serving truth to replace the notion of eternal truth. So many nations, so many truths, refusing to acknowledge each other, distorting and misrepresenting. By all accounts this is, in the history of Europe, a critical point of departure. We need look no further than at the European civil wars — preconceived ideas which were allowed to feed upon themselves over hundreds of years and which, to this day, have still not been totally banished from our hearts and minds.

This is not an attempt to decry the necessity of recalling clearly those chapters of national excesses. Quite the contrary. Such national aberrations must be explained, warts and all. We have come to realize at this stage that ideals of European unification fail to inspire the young generation precisely because they lack the personal war-related experiences imprinted upon those who were later to become the founding fathers of the European unification process.

We must explore ways of equipping the young generation with a sense of perception in spite of their lack of personal experience of those appalling chapters of European civil wars, race and class hatred. It is incumbent on the European Parliament to contribute to this process, for aspects of Community economic policy, customs union and so forth are not matters which are likely to rally the young generation behind a peace movement. Europe is more than an association of grocers and farmers. It is first and foremost the instrument for rendering warfare between Europe's citizens inconceivable. This was the reasoning underlying the unanimity which prevailed in the Committee on Youth, Culture, Education, Information and Sport.

The area covered by the report is one in which numerous institutes and non-governmental bodies are already active. Indeed, in drawing up the report, I have been inundated with excellent suggestions, mainly spontaneous, at national rather than Commu-

¹ For the vote, see Annex I.

Brok

nity or bilateral level and, for the most part, uncoordinated. We now have the task of coordinating these exemplary efforts of scientists and other specialists. Hence the need for cooperation among the various national specialists. This, in turn, highlights the need for seminars devoted to educational policy, the initiation and support of scientific studies and the commissioning of an enquiry, to be undertaken by an existing scientific institute rather than by the creation of a new one. The coordination of the results obtained would be entrusted to a school textbook commission consisting of independent specialists. The aim is, therefore, to bring specialists together in a cooperative endeavour, rather than a series of individual efforts. The Community's role in this scheme of things would be one of coordinating and supplementing.

Let me make it perfectly clear that we believe there is a case for investigating the possible need for such a committee of inquiry. Mr Simmonds, who has tabled an amendment, ought to reconsider this aspect. We are not about to set up a school textbook commission at this juncture. We are, rather, asking the House to give the go-ahead for an inquiry to be carried out, as to the need, or otherwise, of such a commission. Thus worded, I believe there ought to be little objection to its adoption by the House.

There is no doubt that Member State governments must have the final say with regard to the contents of such school texts. Nor do we consider it, as yet, an auspicious moment for entrusting the Community with overall responsibility in the educational sphere. We feel, rather, that this is a quintessentially national domain. As such the work carried out by the commissions and institutes referred to could be of no more than a preliminary nature, consisting of recommendations which would be examined and appropriately reworked to take account of national characteristics. However, — and I would ask the conservatives to appreciate this — if we strip the report of the provisions relating to the committee of inquiry and the coordination exercise outlined above, then it will have lost its relevance and we shall have rejected the opportunity of eliminating national preconceived ideas.

For the benefit of Mr Simmonds I should like to quote from his fellow-countryman, Herbert George Wells, who said: 'To the enlightened it is becoming increasingly clear that as long as racist heresies and national and cultural prejudices are sustained through systematic inculcation, our very contemporary human existence and thought-process will be increasingly doomed to a regime of slavery, fear and the passions of ever-more appalling wars'!

Such an issue lends itself, in my opinion, neither to a formal nor a fiscal approach, all the less so when the wherewithal for the implementation of the approach I

have outlined is at hand, in the form of the Kreyssig Fund. Turning to Mr Forth, I must say that I feel the Community to be more than the attainment of the customs union, as you propose, and that we should, therefore, attempt to promote a European peace policy as a promising initial step.

A peace policy in Europe supercedes mere discussion about deployed or to-be deployed missiles. It must be more than the mere absence of war, it must contain a tangible commitment to promoting peace. Hence my belief that, if European society could be relieved of prejudices, they could no longer be manipulated and, sharing an education based on the Community dimension, would never permit governments to embark upon warmongering tactics. I believe such an ideal of a peaceful and free Europe to have been the dream of the founding fathers of the European unification movement and that, while fully recognizing national responsibility in educational policy, we should subscribe to such a dimension and make the advantages it affords freely available, with a view to providing back-up advice in the form of coordination and consultation, thereby providing the national Member States, as the responsible authorities, with the benefit of the preliminary work which they can develop in the spirit of a European ideal.

(Applause)

Mr Gerokostopoulos (PPE). — *(GR)* Mr President, the Group of the European People's Party, on whose behalf I speak, adopts absolutely and unreservedly the proposed resolution by the Committee on Youth, Culture, Education, Information and Sport, for the setting up of a school textbook commission.

In and my group thank the rapporteur, Mr Brok, both for his report and for his initiative, with other colleagues, in setting in motion a debate on this most important topic. Our colleague's inspired development of the subject and indeed the text of the resolution under consideration are characterized by such clarity that little more need be said upon the subject.

I would however, like to take this opportunity to voice certain general thoughts and comments on the need, I stress — the urgent need — for the European Community to become more active in the educational sector in general. To forestall any objections, I stress that such action would not aim to challenge the characteristic features of the national identities of Member States; in any case, this is also emphasized in the motion for a resolution and by the rapporteur himself. On the contrary, it should aim at a better understanding of national characteristics and a deeper knowledge of Europe's cultural heritage, the common property of the countries on our continent.

The European Community cannot base its orientation entirely on economics and its associated fields. Due

Gerokostopoulos

consideration must also be given to the cultural sector, and in particular to education. The proposed resolution we are debating deals only with one small fraction of the problem of education, but it does round off previous Community actions in a specific and practical way. More especially, I refer, first, to the Commission's communication to the Council of 1978 entitled 'Educational activities with a European content: The study of the European Community in schools', and secondly, to Parliament's resolution of 11 March 1982, the Gaiotti de Biase resolution, concerning a Community programme in the field of education.

Mr President, before I finish I should like to stress that the proposal to set up a European school textbook commission is a basic precondition for coordinating all the work aimed at publicizing the European Ideal in the Community's schools. The European People's Party, believing firmly in the unification of Europe, supports Mr Brok's motion for a resolution without any reservations, as I said earlier, and both asks and hopes that this House will unanimously adopt the same position so that the necessary steps towards our great purpose, the aspiration of European Union, may be taken all the sooner.

Mr Beyer de Ryke (L). — (FR) Mr President, if our colleague Georges Marchais happened to be present, I would get him to shout that it was a scandal. What scandal? The one the President of the French Republic denounced — so pertinently and so late — when he spoke out against history being dropped from the timetable in our schools. Man is only man because he has a memory — and that will perhaps prevent Jean-Charles from picking out gems like the caricature that appeared in a French weekly the other day, where we saw a little boy thinking: 'Marie-Antoinette, Marie-Antoinette ... Wasn't she married to Napoleon before he married Joan of Arc at Verdun?' Joking apart — if the Brok report is simply aimed at generating a better knowledge of the history of Europe and the Community, we shall be right behind it. But we cannot be unreservedly in favour, I have to admit, when it implies a need to harmonize syllabuses to avoid what he calls national prejudices. It is true — he is right — that, to a certain extent, excessive nationalism is the death of Europe; but ignorance of what has made the nations of Europe what they are does damage to the whole.

I am most certainly aware of the fine intentions of the equally fine honorable Member, our friend Brok. He claims not to want to diminish our national identities, but what he is proposing still seems to some of us to be likely to damp our individual features. There is no point in harmonizing for the sake of it. Harmonize European law, 'yes'. Harmonize school textbooks, 'yes but' — which for some people means 'no, but'. Which is why, Mr President, and I am ending on this note, we, in our hearts and our consciences, will not be harmonizing this vote. Each member of the Liberal

Group will vote as he sees fit and he will be free to do so.

Mr Vandemeulebroucke (CDI). — (NL) In some respects I have mixed feelings about the Brok report. It is true that history is sometimes taught from a fairly narrow nationalist viewpoint and often lacks a wider perspective, but I find it a pity that the rapporteur confines his suggestions almost entirely to the subject of the textbook itself. There are, of course, quite a number of pedagogical methods besides the traditional textbook. This report does not, for example, refer to schools programmes on the radio and television or to adult education programmes, video libraries or slide libraries. And it is also a great pity that it does not contain an analysis of the role which the information offices in the various Member States might play in the composition of more Europe-oriented curricula and teaching materials. They could do this by arousing the interest of teachers' association and helping to finance model lessons, series of slides and video cassettes. This could all be done in the form of 'project teaching', with the teaching of languages, history, geography, economics and so on being combined to give an overall approach, leading to the discovery of another Member State, for example.

In my opinion, it is not for the Commission to put itself in the place of the Member States' pedagogues. No teaching method is ever cut and dried. Teaching methods are always evolving. I do not therefore consider the proposal for a 'Commission textbook' very useful. It would be far better for the Commission to confine itself to giving financial encouragement and support from the Kreyszig Fund and to exchanging information through existing channels, which are, in my opinion, the information offices. Nonetheless, I shall vote for this report because it calls for more attention to be paid to the teaching of history.

Mr Eisma (NI). — (NL) Mr President, we have repeatedly complained here about the lack of progress in European integration, principally because of the Council's frequent failure to take decisions. This in turn is due to the Ministers having to account to their national parliaments and to the fact the European idea has to take second place to national interests, even minor ones. And this, of course, is due to the fact that the members of the national parliaments would not otherwise dare to face their constituents.

If we are to overcome this *impasse*, we must educate young people in a European way. This in turn will mean the election of parliamentarians who think European and also require their Ministers to pursue a pro-European policy. The Council of Ministers will then automatically take the decisions we want over the next twenty years. It is as simple as that.

The ideas expressed in Mr Brok's report therefore have our full support. The idea of European unifica-

Eisma

tion should be encouraged, both by progressively removing the prejudices and one-sided approaches from teaching aids and through positive teaching on the importance of European integration.

We know, of course, that the powers of the Council and Commission do not extend to the curricula of schools in the Community. But they can make recommendations and use their influence, as indeed the resolution requests. And there are already 'European textbooks' which give an unprejudiced account of history, for example. These books could be used to advantage when national teaching materials are modified.

Like my neighbour, Mr Vandemeulebroucke, we are less enthusiastic about the proposal that these activities should be coordinated by yet another new commission. After all, the budget of many of the Community's advisory committees was halved last year. This will make things difficult for various major reports, like those on consumer protection. In these circumstances, should we be setting up another advisory committee? At the risk of labouring the point, we would remind you of the institute in Brunswick that has been comparing textbooks for years.

Could this institute not carry out the research into the way Europe is treated in teaching, for which the resolution calls? Could it not be put in charge of coordinating activities? If so, there is no need for a separate commission. This is to assume that the Commission cannot take on these tasks itself, which is the subject of the amendments tabled by Mr Simmonds. We look forward to hearing the Commissioner's answer to this question.

Mr Bøgh (CDI). — *(DA)* Mr President, when I read Mr Brok's report, I am reminded that we are approaching the year 1984, which was the subject of George Orwell's famous novel of the future. In that book, the main character is an official at the Ministry of Truth, his work consists in the continuous revision of the past, so that the history books are always in conformity with prevailing ideology.

There is not a little of the same idea in the document we are dealing with here. It assumes that the past was full of nationalistic prejudices, which are reflected in the school books of the period, and that we are in a better position today to present an objective view. Mr President, our view of history is no more objective than the view we have of our own age, and any claim that our view of our own age is objective would be intellectual fraud. The appraisal of history which is presented in Mr Brok's report is characterized by the attempt of the devotees of Union to trivialize certain uncomfortable facts about the past and to make the idea of European unity the culmination of a significance and dynamism inherent in the history of Europe.

It is a perfectly legitimate and important task for us to work out a reasoned attitude to the absurd evils we have lived through in Europe, but we shall not do that by trimming history to fit a convenient pattern. We shall do it by coming to terms with the past. We shall not do it — as the report calls on us to do — by introducing a European dimension into the education given in the schools. This is nothing but a new subjectivism which we have no grounds for inflicting on the children. The plain fact is that education, schooling, cultural policy in general are irrelevant to the Community. There is nothing about these things in the Treaty of Rome, and Parliament could therefore quite happily have saved itself the trouble of dealing with this question.

Mr Estgen (PPE). — *(FR)* As co-signatory of Mr Brok's motion, I clearly support it whole-heartedly. Like him, I think that there is no point in championing a Community educational policy, but I do believe it is reasonable to ask schools today to help build the United States of Europe, to contribute to the European idea, for Europe will only be achieved if our young Europeans realize and recognize the importance of this unification for our continent, for our countries and for our citizens in a world environment that is extremely hard and dangerous. It is at school that the young people, men and women alike, of our respective countries have to learn that they belong to Europe and that they depend on Europe.

We have to teach the meaning of being European in our schools; we have to teach what unites us and what makes us different from other people. So the school has a key task here, as it has an enormous influence over our young people. What this means, practically speaking, is that the European idea has to have its place in the school, both as an educational principle and as part of the syllabus.

We must base ourselves on the cultural foundations of a common European civilization and show our young people how the desire for political unification in Europe was, ultimately, born of the ruins and of the great fratricidal wars. So school textbooks, obviously, are of vital importance. At the same time, I should like to stress the importance of training teachers too, along European lines. It is our teachers who will train the European citizens of tomorrow. That is where our hopes lie. The classroom is every bit as important as this Chamber when it comes to building the Europe of tomorrow. Teachers are as important as politicians, maybe more important. School-books are as important as our resolutions. Therein lies the importance of the report by Mr Brok, and I congratulate him on what he has done.

Mr Gendebien (CDI). — (FR) In one or two words, Mr President, I should like to thank Mr Brok for having taken my motion for a resolution into account.

As he said, we shall not build Europe just by talking about the sheepmeat trade or Christmas butter. That would be a monumental error.

Closer ties between our peoples will also come from a better understanding and a greater appreciation of our different identities. Hence the importance of teaching history to the up and coming generation: the history of our nations — which, as far as I am concerned, stretch from the Atlantic to the Urals — and the almost equally long history of the construction of Europe.

In my motion for a resolution, I noted the persistence in history teaching of wrong, distorted and even nationalistic ideas. This is something that has to be fought at all costs by our institutions taking joint action on history books and also on the mass media — television, for example. Here I am sorry that the resolution fails to mention television, for it is worrying to see that stupid, simple-minded and nationalistic films, particularly war films, are distorting the idea of Europe. So I hope the Commission and the governments will take note of the resolution we are about to vote this evening, and I hope that from now on, Mr President, ladies and gentlemen, Parliament will spend more time on debates of this kind, as these are subjects which seem to me to be every bit as important as our debates on economic and commercial affairs.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Commission appreciates the interest the European Parliament is again showing through this debate in educational problems and more specifically in teaching on Europe.

If we are to achieve what is written in the first paragraph of the preamble to the Treaty of Rome, an ever-closer union among the peoples of Europe, we simply cannot overlook the teaching of our young people. Parliament can therefore take it for granted that the Commission will be continuing its activities in this area with the modest resources at its disposal. The Commission has close contacts with many non-governmental organizations active in the field of education, and not least with the Centre for European Education and the European Teachers' Federation. Through these organizations it assists a wide range of initiatives and activities.

But I must point out at this juncture that the resources available to the Commission are very limited. While the Commission was able to contribute 300 000 ECU from the Kreyssig Fund to teaching on Europe in 1982, this amount was reduced to 150 000 ECU by the budgetary authority in 1983. The Commission has again requested 300 000 ECU for

1984, but at the end of the debate the Committee on Youth, Culture, Education, Information and Sport proposed that this should be reduced to 200 000 ECU. I should mention that there are people working enthusiastically in the field who are capable of doing important work with small amounts, but that the very substantial reduction in available resources has also brought many initiatives with a good chance of success to a halt. However, I should like to emphasize here this evening that the most important aspect of the Commission's policy is cooperation with other organizations in conjunction with encouraging cooperation among these other organizations.

Earlier this year, for example, the Commission sponsored a conference that was organized by the *Istituto storico italiano per l'età moderna e contemporanea*, the main aim of which was to set up an association to encourage the teaching of European history in a non-nationalist way. The Commission has also compiled a catalogue of textbooks on Europe that will be available in a few months.

The Commission's experience generally shows that this is a more effective way of stimulating balanced teaching in Europe than, for example, the involvement of textbook commissions. This latter idea has been raised in the past, but has generally encountered considerable resistance or reservations among the authorities concerned in the Member States, one reason being that in various Member States textbooks are not regarded as something which should concern the government. I therefore believe that encouraging cooperation could be more effective than setting up new bodies.

The Commission endorses the general recommendation made in this resolution, in its call for more cooperation in this area. The Commission would not be able to accept any very specific recommendation, as I have just said with reference to the textbook commission. This does not alter the fact that the Commission intends to act in the spirit of this resolution with the resources it has, with the aim of bringing about the type of teaching that Parliament wants.

Mr Brok (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, I would like to thank the Commission for endeavouring to aid this area from the very limited financial resources available. Our report aims to continue the initiative sponsored by the Commission which is currently in operation in this area. On the question of the school textbook commission, the House is not being asked to vote on its inauguration but rather to endeavour with the aid of such a commission, to obtain a constant coordination and contact consisting of specialists already carrying out such research in various national institutes. Were the Commission and Parliament to make a joint effort to substantially beef up the financial resources allocated to this area in an effort to eliminate national preju-

Brok

dices it would be better than some of the decorative Community-financed brochures we distribute which are read by no more than a chosen few and, at best, end up adorning one or other book shelf. As Mr Eisma pointed out, the task which we envisaged for the school textbook commission could, in fact, be entrusted to an existing organism such as the 'Braunschweiger Institut'. Although a possibility, I personally would prefer to see such a body constituted along Community-wide lines, for I can readily envisage the pitfalls inherent in commissioning a national institute to carry out a task of such international scope. To Mr Bøgh, who has compared the whole affair to Orwell's book '1984' I, as a German, born in the post-war period, and as one who feels he has learned something from German history, feel obliged to point out something to you. In the First and Second World Wars, young Germans were spurred on by non-democratic governments because a school educational policy replete with prejudices rendered them easy prey for such manipulation. I would not like Germany, nor indeed Europe as a whole, to be subjected to such an experience again. I would like to hope that the elimination of such prejudices would preclude Europeans from ever taking up arms against each other again. For this reason I appeal for your support.

(Applause)

President. — The debate is closed. The vote will take place during the next voting-time.

Mr Forth (ED). — Mr President, it may be that when we considered the agenda we decided not to vote after this report, but I missed that. It says on my agenda that the report by Mr Brok would be followed by the vote. I fully expected the vote to take place now, and I am here to participate in it! Can you tell me the basis on which you have now changed the time of that vote to Wednesday please? I am not aware of the House's having approved of that.

President. — Mr Forth, I will gladly tell you in the hope that Mrs Kellett-Bowman's point of order will then fall. Our agenda indicates that today's sitting lasts until 8 p. m. Eight o'clock has now passed, and there is no hope of finishing the matter in a couple of minutes, since I have so many requests to make explanations of vote that it is impossible to tell how long they will take. Once more, the reason why the voting cannot take place now and has to be postponed until Wednesday is that it is already 8 o'clock.

Mrs Kellett-Bowman (ED). — I was going to observe that it is so much more satisfactory when those who have actually listened to the debate can then vote, but obviously the point is gone, Mr President.

*(The sitting closed at 8.05 p.m.)*¹

¹ For items concerning membership of committees and the agenda for the next sitting, see the Minutes.

*ANNEX I**Votes*

This Annex indicates rapporteur's opinions on amendments and reproduces the text of explanations of vote. For further details of the voting, the reader is referred to the Minutes.

Donnez report (Doc. 1-766/83 : Waiving a Member's immunity) : adopted

* * *

Pruvot report (Doc. 1-504/83 : Film-making) : adopted

Explanations of vote

Mr Forth (ED). — This resolution, I am afraid, shows Parliament at its worst, because yet again we are going through the ritual of saying warm and pleasant words about something, asking at several points for things to be done which entail the expenditure of money, but not telling anyone where the money will come from.

This Parliament lays a lot of stress on the fact that it is a joint budgetary authority of the Community. We claim to have power and influence over the purse-strings. We claim to be financially responsible. We claim to speak on behalf of the taxpayers of Europe. Yet in this report, as in so many others, we make specific recommendations for the expenditure of money. You will find this in paragraphs 8, 11, 14, 15 and 17. I would like to know from the Commission from which budgetary line this money is coming, because the Commissioner told us how wonderful all this was and how the Commission proposed to do positive and good things about it.

But words are not enough and reports are not enough. We are dodging, ducking and avoiding our responsibility as parliamentarians and as joint budgetary authority of this Community if time and time again we produce reports which say that we should spend money and yet refuse to say where the money is coming from.

Could anyone tell me whether this is going to require a larger Community budget and, if so, from where? Will other budgetary lines be reduced? If so, which ones? I would very much like to know when this Parliament is going to face its responsibility as a joint budgetary authority and tell people where the money for this kind of thing is coming from. Until it does, I will not support this and similar reports.

Mr Marck (PPE). — (NL) I fully endorse the general tenor of Mrs Pruvot's resolution, since I believe that the abolition or reduction of the aid that is now provided by most Member States and is now in danger because of the crisis would eventually result in the disappearance of the film industry. It should be given more encouragement. Mrs Dury's amendment, which has just been adopted, calls for encouragement through tax concessions on investments in the production of films, and that seems a very good idea to me. We should also make it clear to various Member States that something must be done for the film industry.

I do not fully agree with the suggestion Mrs Pruvot makes in her report that the American film industry is entirely to blame for the European industry's difficulties. The dominance of American films in the world has been a process of historical evolution and is, in my opinion, an irreversible fact. We must search our own hearts rather than look for excuses. Even the European Community has great film producers who make things difficult for the smaller countries, and the amendment tabled by Mrs Dury that has just been adopted makes it easier for me to vote for this resolution with enthusiasm.

I should like to refer, in particular, to paragraph 7 of the Pruvot resolution, which calls on the Commission to take action to establish cooperation between the film and television industries on a mutually beneficial basis.

Mrs Dury (S). — (*FR*) Mrs Pruvot, in the end I shall be voting for your report, because, in spite of the fact that you failed to give your opinion on my amendments, they got through. But I have two remarks to make about your report. First, we should not, I feel, make the American film industry and its 'majors', which are rapacious indeed, the only targets. When they talk about rapacious companies in Belgium, what they mean are the French distributors above all, those firms that are on the way to getting themselves a monopoly in a small country like mine and making it extremely difficult to contemplate any independent distribution. I feel your report fails to shed enough light on the problem of small countries which are subject to the influence both of America and of big countries like your own.

A second thing is this. I think you don't place enough emphasis on film production. This is why I tabled an amendment on tax exemption for people who invest in the film industry. There would be no point, I think, in having distribution circuits if there were nothing to distribute. If there are no films to distribute, the whole operation is pointless.

What I think, in fact, is that the distribution issue is far more important than we tend to imagine, which is why I tabled that amendment.

As Mr Andriessen said, the need for image is growing, particularly in the new media that you criticize — although, as I see it, it is an opportunity for the European film industry too.

Mr Simmonds (ED). — In making my explanation of vote, may I say that whilst I have the greatest respect for Mrs Pruvot, I have been unable to vote for certain paragraphs in the report, just as I was unable to vote for them in committee. As Mr Forth has mentioned, very many of them call for the spending of money and the establishment of further bureaucracy, and there is no indication of scale of this and how the cost of it is to be met. Virtually all the paragraphs that I have voted for, however, call for the law to be observed and to ensure that we have free and fair competition. We can ask for nothing less than that.

One particular call that worries me is the call for a European Film Festival. All those to whom I have spoken in the trade tell me that there are already too many festivals for too few films, and I cannot vote for yet another film festival. I do believe that we have to take into account the new revolution that is taking place in Europe regarding video cassettes. The statistics contained in this report and relating to the years 1979 and 1980 are, as far as the United Kingdom's figures for cinema attendance are concerned, out-of-date and, alas, irrelevant. However, I am prepared to support substantial parts of the report.

Mrs Phlix (PPE). — (*NL*) I welcome this report, and I thank Mrs Pruvot for the way in which she has dealt with this difficult subject.

However, I must express my disappointment at the insufficient emphasis placed, in my humble opinion, on the quality standards European films must satisfy. Nor is enough said about the difficulties and possibilities as regards training and experimental exchanges for film-makers. We must have the courage to say that it is not only the limited opportunities and shortcomings in distribution which are aggravating the crisis in our film industry and lowering the quality of the films produced. Considering the major part played by films in the spread of culture and in employment, I venture to express the hope that a European film policy will be established, and I thank the Commission for its encouraging words in this respect. I hope that a high-quality European film festival will occupy a very important place in this policy.

Mrs Van Hemeldonck (S). — *(NL)* I shall give this resolution my full support, because I believe Parliament must take an interest in one of the most important aspects of culture of and for the masses and one that is peculiar to the twentieth century. I, too, feel that the national film libraries must be assisted and encouraged so that this original cultural asset of the twentieth century may be preserved for future generations.

As a Fleming, I would add that the absence of a great tradition of Flemish films, while Flemish artists are world-famous in all the creative arts, is entirely due to the brutal practices of the international production companies and the practices of the distribution giants, which distort the market. We have a duty to defend all forms of European culture, even the relatively minor ones, which are no less original for all that.

Mr Fich (S). — *(DA)* I intend to vote against Mrs Pruvot's report, which deals with the production and distribution of films and thus, to a considerable extent, with cultural policy. I realize that the Pruvot report constitutes some progress in relation to previous decisions taken by us; amongst other things, it recognizes the national support given to film production. Unfortunately, however, this document does not concern itself exclusively with the question whether there is free trade or not, but with cultural policy in the broad sense. I must say that I find no reference to cultural policy in the Treaties. This is a position, moreover, on which all the Danish parties are agreed. I am rather amazed therefore to learn that the only Danish member of the committee concerned did not vote against this report. But that will not change my attitude: the Danish Social Democrats will vote against it.

Mr de Courcy Ling (ED). — I am on the whole in favour of this report and am therefore voting for it for three reasons. First of all, I think that it touches on important aspects of industrial policy and politics. We underestimate the interdependence between television and films. There is a vacuum in British, French, Italian, German television, filled at the moment by second-rate American films. This has been clearly identified in the debate. Governments have considerable influence on television channels. I urge governments, through the Council — and I urge the Commission to pursue this — to bring more influence to bear on national television channels to make use of national European films. Secondly I would like to say a word of congratulation to the organizers of the new *Palais des Festivals at Cannes*, because this year we had an even better Cannes Film Festival and there is no need, in my view, to have a separate European Film Festival. The Cannes Film Festival should be the basis of what Members desire. Thirdly, I should like to draw Members' attention to the fact that although last Thursday night in London, more than half the awards presented by the British Film Institute went to non-British members of the film industry, they went to other countries of the European Community.

Mr Alexiadis (NI), in writing — *(GR)* I shall vote in favour of the report, even though I do not agree that the wider dissemination of American films is due to a better organized distribution system. On the contrary, I think this happens because American films respond more closely to the preferences of the public, particularly those of the average filmgoer. The European film industry, influenced by political standpoints and with mostly obscure messages, is not attractive and in many cases is actually offputting. Besides, Americanism, which is more in tune with modern mankind, influences not only the cinema but very many other aspects of life as well, such as music, dancing, fashions, etc. The institution of yet another festival, in addition to those of Cannes and Venice, will achieve very little. The main requirements are a change in the attitudes of producers and directors, a more faithful portrayal of life, less politics, more psychology, and more complete technical equipment. National subsidies are essential, but should not be conditional upon subjection to particular political attitudes.

Mr Kyrkos (COM), in writing — *(GR)* The basic logic of the resolution is correct; so also are the measures it proposes, and we shall therefore vote for its approval. However, the matter has a wider aspect from one point of view: the prevalence of American films on the European market goes hand in hand with the prevalence of American serials on European television screens (which currently command the largest audiences in all European countries). This means that measures to protect and support the European film industry are not likely to be effective unless they are accompanied by and combined with

similar action on behalf of the European television corporations. The problem is all the more serious now that new forms of teleoptic communication (cable, satellite) are just around the corner.

On the other hand, serious consideration should be given to the fact that though the European cinema may indeed be threatened by the influx of American films, the European film industry itself is by no means homogeneous. No national film industry must be allowed absolutely to dominate the whole of Europe simply because it happens to be more dynamic; serious account must be taken of the national film industries of the smaller countries, and conditions must be created so that they can become better known and competitive outside their own frontiers. It must be a firm principle that support is given to the European film industry in all its various national forms.

Finally, since the resolution comes from the Committee on Youth, Culture, Education, Information and Sport, it would perhaps not go amiss to stress that we must avoid being trapped by a logic that regards American cinema as 'bad' and European as 'good', recognizing that there is both good and bad on both sides.

The question is to what extent these characteristics are linked with certain cultural values and principles, such as active humanism and social progress, or whether they present models of behaviour such as the unbridled pursuit of profit or the solution of differences by violence. From this standpoint, it would perhaps be useful if an effort to promote the European cinema were to be combined with emphasis on those values whose representation characterizes its best offerings. With these comments, we shall vote in favour of Mrs Pruvot's motion.

Mrs Le Roux (COM) (in writing). — (FR) We share the rapporteur's anxiety about the way America is swamping the Community's film market — I do not mean the best products of one of the most creative film industries in the world, of course, but those films that use the worst sort of stereotypes, the poorest kind of entertainment whose attraction is based on repetition.

This is the kind of cinema that responds to the logic of industrial marketing, and, like everything else dealt with in this way, it only exists as something to be marketed. This is why we congratulate the rapporteur on asserting, once again, the need to maintain national subsidies, without which the cinemas of the countries of the Community would not survive. They bear witness to the fact that film-making cannot be treated as an industry just like the others.

We are strongly in favour of setting up a European film festival, and we propose two amendments on this subject.

Before concluding there is a suggestion I should like to make.

The *Rencontres internationales cinématographiques de Saint-Etienne* intend running a European festival next year. This organization has made it possible for film-makers from our various countries to get together, and it also led to the formation, five years ago, of the European audio-visual federation. I should like to add that Saint-Etienne is a shining example of the kind of event that our rapporteur would like to see supported in paragraph 14 of her motion for a resolution. For all these reasons it would only be right to make Saint-Etienne the town of the first European Film Festival.

I shall conclude, Mr President, by expressing the support which the French members of the Communist and Allied Group will be giving to the motion for a resolution on which we are about to vote.

Mr Ryan (PPE), in writing. — Communications being of the most vital interest to the unification of the peoples of Europe, it is crucially important that all European governments appreciate the need to assist the European film and television industry to improve mutual broadcasting of their productions. Apart from the invaluable improvement in inter-European understanding which would naturally flow from a wider circulation within Europe of European film and television productions, a better use of cinema and television talents in Europe would increase employment and retain money in Europe which otherwise would continue to leak away to the United States and elsewhere.

If Europeans do not soon get their act together, there is a real danger that there will be further casualties in the European film and television industry in the face of high-powered American productions. Modern technology offers Europe an opportunity and a challenge. The opportunity is to use technology for language-dubbing purposes on film and tapes to overcome the curse of the Tower of Babel. The challenge is to produce films acceptable and saleable initially in the European market of 270 million people and thereafter saleable to the US and elsewhere, thereby creating employment opportunities in Europe and recovering from America some of the monies which the American film industry has hitherto made in Europe.

There is something incongruous in a situation in which the market share for American films in English-speaking countries such as Ireland and Britain is 92%, while European English-speaking films enjoy only 8% of the US market. Notwithstanding language difficulties and, unlike America, complete freedom for viewers to make their own selection, American films enjoy the following shares in Europe of non-English-speaking markets :

Netherlands	80%
Greece	70%
Germany	50%
Belgium	45%
France	45%
Italy	30%.

Europe must correct this gross imbalance against the European film industry. It is not only the important matter of the preservation and enrichment of European culture, there are also jobs and material benefits at stake. There is no question of anti-Americanism, but there is the vital issue of Europe advancing its own interests.

In many respects, European film productions are superior to those from the USA. Yet they fail to earn revenue commensurate with that enjoyed by American films, merely because they tend to be prepared for a limited national domestic market in one language. It is often overlooked that modern technology can easily overcome language limitations. The European film industry, with its immense employment potential, requires financial and other assistance from the EEC to overcome language constraints and to break the US-owned monopoly in Europe on film distribution outlets.

Over IRL 30 million annually is expended in little Ireland by our cinema-going public, overwhelmingly to the benefit of US film-makers, who long before they show a metre of film in Europe have made adequate profits in the US. There is something very wrong in a system which allows all that money to leak away from Europe to a foreign country while any European film industry is starved of funds or excluded from markets. Totally unacceptable is that any national or European film industry should be denied access to the American market because of American protectionism or language limitations.

I would advocate that there should be EEC action to improve the distribution within Europe of films produced in Europe, including financial aid towards the cost of language dubbing, and that the European Commission should take action, including litigation in the European Court in Luxembourg, to end the monopoly ownership by US films of European film distribution outlets.

*ANNEX II**Action taken by the Commission on opinions of the European Parliament delivered on Commission proposals at the part-sessions of July and September 1983*

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 July and September 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 (July and September 1983 part-sessions)*

1. Report by Mr Malangré on the Commission proposals to the Council (COM(81)4 final) for :

- (i) a directive concerning the coordination of provisions laid down by law, regulation or administrative action in respect of certain activities in the field of pharmacy,
- (ii) a directive concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in pharmacy, including measures to facilitate the effective exercise of the right of establishment relating to certain activities in the field of pharmacy

and on the draft Council decision setting up an advisory committee on pharmaceutical training :

On 16 September 1983, Parliament adopted a resolution containing its opinion on the proposals for directives and for a decision concerning pharmacists which the Commission had presented in February 1981.

In adopting the resolution, the European Parliament approved amendments intended to enable Member States to exclude the possibility of opening new pharmacies or of purchasing pharmacies that had been opened less than two years previously from among the effects of mutual recognition of diplomas.

During the debate, the Commission informed Parliament that it would follow up the line Parliament had taken in the amendments and would present proposals, accordingly amended, to the Council under Article 149 of the EEC Treaty.

The appropriate Commission departments are currently preparing the amended proposals. The European Parliament will be kept informed.

2. Report by Mr Simonet on the Commission proposal to the Council (COM(80)760 final) for a regulation amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities :

The Commission explained its position on the main questions at the debate and is now examining Parliament's opinion. As soon as possible it will present an amended version of its original proposal in accordance with the procedure provided for in Article 149 of the EEC Treaty. The European Parliament will be kept informed.

3. Report by Mrs Krouwel-Vlam on the Commission proposal to the Council (COM(81)811 final) for a directive concerning airborne noise emitted by household appliances :

The Commission will be sending the Council in accordance with Article 149 of the Treaty an amended proposal early in October for a directive on airborne noise emitted by household appliances. This will incorporate all the amendments proposed by Parliament at the September part-session. Parliament will be kept informed.

4. Report by Mrs von Alemann on the Commission proposal to the Council (COM(82)718 final) for a directive amending Directive 65/269/EEC concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States :

The Commission took account of the amendments proposed in Mrs von Alemann's report in the final text of the directive, now adopted by the Council.

5. Report by Mr Hord closing the parliamentary consultation procedure on the Commission proposal to the Council (COM(82)505 final) for a directive laying down Community measures to combat foot-and-mouth disease :

On 7 October 1983, the Commission sent the Council and the European Parliament a proposal amended under Article 149 of the Treaty (COM(83)584 final).

6. Report by Mr Gautier closing the parliamentary consultation procedure on the Commission proposal to the Council (COM(82)853 final) for a decision establishing programmes for coordinating agricultural research :

The Commission has prepared a proposal amended under Article 149 of the Treaty which will be sent to the Council this month. The European Parliament will be kept informed.

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

Nil

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

1. Report by Mr Bocklet on the Commission proposal to the Council (COM(83)359 final) for a regulation setting the amount of the production aid for hop-growers for the 1982 harvest :

Item 2 in the resolution : The Commission will continue its informal talks with the other exporter countries.

Item 3 in the resolution : The Commission will be presenting the next report on the situation concerning hop-growing and the related proposals for regulations in due course.

2. Report by Mr Boyes closing the parliamentary consultation procedure on the Commission's final report to the Council on the first programme of projects and pilot studies to combat poverty :

Parliament's resolution on poverty corresponds to the Commission's intentions as presented in its final report on the first programme and its statements at the discussion on the resolution.

At the close of the year, the Commission will be finishing the first part of its consultations with groups concerned with the problems of poverty, whether or not they were involved in the first programme.

The Commission is intending to present its proposals for a second programme during the last quarter of 1983.

D. Disaster aid supplied since the last part-session

1. *Emergency aid within the Community*

75 000 ECU for disaster victims in the province of Bolzano, further to the 425 000 ECU already granted the province of Sondrio, bringing total aid for this disaster to 500 000 ECU for the whole of the whole of the region affected ;

500 000 ECU for German victims of the disastrous floods in April and May 1983 in a number of *Bundesländer* (Hessen, Rheinland-Pfalz, Baden-Württemberg, Saarland and Nordrhein-Westfalen);

1 500 000 ECU for French victims most severely affected by the floods and disastrous weather conditions that hit 39 French departments in April and May 1983;

100 000 ECU for victims in the French Basque country of the bad weather and disastrous floods in August 1983.

The money for this aid came from the appropriations in Article 690 of the budget (Aid to disaster victims in the Community).

2. Emergency aid for third countries

(i) Financial aid

	<i>Sum</i>	<i>Recipient</i>	<i>Distributor</i>	<i>Date of decision</i>
Spain	500 000 ECU	flood victims	LICCROSS*	14. 9. 83
Lebanon	250 000 ECU	war victims	ICRC **	21. 9. 83
Lebanon	250 000 ECU	war victims	local NGOs	21. 9. 83

(ii) Food aid

	<i>Quantity and Product</i>	<i>Recipient</i>	<i>Distributor</i>	<i>Date of decision</i>
Lebanon	700 t veg. oil	war victims	UNRWA	26. 7. 83
El Salvador	100 t beans	refugees and displaced persons	Catholic Relief Services	30. 8. 83
Sao Tome	300 t beans	victims of weather conditions	(not yet decided)	30. 8. 83
Thailand	775 t fish 1 300 t beans	Cambodian refugees and displaced persons	World Food Organization	7. 9. 83

* LICCROSS = League of Red Cross Societies

** ICRC = International Committee of the Red Cross

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— *Question No 26, by Mr Israel: Withdrawal of Soviet troops from Afghanistan:*

Mr Charalambopoulos; Mr Israël; Mr Charalambopoulos 95

IN THE CHAIR : MR DANKERT

President

(The sitting 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 Curry (ED), Chairman of the Committee on Agriculture. — Mr President, I see from the Minutes that it is proposed that certain measures be referred for final decision to committee under Rule 33. While I am wholly favourable to this in principle, we have a particular problem in handling these matters in the Committee on Agriculture in that they will entail the calling of yet another meeting — a public meeting with various notice. We have an absolutely monumental workload in the committee already. There are no fewer than 12 reports relating to the CAP reform proposals which are awaiting our attention, and I am very reluctant to add another item to an already overburdened agenda. So I would prefer to take it under Rule 99.

President. — Mr Curry, I think there is no problem for the Committee on Agriculture, because if you, under Rule 33 (3), decide in the Committee on Agriculture, after it has been referred to you on the basis of that Rule, to deal with it under Rule 99, you are fully entitled to do so. So there is no problem.

(Parliament approved the Minutes)

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, it was, announced in Athens, I think yesterday, and it was certainly reported in certain newspapers and over the radio today, that the Commission had suspended the payment of certain agricultural advances amounting to a quite considerable sum. I think it would be appropriate if we were

to have a statement in this Chamber from the Commission as to what exactly has or has not taken place. I note that the Commissioner himself will be here to reply to a debate on butter later in the week, and perhaps by then at the very latest we could have a clarification of what Ministers have been informed of in Athens in this matter.

President. — I trust that the Commission will be able to give such a statement during the debate on the supplementary budget.

Is that possible, Mr Tugendhat?

Mr Tugendhat, Vice-President of the Commission. — Mr President, I will see what is possible. The Commission is distributed over three centres this week, as you know: certainly it will be possible to do as Mr Curry suggested. I would only point out that I have all along said that it would in practice be impossible to pay the full monthly advances in the month of October for November, and I have also, of course, warned on many occasions that it will in any case, even after the supplementary budget is, as I hope, passed, be necessary to have the most stringent management of the Community's agriculture.

Mr Alavanos (COM). — *(GR)* Mr President, I would like to touch on something not connected with the approval of the Minutes.

Mr Rauf Denktash, the head of the Turkish occupied northern part of Cyprus, is in Strasbourg at this time. There is much speculation in the newspapers concerning this visit, particularly in Turkey and Cyprus. I would like you to confirm, Mr President, that the invitation for this visit was extended by colleagues acting independently and not by the European Parliament which overwhelmingly supports the well-known stance of Lady Elles' report on the need for the demilitarization of Cyprus and for recognition not to be given to the illegal regime represented by Mr Rauf Denktash. I await what you have to say, Mr President.

President. — Mr Alavanos, I think I also saw this morning in the newspapers that Mr Denktash is in Strasbourg. As you know, the European Parliament is in no way, officially or unofficially, connected with that visit.⁽¹⁾

2. Decision on urgency

President. — The next item is the decision on a request for urgency for the *proposal for a regulation by the Commission (Doc. 1-526/83): real tobacco*.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, the Committee on Agriculture approved urgent procedure for this matter yesterday, and it endorsed the report prepared by Mr Hord, so that can go ahead.

Mr Hord (ED). — Mr President, I am of the view that this House should not grant urgent procedure. This matter relates to a situation which occurred three years ago; it is aid for tobacco-growers in Italy; the amount of aid which is now proposed has been doubled from 20 m ECU to 40 m ECU. I see no reason why we, this Parliament, should be rushed into doing our job. This is in many ways a serious matter in that we have to make sure that Community monies are properly distributed, and I think that the Parliament should produce its report in the normal way and that there is no case for urgent procedure. If this procedure is so necessary, why is it that it has taken the Italian authorities three years to bring forward the applications to the Commission? I therefore exhort this House not to allow itself to be pressurized by one Member State Government or another, and that we should be allowed to do and be seen to be doing our job properly. I exhort them to vote against urgent procedure.

(Parliament rejected urgent procedure)

President. — The next item is the decision on a request for urgency for the *Veronesi report (Doc. 1-750/83): Information technology (ESPRIT)*

Mrs Walz (PPE), chairman of the Committee on Energy, Research and Technology. — (DE) This has my full support, Mr President. The ESPRIT programme is extremely urgent, and we ought to vote on it — and in favour of it — today.

(Urgent procedure was agreed to)

3. Supplementary Budget No 2

President. — The next item is the report (Doc. 1-791/83) by Mr R. Jackson on behalf of the Committee on Budgets on the draft supplementary and amending budget No 2 of the European Communities for 1983 (Doc. 1-643/83).

Mr R. Jackson (ED), rapporteur. — Mr President, the Committee on Budgets has proceeded on two assumptions in its recommendations to the House in respect of this supplementary budget.

The first is that the House does not wish to see any expenditure voted above the own resources ceiling; and the second is that if two readings turn out to be necessary, so be it: Parliament will not be rushed. We will not be hurried in the passage of this supplementary budget, in spite of the Commission's and the Council's claims of urgent necessity and their pleas for the budget to be passed in one reading.

Mr President, this supplementary budget, as we all know, is unusual for two reasons. The first reason is that it brings us very close to the own resources ceiling: there is a gap between the Council's proposals and the own-resources ceiling for 1983 of no more than 95 million ECU. We have often heard it said that the budget cannot determine obligatory expenditure, but I believe that in this situation we are seeing something like the first stone that comes down the alpine valley and tells us that an avalanche is on its way. We saw that very clearly in the committee last week when we had to reject an amendment from the Committee on Agriculture to spend 750 million ECU on Christmas butter. This, Mr President, was the first time we have had to refuse to undertake agricultural expenditure because of the budgetary envelope of own resources. We see now the reports of suspension of advances deriving from the same cause. It may have been said in the past that the budget cannot determine agricultural spending, but what we are now seeing, Mr President, is precisely that.

The second reason why this is an unusual budget is that the Committee on Budgets is proposing revenue changes. This arises from the sharp practice of the Commission and the Council at the Budget Council meeting in July. The Commission told the Parliament delegation that it planned to have a third supplementary budget to make revenue changes. But when it emerged that Parliament's delegation wished to make use of that third supplementary budget in order to make some adjustments to the second supplementary budget now before us, the Council and the Commission decided hastily to cobble together the necessary revenue change in July in order to deprive the Parliament of the opportunity to make those adjustments in

¹ Membership of committees: Topical and urgent debate (announcement): see Minutes.

R. Jackson

a third supplementary budget. Of course, they did their business too fast and it was ill-considered. We all know that the changes that they made in the revenue side are likely to have to be further amended in the future. And there has, indeed, already had to be one rectification of the changes that were made in July.

Now, Mr President, in a rather farcical way, Parliament failed to receive the rectifying letter. We do not know whether it was received in your office, Mr President; it certainly was not received by the Committee on Budgets. So we have decided ourselves to propose to the House that we should make the necessary technical revenue changes in the supplementary budget to correct the situation in respect of the VAT balances for 1982. We are doing so because we failed to be informed by the Council in due time of what it planned to do.

Now, Mr President, turning to the more interesting side of the budget — the expenditure side. 84 % of the amount proposed for additional appropriations in the Council's draft is destined for agricultural guarantees. We had a substantial debate about this in the Committee on Budgets. It was noted that there have been considerable changes in world markets since the Council's draft was adopted in July and since the Commission brought forward its proposals in June. Expenditure on export refunds for cereals has fallen considerably. On the other hand, there has been an increase in respect of the dairy sector. We sought to obtain from the Commission and Council details of the possible changes that may arise, or may have arisen, with respect to the financial requirements for guarantee expenditure since they made their draft in July — but we failed to get any clear or convincing answer from either institution. The result of this was that the Committee on Budgets decided to recommend to the House that we should propose no amendments to the Guarantee Sector because we are in such uncertainty as to the exact amount that will be required. I should report, Mr President, that there is a bet concerning the number of millions of ECUs in this supplementary budget which may not in the end be required to support guarantee expenditure. The Commissioner will pay me a bottle of champagne for every million in excess of the requirements — but we will have to see what happens at the end of the year!

To turn to the next controversial item in the supplementary budget, Mr President — that concerning the risk-sharing repayments to the United Kingdom and to the Federal Republic of Germany. We had a lively debate about this in the Committee on Budgets. The minority argued that there was an analogy with the Community's obligation to maintain price guarantees, the analogy being that both the price guarantee and the risk-sharing formula are based on Community regulations to which the European Parliament is a party. Parliament may not have thrown its hat in the

air, it may not have shouted 'hooray' when it passed the risk-sharing regulation in February of this year — but it did pass it all the same. That was the argument of the minority in favour of not amending the proposals in respect of risk-sharing.

On the other hand, a large majority in the committee believed that it would be right and proper to make such amendments, and so I am obliged to present amendments to the House to place the appropriations in the reserve chapter, and to attach two conditions to them — the first being that the money should only be spent on new projects, that is to say, projects since the middle of July, and the second being that the payment of these appropriations out of the reserve chapter should be contingent on agreement on a concept of long-term financial arrangements for the Community which would end the unacceptable situations that exist in the budget.

Having decided not to restore the full amount of the risk-sharing payment to the amount proposed by the Commission, the Committee on Budgets noted that there was some 95 m ECU left under the own-resources ceiling. So it decided to make a series of proposals to the House — to restore aids to Poland to the level proposed by the Commission, to restore one or two other small items, and also to put back the 62 m ECU cut out by the Council from the Social Fund appropriations and placed in the reserve chapter.

So, Mr President, the Committee on Budgets comes before Parliament with a package of amendments the effect of which, if they are passed on Wednesday, is that we will certainly require two readings in order to pass this supplementary budget.

So much for the motion for a resolution and the report standing in my name. Having fulfilled my task as rapporteur in presenting these proposals to the House, let me take only one sentence to explain why I personally will not be voting in favour of my motion for a resolution if the House fails to amend it. Here is the sentence, Mr President: In my personal view the Committee on Budgets is doing Parliament and the Community great harm in this attempt to impose conditions upon the fulfilment of Community obligations in respect of the United Kingdom and the Federal Republic — obligations to which Parliament itself is a party.

Mr President, I beg to move the resolution standing in my name, and I commend it to the wisdom of the House in the vote on Wednesday.

Mr Georgiadis, President-in-Office of the Council. — (GR) Mr President, ladies and gentlemen, I feel greatly honoured to be able to speak from this position because, as some of you will remember, I served for a long time in this Chamber, and it is something I do not forget. Of course, my official capacity obliges me to speak on behalf of the Council, and I shall do so as convincingly as possible.

Georgiadis

Firstly, I would like to stress on behalf of the Council that it is absolutely imperative that the supplementary budget for 1983 be debated and approved as quickly as possible because there are already problems with the agricultural payments in question.

The second point I would like to stress is that the views of Parliament were taken account of and duly considered when the July adjustments were made. If Parliament's views are not always followed this is because a balance has to be struck between the institutions, and I believe that with good will we can arrive at this.

Regarding the matter in question I would like to stress at the outset that the Council has informed Parliament repeatedly about the correction it has made to the revenue side of the budget, and consequently Parliament has no justification for not knowing about this adjustment. Parliament has been given adequate notice of the adjustment, both officially and unofficially, and I do not believe it will insist on making any amendment of its own to the revenue side in view of the fact that the Council itself has already done this.

Mr President, the third point I would like to stress is that the main problem in connection with the supplementary budget is that of the repayments to the UK on the basis of the risk-sharing formula. We believe that the amendment adopted by the Committee on Budgets departs from the practice followed in 1983 and is against the wider interests of the Community, and I hope that the plenary will reject it. If Parliament approves this amendment, at a time when all the forces in the Community are striving to clear the way for the Athens summit, it will cast a shadow and make the procedure for solving the problems more difficult. We believe that the adjustment of repayments to Britain is not only necessary but also a matter of obligation because, as you are well aware, risk-sharing is based on Regulation 624 of 1983 which stipulates that repayments shall be adjusted in line with changes in the reference amount. Thus with the 1983 supplementary budget what we are doing is simply making an adjustment to the amounts Britain will receive, and not taking any *ad hoc*, autonomous, or out of the ordinary action. This adjustment is in no way connected with the long-term solution of the problem of financing the Community's expenditure, or with the Athens summit, or with the problems left outstanding by the 1980 and 1981 arrangements. It is a self-regulating adjustment which follows inevitably from the mechanisms of the 1983 regulation.

The amendment which the Committee on Budgets has adopted and is proposing, namely to place the appropriations which the Council has approved for Britain and Germany in chapter 100, and to make the payment of them contingent on agreement being reached at the Athens summit on suitable adjustments to the own-resources ceiling and future financing, is therefore totally unjustified. I think you will all under-

stand that Parliament is being hasty in this respect and that this exacerbates the Community's problems.

The second point where Parliament is going wrong lies in linking these payments not only with chapter 100 but with a new criterion as well, according to which these appropriations will be paid to Britain only for projects undertaken in the energy sector since 22 July 1983. This is a new and arbitrary criterion of which there is no mention anywhere, and I trust that the plenary will re-examine it.

The question of repayments to Britain for 1983 payable in 1984 is, of course, a totally different matter. This is, in fact, connected with the Stuttgart resolution and with the Athens summit which will look into the question of raising the own-resources ceiling and by how much. I think that Parliament will have the opportunity there to express its views in full.

The last point which is related to the question of repayments to Britain, Mr President, is the classification of appropriations.

The Council has decided to stick to the same consistent course which Parliament has itself accepted, on a *de facto* basis at least, since February 1983 when the first supplementary and amending budget for 1983 was drawn up. Items of expenditure were then classified as compulsory and non-compulsory on a one-to-one basis. When Parliament approved that budget it also accepted this arrangement. Of course, it has not perhaps accepted that the non-compulsory appropriations be taken into account in the calculation of Parliament's margin for the year following. But this is a separate question which can be settled through discussion between the institutions.

Leaving aside this *de facto* development, which is continuing now with the second amending budget. I must remind you that up to 31.12.1982 these payments were considered compulsory. Indeed, they were classified in Article 530 on the basis of the joint statement by the three institutions on 30.6.1982. It is, of course, well known that the Council and Parliament disagreed about this classification. The Council submitted the first supplementary and amending budget for 1982 and Parliament accepted this draft with the proviso that the appropriations for the repayments should not be classified as compulsory. In its resolution of 10 February 1983 Parliament noted that the draft of the first supplementary and amending budget for 1983 effectively took account — albeit only in part — of its own views: specifically, that almost half the proposed appropriations were classified as non-compulsory. This was the basis for compromise on the first amending budget for 1983, and Parliament had no objection to that budget being implemented. It is this compromise solution, Mr President, ladies and gentlemen, which the Committee on Budgets is now trying to overthrow. I do not think this constitutes a proper basis for cooperation between the two authorities responsible for the budget.

Georgiadis

So I would like once more to make it clear to you that, apart from the wider political issue it would raise by refusing prompt payment of the British refund, the adoption of this amendment by the plenary would also involve breaching the principle which was adopted on the occasion of the first supplementary budget for 1983. You should therefore think very carefully before adopting this amendment.

Mr President, allow me to come back on the other points during the debate or at the end of it. I thank you for the attention with which you have listened to me.

Mr Tugendhat, Vice-President of the Commission. — Mr President, the Commission has made its position known on these matters several times before and at this stage in the budgetary procedure you know quite as well as I that it is an occasion for the Council to answer Parliament. Nonetheless there are, I think, a number of points which I need to make clear.

First of all, I would like to emphasize, as indeed has been mentioned already, that this budget is not a budget involving new policy choices. It is concerned rather with the discharge of obligations into which the Community has already entered. It is, moreover, the final supplementary budget which the Commission envisages presenting this year. The necessary own-resources corrections which are customarily made in the autumn of each year have been taken into account in the draft established by the Council. Thus the amendment tabled by Mr Jackson makes the final adjustment on the basis of the figures supplied by the Commission.

I noticed Mr Jackson was slightly critical of the fact that there was not going to be a third supplementary budget, Mr President. I was, I must confess, a little surprised by this because I have the injunctions of Mr Lange and of other members of the Committee on Budgets, over my years as budget commissioner, ringing in my ears which have always been to the effect that supplementary budgets were a bad thing and there should be as few as possible. I had supposed therefore that in complying with Parliament's suggestions in this respect, I might be congratulated rather than criticized, but we live and learn.

Mr President, for EAGGF expenditure — the major item in the supplementary budget — the Council has imposed a cut of 50 m ECU by comparison with the Commission's original request. We are prepared to live with this but I must emphasize that the recent trend for advances confirms that the amount in the draft supplementary budget is absolutely necessary if the Community is to carry out its obligations under the common agricultural policy this year.

Indeed, it now becomes apparent that additional stringent financial management measures will have to be applied. These will imply a particularly strict interpre-

tation of the rules governing payment procedures and certain of these, that might have been paid now, may have to be delayed. We are going to have to interpret the rules with the maximum degree of strictness. I do not think that anybody in the House would be surprised by what I say, Mr President, because I have warned several times before not only that this supplementary budget is absolutely necessary — and I really have to repeat in the light of what Mr Jackson said that we do not believe that we are overestimating; the latest figures for advances suggest that we will need all the money that we have asked for — but also, and I have said this before, we are going to have to be very strict in our interpretation of the rules and people who might have expected under a more relaxed procedure to receive payments in the near future may well find that they are going to receive their payments a little later in strict conformity with the rules, but a little later therefore than they might normally have expected.

Now, Mr President, the other item — much less significant in terms of money, but significant politically of course — in this budget, the major item, concerns the risk-sharing compensation for the United Kingdom and Germany, to which both the President-in-Office of the Council and Mr Jackson have already made reference. For my part, I would like to recall that the inclusion of this item results from a mechanical application of the Council agreement in October 1982. As such, it belongs to the past and will not be a feature of future arrangements. Its smooth implementation in accordance with the declarations made by the Council, but also by Parliament, when adopting the first amending and supplementary budget for 1983, is in the interests of the Community as a whole.

The Amendment No 10 presented by Mrs Barbarella and others is unhelpful in this context. It would give rise to extreme difficulties in implementing the expenditure in question before the end of the year. I therefore share the view expressed by the President-in-Office of the Council a few moments ago in hoping that the Parliament will reject that amendment.

Mr R. Jackson (ED), rapporteur. — May I ask the Commission to comment on the Council's interference with the Commission's mechanical application of the formula in respect of the calculation of the precise amounts which are entered into the draft budget?

Mr Tugendhat, Vice-President of the Commission. — Mr President, I think it is unwise for the Commission, during the course of the budgetary procedure, to comment on or to criticize the actions of either Council or Parliament when they are acting in accordance with their rights. We presented a proposal in conformity with previous practice, which we believed to be the most appropriate way of proceeding. One

Tugendhat

delegation thought the figure was too low. Other delegations thought it was too high. We did what we felt to be right. We may, from time to time, disagree with what the Council does: we may, from time to time, disagree with what Parliament does; but I do not think it would be helpful at this juncture for me to go further than that. We presented a proposal which was in conformity with the previous practice and which we felt to be the appropriate way to proceed.

The Commission welcomes the amendment concerning the Residence in Bangkok on which the Committee on Budgets has given a favourable opinion. On the amendment tabled by Mr Peterson and others for an increase in appropriations for the Social Fund of 64.5 million ECU, I should like to point out that this amount cannot actually be spent in 1983 and will thus, if included in the 1983 budget have to be carried over to 1984. The Commission would not, in the present difficult budgetary circumstances, object to that.

Finally, may I end by reiterating the urgency of this supplementary budget? If the budget is not adopted by the end of this month, the Community will quite simply not have the means for discharging its responsibilities under the common agricultural policy. Whatever the improvements the Members of this House might wish to apply to the common agricultural policy in the future, we must honour the obligations which now exist. Therefore, the message which I have for the House is this, that first of all the supplementary budget which we are presenting is urgent; secondly, it follows from decisions which have previously been taken; thirdly, both in respect of agriculture and in respect of the risk-sharing, we have put forward proposals which we believe appropriate. I quite understand the point Mr Jackson made about Parliament not wishing to be rushed, and Parliament must, in any case, take whatever time it regards as appropriate for discharging its own responsibilities. It is not for us to comment on that, but I would like to draw the attention of the House to those three points which I have just made.

Mrs Hoff (S). — (DE) Mr President, ladies and gentlemen, I would like to comment on the Socialist Group's views on the second supplementary and amending budget for 1983, which can be put into four main categories. The first of these relates to increased agricultural spending, the second to funds for employment programmes, the third to aid to Poland and the fourth to risk-sharing repayments to the United Kingdom and the Federal Republic of Germany.

With respect to agricultural policy, my Group will accept the additional spending of 438 m ECU for legal reasons, since these costs have already been incurred. At the same time we regard it as scandalous that funds of this order should be required to finance such an absurd and misguided policy.

I would like to draw attention in this connection to the development of world market prices for farm products and ask Mr Tugendhat once more whether extra spending of this order is necessary, in spite of world market prices having gone down. Mr Tugendhat still owes the Committee on Budgets an answer to this question.

The largest item for CAP in the supplementary budget relates to storage costs, 100 m ECU being needed, for instance, to pay for the storage of cereals, 135 m ECU for butter and 280 m ECU for powdered milk. This means that the 1984 budget will have to include extra expenditure for marketing or processing foodstuffs being stored now. All in all, the supplementary budget can be described as mirroring the Community's inadequate agricultural policy. There is much talk of eliminating structural surpluses, but nothing is done about it.

In these circumstances there is something ironical about the Commission's proposal to delete the 64.5 m ECU earmarked in Chapter 100 for spending on employment programmes. My Group is strongly opposed to this recommendation. The Council wants to use these funds to pay for other items, e.g. fisheries projects. Despite parliamentary decisions the Council has so far failed to implement suitable measures. Mr Tugendhat has just stated again that these funds cannot be allocated this year. The Socialist Group finds it unacceptable that failure on the part of the Council to take action should result in parliamentary decisions being disregarded and ignored. We shall therefore vote in favour of Amendment No 11 and request the reinstatement of 64.5 m ECU in Chapter 100. 218 votes will be needed for this amendment to be adopted, ladies and gentlemen, and I beg you to give it your full support.

The Socialist Group's third decision concerns aid to Poland. When the supplementary budget was introduced the Commission asked for 14 m ECU, and the Council has since reduced this to 10 m ECU. An amendment has been tabled to restore this aid to its original level, which we shall support, although we believe that the place for measures of this kind is the budget proper and not a supplementary budget. But we shall vote for it all the same.

Coming to the subject of repayments, we will also support the amendment presented by Mrs Barbarella, Mr Arndt, myself and others. The Committee on Budgets adopted it by a majority of 20:8:1. The substance of this amendment is that the 370 m ECU for risk-sharing repayments to the United Kingdom and the Federal Republic of Germany be placed in the reserve chapter. I know the President-in-Office warned us against doing this, and I am sorry to have to oppose him — and to have to oppose him so

Hoff

strongly — but although I appreciate the political reasoning behind his arguments I nevertheless do not share his views.

Unfortunately I haven't got time to go into this in depth, but if Parliament wants to stand by its decisions — and I am thinking particularly of the decisions of March 1983 — we must proceed as proposed and place the 370 m ECU in the reserve chapter and not in a budget line. The release of these appropriations will depend on the outcome of the Athens summit on 6 December. In other words, we are expecting the Council to define a clear concept for the future financing of the Community, which in turn involves the presentation and implementation of proposals for eliminating structural surpluses and for agricultural reform. This is the only way of finding a lasting solution to the so-called British problem. As I said earlier, Parliament must stand by its decisions here, too. The adoption of this amendment will also require 218 votes, and I hope we shall get them.

The second supplementary budget as presented by the Commission contains a rectification on the revenue side, which has been reduced on the basis of estimates. Now, estimates can be revised upwards or downwards in order to achieve the desired end result. In this case the Commission has chiefly reduced the estimates for VAT. The interesting thing is the final total: if the supplementary budget is adopted as it stands we shall come within almost 30 m ECU of the 1 % VAT ceiling. To exceed the 1 % VAT ceiling would, however, constitute a serious violation of the Treaties, resulting in legal problems. But there are also political reasons why we should ensure that the 1 % VAT ceiling is not exceeded until agricultural reform is underway. Seen in this light, we are all playing with fire in adopting this second supplement to the 1983 budget.

(Applause)

Mr Balfour (ED). — On a point of order. Mr President, I think that Mrs Hoff should correct the figures that she has just quoted in her speech on the voting in the Committee on Budgets. There was certainly more than one person voting against the Barbarella amendments. In fact, there were at least two other votes against, apart from the full delegation of the European Democratic Group I think those statistics should be corrected for the record. In fact, I see one or two of those who voted with us actually in the Chamber today.

Mr Notenboom (PPE). — *(NL)* Mrs Hoff said 20 votes to 8 with one abstention. There has probably been a misunderstanding here due to the interpretation. I am happy to put the previous speaker right on this point.

Mr President, ladies and gentlemen, I too have four points to make, but I shall be very brief because my group has only given me five minutes. The Community's own resources have almost run out, and we have to be careful. It is proposed that we should put up with the shortfall in the Community's own revenue this year so that we start with a clean sheet next year, and that is the right thing to do. The Commission must also be extremely careful in the coming months when estimating own resources. Own resources must not be exceeded, by spending on agriculture or in any other area. In this respect I cannot agree with the previous speaker.

We shall agree to the agricultural expenditure although I cannot say that I shall do so with any great satisfaction because, as Mrs Hoff has said, what we are discussing is the outcome of the failure to decide to change the policy, the need for which has been obvious for years. Of course, agricultural spending fluctuates: prices cannot go on falling. They rise and fall. We must accept the consequences of this, but this is more than just a question of rising and falling. This is more than fluctuation. This still means the acceptance of an open-ended policy, a policy that must be changed as soon as possible. We shall agree to this expenditure just this once.

The main item is the compensation for the United Kingdom and the Federal Republic of Germany. The Commission said last year that it would agree to rejection by Parliament because Parliament wanted to see this expenditure effected against the background of a permanent settlement of the financing problem, and again this problem has not been considered in this context. No, Mr Tugendhat, I do not agree with you when you say that mechanical implementation is involved here. Rules can, of course, be obeyed, but the Commission is not a mechanism. It is a political body, and I can give examples of cases where action was certainly not taken mechanically although it might well have been expected. So that is only half true. This Parliament, and that includes my group — we discussed this last week, and we are unanimous on this — is prepared to make the second reading possible. We want this expenditure entered in Chapter 100 because we want to exchange views with the Council. We can do with the consultations with the European Council's meeting in Athens fast approaching.

To the President-in-Office of the Council I must say that the Council and Parliament unfortunately do not treat each other so nicely as you have just said they should. When we were able to reason with each other, consult with each other, argue back and forth, things were different. But very often we have no alternative but to use our power, our budgetary power, to make the Council change its position very slightly from time to time. And the Council must not think that it is out of the woods when it has found a compromise

Notenboom

after laborious discussions. I do not envy the members of the Council who have to attend these very boring meetings, where the atmosphere is thoroughly poisoned, but when the Council finally reaches a compromise, it must not think that everything is cut and dried. That is only half of it. It still has to contend with Parliament, the other half of the budgetary authority, where you, Mr Georgiadis, were so active when you were still an amusing and esteemed colleague of ours.

We have not therefore chosen to delete these amounts, as proposed. We have not chosen to increase these amounts, as proposed. Like Mrs Hoff's group, we have opted for Chapter 100 because we want to consult with the Council and because we want to use our powers to ensure that the European Council has a fruitful meeting in Athens. We are also in favour of the aid to Poland and of the Social Fund. We are therefore in favour of the amendments which have been approved by the Committee on Budgets.

Mr President, I must just say a few words about Mr Jackson. As the rapporteur, he has, of course, been meticulous in explaining with well-chosen words what the majority of the Committee on Budgets has decided, but I prefer a rapporteur who, having failed to carry the day in the Committee on Budgets, relinquishes his mandate to someone else, as a certain Mr Dankert once did in the past, when a certain Mr Notenboom had to take his place. I find that a rather more sincere attitude, but that is perhaps a question of appreciation, which may vary somewhat from one Member State to another.

Lord Douro (ED). — Mr President, this second supplementary budget for 1983 takes us politically and financially to the crunch point in the history of the Community. It is the largest supplementary budget ever presented to the budgetary authority, and to all intents and purposes it exhausts the Community's own resources. The main ingredient in this supplementary budget is further agricultural expenditure, which is now running about 30 % higher in 1983 than it did in 1982.

Mr President, it is appropriate and now part of our rules that I should declare my interest as a farmer. That is particularly relevant to this debate and to the position of my group. I wish to state to this House once again that the European Democratic Group is not against the common agricultural policy. However, members of any parliament who exercise powers carry as well great responsibilities, and the greatest responsibility placed on any parliamentarian is the requirement to ensure that the taxpayer's money is properly spent. Unfortunately, this supplementary budget shows the weaknesses of the common agricultural policy. The commitment to purchase unlimited quantities of agricultural produce at guaranteed prices is proving too expensive to be justifiable. But my group does not believe that this supplementary budget is the

way to modify the common agricultural policy. The rapporteur originally proposed in the Committee on Budgets approximately 400 m ECU of transfers from agricultural lines to the reserve chapter. We did not support that suggestion by the rapporteur because we do not believe it is possible, or sensible, to use the reserve chapters of the budget in a supplementary budget in the tenth month of a financial year. Nevertheless, we do have serious doubts about the figures put forward by the Commission, because, as Mrs Hoff said, certain agricultural products had gone up in price on the world market and we doubt very much whether, in fact, the Commission will need the amounts they are asking for, particularly when we remember that these estimates were made at the end of June.

The other main item in this budget covers the various risk-sharing payments to the United Kingdom and the Federal Republic of Germany. On 26 October 1982, there was an agreement in the Council on a formula for calculating repayments to the United Kingdom. This agreement was subsequently enacted in Regulation 624/83. The Parliament was consulted on that draft regulation, and although certain Members of this House do not like to accept the idea, Parliament, by its vote on 10 February — and I am quoting from the Official Journal — approved the Commission's proposal for that regulation. The figures in the preliminary draft budget as proposed by the Commission for these risk-sharing payments are simply an interpretation by the Commission according to previous practice of clause 7 of that regulation. At the Council meeting at the end of July, the Commission's figures were challenged by certain Member States. Alternative figures were proposed, and the Presidency suggested a compromise which, by its own admission, was arbitrary but, nevertheless, was accepted by a majority. The figures therefore in the draft budget are not in anyone's opinion derived from the Regulation. It is thus indefensible in legal terms to sustain these figures.

Now, the Committee on Budgets is proposing to exacerbate the situation. There is an amendment proposing to transfer to Chapter 100, 370 m ECU being the risk-sharing payments. In addition, all these funds are to be earmarked for a new article, 7071, which is a new line and for which no legal basis exists. By the same logic that the Committee on Budgets, supported by my group, felt that it was inappropriate to use a reserve chapter for agricultural expenditure in the supplementary budget, it is even less logical at this stage in the year to create a new line for these payments to Britain and to the Federal Republic. This device guarantees that the money cannot be spent in 1983 and is another way of deleting these funds from the 1983 budget. I hope all Members of the House realize it. It is absolutely impossible if this amendment is carried for these funds to be spent in 1983, because no legal base exists for their payment.

Lord Douro

I am aware, Mr President, that this is only the first reading of the supplementary budget. But for all that, Parliament's vote tomorrow will be significant and may well create considerable public interest. I therefore urge our colleagues in other political groups to think most carefully before they support the Committee on Budgets' amendment, the motive for which is destructive and the results of which might well be most damaging for the whole Community.

Mr Pranchère (COM). — *(FR)* Mr President, the bulk of this 2 billion ECU supplementary budget is to cover agricultural expenditure and further compensation to the United Kingdom.

Why such an increase in agricultural expenditure in 1983? Granted, market conditions have been a factor. And it is true, Mr Jackson, that farm prices have risen by more than the Commission would have wished, as a result of the pressure that the farmers have brought to bear, with our support in this Chamber. Mr Jackson, you would have done well to think twice before proposing that 438 million ECU be placed in the reserve chapter, and to have borne in mind your failure last year with the same tactic. Remember the proverb 'once bitten twice shy'. Your manoeuvre has been rejected by the Committee on Budgets, I am happy to say. But is not the Commission in effect seeking to implement this proposal by carrying over payments of 360 million ECU to the EAGGF, thus renegeing on the commitments given in this very Chamber by Mr Tugendhat? Farmers will suffer unfairly as a result. I protest at this and demand a clear explanation from the Commission.

Two agricultural sectors require the largest additional appropriations: cereals and wheat. 300 million ECU for cereals is a substantial sum. I should like the Commission to put a figure on the cost of the decision that it took, to please the United States, on voluntary limitation of wheat exports on the world market, thus deliberately causing stocks to rise. The loss of the Egyptian flour contract alone cost 40 million ECU.

600 million ECU for milk is a great deal, but where does the responsibility lie? In large measure with those in this House who campaigned against butter exports to the Soviet Union, playing a part in the loss of a contract for 100 000 tonnes of butter and the corresponding increase in stocks.

Mr Tugendhat, could you tell me how much this 'exercise' added to the supplementary budget?

On a more general level, the trend in the EAGGF budget reveals a decline in the proportion accounted for by refunds: 41 % in 1982 compared with 50 % in 1980. This reflects the Community's refusal to take on its proper role as an exporter on the world market and its continued pusillanimity and timidity in the face of the American offensive.

The French Communists and Allies are not in favour of an unlimited increase in agricultural spending. That said, things should be seen in their proper perspective: the increase in EAGGF expenditure averaged only 6 % between 1979 and 1982. That is an inescapable fact. We emphatically demand action to establish a proper balance in the Guarantee Sector of the EAGGF, mainly to release more resources for Mediterranean products, which have been neglected for too long, and for farmers with small and medium-sized holdings. In the milk products sector, for instance, a charge could be levied on 'factory dairies'. I am pleased to note that the Commission has taken some account of our demands, even though it has not yet gone far enough.

Yet again, we find ourselves discussing the British contribution. We are all thoroughly fed up with this perennial topic, except for Mr Jackson, who has been trying to get a further 92 million ECU. We once again reiterate our opposition to the compensation mechanism so readily accepted by the French Government in 1980. Indeed, this is the purpose of our amendment, which calls for the overpayments made in 1980 and 1981 to be used to finance this additional compensation. Nevertheless, since we are anxious to do whatever is necessary to prevent the perpetuation of this system, we shall support the proposal of the Committee on Budgets to place the amounts earmarked as compensation for the United Kingdom and the Federal Republic of Germany in reserve, in Chapter 100, until this matter is finally resolved. These were the points that I wanted to bring home in this debate.

Mr Louwes (L). — *(NL)* Mr President, I should briefly like to state my group's position. We can broadly endorse Mr Jackson's analysis of the unusual nature of this budget. The conclusions we draw differ from his, however, which will hardly surprise you, Mr President.

There is one thing which is not clear to us and which we find regrettable. In May of this year it was already obvious that there would have to be a supplementary budget, because of the cyclical trend in the international agricultural markets. It was also known at that time what amount would be involved, 1 800m ECU, a figure that has hardly changed since then, if at all. Why, we wonder, did it take until early July before Commissioner Tugendhat submitted the preliminary draft here in Parliament? Despite the speed with which the procedure for consulting the Council was completed, this led to the whole of July and, of course, the whole of August being wasted, with the predictable result — and I stress 'predictable' — that the Community's coffers are now almost empty, and that too was known in mid-summer, with all the unpleasant consequences this has for all those who have legitimate claims against the Community. My

Louwes

group regards this as a particularly serious matter, because the credibility and also the creditworthiness of our institutions are at risk. This assessment determines our attitude towards this budget and the amendments that have been tabled.

Firstly, it means that as far as possible we shall vote only for what is unavoidable. We shall not therefore be voting for new fishery inspectors or a new building in Bangkok, both undoubtedly useful, but they can wait until 1984.

Secondly, in the light of what I have just said, it is clear that we shall be keeping an eye on the Commission and Council with regard to the supplementary agricultural budget.

Thirdly, as regards the repayments to the United Kingdom and the Federal Republic of Germany, we stick firmly to the position we have stated in the past, that what has been agreed should not be questioned and that general integration must continue so that imbalances, where they exist, can be eliminated. We are consequently in favour of a new line and thus of new policies and also of the entry of appropriations in Chapter 100 to ensure balance between the four main points on which decisions were taken in Stuttgart.

That, Mr President, is briefly our position on this supplementary budget, which I very sincerely hope will have its second reading this month.

Mrs Nebout (DEP). — (FR) Mr President, ladies and gentlemen, I do not wish to dwell on the background to this draft budget, which has been analysed very adequately by earlier speakers.

I should like to stress the context in which we shall be voting, a context of uncertainty in which the most important budgetary problems have yet to be resolved. In this connection, I cannot go along with Commissioner Tugendhat, who has been trying to persuade us that this supplementary budget does not involve policy choices, but only the discharge of obligations.

In fact, this supplementary budget is simple in appearance only. Simple in that the Council, following a downward revision of VAT revenues, has used a straightforward arithmetical calculation in arriving at the appropriations needed to cover the additional agricultural expenditure required from now to the end of the year. It is also by arithmetical application of the risk-sharing mechanism agreed upon on 26 October 1982 that the Council has arrived at a figure for the financial compensation payable to the United Kingdom in respect of 1982. However, this budget, which once again raises the problem of institutionalized refunds to a Member State, is more than simply a budget for the record.

On the one hand, following the negotiations on farm prices for 1983/1984 and given the very detailed

figures advanced by the Commission the additional expenditure shown for the EAGGF (Guarantee) is self-explanatory and, moreover, passed unchallenged by the majority of the Committee on Budgets, but on the other hand the appropriations for financial compensation to the United Kingdom, whether entered as compulsory expenditure under Article 530 or as non-compulsory expenditure under Article 707, are difficult to accept. This is because these appropriations mark the consolidation and further entrenchment of the '*juste retour*' principle, and we cannot but ask ourselves anxiously, after 1980, after 1981, after 1982, how much longer this transitional mechanism for financial compensation to a single Member State is to continue to be applied on the basis of the agreement of 30 May 1980, this, let it not be forgotten, in despite of the commitment given by the European Parliament, when voting the first supplementary budget for 1983, no longer to acquiesce in any transitional compensation arrangement.

You will therefore understand our use of the term 'unacceptable' to describe this arrangement, which is not only a bad arrangement, the very principle of which constitutes a serious breach of Community financial solidarity, but a retrograde step taken to ward off the immediate difficulty, one which compromises the prospects of achieving a definitive solution to the problem of finding an equitable basis for the sharing of costs, a solution for which we are looking to the forthcoming European Council in Athens to produce.

This is why our Group is calling for the appropriations entered by the Council under Article 530 and Article 707 to be rejected, and why we have tabled a proposed modification and a draft amendment to this end. It is by rejecting a further transitional measure today that Parliament can best promote the cause of a constructive solution in Athens.

Finally, we support the amendments proposed by the Committee on Budgets regarding other items of expenditure, such as aid to Poland and appropriations for the Social Fund.

Mr Eisma (NI). — (NL) Mr President, the supplementary budget before us is, of course, as we all know, a consequence of the indecision on the financing of the Community, and the requested increase in Guarantee Section expenditure is partly the result of the failure to restructure the common agricultural policy. That too is something that has been said many times here this morning.

The compensation for the United Kingdom, however, is and remains something that is foreign to the principles of the Community. The question we still ask is what it is being compensated for if the advantages the United Kingdom also derives from membership of the Community have been correctly estimated.

Eisma

We now face a very difficult task in Parliament. The course of events in the Council might prompt us to reject *faits accomplis* from now on and to refuse to approve this supplementary budget. But the consequences of such a decision would not be insignificant. The amounts that have been requested to permit an increase in Guarantee Section expenditure are after all needed if the present common agricultural policy is to be implemented, an agricultural policy which has not, moreover, had our support. Nor did we vote for the increase in farm prices last spring, but the majority of the Members of this Parliament did, unwisely in our opinion, and we must now put up with all the consequences: we cannot let the farmers down. Furthermore, the rejection of the agricultural part of this supplementary budget would make national contributions from the Member States unavoidable and so lead to the renationalization of the Community's own revenue. We are very much afraid of that, and any such move will not therefore have our support.

We shall thus vote for this part of the supplementary budget, but not for compensation for the United Kingdom. There is no mention of this in the Treaties, and it even conflicts with the spirit of the Treaties. Of course, we can talk about the British problem, and we are quite prepared to accommodate the United Kingdom to some extent, but this must not take the form of *ad hoc* compensation and it must not become an automatic procedure. The British demands are directly connected with the system of financing the Community, and it is therefore obvious that the compensation paid to the United Kingdom should be linked to the decisions on the financial problem as a whole.

We are thus opposed to the part of this supplementary budget that concerns compensation. Our attitude is not directed against the British but against the slowness with which the Council takes decisions. Parliament's rejection of the section on compensation will, I hope, put an end to all the talk about postponing decisions on the restructuring of Community financing. There is too much reckless talk about postponing these decisions until the European summit in Paris next April. We believe everything possible must be done to ensure that decisions are taken in Athens in December.

Mr President, the European Community has important decisions to take that are bound to determine the future of European cooperation. These decisions cannot be delayed any longer.

Mr Fich (S). — (DA) Mr President, I should like, on behalf of the Danish Social Democrats, to say a few words about supplementary budget No 2 for 1983. To begin with, about the EAGGF Guarantee Section: we support the payment of an additional amount of 1 700 million units of account, because we think that the

money itself has already been used. The Community has entered into an obligation vis-à-vis the farmers under which this money must be paid. But we do not support it gladly, since we see it as proof that there is something fundamentally wrong with the existing arrangements for agriculture, which must be reformed at the earliest possible opportunity. Obviously we cannot accept that these arrangements continue unchanged, with the consequences this will have into 1984.

With regard to the Social Fund and the 64 million units of account, which have been debated here under a special procedure, I would say the following: it seems to me that we are seeking the inclusion of the 64 million units of account under chapter 100 solely in order to increase our margin of manoeuvre for 1984. We oppose this. We think that it is bad budgeting and that the amount should be entered in the budget in which it is required, nowhere else. We have often criticized the Council here in Parliament for including amounts which were not really needed; we are now in a position where we are about to do the same thing. We cannot support this. It is bad budgeting and, if the amounts are to be transferred to the Social Fund on a special basis, they should be used for employment policy, which we would then support, of course.

Mr President, the third and last point I wish to raise concerns the repayments to Great Britain and the Federal Republic of Germany. Of all those belonging to this Assembly, I am perhaps most severely critical of these repayments which have taken place in the past two to three years. I still think that the method being applied is fundamentally wrong. But, given this situation, I am in favour of paying out the remaining amount of approximately 370 million units of account. This is because we entered into an agreement with the Council of Ministers in February this year in connection with supplementary budget No 1 for 1983, under which we accepted a sharing of the risk, should the calculations prove wrong. The calculations did prove wrong, and I think we should reconcile ourselves to that. I do not think that we can change our position, once we have entered into an agreement. I therefore accept that we pay out these 370 million units of account to Great Britain and Germany on an exceptional basis. But this does not change my attitude to the mechanism as such. I think that it must be abolished as soon as possible.

Mr President, I want to say finally that supplementary budget No 2 for 1983 must be dispatched from the scene as quickly as possible, so that we can get to work on the discussion of the budget for 1984.

Mrs Barbarella (COM). — (IT) Mr President, a few brief observations on that part of the budget that concerns the risk-taking payments to the United Kingdom and the Federal Republic of Germany.

Barbarella

I should like first of all to emphasize that no-one questions the fact that the compensation to the United Kingdom must be 'readjusted'. But I do not think, because of that, that the proposals put forward by the Committee on Budgets fail to discharge the commitment to which this Parliament also gave its approval.

We agree that this payment should be readjusted, but consider that now is not the proper time to make the adjustments. Reference has been made in this Chamber to the commitments and also the basic regulations; I should also like to remind members that it is down in black and white, in the very Regulation quoted by Lord Douro, that the adjustment should be made at the time a final decision is taken on the question of the United Kingdom's compensation. At that time, the adjustments concerning the years 1980 and 1981 are also to be made. In other words, at that time the question of the *trop perçu* by the United Kingdom is also to be considered.

This is the point that we are contesting; there is an agreement, and we respect it, but by the terms of that agreement the adjustment was to be made at the same time as a political decision was taken on the final solution. As I have said, this is down in black and white in the Regulation.

Now we consider that this 'hurried' adjustment — if I may be allowed to use the expression, which has moreover already been emphasized by the rapporteur, Mr Jackson — has been made for very obvious reasons, which moreover are very clear also to this Parliament. By linking the United Kingdom adjustment to agricultural expenditure which cannot be postponed it is obvious that first the Commission and then the Council were bringing very precise pressure to bear on Parliament, obliging it to approve both parts of the budget.

But, apart from this manoeuvre — which is also, moreover, very obvious — I do not want to dwell so much on the legal aspects, on the respecting of decisions that have already been taken. Of course, this is important. I should like rather to emphasize the political commitment with which we are faced: namely, that we can once more, and with that consistency that Parliament has always maintained, urge the Governments and the Council finally to find a solution to the problem of the United Kingdom. Now everybody knows that this solution is only possible with an increase in own resources, and therefore in an enlargement of the scope of Community policies. And on this point I should like also to ask British members to urge their Government to make a move in the direction of an increase in own resources, to enable the Community budget to be put in overall balance.

The amendment put forward by the Committee on Budgets — and I emphasize this, by the Committee on Budgets, since the reference in the Chamber to this amendment was not accurate — transfers the United Kingdom readjustment to Chapter 100, whilst

awaiting the political decisions, which are to be taken at the proper time. No one is under any illusion that all the decisions will be taken at Athens, but we consider that concrete indications might be forthcoming at Athens, or, at any rate, there might be an expression of precise political will for a revival.

I should moreover like to remind this Chamber that, by transferring this money to Chapter 100, where it can easily be released, we are conforming to the Regulation to which everyone here has alluded — Article 8 of the Regulation, to be precise — which says that any adjustment will be entered in the budget for the 1983 financial year. In other words, respecting agreements that have been entered into, and, above all, decisions that were taken at the beginning of the year by this Parliament.

Mrs Focke (S). — (DE) Mr President, ladies and gentlemen, this supplementary budget is both a nuisance and a signal. It reflects a misguided policy that pretends we live in an agrarian society — a policy that appears to ignore the fact that our Community is being shaken by mass unemployment in traditional industries, that our environment is being progressively destroyed and that what is really needed is vigorous and imaginative action to create new jobs in our disadvantaged and crisis-hit regions.

What are the issues involved in the second supplementary budget? The main issue concerns the fulfilment of the Community's legal and financial commitments towards its farmers. These commitments arise out of the common agricultural market's disastrous system of guaranteed prices, and they become automatic when good harvests and low world demand cause an 'unexpected' rise (as it is always so nicely termed!) in subsidies for agricultural surpluses. This is costing us an extra DM 4 thousand million, which we are supposed to approve today. How do we explain to our voters and taxpayers that the higher the farmers' yields and the better the harvests, the more they have got to pay? How can we explain to industrial employees that this Community has made itself a prisoner of an agricultural automaton that is pushing it to the verge of bankruptcy, yet when factories are shut down and thousands of people made redundant all it can do is shrug its shoulders and say: 'Sorry we're broke'.

We cannot accept this policy; the CAP must not be allowed to destroy the Community. This supplementary budget increases the proportion of spending on agriculture in the total budget from 65% to 68%, which puts us back where we were four years ago. Four years of hard work by this Parliament — restructuring funds so that less is spent on agricultural surpluses and more is proportionally available for the Social Fund, the Regional Development Fund and for combating hunger worldwide — all that effort would be wiped out at one blow, if this supplementary budget were adopted.

Focke

But we haven't got that far yet. The supplementary budget is still having its first reading. First some appropriations have to be debated, and unless there is a change in the amounts set aside for farmers, let no one assume everything is cut and dried; we shall meet again at the second reading!

But there is worse to come. Our own resources from VAT are virtually exhausted by this supplementary budget, which will leave us a margin of only 0.994%. Only a mathematical genius can try to convince us that there is any leeway for manoeuvre at all behind the decimal point. My reaction as a politician is simply that we're insolvent. This is emphasized by the Commission, which, as we have just heard, is not paying any more substantial advances. This confirms the worst fears and warnings expressed at the deliberations on the 1983 budget. The reduction in the proportion of the budget spent on agriculture, founded as it was on the shaky basis of favourable world market trends, was merely apparent. Events have overtaken all those whose politics are rooted in hopes and promises, and there are said to be some outside Parliament as well as inside.

The Council of Ministers includes some thriftily-inclined ministers, many of whom regard economizing as their foremost duty, especially when money can be saved at the expense of social expenditure. That is the first blow against the underprivileged. Then there are the generously-inclined ministers of agriculture who are very good at representing the interests of the large-scale European farmers, the owners of agricultural factories, the warehouse operators and the shippers, without caring what effect this has on the other social groups who are dependent on the Social Fund, the Regional Development Fund, on subsidies and special aid for employees in ailing industries and crisis-hit regions. That is the second blow against the socially underprivileged and needy. I call that perfectly coordinated conservative policy, and it is forcing social questions more and more into the sidelines of European politics.

We Social Democrats cannot and will not permit this. No member of parliament with a sense of responsibility can otherwise face his voters. That was neither what our voters asked or expected of us, nor does it correspond to our political ideas on the scope of action of this Parliament. That is why we Social Democrats see this supplementary budget as a signal and a prelude to the deliberations on the 1984 budget, which must pave the way for a policy based on economic common sense and social responsibility. The 1984 budget can only be adopted provided the Council does its homework first — on agricultural reform, on regional development policy and on

finding a sensible and just system of financing the Community.

Mr Alavanos (COM). — (GR) Mr President, I would like to make three very brief comments in support of Greek interests in this intricate matter, this peevish wrangling between the powerful of the Community about who should get the biggest share of the cake in the supplementary budget, and about which institution should wield greater power in the Community — the Council or Parliament.

Firstly, I want to say that this adjustment places a new heavy tax on our country by increasing the Greek contribution to the budget by 40.94 m ECU, by more than 3 billion drachmas that is, a sum almost equivalent to 23 % of the original contribution budgeted for Greece. I would like the Greek President of the Council in attendance here to tell us, if possible, why such a large increase in Greece's contribution?

Secondly, I want to say that we disagree with the decision of the Council, and also with the commitment introduced in the motion of the Committee on Budgets, concerning the repayments to Britain and Germany, because we believe that the revision of the common agricultural policy and the increase of appropriations for industry and technology, etc. — which essentially go to the European monopolies — will be along negative lines.

Thirdly, that all these matters cannot be solved on the backs of the farmers...

President. — Your speaking time is over, Mr Alavanos. I call now Mrs Nikolaou.

Mrs Kalliopi Nikolaou (S). — (GR) Mr President, the draft supplementary budget which we are debating today provides for an increase in the appropriations for agriculture and for additional repayments to Great Britain and Germany. Both of these lines run counter to the firm positions of the European Parliament which call for spending on agriculture to be curbed, for a halt to the practice of making repayments to Member States, and for new policies to be developed.

For those of us who belong to Pasok the problem in the agricultural sector is not the reduction of spending at any cost, but revision of the CAP in such a way as to reduce the structural surpluses, safeguard the incomes of small producers and stop the outflow of CAP resources to non-farming sectors. Only if the policy is revised along these lines will economies be possible, whereas under the regulations currently in force the scope for making economies is negligible. Besides, we have the experience of drawing up the 1983 budget when, while Parliament made provision for substantial savings in various headings of the EAGGF and placed these amounts in the reserve

Nikolaou

chapter, not only is this reserve now exhausted but we are also debating an increase of 1.76 million units of account.

It is a fact that any delay in approving these appropriations will make it impossible for the Commission to make payments to farmers in the immediate months ahead, and this will lead to major social problems. I think it would be improper for us to try to exert pressure of any kind by using the incomes of farmers — bounden undertakings, indeed, in this case — as a lever.

As far as the repayments to Great Britain and Germany are concerned, Mr President, we in Pasok are generally opposed to this method of correcting financial disparities in the budget. However, specifically for the 1982 financial year, we did accept Parliament's compromise on the repayments for that year which was made on the condition that it would be for the last time. Thus, Parliament has committed itself, in the absence of developments on new policies for the Community, not to approve repayments in ensuing years. However, given that the repayments contained in the present supplementary budget are for the year 1982, we disagree with the transfer of these amounts to chapter 100 and consider that immediate endorsement of the budget is essential and consistent with the decisions the European Parliament has taken.

Approval on the first reading will make it possible for the payments to the farmers to be made in time so that they do not come up against cash flow problems which, for the small producers in particular, are of great concern, and at the same time will enable Parliament to fight for a better structured budget for 1984 without any distractions.

Mr Lange (S), *chairman of the Committee on Budgets*. — (DE) Mr President, Mr President-in-Office, Mr President of the Commission, ladies and gentlemen, it is strange to hear the other two institutions talking about the dangerous course Parliament is taking in doing this, that or the other. The Council should ask itself what it has actually done since 1976/77 in response to Parliament's demands for a reform of agricultural policy. The same goes for the Commission. And even though the Council and the Commission may point out that Parliament was itself in favour of higher prices for farm products — unfortunately in the last two years a narrow majority voted for slightly higher agricultural prices than those proposed by the Commission — that does not relieve them of the responsibility for a completely misguided financial and budgetary policy. This policy is reflected in precisely this supplementary budget, which has to be viewed in this light.

No one is trying to shirk from taking action or fulfilling their legal commitments. Only the Commission is shirking from reforming policies to enable us

to spend the European taxpayers' money sensibly. That is the important point.

There have been three Council meetings. Nothing has come of the tasks assigned to the Councils at the Stuttgart summit, and it looks as though the Athens meeting will end similarly. How can we continue to have confidence in the Council? How can we go on believing the Council is doing something? That is why, Mr President-in-Office — and now I am appealing to you in your former capacity as a colleague and a member of this Parliament — we have urged the Council and the Commission time and again to take some action. We have asked the Council not to wait until 6 December before clarifying these questions, but to make the course they intend to take apparent by mid-November so that the necessary steps can be taken with respect to the 1984 budget as well. Unless the Council — as one of my colleagues has just said — does its homework, this Parliament will not be able to endorse and support certain views tending to favour a continuation of the present irresponsible financial policy.

Anyone attacking the United Kingdom and the Federal Republic of Germany, anyone talking about Parliament's commitments, is only looking at the matter from one side. All we said was that we would accept the compromise reached by the Council on 26 October 1982. Nor are we querying it. The repayments to the United Kingdom and the Federal Republic of Germany ought to be classified as 'European policy', in other words, the expenditure should not be obligatory and suitable political alternatives should be sought. This was half achieved by the supplementary budget No 1 adopted for this year. Parliament still has its reservations with respect to the other half, which has remained obligatory.

No one can say this compromise is an agreement by which both parties should not feel bound.

Since this matter has to be dealt with again, we want an assessment of what has happened with regard to the United Kingdom and the Federal Republic of Germany over the years, but no conclusive statement has been drawn up. Parliament is incapable of implementing and supporting the strange proposals put forward by the Commission and the Council in this context. The Council has not yet indicated that it is willing to seek a lasting solution to this problem, i.e. to reform agricultural policy and to radically reform regional policy, since this is the only effective way of helping the United Kingdom.

To this extent, Messrs Presidents of the other institutions, look to your own affairs before warning Parliament about upsetting the atmosphere. It is you who are harming the atmosphere by ignoring the views expressed by Parliament at the joint deliberations on 20 July. You have disregarded them completely and

Lange

presented a supplementary budget which neither reflects Parliament's demands nor contains any alternative proposals which could justify supporting the budget for political reasons. I hope you realize, Mr President-in-Office and Mr President of the Commission, that matters are entering a decisive phase. If the Council goes on behaving as it has been, and if the Athens Council is as unproductive as its predecessors, then the Council and Member Governments will be jeopardizing the Community. You bear the responsibility for this because you apparently believe in your capacity as ministers and government members that you know all the answers and everyone else is stupid.

So what is needed is for the Council to actually do its job for once and not treat Parliament as though it were a nuisance, which it in fact is for some government members and bureaucrats who dislike any parliamentary control by people who wield power. You should also be aware that you cannot prevent Parliament from fulfilling its tasks as laid down in the Treaties, and I consequently hope that in future we can expect the Council to give positive replies to our unanswered questions.

(Applause)

IN THE CHAIR : MR NIKOLAOU

Vice-President

Mr Georgiadis, President-in-Office of the Council. — (GR) Mr President, I will try to give some answers to those points the honourable Members have persisted on and will begin with the matter of the rectifying letter on the revenue side of the budget.

Concerning the matter Mr Jackson raised at the beginning, and on which I did not reply in my first speech, I would like to make the following points. Firstly, that the Council, at pains to submit the documents on the budget to the Members of this House as quickly as possible, sent out the rectifying letter to Parliament on 23 September without waiting for the official communication — the final preparation of which takes longer due to the Council's internal procedures — to be formally dispatched.

Secondly, the Council formally approved the official rectifying letter communication for dispatch to Parliament on 26 September. Consequent to this the forwarding of the correspondence was undertaken by a competent official of the Council and is dated 28 September.

Thirdly, having ascertained that the document, of which we all recognize the importance, had not reached those concerned, the Council forwarded a copy of the official communication, dated 4 October,

to the office of the President, Mr Dankert. Consequently in our view the good faith of the Council in this affair is beyond dispute, and this rectifying letter cannot be disregarded on the grounds that it was late in reaching Parliament. Also, according to the Minutes of 10 October, yesterday's Minutes that is, the President has received a letter from the Council on the rectification of the supplementary budget which was drafted on 26 September. Hence, Mr Jackson's Amendment No 15 is without substance and should not even be voted on because the matter has been cleared up.

Concerning the matters touched on by the other honourable Members, Mr President, I would like to reiterate the views of the Council once again. Firstly, Parliament must honour the compromise it accepted when the first amending budget was being drawn up, and, by the same token, it must likewise accept the distribution of the appropriations as either compulsory or non-compulsory. And as I said in my first speech, there is no reason why the amounts for Great Britain should be transferred to chapter 100. They must remain in the chapters where the Council has recorded them. This is consistent with Regulation 624/1983 as approved by Parliament. Furthermore, this rectification procedure has been in train since March already and it has to mesh in properly with the original repayments calculation.

I point out again for the benefit of the honourable Members that there is nothing that is new in this adjustment, and the adjustment itself is in no way connected with the outcome of the Athens talks because it is based on a regulation that already exists. Whatever happens as regards Community financing will take effect in future years. The fact that this debate on the increasing of the appropriations for agriculture has come very late is not the fault of the Council but is due to the procedures of Parliament which have delayed the debating of this matter.

I would like to point out as well that the rectification of the payments to Great Britain is based on the March regulation and on the Council's decision of 26 October 1982. We now have the final figures on which to base our calculations. In no circumstance should we confuse this procedure with the so-called *trop perçu* for the year 1980-81 which is due for adjustment in the coming years.

Concerning the contribution of Greece allow me, as a Greek Minister, to inform the Greek Member, Mr Alavanos, that the contribution of Greece to the supplementary budget stands at 1.6%, the same as in the overall budget for 1983, that is, before the budget being debated was drawn up, and therefore there has been no change.

Georgiadis

Winding up, Mr President, I would like to go back again to the more general matter of the approval of this supplementary budget.

Firstly, it is incontestable that the items of agricultural expenditure provided for in this budget are based on existing regulations and on the common agricultural policy, and neither the principles nor the regulations on which they are founded are open to dispute.

I would like to point out to Mrs Focke that discussions concerning the restructuring of the common agricultural policy are under way in Athens at this time and will continue into December. In any case nothing that is said here in connection with this budget will help those discussions. The debate on the supplementary budget for 1983 is not the occasion for discussing this restructuring. The various institutions of the Community must engage in this process at another level.

Concerning the repayments to Great Britain I would like to stress again that these are based on existing regulations and agreements and are made in compliance with the procedure which Parliament accepted. They have nothing whatsoever to do with the future financing of the Community but are, rather, merely an adjustment, and therefore Parliament ought to accept the Council's proposals. I remind you again of the difficulty which adoption of the amendment put down by the Committee on Budgets will create at a time when all the Community's efforts should be aimed at finding long-term solutions to the problems which exist and not simply, as on the occasion of this supplementary budget, at making adjustments which, though necessary, are none the less conjunctural.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, I just wanted to ask the President-in-Office a question. He comes from Greece, and we have learnt a great deal from the ancient Greeks. Does he not agree with Heraclitus that things are in constant flux and are thus interconnected, so that they cannot be seen in isolation from one another as he has just done in his introductory remarks?

Mr Georgiadis, President-in-Office of the Council. — (GR) Mr President, I would like to thank Mr Lange

whose expertise and pertinacity I respect and have verified at first hand as a former member of the Committee on Budgets. I would like to say to him, however, that as I see it the adjustment of the supplementary budget is not connected with long-term developments in the Community. Parliament may assert its positions, but its real opportunity to influence developments will come with the debate on the 1984 budget and in respect of other major topics which come up for debate. And, as a former member of this House, I think that Parliament should reserve its strength for greater battles and not use it on something which, for practical reasons, has to be sorted out here and now.

President. — The debate is closed.

The vote will be taken at the next voting time.

4. Budget 1983

President. — The next item is the oral question with debate tabled by Mr Notenboom, on behalf of the Group of the European People's Party (Christian Democratic Group), Mr Arndt, on behalf of the Socialist Group, Mr Balfour, on behalf of the European Democratic Group, Mrs Scrivener, on behalf of the Liberal and Democratic Group, Mr Ansquer, on behalf of the Group of European Progressive Democrats, Mrs Barbarella, on behalf of the Communist Group, Mr Lange, on behalf of the Committee on Budgets, and Mr Aigner, on behalf of the Committee on Budgetary Control, to the Commission:

Subject: Implementation of the budget of the European Communities for 1983

On 6 December 1982 the European Parliament adopted a large number of amendments.

These amendments were accordingly definitively incorporated into the 1983 budget when the President of Parliament declared the latter adopted in December 1982.

The principal amendments were as follows:

Article

500 European Regional Development Fund	+ 80 000 000
	+ (95 000 000)
510 European Regional Development Fund (specific measures)	+ 4 000 000
	+ (5 000 000)
5410 Preparatory studies for integrated operations	+ 2 000 000

President

550 Mediterranean programmes	+	7 000 000
551 Mediterranean programmes	+	1 000 000
6010 European Social Fund	+	96 300 000
		+(124 250 000)
6011 European Social Fund	+	96 300 000
		+(124 250 000)
6012 European Social Fund	+	1 000 000
		+(1 000 000)
605 European Social Fund		2 000 000
	+	(6 000 000)
630 Implementation of education programme	+	1 500 000
631 Preparation of young people for working life	+	855 000
6330 Specific training measures	+	30 000
6331 Training measures — new information technologies	+	226 000
634 Continuing training	+	100 000
636 Com. measures for linguistic & cultural minorities	+	100 000
6401 Cooperation in field of employment	+	250 000
646 Pilot research projects on action to combat poverty	+	500 000
		+(500 000)
6631 Pollution control — Rhine etc.	+	100 000
6700 Expenditure on cultural action	+	50 000
6706 Restoration of Parthenon	+	300 000
7020 New technologies for burning solid fuels and using residues thereof	+	2 500 000
		+(5 000 000)
7021 Projects for liquefaction and gasification of solid fuels	+	5 000 000
7031 Projects concerning geo-thermal energy	+	(6 000 000)
7032 Projects concerning solar energy and biomass	+	1 000 000
		+(6 000 000)
704 Community energy-saving programme	+	2 000 000
		+(7 000 000)
7730 Preparatory measures for Esprit programme	+	7 500 000
		+(11 500 000)
7779 1983 — year of craft industry and SMUs	+	750 000
781 Financial support for transport infrastructure projects	+	13 000 000
		+(15 000 000)
921 Food aid in milk products		
924 Food aid (other commodities)	+	23 000 000
930 Financial and technical cooperation with non-associated developing countries	+	18 000 000
		+(35 000 000)
941 Com. contribution towards schemes concerning developing countries carried out by NGOs	+	10 200 000
		+(10 200 000)
958 Special programme to alleviate world hunger	+	50 000 000

President

Article 205 of the Treaty requires the Commission to implement the budget accordingly.

Given that the progress of the 1984 budget debate will depend in part on the manner in which the 1983 budget has been implemented, can the Commission state :

1. How it has implemented the items listed above which were created or augmented by the European Parliament ?
2. How it intends to implement the budget for the rest of this year in conformity with the decisions of the European Parliament ?
3. To what extent it has refrained from effecting certain expenditure in the absence of an additional legal basis which it may consider necessary ?
4. Whether it has experienced difficulties in implementing other articles and items of the 1983 budget ?

Mr Notenboom (PPE). — *(NL)* The question we are now debating is one that has been put many times before in October on behalf of virtually every political group in Parliament. It asks the Commission, the executive in the European Communities, about the implementation of the current budget. Mr Tugendhat always seizes this opportunity to explain his policy and answer the questions at great length. Both sides, the Commission and the European Parliament, attach considerable importance to this item of the agenda. Parliament's powers are after all largely confined to the budget, since it does not yet have any legislative powers, and if needs be, Parliament can even use these budgetary powers to oppose the Council and enter policy options in the budget. They then have a legitimate place in the budget and must therefore be implemented. For example, aid to non-governmental organizations, of which there was no mention for many years, is now included in the budget as a result of a parliamentary initiative, and this important aspect of Community development aid has become a universally accepted part of European development aid. This is a good example of how a parliamentary initiative based on Parliament's budgetary powers can result in a permanent European policy.

But it is not enough for us to have these budgetary powers or for us to succeed year after year in enlarging existing areas of policy or introducing new ones into the budget. It is equally important, of course, for the executive to implement these policies. Hence this question about the implementation of these policies, especially those to which Parliament has attached considerable importance during the debate on the budget. The discussion of this series of questions is also important because we shall be looking very carefully at the details of the 1984 budget next week in the Committee on Budgets and the week after here in

Parliament. This also makes it extremely important for us to know in mid-October how the current budget is being implemented, so that we can make the best possible use of the increasingly limited scope — because we have almost reached the limit of own resources — so that appropriations can be entered where they can be used to the greatest advantage and not where there is doubt about implementation or where implementation may have adverse effects.

For those who are not so familiar with this item and those who are not members of the Committee on Budgets, these are the reasons why both the Commission and our Parliament consider these questions important. I am sure that Commissioner Tugendhat has prepared an extensive answer to these written questions, and we look forward to hearing what he has to say.

I should like to add two points to this question. In the past we have had a difference of opinion with the Commission over the need for a legal basis in addition to the entry of an item in the budget for a specific purpose. We disagree on this from time to time. The Commission sometimes claims that it has been unable to implement an item owing to the absence of an additional legal basis, a law, a regulation, a Council decision. We do not always agree on this, and we shall undoubtedly be hearing the same again today. But last year it was agreed that, where the Commission cannot begin implementing an item of the budget because it believes the required legal basis does not exist, it will come forward with a proposal for this legal basis. And I hope that in any such cases the Commissioner will indicate where the Commission may have made this kind of proposal, so that with the help of Parliament, in its advisory role, and the Council, in its decision-making capacity, resources entered under certain items may still be spent before the end of this year. I would very much appreciate it if the Commissioner could give us this information in his answer.

My second and final point concerns the executive's policy in the light of the difficult revenue situation. I apologize, Mr Tugendhat, for the absence of this point from the list of written questions, and I shall not take it amiss if you are unable to reply — although I would be very grateful for an answer and I did warn your services. The 1% VAT ceiling has almost been reached. In addition, revenue is falling in a number of major areas. There is a downward trend in revenue, which is not surprising in the absence of economic recovery in Europe. VAT depends entirely on the trade cycle, on consumption by the public. If this does not rise, if this trade cycle does not improve, the source of VAT, from which we derive so large a proportion of our own resources, is in danger of producing less. The same is true of import duties.

Notenboom

These import duties, all of which become own resources, are also highly dependent on world trade and European imports. That is why — as I have just said in a different context — we must be careful when estimating own resources. It is a difficult thing to do, and I would therefore ask the Commissioner if he can perhaps say something about what he is now doing in view of this weak revenue position. Are you restricting certain items of expenditure or not, or how are you going about this? Do you and your colleagues ever discuss these matters with parliamentary committees? Is this done on the quiet, or is the restriction announced publicly? You will know what I mean. I consider it very important for you to say something about your policy on expenditure in view of this list of questions, which concern the implementation of the 1983 budget, in view of the fact that the limit to own resources will soon be reached and in view of the difficult revenue position. I very much look forward to hearing Mr Tugendhat's answer, which will undoubtedly be very interesting.

Mr Tugendhat, Vice-President of the Commission.

— Mr President, as Mr Notenboom said, this is now an annual exercise, and it is an exercise which we in the Commission regard as extremely useful. It gives us an opportunity in response to a question from Parliament to go through the whole range of budgetary policies, — or rather of policies carried out through the budget — and to explain where things stand at the moment.

The result, of course, tends to be a speech which is rather boring for those who are not directly concerned with budgetary matters, since it involves reading out a recitation of chapter headings with brief comments on them. So although it is hardly a subject for the general listener. I shall do my best to be as helpful as possible to Mr Notenboom and also make an effort to answer at the end the question which he raised at the end of his speech.

Mr Notenboom asked about the state of execution of some 30 budget lines. Therefore I think the best thing is for me to go through them in the order in which they are set out in his question, and I will, of course, be quite prepared to make my speech available at the end so that people do not feel that they have to make notes as I go along.

First of all, Items 500 and 510 which relate to the European Regional Development Fund. Here, as Parliament is aware, the position is different between the non-quota and the quota sections. For the latter three series of agreements have already been entered at 30 September. The fourth — by far the largest — should, as was the case last year, enable almost the whole of the appropriations to be utilized between now and the end of the financial year. Of course, there remains the fact that the new regulation for the Fund is still under discussion in Council. While awaiting its adoption, the Commission is obliged to implement the appropriations on the basis of the old resolution.

The position concerning the utilization of appropriations under the non-quota section is, unfortunately, less satisfactory. The Commission has kept Parliament regularly informed of the difficulties it encounters here, and has explained the position in detail in the course of discussion within the Committee on Budgetary Control. The current position is as follows: the implementation of the first series of specific measures decided by the Council in October 1980 continues but more slowly than planned because of difficulties in starting up encountered by some of the Member States. Moreover, the second series of specific measures proposed by the Commission in November 1982 is still under discussion in the Council. That is why it is already certain that a part of the appropriations for this financial year will have to be carried over to the financial year 1984. As regards budget headings 5410 and 550: these deal with studies preparatory to integrated measures and with the preparation of the integrated Mediterranean programmes. The Commission does not foresee any difficulty in implementing these appropriations.

Budget headings 6010, 6011, 6012 and 605 all relate to measures undertaken within the framework of the Social Fund. For these headings, as for the whole of the European Social Fund, almost complete utilization of the commitment appropriations from here to the end of the year can be expected. However, the budget contains too many payment appropriations. This situation has been examined in detail during the current budgetary procedures and I do not think that I need therefore discuss it again now.

For the group of budgetary headings concerning education and vocational training, that is to say Articles 630 and 631, Items 6330 and 6331 and Articles 634 and 636, the situation shows an improvement as compared with the financial year 1982. At 30 September the rate of implementation by chapter of commitment appropriations was 68%. The less favourable situation for payment appropriations is explained by the fact that contracts signed for these measures terminate only in June at the end of the school year. As regards the budget headings relating to expenditure in the social field within Chapter 64 of the budget, Item 6410 relating to cooperation in the employment field presents no problems of implementation. Article 646, which concerns pilot research into the fight against poverty, the preparation of the second action programme, is carried out essentially by way of consultation of the Member States and interested bodies in order to decide upon priority themes. Since these consultations are due to be concluded only at the beginning of 1984 only about 50% of the 500 000 ECU entered in the budget will be committed between now and the end of the year. The balance will be carried over into 1984. For Item 6631, concerning the combating of pollution of the Rhine

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and other cross-frontier rivers, most of the 100 000 ECU entered in the budget will be committed and in part spent between now and the end of November on two studies on the Moselle and the Saar.

In the cultural field, the implementation of Items 6700 and 6706 which relates to the reconstruction of the Parthenon, progress is completely satisfactory with a rate of nearly 100 %. The energy sector remains one of the most difficult ones, despite the efforts made by the Commission. The relatively low utilization of appropriations entered under the budgetary headings mentioned by Mr Notenboom is the result of delay in adopting their legal base. Indeed it was only on 11 July 1983 that the Council adopted Regulations (EEC) 1971/83 and 1972/83, providing for the granting of financial support to industrial pilot projects and demonstration projects in the field of liquefaction and gasification of solid fuels together with demonstration projects in the fields of the exploitation of alternative energy sources, energy savings and substitution for hydrocarbons. These two regulations are, besides, applicable only until 31 December 1983. Despite this delay, the Commission took prior steps at the end of March to invite tenders from firms and interested bodies for proposals to be submitted by 31 August 1983 for the carrying out of demonstration or industrial pilot projects. It received about 900 proposals which are currently being examined by the Commission services. As regards the first group of proposals in the areas of liquefaction and gasification in particular, the Commission has already proceeded in the course of July last to make an initial selection. The relevant procedure is underway. As regards the other proposals, it will commence in October or November. The Commission services will subsequently proceed to negotiate contracts with the beneficiaries.

Let me recall, Mr President, in this context the positive conciliation meeting in this field which took place in June. The Commission was pleased that a common base of views emerged in the course of this meeting and resulted in an important step forward. Vice-President Klepsch played a decisive role as president of the parliamentary delegation, and on behalf of the Commission I must thank him and all his delegation colleagues.

For Item 7730 — preparatory measures for the ESPRIT programme — a transfer from Chapter 73 of 3.2 m ECU has been made to supplement the endowment of this item. The 91 % level of consumption reflects the essential requirements of this action together with the importance attached to it by the Commission and indeed, I hope, by the Community as a whole. All the commitment appropriations will be used up before the end of the financial year.

For Item 7779 — the Year of Craft Industry and Small and Medium-sized Undertakings — the complete utilization of appropriations is expected. For Article 781 concerning financial support to projects

on transport infrastructures, the utilization of appropriations requires the adoption of a regulatory base by the Council, since Council Regulation 3600/82 of 30 December 1982 concerning limited measures applied solely to 1982. The Commission, while maintaining its draft regulation dating from 1976, presented on 5 August 1983 a draft regulation for the grant of financial support within the framework of a multiannual programme of transport infrastructure. This proposal is being drafted so as to respond to the invitation which Council addressed to the Commission in its session of 7 June 1983 conveying the Council's concern that the utilization of appropriations in the 1983 budget should be made effectively possible. The Commission is doing all it can to have this proposal adopted by the Council in time to allow appropriations to be utilized in 1983.

I now turn to development aid where the situation is as follows. For Article 921 — food aid in milk products — and Article 924 — food aid in other products — most of the appropriations have been committed and complete implementation is expected before the year's end. For Article 930 — financial and technical cooperation with non-associated developing countries — we have rather more difficulties, and delays in implementation are still occurring. The new decision-making procedure raises difficult problems of adaptation because of the increased complexity of the mechanisms involved. Every effort will be made to enable all the numerous appropriations remaining from 1982, 115.6 m ECU to be used and about half of the appropriation for the current year to be committed.

There is no particular difficulty expected in the implementation of Article 941 — Community participation in measures to benefit developing countries carried out by non-governmental organizations — while for the important new Article 958 created by Parliament the Council adopted on 11 July 1983 a regulation concerning a special scheme to combat hunger in the world. The Commission thus has available to it the legal base required for the commitment appropriations amounting to 50 m ECU which were entered in the 1983 budget.

Mr Notenboom has also raised the question of the legal base, the absence of which may represent for the Commission an obstacle to the implementation of appropriations. In order to show Parliament and Council the extent to which the joint declaration of 30 June 1982 has been applied in respect of — and I quote — 'significant Community actions' requiring a legal base, the Commission sent on 27 June a summary of the follow-up to its proposals. Updating was inserted in the 30 June report on the financial situation and will be included in the 31 August report which will be available next week.

For some of the budgetary headings concerned, the legal base now exists, although it may often have been obtained too late for implementation of these head-

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ings yet to have reached a significant amount. Thus, on the initiative of the Commission supported by Parliament or alternatively on Parliament's own initiative through the use of its margin of manoeuvre, significant new Community measures are now underway. Such is the case for the following headings: Item 5411 — Community measures in the framework of integrated operations — Items 7020, 7021, 7032, 7033 and Article 704 already cited in the energy sector. Article 958 is another one.

However, in the case of other budgetary headings the Council is slow in taking decisions. The Commission is making every effort to persuade it to remove obstacles to the implementation of its budget. The headings are as follows: Article 411 — the joint fisheries research programme — and Items 6610 and 6611 — environmental measures; Item 7702 — Community operations for development of data processing, where it seems unlikely that the Council will take a decision this year; Article 705 — promotion of energy investments and Article 781 — financial support for transport infrastructure projects, where it appears that the Council is willing to create the legal base before the end of the year. For each of these headings Mr President, the Commission will seek the best conditions for the implementation of these appropriations in keeping with the joint declaration of 30 June 1982. This will normally mean a proposal for a transfer. Should it consider that it is preferable to carry the appropriations over to the subsequent financial year in a small number of cases in order to maintain the pressure for creating a regulation, the Commission will give detailed explanations.

I now turn to part 4 of Mr Notenboom's question, which concerns budget items other than those already mentioned. For fisheries the position on commitments is clearly improving with implementation of 56 %. However, payments show a fairly sharp regression, mainly because of the situation obtaining in Chapter 46 — measures to improve agricultural structures — where the whole of the payment appropriations of 23 m ECU will have to be carried forward to 1984 if there is still no adoption of the regulation setting up the definitive structural action. Moreover, it is expected that 4 m ECU will be carried over from the 1982 financial year and will remain available at the end of the financial year.

For Item 7000 — projects concerning hydrocarbons — the utilization in particular of commitment appropriations, up till now 10 %, is explained by the Council's refusal to approve a draft decision presented on 16 June 1983 and concerning support for 49 Community projects in the hydrocarbon sector to an amount 34.5 m ECU.

For Item 7374 — science and technology development — there is a four-year programme for 1983 to

1986 approved by the Council on 3 December 1982 for an estimated total of 40 m ECU which presents serious difficulties in starting up, given the need to coordinate research activities among the specialized Euro-laboratories in different European countries and the corresponding bodies in developing countries.

For Item 7502 — the third triennial plan in the information market and innovation field — several factors independent of the Commission's will are producing a slowing down in implementation.

For Item 7711 — interinstitutional information systems — unexpected difficulties have to be surmounted. As in previous years, difficulties persist with Chapter 96 relating to implementation of the Financial Protocols concluded with the countries of the Mediterranean basin.

The Commission keeps Parliament regularly informed in its financial reports of the difficulties it encounters in the implementation of appropriations where it is dependent on action by the third countries concerned.

Mr Notenboom has also asked me to comment on a question which, as he says, he did not include in the written summary but which he transmitted to my services. The long statement — eighteen-and-a-half minutes so far — that I have already made shows that the Commission is doing its best to fulfil its obligations under the budget and to execute the budget as adopted.

The appropriations for non-compulsory expenditure are covered by revenues, as are all other expenditures, and could in any case not be used for compulsory expenditure without the agreement of Parliament. I hope that is clear, that we are doing our best to execute the budget and could not, even if we wished to, move money from non-compulsory to compulsory lines without the approval of the Parliament.

In the light of what I have been saying I believe there is now a large measure of convergence between the views of Parliament and Commission in a number of these important areas, to which Parliament has attached particular significance. That, it seems to me, is the main thing. Certainly there is a desire on the Commission's part to take the fullest account of the political objectives pursued by Parliament in the framework of its budgetary powers.

I said at the outset Mr President, that my speech would perhaps not be very scintillating, for its length depends entirely on the number of questions that Mr Notenboom himself asks. I hope that what I have said will be regarded as helpful by Mr Notenboom. The speech is, of course, available to him, and if there is any additional assistance that my services can provide, Director-General Strasser and a number of his colleagues, who have done a great deal of work in preparing this answer, stand ready to cooperate, as indeed do I.

IN THE CHAIR : MR VANDEWIELE

Vice-President

Mr Konrad Schön (PPE). — (DE) Mr President, ladies and gentlemen, I was pleased to hear Mr Tugendhat say just now that the views of Parliament and the Commission are converging with respect to political objectives. But looking at your answers to Mr Notenboom's list of questions, Mr Tugendhat, I cannot help noticing that execution of both the Regional Development Fund and the Social Fund is unsatisfactory. I would so like to know where the real difficulties lie, because we have just been dealing with the problems of the Social Fund in connection with the supplementary budget. May I merely remind you of the 64m ECU on which we disagree with the Commission.

Although you state that Parliament was sent a summary of the follow-up to the Commission's proposals in connection with the joint declaration of 30 June 1982 which have a bearing on the execution of the 1983 budget, I must say — and I am addressing our presidency rather than the Commission — I find it very strange that we have been unable to discuss this summary because we haven't seen it. This is a question for the Committee on Budgets, Mr Notenboom, since, as I say, I know nothing about this summary. It would be interesting to see how far the Commission's answer, or their view of things, coincides with Parliament's thinking.

I was glad to hear you state, Mr Tugendhat, that you are doing your best to implement the budget in a manner acceptable to Parliament, but I am nevertheless not satisfied with your answer to Mr Notenboom's question on the budget as a legal base. Instead of negotiating with the Council about the supposed absence of a legal base each time, and the Council failing to create one after drawing out the negotiations and finally admitting under pressure that a legal base is necessary, the Commission should be more courageous and say the budget has been adopted by Parliament and will therefore be executed. If the Council is incapable of creating a legal base the Commission should implement the budget all the same because both the Committee on Budgets and the plenary consider the budget an adequate legal base.

We would like a clear statement on this, since if delays keep on occurring in the implementation of the Community's policies year after year because the Council blocks them and the Commission has not got the courage to execute them, one cannot help seriously wondering whether this is not harming the Community as a whole. I would consequently appreciate a straight answer from you, Mr Tugendhat, giving your views on the legal base problem. If you really agree with Parliament as regards political objectives

you ought to respect Parliament's wishes in this matter and to make your respect obvious when addressing this House.

Mr Notenboom (PPE). — (NL) Mr President, it is not my intention to comment on the Commissioner's statement after the important comments Mr Schön has made. I should like to thank the Commissioner, and I shall certainly be asking him for his text very shortly.

The Commissioner and the budgetary experts know that this is not the kind of subject that lends itself to an immediate and detailed reaction. We shall, of course, be looking at this very carefully with our staff to ensure that it is as fruitful as possible both when the discharge is granted and during the deliberations that will be taking place next week in connection with the 1984 budget. While I am unable at this moment to go into all the details the Commissioner has been so kind to provide, you can rest assured that they will be studied scrupulously. We are very grateful for the very detailed information he has once again provided.

President. — The debate is closed.

5. Arms procurement

President. — The next item is the report by Mr Fergusson, drawn up on behalf of the Political Affairs Committee, on arms procurement within a common industrial policy and arms sales (Doc. 1-455/83).

Mr Alavanos (COM). — (GR) Mr President, I will be very brief. In view of the fact that the report that Mr Fergusson is presenting to us has to do with arms, and as such carries the smell not only of blood but of dollars as well, billions of them for both European and American arms manufacturing companies, I would like to enquire whether Mr Fergusson — not that there is anything personal in this — has, in accordance with the respective decision of Parliament and with established parliamentary practice, submitted a declaration to the effect that he has no direct or indirect financial interest in this subject, no interest other than the pursuance of his hobby which, as we see in his biographical details, is 'defence matters'. I would also like to ask him whether he had any contact with arms manufacturing companies during the drafting of the report, and if so, with which ones.

President. — Mr Alavanos, I do not know whether this is a genuine point of order. I shall ask Mr Fergusson if he is prepared to reply.

Mr Fergusson (ED), rapporteur. — Mr President, I do not really understand the question. I do understand its mischievous nature.

Fergusson

Mr President, this report is, I believe, one of the touchstones of our determination that the Community shall move, in the words of the Treaty, towards 'an ever-closer union among the peoples of Europe'. It deals with actions, not declarations. It invites cooperation in sectors of high national sensitivity. It most genuinely covers Community endeavour where it might be managed jointly, better than singly, and where pooled resources and effort self-evidently could more sensibly and successfully serve the common interest. It strives to make the Community more properous by encouraging a common industrial policy; more secure, by uniting our economic and technical effort in the field on which our very freedom depends; more unified by developing an important sector of the emerging common foreign policy of the Ten and so more effective as a force for peace and recovery in the world at large.

The Klepsch report of 1978 brought new ideas to the sterile old argument about procurement cooperation. Here we continue its theme that if Europe is to keep abreast of its rivals in high technology and is to maintain an independent, cost-effective, conventional arms industry, it can only be done by fostering a high degree of industrial cooperation in which both civil and military spheres derive from one another their impetus, their cost-effectiveness and their inspiration. If we do not cooperate in every practical way in an age of rocketing costs the fragmentation and duplication of our research and development and production will condemn us to military weakness and dependence and to falling helplessly and hopelessly behind in the high technologies of the future.

Members will recall that the Greenwood report was commissioned to study these matters and to consider why the Klepsch proposals never got off the ground. Its opinion may be justified that they were too ambitious — at least for today. But the aspirations of the Klepsch report remain valid for tomorrow and the Political Affairs Committee has not been persuaded to reject, as Mr Greenwood did, the objective of reducing waste and achieving greater military efficiency by the rationalization of procurement and by ensuring interoperability through the standardization of equipment throughout the North Atlantic Alliance. We must do more than tinker with the status quo and if we cannot oblige Member States to collaborate, we can at least try to create the industrial, competitive and economic conditions in which cooperation may beneficially take place. Parliament will note that, without adding to the number of agencies dealing with procurement, it can still support a practical and concrete proposal for real action by both Council and Commission. We await, with many hopes, the Commissioner's comments, although we are sad not to see Mr Davignon with us. It would be gratifying if he could make his interest in this particular matter a little bit more evident.

I turn, Mr President, to the vexed question of whether we are intruding on ground where we have no busi-

ness. Some here, as in the Political Affairs Committee, will not be persuaded, even though Parliament made security its business in 1978, and the Council has confirmed it many times. However, in no way can this be an intrusion into defence strategy or into the proper concerns of the North Atlantic Alliance, or of any Member State. To cooperate for purposes of efficiency in matters in which we are already deeply engaged is not to foreshadow a European military/industrial complex — the sort of thing we hear about. And to anyone who thinks that the Western European Union might be a more appropriate forum for organizing arms procurement, I can only say, although I have much respect for the WEU, how could it set about such a thing? What resources, what economic clout, what organizational capacity does it have? We must face this sober truth that if we wish to keep our independence, and security, and freedom, then we must will the financial and industrial means of preserving them. Today this can probably only be done through the Community even though every member country will not be involved to the same degree, or at all.

Now, are we prepared to will those means? I can hardly do better than quote the French Prime Minister, Mr Pierre Mauroy, who said on 22 September: a concerted arms manufacturing policy should be considered a priority objective among the many things that must be done to strengthen western European defence. Or, as his Defence Minister, Mr Hernu, meeting with his British and German counterparts the following day said: This cooperation, opportune yesterday, has become essential today for the future of the safety of every one of us.

If the Community does not contrive it — by all means, hand in hand with the WEU if necessary — then the two-way street of North Atlantic arms procurement will remain, as now, a torrent of American exports towards Europe and a diminishing trickle the other way and Japan will shortly join America as our principal arms suppliers. The consequences for our high technology in Europe do not bear thinking about; nor the consequences for European employment. The implications of these proposals are not just for the hundreds of thousands of workers in our arms industries. They are for all the others in our high technology world and its ancillaries. That is why the Community must clear the decks now to make industrial cooperation possible, for it is all part of what President Mitterrand last month called for: a European high technology plan. It is something that cannot be achieved in the civil sphere alone. No country on earth can divorce its defence industry from its civil industry if it hopes to stay in the front. For the Community to form a single industrial policy for the two is not to detract from national sovereignty but to reinforce it.

Fergusson

Now to arms sales, the second part of my report. As Mrs Wieczorek-Zeul's detailed and the careful opinion from the REX Committee indicates the external arms trade is also a perfectly proper subject for our consideration. The questions of arms sales and arms procurement are two sides of the same coin and the problems they raise are most closely linked. Indeed, if I may quote our own President, Mr Dankert's, report to the WEU Assembly in 1977, the European countries of the Atlantic Alliance provide an arms market large enough for economic production that would be independent of exports to the Third World thus enabling such exports to be terminated or limited to those deemed to be in the interests of Europe according to a commonly-defined external policy. How can we pool our industrial effort here without a common sales policy? How can we ask countries whose arms exports maintain their independent military establishment to limit them without ensuring counter-balancing benefits? The point is that extra markets must appear in Europe for European products and our buying policies must be geared accordingly.

Most of us are in search of a common foreign policy, the purpose of political cooperation. Does anyone insist that arms sales are all to do with trade and nothing to do with foreign policy? To suggest that in the light of the Falklands war or what is happening this very week in the Middle East all the way to the Gulf simply will not hold water. The signatories of the Rome Treaty can surely find a less cynical way to pursue their common interests than in cut-throat competition to sell arms to each other's enemies or to governments which flout human rights or to regions in turmoil where each delivery of arms may be like a bucket of petrol on a bonfire. We can do better than say that if we do not sell them, the Russians will.

What is the thinking behind this resolution? In matters so complex and so sensitive as arms production and sales it cannot be for the Parliament to dictate the detail of policy. Rather we should concentrate on the principles which guide it, and on these we have the Council and the Commission already on our side. Exact plans which could conflict with the prejudices or experience of our Member States at best invite rejection. Far better that those who must implement these policies should determine the method. Thus for arms manufacture, while encouraging the Council and Commission to rationalize the whole procedure both within the Community and in respect of our allies, we have laid emphasis on the need — so well-endorsed by Mr Nordmann's opinion to the Committee on Economic and Monetary Affairs — for a better industrial strategy in general, the reinforcing of the internal market, the promotion of key technologies and the liberalization of public procurement.

For sales, rather than draw up controversial lists of what arms may be sold to whom and how, inviting repudiation for usurping the Council's role, we argue firmly for a coordinated approach and common rules. Amendments that seek for more, we feel, will earn rebuff at Council level, but I nonetheless commend Mrs Wieczorek-Zeul's ideas in her opinion to the Council for its most careful study and also the constructive, although, again, too detailed, proposals made in several of the amendments tabled to this report.

Mr President, the Political Affairs Committee is trying to press no constitutional point in putting forward this resolution, nor to push the parliament's sphere of interest any wider, although Members are not without concern on that point. But, we are trying to move the Community in a direction considered vital for its survival and it is on that basis that I commend this report and the resolution to the House.

(Applause from certain quarters)

Mrs Wieczorek-Zeul (S), *draftsman of the opinion of the Committee on External Economic Relations.* — (DE) Mr President, ladies and gentlemen! The opinion of the Committee on External Economic Relations focuses solely on section II of Mr Fergusson's report which calls for joint rules for restricting arms exports from Member States to third countries.

The Committee did not see any reason to link, as Mr Fergusson does in his report, restrictions on arms exports with specialization of European armaments production. In fact, as the draftsman of the opinion of the Committee on Economic and Monetary Affairs, Mr Nordmann, says: 'any increased efficiency of arms production that would accrue might create a spur to step up rather than reduce overall exports'. A majority of the Committee on External Economic Relations is proposing an institutionalized approach which might take the form of an agreement or convention between Community Member States on limiting arms exports and these proposals are now before you in the form of specific amendments.

The facts on which our arguments are based, and which cannot be set out clearly enough, are as follows: arms exports to developing countries have doubled in the last decade. Each year throughout the world arms worth \$ 35 000 m are exported. Three-quarters of all exports go to developing countries. Four Member States, in the following order, participate in this insane process as net exporters of weapons: France, Italy, the United Kingdom and the Federal Republic of Germany. After the two leading arms exporters, the USA and the Soviet Union, the abovementioned Member States lead the world as

Wieczorek-Zeul

exporters of major weapons, France with 10.8 % and third place in the world, Italy with 4 % and fourth place, the United Kingdom with 3.7 % and fifth place and the Federal Republic of Germany with 3 % and sixth place. The ever higher costs which developing countries have to pay in hard currency for armaments forces them to forgo the investments needed for land reforms, and to feed and educate their population and spend the money unproductively instead on aircraft, missiles, tanks and ships.

The political motives often cited by the industrialized nations as the reasons for exporting arms are by no means the real ones, as we have pointed out in our opinion. The real motives are frequently commercial interests which are concealed behind more or less flimsy political pretexts. In the opinion we examine the question of whether arms exports safeguard jobs in the supplier nations and on the basis of well-founded studies show that there is a high correlation between expenditure on armaments and unemployment. We point out that it is extremely expensive to maintain jobs in the arms sector, i.e. that these jobs are purchased at an extremely high cost and we also show that, contrary to the general line of argument, these account for a relatively low proportion of overall exports in the Member States, as illustrated by the figures in the opinion.

We also refute the argument that arms exports create regional security and stability in the Third World. In fact, such arms exports generally lead to a regional arms race, as has happened in the Middle East or Latin America, so that the danger of proxy wars in third countries is extremely high.

One area on which I do agree with Mr Fergusson is the need for a Community approach. The commercial importance of arms exports, as I have just indicated, has increased. We need only consider compensation transactions such as arms for oil. Secondly, an attempt is being made via joint ventures in the armaments sector to evade national restrictions in the field of arms exports, as shown by the particularly unedifying example of the Federal Republic of Germany. And thirdly, given the different arms export policies of individual Member States, there are bound to be repercussions on solidarity within the Community itself, as was shown in the Falklands war.

So what, in fact, are we proposing? We propose that the governments of the Member States should reach an agreement as part of European Political Cooperation to restrict exports of arms, and for this agreement to be reached by Foreign Ministers, rather than Ministers of Defence. Arms exports between the Member States of the Community should be permitted and other countries, such as Austria or Sweden should be granted an equivalent status. A standard list of such

countries should be drawn up and consultation on this list take place as part of European Political Cooperation; a representative body from the European Parliament should also be consulted; moreover, there should be a final destination clause. Finally, and most importantly, no arms exports should be allowed to Third World countries outside this list. If exceptions are made, the following criteria must apply: there must be a demonstrable, common European foreign and security policy interest and there must be safeguards to ensure that arms are not delivered to countries to commit violations of human rights, i.e. for use against their own population.

We further suggest that there should be a Community agreement on an international limitation of arms exports which, I need only mention the conventional arms trade talks, must include the two largest arms suppliers, the USSR and the USA, and that the Europeans should put their own proposal into practice.

I would conclude with an appeal: as members of the European Parliament we have a special responsibility. What good is a Community development policy, whatever its merits, if at the same time the Member States supply arms which prevent these countries achieving any development? We should reverse the policies which threaten peace by disarming and using the resources for development. Once they have been deployed, nuclear missiles will reach Moscow in six minutes. But a peasant woman in Africa has to walk miles to provide her family with water. This debate on arms exports should be used to show that the European Community is willing to contribute to development in the world.

(Applause from the left)

Mr Hänsch (S). — *(DE)* Mr President, ladies and gentlemen! First of all I would like to say that the Socialist Group disagrees with those colleagues who first submit motions for resolutions on arms and defence policy and then refuse to discuss the reports arising from these motions. This Parliament has every right to discuss the matters that concern the people of Europe. And nobody would deny that people are deeply concerned with questions such as: How can peace be maintained and guaranteed? What can and must be done in Europe to guarantee peace? It would be scandalous if Parliament were to remain silent on this subject.

We are also aware that greater independence for Europe requires more cooperation between the European States; in this we agree with the report. What is at issue is not whether we discuss Mr Fergusson's report, but whether, in its present form, it should be adopted and whether the report is of benefit to Europe, the Community and its external security.

Hänsch

The Socialist Group considers Mr Fergusson's proposals on armaments cooperation to be wrong and those on arms exports inadequate. First of all, we would have preferred a report on disarmament cooperation to this report on cooperation on arms production, since disarmament is what matters to the people of Europe. Their freedom, their social, economic and intellectual freedom is guaranteed by fewer, not more, weapons. This applies all the more given that there has so far been no European arms industry, merely national arms industries, a German, a British, French and Italian arms industry, geared to the strategic requirements of each country. Before any meaningful cooperation is possible, Mr Fergusson, our countries must agree on their strategic requirements. Your report fails to mention this aspect.

We believe that the Fergusson report takes the wrong approach and do not therefore wish to criticize details. It is wrong because it tries to put the cart of a joint European defence policy before the horse. It is wrong to want to start with cooperation on arms procurement before formulating a joint defence policy. Before we can discuss joint weapons production, Mr Fergusson, we must define European security interests.

Parliament might do well to first clarify what the specific European security interests within NATO are, but up to now we — or rather you, the majority in this Parliament — have been reluctant to do this. Until we have clarified this issue, until we politicians have determined European defence interests, these will continue to be determined by the arms manufacturers and military and industrial interests: it is they and not we who establish the priorities in arms production.

Nor do I believe, Mr Fergusson, that multilateral, joint projects are inevitably cheaper. All previous attempts have shown that multinational projects tend to prove excessively expensive. The latest, most striking example is the MRCA, and the Tornado shows how this sort of weapon and arms production does not lead to savings, but generates even higher costs. Nor does your report, Mr Fergusson, have anything to say about the different strategic and tactical considerations in the Member States, different purchasing cycles and the question of research competition, although you are well aware of their existence. Under no circumstances can we therefore accept this section of the report.

My group considers the section of arms exports to be inadequate. We agree with you, Mr Fergusson, that we need joint rules. We need joint rules for arms exports, but rules which will reduce arms sales and not rules to sanction the status quo. As long as you do not make it clear that the rules must be more restrictive than the present ones, we cannot accept this point. We are asking for a reduction in exports, both as far as the

number of countries is concerned, as well as the quantity of weapons exported, and we want more effective controls than before. We need not go into details here, but, Mr Fergusson, the report should have included a description of how more effective control is to be achieved and how exports are to be limited. This has been omitted and therefore we also reject this section.

In our opinion, the theory that arms procurement and arms exports safeguard jobs is wrong. On the contrary; in the long terms arms exports clog up potential markets and tie up funds. The crucial issue, on which our attitude to your report is based, Mr Fergusson, is whether we can achieve joint rules on arms exports and whether Parliament is not only demanding such rules but is also willing to define them. Let us set the people of Europe an example. Let us show that the European Parliament wishes to reduce rather than increase the arms burden on the world — especially on the poorer countries of the world. Let this be our contribution to world peace: a world where even now eight wars are being fought with European weapons: eight wars too many!

(Applause from the left)

Mr Klepsch (PPE). — *(DE)* Mr President, ladies and gentlemen! First of all I would like to thank Mr Fergusson for undertaking the very difficult task of taking account in this report of all the different positions expressed in the motions for resolutions which the Political Affairs Committee had to consider. I regret that Mr Fergusson was faced with the problem of having to combine two aspects that are not necessarily linked, namely the question of a common industrial policy and the question of rules on arms exports. This was necessary on technical grounds and I am glad that at least the other two aspects originally involved were hived off.

Mr Fergusson was confronted with a difficult task which, in my opinion, he has done his best to carry out. Parliament needed not simply slogans for public consumption, but a realistic proposal with a genuine chance of becoming the basis for action by the Commission and the Council. I believe that Mr Fergusson has succeeded in approaching the matter from precisely this realistic point of view. Parliament basically agrees on the need to promote a common industrial policy for the Community. The whole House attaches importance to this. Part 1 of the Fergusson report makes concrete proposals and he justifiably criticizes the Commission for failing to take any action on the basis of my report, although at the time Mr Davignon, on behalf of the Commission, gave us the impression that positive action would follow. The Greenwood report — it must be said — is nothing but a collection of anodyne phrases reflecting the author's opinion that there is no solution and no

Klepsch

prospect that the Community will progress in this area. I therefore believe that Mr Fergusson's approach offers the Commission and the Council a realistic basis for a common industrial policy. In my opinion, the debate started off on the wrong foot so far as some speakers were concerned, quite apart from the nonsense about missiles that we heard on Monday in connection with Mr Fergusson's report. As Mr Hänsch has already pointed out, that has nothing to do with the report. The report deliberately avoids military and strategic security aspects, and is concerned with how we are to develop a common European industrial policy. When my report was being discussed, no one suggested that the arms industry could be considered in isolation from the technological development of European industry as a whole, particularly as far as high technology sectors were concerned, and even some sections of the Communist Groups voted for the report at the time. Any attempt to consider the arms industry separately shows a lack of interest in genuine cooperation.

As Mrs Wiczorek-Zeul has correctly pointed out, jobs in national arms industries are extremely expensive to maintain. This is precisely why we are calling for an end to this waste of resources. We must not continue to pamper the various national arms industries with such enormous subsidies from public resources without taking advantage of the possibilities offered by cooperation between the various European partners. We have agreed on this once. Mr Fergusson is now sensibly suggesting that we adopt an approach which is feasible in the present situation. I think that everything that we have already discussed remains valid. We must include this area when we are considering the shipbuilding industry, the aviation industry, computer technology, all high technology areas; it is not only weapons that are involved. It is complete nonsense to regard the armaments industry solely in terms of weapons. There are a number of things that we regard as armaments and which appear as such in figures on exports. But this includes such goods as field telephones and the list could be continued indefinitely. The only thing that matters is to coordinate and concentrate activities so that we remain competitive and economize while promoting technological development in the Community. No one would oppose disarmament. I have the feeling that the European States are more willing to disarm than some others, but the main point at issue is still: do we want a common industrial policy or not? If we do, then we should take Mr Fergusson's proposals as a starting point.

I accept most of what has been said regarding what is desirable for the control of the arms trade. Today Parliament is faced with the question of whether we want the Member States to make a start on bringing the arms trade under control, direct it and ensure that rules are established, or whether we are discussing some pipe-dream that may be feasible one day but for

the time being is Utopian. There are arguments against the Fergusson report. Personally, I find that it does not go far enough. Mr Fergusson himself has pointed out that the proposals in the first part of his report fall short of what Parliament adopted on the basis of my proposal. But the important thing is to find a basis for further development, and I believe that this also applies to the arms trade. Major arms dealers will be delighted as long as we remain in cloud-cuckoo land and no real progress is made towards bringing the arms trade under control. For this reason we accept Mr Fergusson's proposal because it really does offer a starting point.

I admit, and here I must agree with Mr Hänsch, that the formulation of the section relating to defence ministers is unfortunate. No objections were raised in committee. Only later did we realize that they are not the ministers responsible, or at least not in all countries. My group has therefore taken the step of tabling an amendment which asks for the matter to be referred to the appropriate ministers.

I should like to conclude by saying that Mr Fergusson has, in both sections of this report, on the whole given us a realistic basis for action. My group believes that now is not the time to discuss security strategy and joint military action. These matters are best discussed elsewhere. The important thing is to find a basis for a common industrial policy and control of the arms trade. I would like to congratulate Mr Fergusson for having done this.

(Applause)

Mr Normanton (ED). — Mr President, I am delighted to be called to speak after listening to my friend and colleague Dr Egon Klepsch, with whom we collaborated five years ago in the production of the report which stands in his name. For nearly 10 years the European Community has been battling against economic forces released onto the world by the sudden great and prolonged rise in the price of oil. It brought to an end an era of unparalleled economic growth and employment. It precipitated a world recession. It has left a trail of economic and social disasters around the world and still there be but few signs of its abatement. And all this time the European Community has been under the stultifying, paralyzing inability of Member State governments to agree and adopt policies in common to resolve problems faced in common — and all because of certain painful truths which they, and we in Europe, are unwilling to accept.

Firstly, Europe has abdicated a role of leadership in world affairs, leaving political initiatives to the two superpowers — to the United States and to the USSR. Secondly, we have opted out in Europe of the military technology field to a degree that our defence in effect depends upon the United States umbrella, what I call the Snow White and the Seven Dwarfs syndrome. Here lie the very reasons for Europe lagging behind in

Normanton

the field of high technology. In the United States industry operates on a continent-wide, totally integrated basis with a massive investment by their single government in research, particularly in the field of high technology with, of course, a very special regard to the defence implications of it.

There is no such comparable investment in Europe in or by the European Community because of the phoney arbitrary distinction which is maintained by too many people and too many interests, between military (what is called military) and non-military production. It has been contended by some that military production must remain solely and exclusively in the control of Member States. To support this completely artificial division of industry will guarantee that Europe's industrial capability and her competitiveness in world markets for all products will continue, in my opinion, to deteriorate against that of the progress being achieved by the United States and by Japan in these fields and will therefore aggravate our own ability to resolve such social problems as unemployment and the like.

The Community must, as urgently as possible, adopt a policy of wider, even leading to total, integration of industry throughout the length, and breadth of Europe, so as to become comparable to that which exists in the United States. The insistence on two quite separate policies at Community level, involving the exclusion of defence industries from Community competence, is the height of irresponsibility and an indictable folly and the Fergusson report in my opinion spells this out crisp and clear.

This House should give the fullest possible support to Mr Fergusson and to his report. Where the Klepsch report of 1978 pointed the way which we *should* follow, this Parliament should insist that the Fergusson report defines clearly the line which Europe *will* follow. Neither Klepsch nor Fergusson are concerned with defence policy or military defence strategy. That lies, as has been said very clearly and repeatedly, with NATO until replaced, as I believe it is inevitably bound to be, by a new concept of Euro-Atlantic strategy. I refer to the concept of the twin pillars which, I believe, was spelt out by the late President John F. Kennedy in the United States and Canada on the one hand and a strong and equally high technology-centred powerful Europe on the other. Both are economies geared to high investment in high technology, while in the commercial field they are strongly competing with all our industrial products in the markets of the world at large.

In the interests of the economic health and the wealth of our peoples of Europe, I believe that this Parliament should give Mr Fergusson the fullest possible support and thank him for his efforts. The European Democratic Group will do just that.

(Applause from the centre and from the right)

Mr De Pasquale (COM). — *(IT)* Mr President, we Italian Communists oppose this report, but not on grounds of competence, since, in our view, an elected Parliament can tackle any subject, and express its views with any vote. No, we oppose it on its merits and, above all, for general political reasons.

Today the world is once again shuddering with the fear of a war of extermination: the nuclear and conventional arms race continues unbridled as never before, absorbing constantly growing resources. Negotiations between the great powers are almost bankrupt, and the institutions responsible for peaceful coexistence are half-paralysed. Of the many bloody conflicts throughout the world, none has been settled peacefully, and they are all kept on the boil and fomented through the sale of increasingly lethal and sophisticated arms by the industrialized countries. Arms smuggling prospers, intermingling with the drugs traffic, and constituting the most purulent and devastating scourge of our contemporary society.

In such a terrible situation every effort should be made to re-open the channels of détente.

For these reasons it seems to us entirely out of place and totally inopportune for the European Parliament to approve a report such as the Fergusson Report that makes no mention of the political and economic mechanisms that produce war, death, repression and the violation of human rights. On the contrary, this report is looking for a concentration, a rationalization and, quite definitely, a strengthening of the production and sale of arms. It asks for the competitiveness of the European arms industry to be increased, where both the internal and the international markets are concerned. It wants total liberalization of the trade in arms, and the adoption of special production and commercial relations with the American and Japanese industries. It wants — and this is absurd — the Commission to be the guarantor for the sound operation of the arms market.

It uses falsely objective arguments, such as the assertion that the sale of arms is necessary in order to re-establish equilibrium, and make peace possible, in certain areas. This is the argument that was used up till yesterday for the sale of arms to Iraq and Iran, for a frightful war that threatens to unleash disaster.

The aims of the Fergusson Report are therefore totally foreign to the objectives of détente! It should therefore, in our view, be rejected in toto, and for that reason we Italian Communists have not put forward any amendments.

Moreover, with the Community as it is at present constructed, and in the absence of any common foreign policy, the package of proposals presented by the rapporteur regarding the sale of arms to third countries is somewhat fanciful. Indeed, in some parts of it, Mr Fergusson appears to be almost shaken by

De Pasquale

the aftermath of a certain Argentine syndrome, instead of being deeply aware of the gravity and complexity of the problem.

We Italian Communists are in favour of European cooperation in the arms industry, as far as the standardization at a lower level of the different types of arms. This should be, though, on the basis of joint decisions that will lead to the limitation of armaments as part of a real process of détente, and with the aim of gradual, balanced, progressive disarmament and the prohibition of certain types of arms, starting with chemical ones.

For these reasons, Mr President, ladies and gentlemen, Italian Communist members will vote against the Fergusson Report.

(Applause from the Communist benches)

Mr Haagerup (L). — *(DA)* Mr President, the Fergusson report does not constitute a new report on security policy which devotes particular attention to the political aspects of security problems. On the contrary the report covers the same ground as the Klepsch report, which is now five years old but is still frequently quoted, and it is a concrete attempt to achieve the objectives of the Treaty with regard to a common industrial policy which is, after all, an important area. The number of amendments tabled and the long debate which took place before its adoption in the Political Affairs Committee bear witness to the considerable concern felt over arms buying and the sale of arms.

In the opinion of my group there are clear economic and political advantages in a proposal for better coordination of arms procurement and arms sales. As has already been pointed out by other speakers, the report does not seek to work out a common defence policy for the Community. On the contrary, the intention is within the framework of a common industrial policy — and there is provision for that in the Treaty — to secure more effective common arrangements for purchases of equipment for our armed forces. At the same time steps should be taken to extend cooperation with the United States and to enhance European competitive ability in these areas, especially vis-à-vis the USA, and attention is drawn to the considerable value of cooperation with Japan in these areas. It should be remembered in that connection that, in too many of the industries we are talking about here, notably the entire technology industry, there is — as the rapporteur himself has pointed out — no clear dividing line between civilian and military production, because a number of products — this applies to data processing, for example — have both civilian and military applications.

It is no less important, in the view of my group, that eventually guidelines be introduced for arms sales to third countries, a question which has once more become topical through the reports of French sales of

Super Etendard aircraft to Iraq. The report goes further than merely proposing certain guidelines. It proposes rules which, once they are accepted, the countries would undertake to observe. The intention here is not in the first instance to impose obstacles to exports of arms as such but to seek to limit them and regulate them within a clearly agreed and accepted framework, so that the political and economic interests of the Community and of the individual Member States are not harmed. In addition the aim is to ensure that sales of arms from Community countries are conducted in such a way as to promote increased stability in the Third World. To go to the extreme of simply ruling out and forbidding any export of arms and other defence equipment to third countries is entirely unrealistic. These countries would then soon find some other source of supply and we cannot decide here in Europe whether countries in the Third World have security needs which might require the supply of military equipment.

On the other hand, there are types of military equipment, especially advanced technology equipment, which it would be inadvisable or positively dangerous to export, in the interests of both the third countries and ourselves. And this fact is one of the reasons why this report has been produced at this time.

I shall not have much to say about the amendments I have myself tabled on behalf of my group. They are minor improvements which seek to render the text somewhat clearer and which, as far as I know, have the full support of all the rapporteurs. I have thus proposed the amendment of the reference in section II to arms sales under the Council of Defence Ministers, since there is after all no such Council in the European Community. Others have drawn attention to the same point, however. I am therefore prepared to withdraw motion No 40, since amendment No 73 (Gaiotti De Biase and Klepsch), concerning the competent ministers in the Council fully cover the intention of my amendment. I will, however, finally say a few words about another amendment proposal which was tabled not by me but by Mr Hänsch and Mr Wiczorek-Zeul. I cannot support it but am in sympathy with many points of detail in the proposal. It goes much further than the Fergusson report itself. That is one of the reasons why I cannot support it at this time, because I do not think it realistic. I would urge both the Commission and the Council to study amendment No 20 with its detailed proposals on ways of mapping out common guidelines for arms exports from our countries. In this context I should like to express my gratitude to members of the Socialist Group for making a constructive contribution to this debate. There was a time when that group and certain other members refused outright to discuss anything to do with arms or security. We heard today, amongst others, from Mr Hänsch and Mrs Wiczorek-Zeul, who made an excellent and detailed speech on the Fergusson report, that this is no longer the case.

Haagerup

I am happy to say, Mr President — and I shall conclude with this point — that the discussions which took place in 1982 on my report on European political cooperation and European security prior to the adoption of the report by a large majority in January 1983, were presumably a factor which stimulated the participation of all the main political groups here in Parliament in the debate on this sometimes highly sensitive question. With these words I recommend on behalf of my group that Parliament adopt the Fergusson report.

(Applause from the right of the Chamber)

Mr de la Malène (DEP). — *(FR)* Mr President, ladies and gentlemen, I should like to speak on behalf of the French members of my Group, leaving Mr Lalor to act as spokesman for the Irish members of the Group, stating their specific position and that of his country.

We have already had occasion to give a brief indication of our Group's doctrine in this area, during the debate on a report — concerned with security — presented by the previous speaker, Mr Haagerup. We thought then, and we continue to think, that, given that cooperation has come within the European Community orbit (since inter-institutional precedent acknowledges our right to ask questions on cooperation), and since it is not possible to draw a demarcation line of competence between cooperation and security, it follows quite logically that security is within our competence. It was on the basis of this thinking that we voted for or, to be more precise, supported Mr Haagerup's report.

On that occasion, moreover, we were following the course plotted by the Genscher/Colombo initiative, which had proposed that the European institutions should develop their activities in the field of security, but defence was no part of these ideas. Today the Political Affairs Committee, in the person of Mr Fergusson, has presented to us a report in two parts, one on arms procurement within a common industrial policy and the second concerned with arms sales. This new approach raises the questions once again, although in starker terms perhaps, of whether we have competence to discuss these matters and whether it is appropriate for us to do so. Is this really the time and the place for such a debate?

The second question that arises is a question of procedure. We are all aware that, in the present state of the world, the problems of security and defence are more important than ever, but should we be approaching such problems from the angle of standardization of arms and industrial production?

The third question is fundamental to the issue: assuming that the answers to the first two are in the affirmative, do we agree with the approach adopted by the rapporteur? I have to say that my Group is regretfully unable to support the rapporteur's views on all

three aspects — competence, procedure and the fundamental issue. We have of course known for a long time that defence — not security — is the field in which cooperation among our European nations is most difficult, because of the influence of history, which has placed our various nations under different constraints, because of the differences between our geographical situations, and because with today's technology, especially nuclear technology, deterrence is indivisible. It is not for nothing that the Treaties under whose provisions we are gathered here today studiously avoid all mention of defence issues in their preambles, in their statements of their objectives and throughout the texts; it is not for nothing that defence issues are covered by separate treaties under which a separate Assembly has been set up with competence for defence matters; it is not for nothing that there are these different treaties and different partners.

These facts are familiar to all of us, but we also know that the world has changed a great deal since these structures were set up so that, although the risk is the same or perhaps greater than then, the developments that have occurred in technological, technical and financial conditions have brought changes in the nature of the problem of security and that of defence. We are willing to adopt a different approach from that of the past to these problems of security and defence. We are not hostile, therefore, to initiatives designed to enable us to tackle the various aspects of these problems, especially the financial aspect and the industrial aspect of independent arms production and its cost. However, we do not believe that this is the right place, the right procedure or the right approach for dealing constructively with these problems. We believe that, since this was the intention of the international treaties and the express wish of our parliaments, the forums which have been set up for the purpose are the proper place for dealing with these problems, in the light of the new situation in regard to security and defence.

I shall not dwell on this point, nor on the second, quite different subject discussed by the rapporteur: arms sales. I cannot do so because my time is limited. I should simply like to reiterate — by way of conclusion — our view that the problems of security and defence are more critical, more pressing than they have ever been. We accordingly do not believe that they should be ignored, far from it, but we believe that it is wrong to approach them from the angle, however justified in itself, of the need for an industrial policy even though that area of policy is within our competence. A bold frontal approach is needed to all aspects of these problems, and those who do have competence in this field must address themselves to one problem which will be seizing European public opinion by the throat, so to speak, in a few months' time. However, we are afraid that we are unable to

de la Malène

agree that the approach proposed measures up to the gravity of the problem, and we shall therefore be unable to support the motion for a resolution.

Mrs Bonino (CDI). — *(IT)* Mr President, ladies and gentlemen, we Italian Radicals consider that the Fergusson Report represents an unacceptable and — if I may be allowed to say so — cynical starting point for anyone who cares sincerely about peace, as far as the conversion of military into civil expenditure is concerned. Because, Mr Klepsch, we are not talking here about the production or export of refrigerators or shoes or grain or telephones; we are talking about arms and armaments, whether they are nuclear or conventional.

It is unacceptable because we do not consider it solely from the standpoint of industrial policy — though indeed we take into account the repercussions of this industrial policy, which is moreover unjustifiable economically, as Mrs Wiczorek-Zeul has shown, and I fully agree with her — since it is above all a type of production that is not even economically worth our while; but what is above all unacceptable is for Parliament to allow one of its reports to conclude without giving precise indications to the Council.

We have to say something very clearly. For example, as a start, that there is no exporting to racist countries or countries that violate civil rights; and again, that there is no exporting to belligerent countries, or countries that are about to go to war; that the export of arms must be a public matter, and public opinion must know how many arms are exported, what the turnover is, and to which countries the arms are being sent. Instead, in our country as well — which is the fourth largest exporting country — all of this remains secret, and it seems impossible to get to know the data relating to exports of this kind.

And so I call upon you for a show of courage: that is, I ask you not to limit yourselves to this report as it is, which is unacceptable, but to give precise indications.

One final point. We often speak of growth, North — South dialogue, and world hunger. I should like just to say to you that, whilst you are so reluctant when it comes to allocating funds to developing countries, where the export of arms is concerned there are no limits, because your policy is the policy of war and death, instead of the policy of development and life.

Mr Romualdi (NI). — *(IT)* Mr President, ladies and gentlemen, despite the opinion that Mr Chambeiron expressed yesterday, and that of his comrades from all countries, expressed a short time ago by Mrs Bonino, it can certainly not be said that Mr Fergusson's report is a contribution to war. On the contrary, for what it may be worth in this world of ours, dominated by

violence and the most cynical irresponsibility, it seems to us an honest if incomplete contribution to security and peace. It is, in effect, an attempt to regulate and therefore also apply a brake, Mr Hänsch, to the production and sale of arms and, consequently, to their distribution in the various 'hot' parts of the world. It is undoubtedly a delicate and dangerous initiative, Mr De Pasquale but, precisely because it is free, it is without any restriction either of a political or a technical and economic nature.

What do they say they want, the pacifists? We are not talking about Chambeiron and his comrade Marchais who, although he comes here rarely, Mr Israël, is still always well informed and in good time to give his fellow-members their orders for the initiatives and attitudes favourable to his political party and, hence, the Russians. We are speaking of the other pacifists, those who are in good faith, who genuinely want peace and believe they can serve it by marching, or calling for the destruction of all arms. A noble cry, but one that is, alas! destined to remain only that, as the history of mankind teaches us, especially when it is directed at, or — worse — received by, one side only.

Europe, and in particular, the European Community — and hence in primis our Parliament — has an obligation to work for peace, but not losing sight of the fact that in Europe and all over the world arms are produced, sold, and used. It would be the worst of all things to ignore that. It is therefore our duty to commit ourselves to the laying down — and, if possible, the imposition — of rules governing all of this, in the hope of being able to prevent the grave and dangerous activities in this sector of industry and commerce from remaining free, uncontrolled by proper practical and moral laws, in the not always responsible hands of operators of every kind and level — including those political and military operators of our own countries, of course — who are concerned on the one hand only with their own economic interests and, on the other, first and foremost, with their difficulties and their own internal selfishness, their ambitions and their special and national interests. The alternative is to leave the field free for the speculators of every conceivable kind, who are engaged in the arms traffic in every country, often mixed with other even shadier trafficking — such as, for example, the drug traffic: a field free for foul activities that will fuel, for ever and a day, not only the infinite wars, revolts and so-called revolutions that have always bloodied this strange and singular peace of ours, but also the most delinquent and destructive works of corruption of mankind. It is in this spirit, in our view, that Mr Fergusson's motion for a resolution aims to provide a defence against this scourge that could not and cannot leave us indifferent or unbelieving.

For this reason, on behalf also of the Italian members of the political Right, I have said and say again that I support it.

Mrs Gaiotti De Biase (PPE). — *(IT)* Mr President, we are all familiar with the process that is characteristic of the continuous development of armaments, even disregarding the international situation and political will.

Technological research is concentrated in the military sector. The constant accumulation of knowledge in the military field makes some armaments obsolete, and makes it necessary to finance their renewal, stimulating the sale and distribution of arms. Furthermore, the technological fall-out from military research on civil production causes further elements of imbalance between the different economies, favouring those committed to research wherein investment is not subject to the constraints of purely commercial considerations.

We have to break these vicious circles realistically, taking action to reduce their harmful effects. In the presence of real — not imaginary — security problem, we cannot break this circle with maximalistic proposals, or by surrounding the relationship between peace and security with taboos.

We believe in Europe, not least because we believe it is a good thing to transfer traditional national mechanisms, conditioned by centuries-old customs, interests and weaknesses, to the supranational plane.

Of course, my group would prefer this supranational level to be reached by means of a global political decision which, in some way, guaranteed a balance between all types of decision; an international political strategy, a European doctrine of security — such as Mr Hänsch called for a short time ago — a policy for arms production and reduction that is consistent with this. It is not our fault if this overall global character is lacking. The blame for this lies with various political forces — of the Left, of course — and I should like to remind Mr de la Malène that his group also did not vote for the Spinelli resolution.

What are we seeking to do, by supporting the Fergusson Report? We are trying to lay the foundations and material conditions for the development of a defence 'philosophy' that is specifically European, and not technologically subordinate. To reduce the wild competition between the European arms industries; to strengthen and justify, publicly the criteria for the control of the sale of arms, and avoid having to pay the price of Europe's being left out of important sectors of research.

Mr Fergusson's proposals allow us to affirm a principle rich in promise, and there is no denying that, today, obliging Member States to recognize this principle already constitutes a great achievement, and an important democratic victory. Of course we also hope that, in the not too distant future, we shall succeed in affirming also the criteria, which are moreover indicated in some of the amendments that have been put forward.

The problem now is to 'affirm the principle'. The problem of arms sales cannot be resolved by national controls. Even those who support, as I do for my own country, the proposal recently put forward by the Christian Workers Organization, which sets out to remove decisions on the sale of arms from the category of 'State Secrets', so that they can be discussed democratically — as I was saying, even those who support this know full well that arms sales will never be restricted by one country alone, subject, as we all are, to the fiercest competition, even from our own European partners.

We must avoid any misunderstanding, and with that in view I have put forward an amendment. The arms sector is not a market just like any other. The logic underlying our call for more cooperation and more supranational control is directed precisely at the reduction, not the enlargement, of this market, and the concentration of forces under more transparent political control. Even peace has a twofold need, for great Utopias and small steps towards them.

Mr de Courcy Ling (ED). — Mr President, I commend to the Parliament Amendment No 47, which is designed to give European defence-related equipment — not only armaments, but also civil aircraft, electronics — a fair crack of the whip in the United States market. This is an urgent problem for European industrial policy. The United States dominates the European market in these areas.

Of course, this report by Mr Fergusson is a report, firstly, about industrial policy and, secondly, about political cooperation. It is not a report about defence. So far as political cooperation is concerned, there is obviously an overlap between defence questions and diplomatic questions. The French Foreign Minister has for some time been an important contributor to a European Community policy in the Middle East. How could the French Foreign Minister possibly argue now that the supply of French arms to Iraq was not a matter which affected European political cooperation?

My group, which is to a large extent a British Conservative group closely allied to the British Conservative Government, believes in the importance of NATO and believes more than ever in the importance of the European contribution to NATO. We do not agree that the blueprint of Mr Monnet, in particular that the Commission is ever likely to be competent to deal with those matters dealt with by NATO. What, then, is the answer to the lop-sided development of Western Europe, where we are very strong economically and where our political strength is diminished by our failure to make a sufficient contribution to defence? I would like to say — and I direct these remarks particularly to Mr de la Malène, Mr d'Ormesson, Mr Poniowski and, on the other side of the House, to Mrs Charzat — that I believe that in Britain and France we missed a great opportunity in 1954 with the failure to participate in the European

defence community. I believe that ultimately Britain and France must be the trustees for Europe of an independent European nuclear deterrent — of course, coordinated with the United States, coordinated with NATO, but NATO must evolve in this direction. I believe that British and French political leaders have shown a fatal lack of courage in facing their common interests in this matter over the last 20 years, but that Britain and France will ultimately identify this community of interest and before the year 2 000 we shall have an Anglo-French nuclear deterrent, designed and deployed with the purpose of maintaining peace in Western Europe for our children and our grandchildren.

Mr Chambeiron (COM). — *(FR)* Mr President, we asked yesterday for the Fergusson report to be removed from the agenda, because we maintain that it deals with matters which are manifestly outside the competence of the Community institutions. I would not say that we were surprised at our lack of success. It would appear that there is a majority in this House which has not given up hope of promoting the not exactly novel idea of a European defence community; no-one listening to some of the speakers could be in any doubt as to the covert intention behind the Fergusson report. The idea, I repeat, is to develop a common European defence system, a system relying on a high degree of integration under the Atlantic Treaty, and this is because the majority in this Parliament sees Europe as no more than an appendage of the United States. That it should be necessary for these people to take liberties with the Treaties in order to carry their point of view does not seem to me to be a matter which gives them pause.

I think it was Bismark who said that right is what suits the interests of one's country. In the Member States, each Parliament functions within the framework of a Constitution, whether written or unwritten. In the Community, the institutions should abide by the provisions of the Treaties. In the European Parliament, we have a Bismarkian majority according to whose lights the Treaties have meaning only as long as they do not interfere with its own plans. I think that it is as well that this point has been made.

I remember that Mr Fergusson put an oral question in September 1979. It was on the same subject, so that he at least deserves credit for consistency, since we find him returning to the fray four years later. On that earlier occasion, we stated our opposition, stressing that defence and strategic matters were the sovereign prerogative of the States and were not covered by the Treaties.

As I remember it, this was also Commissioner Davignon's opinion. Curiously enough, though, he

supported the view that the Community institutions were competent, arguing that when industrial problems and public contracts were under discussion, it was logical to consider the implications of public orders in terms of expenditure and industrial development.

Although Mr Fergusson's question at the time did not seem all that anodyne, some of our colleagues gained the impression that it had nothing to do with defence problems. Today, however, there can be little room for doubt, since it is clear that Mr Fergusson is indeed talking about European defence.

The rapporteur himself says that the report that the Commission asked the Centre for Defence Studies in Aberdeen to prepare was concerned with the problems of military cooperation and that this report was forwarded to the European Parliament by the Commission with a covering note on defence matters. Mr Fergusson also claims the backing of another considerable authority, Commissioner Tugendhat who, when making a speech in May 1980, concluded in the following terms: 'We need to accept that there is a Community dimension to Europe's defence, and we should not allow preconceived institutional constraints to prevent us from seeking the means of tackling them from the political point of view'.

Today, however, it would seem that Vice-President Davignon and Vice-President Tugendhat are being surprisingly discreet. I should have expected to find them here to support Mr Fergusson's report. Their absence looks rather like an indication that it is not clearly established that the Community institutions have competence in regard to this report, or at least in regard to these matters.

What is not in doubt is that the proposals contained in the Fergusson report represent a step in the direction of the construction of an armaments community, approached from the angle of arms procurement.

To us, this is unacceptable. We cannot countenance it and we shall be voting against it.

I believe that this report is out of keeping with the present mood and that this mood is reflected in the motion for a resolution on the problems of disarmament and peace which has been tabled by a number of members, myself included, of the group for nuclear disarmament, whose membership transcends political divisions. This motion for a resolution is now available for signature in the register.

Rather than vote for resolutions which can only heighten international tension and exacerbate the difficulties in international relations, the European Parliament would earn credit by making a determined effort to tackle a problem which is of vital importance to humanity, the problem of peace.

Chambeiron

This week has been designated 'Disarmament Week' by the United Nations. Mass demonstrations for disarmament and peace are currently taking place. The Madrid Conference has shown that the avenues of negotiation are still open. I believe that the European Parliament could only gain in authority and respect if it gave voice to the groundswell of public opinion in Europe and worked for the success of all negotiations aimed at reducing tension, rekindling confidence and ending the runaway arms race.

Mr President, I have finished, except that I should like to remind the House that Mr Fanti and Mr Piquet had tabled a motion for a resolution along these lines on behalf of our Group as a whole, calling upon the 10 Governments to use all their energies to ensure a positive outcome to the negotiations in Geneva, the date for installation of the Euromissiles having been put back, as suggested by the Greek Presidency.

It is bitterly disappointing that our request for urgent debate was rejected. There is a majority in the House which has forced this long debate on the subject of finding new ways of making new weapons, but that same majority wants no discussion of the problems which affect the very survival of the peoples of the Community. It is to be hoped that public opinion will not forget.

Mr Lalor (DEP). — Mr President, while the Fergusson report and the motion for a resolution accompanying it contain some interesting ideas and serve to draw attention to some of the problems connected with the ever-growing international trade in arms and armaments, the presentation blurs the distinctions between the European Community and NATO which are different bodies created by different treaties for different purposes. The motion for a resolution also fails to take account of the limits on the competences of the Community, and both it and the report seem to involve a certain confusion in regard to the nature and scope of political cooperation among the 10 Member States of the Community. The motion for a resolution also tends to ignore the basic fact that one Member State of the Community, Ireland, is not a member of a military alliance. It takes inadequate account of the fact that defence matters are not discussed within the framework of European political cooperation.

The general approach of the motion for a resolution, particularly as regards a policy on arms sales, seems to be based on the mistaken notion that the Ten have reached the stage, or are near to reaching the stage, of operating a common foreign policy. This is not the case. While European political cooperation involves a search for common positions on important areas of foreign policy of interest to the Ten as a whole, no member of the Ten is obliged to agree to a common

position on any particular question; nor is it likely that any Member State accepts such an obligation. On certain foreign policy matters, for example disarmament questions, the approaches of Member States sometimes diverge quite considerably.

Section 1 of the motion for a resolution concerns conventional armaments procurements within a common industrial policy. There is much confusion about institutional competences in this section. The Council of Ministers of the European Communities is called on to encourage the Governments of Member States of the Community taking part in the work of the Independent European Programme Groups to take part in the work of the IEPG, i.e. the functions of a European Defence Analysis Bureau which would serve as a clearing house for information on defence needs and military production capabilities.

Now, Mr President, the Council of Ministers is an institution of the European Community. The IEPG, on the other hand, is a body concerned with arms production and arms procurement composed of 12 Western European NATO members. The reference to Member governments taking part in the work of the IEPG involves, at the very least, a misunderstanding of the nature and scope of European political cooperation. European political cooperation entails a commitment on the part of the 10 Member States of the Community to try to coordinate positions, on the basis of consensus, on important foreign policy questions which affect the Ten as a whole. Certain important foreign policy questions, bearing on the political aspects of security — that is the language agreed by the Foreign Ministers of the Ten way back on 30 October 1981 — are discussed in European political cooperation. These include disarmament and arms control questions arising in international negotiations in fora where all of the Ten are present, e.g. at the Conference on Security and Cooperation in Europe and at the United Nations. European political cooperation does not, however, deal with military questions directly related to defence. The bilateral memoranda of understanding referred to in paragraph 3 are agreements between NATO partners, negotiated in a NATO framework. They are simply not Community matters.

The second part of this first section of the motion for a resolution calls on the Commission to undertake certain activities relevant to the development of an armaments procurement policy. The question of possible cooperation between Member States of the Community in the area of arms procurement is a complex one and worthy of very careful attention and debate. It is not a question that has come or should come before the Council of Ministers or the Foreign Ministers meeting in political cooperation.

Lalor

Mr President, we are opposed to the Fergusson report which excludes Ireland from the Community and proposes to incorporate it into NATO, and we cannot have that.

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

IN THE CHAIR : MR NIKOLAOU

Vice-President

Mrs Hammerich (CDI). — *(DA)* Mr President, colleagues, to begin with I would remind you that the debate we are now conducting is not legal. This House is not entitled to debate armament questions. The fact that we have done so before and shall do so again does not make it any more right. There is an Article in the Treaty of Rome — Article 4 — which states that each institution of the Community shall act within the limits of the powers conferred upon it by the Treaty. This is not what is happening here. The Stuttgart Declaration has not changed the position, and I am surprised that any Danish members can even vote for this illegal debate to be held.

Secondly, what you are proposing, Mr Fergusson, is also entirely outside the competence of the European Community. It is in conflict with the Treaty of Rome, notably an Article which expressly states that the manufacture of and trade in armaments falls outside the areas covered by the Community, namely Article 224. Thus nearly all your proposals, Mr Fergusson, are illegal : a defence analysis bureau, armaments research, a coordinated policy on arms sales — all these things taken in their entirety are illegal and fall outside the Treaties. The situation is not made any better by the fact that the French Prime Minister and Defence Minister currently support these ideas.

Thirdly, let us cut through all the philanthropic phrases in the Fergusson report. Very few people now believe that increasing arms production is a good way of solving the boundlessly inhuman problem of unemployment. And all that about freedom and peace. How do you think that the Community can play a peace-making role by involving itself in these areas of arms production? Peacemaking by intensifying and coordinating arms production? It is difficult to believe.

Mr Fergusson, you also tell us that your report is not a step in the direction of the Community becoming a military/industrial complex. Yes, it is. We already have military/industrial complexes in the Community. We have France, Britain, Italy, West Germany and other countries. Any move to coordinate the arms monopolies in these countries is a step in the direction of making the Community one of the biggest military/industrial complexes in the world, which it would become increasingly difficult to steer in the direction of peace and détente. A military/industrial complex lives by the investment of billions in arms production, in new weapons. Politicians have to

convince reluctant, crisis-ridden populations of the need for higher defence budgets and new weapons, prompted by military advisers and a political method known as the cold war and — when that does not work — by brinkmanship, which consists in going to the limit that lies between reality and the abyss, between cold war and real war. That is why it is almost impossible to steer a military industry in a peaceful direction. The world does not need more military power blocs, and the European Community is particularly dangerous because of its relations with the developing countries, which are open to criticism. Denmark, whose production of armaments is very small, has no interest in being drawn into an EEC arms procurement system, just as we had no interest in participating in the Falklands War by way of trade sanctions against Argentina. In saying this, I have indicated that we are opposed to the Fergusson report, and we also urge other reasonable people to join with us in voting against it, regardless of the amendments proposed.

President. — *(GR)* Colleagues, the Bureau would like to clear this matter up.

Following the motion tabled by Mr Chambeiron who, for exactly the same reasons give by Mrs Hammerich, wanted the report by Mr Fergusson to be withdrawn, Parliament decided, by a clear majority, that the report should remain on the agenda and be debated. Hence, Mrs Hammerich's observations do not stand up. Parliament has made its decision and we must continue with the debate on this report. That is by way of clarification.

Mr Eisma (NI). — *(NL)* I have been struck, Mr President, by the slogans that quite a few speakers have used to attack the Fergusson report. I shall not be joining them : I have no need of that. I must say, however, that, despite all the thought and talk that has been devoted to the question of a coordinated Western European defence policy, it still does not exist. From an economic point of view, the absence of European cooperation in the production and procurement of arms is rather surprising. After all, most European countries largely depend on the United States for their armaments. So far the American attitude towards the two-way street has not been very encouraging. There are plenty of examples to show that the Americans will continue to take little account of the Europeans unless Europe organizes itself better. If the two-way street is to function properly, Europe must also have something to offer, however much that may be regretted in various political statements. The individual countries are either incapable of this or are played off one against the other. The European countries therefore have an interest in adopting a joint approach — if only for economic reasons.

We therefore welcome the Fergusson report as a useful contribution to the development of this European approach. One comment does seem necessary,

Eisma

however. The proposals concerning the IEPG, particularly for the conversion of Panel I into a European Defence Analysis Bureau, will undoubtedly help to bring about better coordination of European defence requirements. But if there is to be genuine cooperation in the procurement and manufacture of equipment, the IEPG will be too narrow a framework. The Community must also be involved because its activities under the industrial policy are closely connected with cooperation in the procurement and manufacture of equipment.

Mr President, the Fergusson report rightly stresses the link between the manufacture and the export of armaments. The absence of a coordinated policy means that sales opportunities are limited and insecure, and this often forces the industry to supply countries outside the NATO Alliance and especially Third World countries. We are not opposed to this in itself, because these countries also have certain justified defence requirements. The European defence industry must not, however, become dependent on these exports, otherwise there is a danger of economic interests leading to politically undesirable transactions.

One of the principal aims of a common defence policy must be to subject the export of arms to clear criteria. One of these criteria must be that arms are not supplied to areas of tension and countries engaged in armed hostilities. The delivery of the Super Etendard aircraft to Iraq by France must be utterly condemned. Nor must weapons be supplied to countries where human rights are grossly and systematically violated. The supply of any kind of arms to such countries can help to strengthen the régime, even if they cannot be used to oppress the people. Parliament still has a great deal to do in this area, and EPC also has an important role to play. The Fergusson report is just a first step in this direction.

Mr Ryan (PPE). — Mr President, I speak as the representative of a militarily neutral country which has an irrevocable commitment not to join any military alliance. I also represent a country which is second to none in its attachment to the European ideals and which, while suffering an intolerable level of unemployment, has considerable success in modern industry, using high technology and sophisticated electronics.

Neutrality is not the only feature which makes Ireland unique amongst members of the EEC. Ireland is also the only EEC member without a colonial past. We have never had a political or economic interest in any territory beyond the shores of our island. Our involvement in impoverished areas outside Europe has always been as missionaries, comforters, educators and healers. But to be neutral does not mean that one must adopt the pose of an ostrich. Neutrality is not tantamount to indifference to the welfare of our friends. Nor does it imply negligence in protecting our own country from invasion. Irish neutrality does

not in any way qualify Irish determination that our land and our resources will never be used to hurt our European neighbours or our friends anywhere. Ireland's defence strategy is based upon the use of conventional weaponry to repel invasion and in the event of foreign occupation to make any occupier so uncomfortable that they would regret ever having come and would quickly get out. The accomplishment of that task imposes immense defence costs upon a comparatively poor EEC Member State. In so doing, Ireland not only meets its own defence requirements but contributes indirectly to the security of the greater Europe of which Ireland is a loyal member.

In 1978 we Irish Members of the Christian-Democratic Group supported the Klepsch resolution on arms procurement on the grounds that it recognized the economic and employment advantage to Europe of manufacturing its own armaments. We approach the Fergusson resolution in the same positive way and if the result of voting on amendments to the resolution takes account of our reservations, we will be able to give our support to the final resolution.

The language of the Fergusson report, however, fails to make a sufficient distinction between the European Economic Community and NATO, which are composed of different memberships, created by different legal instruments and have quite separate objectives. There seems to be a lack of understanding of the nature and scope of political cooperation among the 10 Member States of the Community, and it seems to me that Mr Fergusson also fails to sufficiently respect the fact that one Member State of the Community is not, and is resolved not to be, a member of any military alliance.

It seems to us that it would be inappropriate and impertinent for a representative of an EEC Member State which is not a member of NATO or its subsidiary — the independent European Programme Group — to call upon those Member States to establish under the NATO umbrella a common defence analysis bureau, or to act in any other particular way. At the same time, as Europeans concerned at the level of unemployment in Europe and at the other economic losses suffered by Europe because our continent lags behind the US and Japan in research, in technology, in productivity, in design and in achieving economies of scale, we want to encourage industrial employment and scientific research in Europe.

Again and again Parliament has pressed for action by the Council of Ministers to create a meaningful European industrial policy to match the success of the common agricultural policy. Although efficiency in arms production and procurement is not by any means a priority for industrial policy, it is at least a move in the right direction. Greater efficiency in arms production, after all, could lead to the release of resources into more productive areas. It is a crying

Ryan

shame that several European countries earn more on sales of arms to impoverished Third World countries than they send to them in development aid. There is a good case for establishing common rules or guidelines governing the export of arms from Member States to countries outside the Community, particularly to areas of tension or to countries which fail to respect human rights.

For two reasons it is not acceptable that the task of establishing rules should be given to a Council of Ministers for Defence. Firstly, no such Council exists, and it cannot exist within the competence of the Treaty of Rome. Secondly, if such a Council were brought into being, there is the risk that it would stray beyond its proposed mandate to control arms sales to third countries and become involved in matters which are quite distinctly in the defence sphere and therefore outside the ambit of the Treaty of Rome.

Sir Peter Vanneck (ED). — Before I begin my speech, I would have no hesitation in declaring an interest, were my Greek Communist colleague present. I am at the moment the head of Great Britain's Air Force Reserves, in the rank of Air Commodore, and I do not get paid even a drachma for all my trouble.

(Laughter)

Mr President, this debate takes place because defence and defence-related industries are important in the economies of Member States. Their products represent a large burden on national budgets. I say to Mr Ryan that every Member State, including Ireland, purchases defence equipment; every Member State, including Ireland, designs and produces defence equipment. The way the European Community chooses to organize its defence supplies affects the ability of Member States, individually and collectively in their wider international obligations, to maintain peace and security.

Defence equipment is the tool for protecting our freedom — Europe's freedom. What price for these tools? Here I agree totally with Mr Eisma. Never was there a greater absence of solidarity in Europe than when Denmark, the Netherlands and Belgium decided to purchase the US F16 combat aircraft in preference to the French Mirage 2000 and the European Panavia Tornado. Now US firms enjoy the splendid cash flow from these and other export contracts for the F16 which they can use to finance enhanced research and development programmes that will enable the United States' advanced tactical fighter to be in service in the 1990s as a competitor to the agile combat aircraft and the successor of the F16. The capital and employment lost to Denmark, the Netherlands and Belgium is a loss for the Community as a whole. Spain is following — and the plane is already out-of-date.

The arms 'sale of the century' of the American F16 combat aircraft is a lesson from which we can draw the following important conclusions for arms procurement policy — the kernel of this debate. Projects must be undertaken on a European scale in order to be cost-effective against US and Soviet products. Subcontract work for design, development and manufacture must involve the maximum number of Member States around a project leader in one Member State. There must be an insistence on NATO standards to furnish the two-way street between Europe and the USA, and military imports from non-Member States must be subject to the normal tariff provisions. Under the Treaty measures must be taken to avoid duplication, for example the French experimental combat aircraft and the British agile combat aircraft, and triplication in France, Germany and the United Kingdom over the main battle tank.

In conclusion, Mr President, I would just like to say this. Because of their cost and necessary scale, major defence projects in the European Community can not only make a contribution to an organized and vital Europe but also provide a practical base for economic development in regions where people want to learn new skills and put them to use. A new Community solidarity in weapons procurement furthers peace in Europe and makes for a broader and deeper community among peoples once divided by centuries of bloody conflict and now facing nuclear and conventional threats by the Soviet Union to the freedoms which far too many of us take for granted.

Mr Ephremidis (COM). — *(GR)* Mr President, despite your clarification following the speech by Mrs Hammerich, allow me a measure of licence — as a compatriot — to disagree and to insist that both the recital and the substantive part of the resolution are fundamentally at variance with the existing Community treaties. It is a fact that, as far as defence matters and arms procurement are concerned, these treaties vest no competence in Parliament or in any other institutional body. For our part we oppose the EEC and its institutions. You who every so often invoke the treaties to reject demands like some of those put forward by my small country, Greece, have a duty to uphold them. Matters involving defence and the arms procurement necessary for it are inextricably linked with national self-reliance and independence, and each Member State has exclusive competence over the handling of its own affairs in these respects. Intervention in these matters by supra-national bodies, as the resolution would have it, constitutes, for us, inadmissible interference, a suspect diminution of each nation's sovereign rights, and no one in this Chamber was elected with a mandate to fritter those away. The resolution violates these fundamental tenets on the following baseless pretexts. It makes mention of some sort of common industrial policy, though, in effect, this would apply just in the fields of arms research,

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production and procurement. It dwells on the employment situation and the need for technological development although, according to the UN's findings, both of these problems, together with that of inflation, are best tackled through investment and the development not of the armaments industry but of peaceful industries.

The resolution aims to deceive us with mention of the control which will supposedly be exercised over arms sales, whereas, in reality, it seeks to pave the way for increased weapons systems production and, therefore, for growth in arms sales both within the Community itself and to third countries, since it is a known fact that the armaments industry is mainly export-based.

The draftsman of the resolution claims that it will help to promote Community self-sufficiency in arms procurement. However, with the dual production programmes which provide for close collaboration with the USA and the borrowing of American technology, it increases the Community's reliance and reduces its armaments industry to being complementary with that of America.

Despite its artful assertions it is obvious, Mr President, that the resolution seeks to serve the interests of the military-industrial conglomerates of certain developed Community countries to the detriment of the weaker countries which will no longer have the opportunity to exercise choice in arms procurement according to their real needs, such as in the case of Greece. In specific ways it promotes the politico-military integration of the Community, and this should be seen in the light of the known virtual bankruptcy of the Community's efforts at economic integration. Its programmes for increasing arms levels, fully in line with the NATO and Reagan policies, contrast starkly with the popular movement in Europe for arms limitation, détente and peace. It organizes the sale of arms to third countries more effectively, on terms that are more demeaning, more rapacious.

Mr President, for the reasons of principle and substance which I have mentioned, those of us who belong to the Communist Party of Greece intend to vote against the resolution in conformity with the interests of the Greek people and of those who with their votes have sent us to this Parliament to strive before all else for détente and peace. It behoves Parliament to weigh its responsibilities. To respond to the peoples' demand for disarmament, détente and peace, and this means developing the peaceful industries and not those which make weapons. At this eleventh hour before the deployment of Cruise and Pershing missiles in Europe, Parliament must align itself with the overwhelming weight of public opinion in the countries of the Community which is calling for this danger to be averted.

President. — *(GR)* Mr Ephremidis, I repeat once again that yesterday Parliament made a sovereign decision to debate the Fergusson report and that I, who as an ordinary Member voted in favour of Mr Chambeiron's motion yesterday because I considered it correct, can do no other than comply with the agenda. I shall interrupt any speaker who raises this point again. We are debating the Fergusson report and I will not accept any further suggestion that the debating of this matter in the European Parliament constitutes an irregularity.

Mrs Castellina (CDI). — *(IT)* Mr President, when reading the Fergusson report I was greatly struck by the cynical cool with which it speaks of the rationalization of something that is so irrational — the production of fearful agents of destruction.

This report, in fact, discusses arms as though it were discussing toy production. The purpose of the resolution is not — as any reasonable person would have expected it to be to indicate the lines of a project capable of reducing the production and export of arms, through a drastic reorganization of this sector of industry; quite the reverse — it is concerned with how to make it more efficient. Nor is there any substance in the argument — put forward, with extraordinary effrontery, by some quarters — that rationalizing and coordinating the production of arms in the countries of the Community would be the way to give Europe an independent defence policy.

This is a red herring, for two reasons. In the first place, throughout the report there is continuous reference to the need for further integration between European, American and Japanese technological research and military production, thus indicating increased dependence by Europe, and linking the production of armaments ever more closely with the existence of a military political block — NATO, or rather a NATO enlarged to include Japan, as was surreptitiously agreed at the Williamsburg summit.

Secondly, it is a red herring because the only possible truly autonomous European defence policy consists not in becoming further involved, in a subordinate way, in the NATO military set-up, nor, for that matter, in constructing a stronger block of our own, but in making Europe an area of peace, a denuclearized zone that will tend to be increasingly less involved with the philosophies of the military blocks.

Before I finish, Mr President, permit me to say how very curious it seems to find so much passion expended in discussing defence and a common European defence policy by a Parliament which refused again in recent weeks to discuss a question that will indeed have some relevance in European defence policy: I refer to the installation of Pershing and Cruise missiles, which will be carried out in a few weeks' time in our country.

Castellina

For all of these reasons, Mr President, I shall not only vote against the Fergusson Report, but I will undertake to bring the report to the attention of European public opinion and the peace movements, so that they can denounce it accordingly.

(Applause from certain benches of the Left.)

Mrs Hammerich (CDI). — *(DA)* Mr President, I asked to speak on a point of order, because you said a while ago that you would like to conduct a kind of opinion poll on our speeches. You would deny the floor to those who dared to mention that we are engaging in an illegal debate. We must not say that any more. It is illegal to say that we are holding an illegal debate. We must not mention that we are infringing Articles 5 and 224 of the Treaty of Rome, we must not mention that the debate is illegal and that Mr Fergusson is acting illegally. You seek to criminalize people who are speaking out for law and order. Why, Mr President ?

President. — *(GR)* I did not say that, Mrs Hammerich. What I did say was that the correctness of our debating the Fergusson report cannot be disputed because the House has passed a sovereign decision to the effect that the report should remain on the agenda and be debated. Any Member may invoke Article 5 of the Treaty of Rome ; that is his right, of course.

Mr Radoux (S). — *(FR)* The present debate cannot be considered as being contrary to the provisions of the Treaty of Rome. Before this Parliament became an elected body, it twice voted through resolutions on the same subject.

President. — Thank you Mr Radoux, but we are not going to start a debate on this question.

Mr Penders (PPE). — *(NL)* I welcome the fact that, with this debate, the European Parliament has at last picked up the thread of the 1978 Klepsch report. Since then the necessary action has been taken. I should like to mention two aspects.

Firstly, a movement has emerged in the Community and in the European Parliament that believes Europe itself must do more thinking about its own security. Europe must make an analysis of the risks to which it is exposed, its interests and needs where security is concerned. The Fergusson report, which has my support, follows this line. Thus far, then, no problems.

The second point I have to make is slightly more difficult. It concerns the link between defence production and economic recovery. It is unacceptable that we should use the defence industry to boost the European economy, but it is true to say that our recovery depends on our ability to occupy a strong position in the advanced, high-technology and innovative sectors. Stuttgart brought the message that new European policy must be developed in this area. And if this

European industrial policy does come, the streamlining and combination of European defence budgets will undoubtedly prevent a great deal of waste and make satisfactory specialization possible. It is the aimlessness and lack of coordination of the various armaments policies in Europe that has resulted in the Americans contributing so much to our European arsenals. And that brings me to another point.

Since the NATO summit meeting held in London in May 1977 there has been talk of a two-way street in arms procurement across the Atlantic Ocean. If the European countries do not make their presence felt, Mr President, nothing will come of this two-way street, and that is why the Fergusson report is so important.

My fourth, point Mr President, concerns the position of the small countries in Europe. In the past, one of the big three, Britain, France and Germany, has always taken the lead and the others have been left to follow on behind. That must change, because otherwise the smaller countries will never produce the bicycles, just the bell that goes on the handlebars, if that. The decision on joint arms production must be taken and implemented jointly.

And finally, Mr President, the policy on the export of arms. If there should ever be a European defence industry policy, there will certainly be a need for rules on the export of arms, and work on them might begin even now. Do not think, however, that that would automatically eliminate the embarrassing questions that can be asked, for example, about the supply of Superétendards equipped with Exocet missiles. Those questions would remain, of course. We must go on weighing up the possible defeat of Iraq by fundamentalist Iran against the closure of the Strait of Hormuz, only 60 km wide and 60 metres deep.

Amendment No 20 tabled by Mr Hänsch and Mrs Wiczorek-Zeul is interesting in this context, but too detailed in its present form. As the Socialists in particular want European security policy to be developed calmly and coolly, they should not prejudge one aspect to this extent.

Mr Kyrkos (COM). — *(GR)* At the very least, Mr President, Parliament should suspend the debating of the Fergusson report indefinitely, and at best it should throw it out altogether here and now, because it constitutes a further step towards putting a military complexion on the political thinking and policy options of the Member States and on the relations between them, but also because it is outside the ambit of the Treaties in the same way as was claimed by France and the United Kingdom in the case of the corresponding Klepsch report which was adopted in 1978.

At this time Europe is living through the intense anxiety caused by the missile rivalry on her territory.

Kyrkos

The impending deployment of Cruise and Pershing missiles will destroy any possibility of a certain number of Soviet SS 20s being withdrawn and dismantled and will lead inexorably to a new wave of arms escalation. The threat of a nuclear war will become more tangible and the annihilation of life and civilization on our continent will become a logical probability. Must we accept that we have all gone mad, then? Couched in language that is benign — alluring, I would call it — the report and the resolution impel us towards the logic of incessant arms growth. Indeed, the report tells us that this will help Europe to combat unemployment and to develop its technology, and that it will earn money from arms sales. One thing it does not tell us: that the peoples of the world are to be lured into slaughter so that Europe can sell more and more arms and enable the arms manufacturers and the merchants of death to coin fat profits.

I speak to you not from an ideological angle but from a humanitarian standpoint. Is it a question of defence? Let us look for a solution through balanced détente and cooperation, because in the other direction lies nuclear annihilation. Has it to do with unemployment and technological development? Let us insist on a common policy which will enable the EEC to face up to American and Japanese competition, and which can be funded with resources made available by arms reductions based on an international agreement. Industrial collaboration on the Community front is still in swaddling clothes, Mr Fergusson, so why do you propose to start it off with arms? Why has it not already begun in other, peaceful sectors, and why are you not proposing that it be started off from there? At the debate in the Political Affairs Committee our amendments, which called for a study to be made of the economic and political aspects of transforming the armaments industry into a manufacturing base for peace and prosperity, were rejected. You rejected them then, are you going to reject them again? Are they not even worth a study, Mr Fergusson? Are there not such things as hunger and under-development in the world? Let the Community take initiatives which, instead of helping the peoples to slaughter each other, will increase and put to good use the development aid they need.

The peoples of Europe and the Third World, and the great people of Britain, of course, would accept a resolution on a subject such as this latter with profound gratitude. It is precisely moves in this direction which we, on behalf of the peoples of the Community, support, and therefore we shall vote against the Fergusson report.

President. — I call Mr Capanna, who has, I am afraid, only 1.5 minutes.

Mr Capanna (CDI). — *(IT)* Thank you, Mr President. It is almost more than I expected. Mr President, with fifty thousand nuclear warheads we have the equivalent of about three thousand kilograms of TNT

for every living being, including children, plus an enormous quantity of conventional armaments and bacteriological and chemical weapons.

That being the situation, all we needed was the ingenuity of Mr Fergusson, to propose a resolution for increasing the production, sale, development and use of arms. The resolution is a sure way of helping to strengthen the European military and industrial complex. This resolution, Mr President, is the result of pressure by Europe's war industries.

So that this statement of mine can be refuted, I shall conclude with a question, and I shall quote only a few names by way of example: I ask Messrs. Fergusson, Diligent, d'Ormesson, Klepsch and von Hassel whether they are prepared to declare, formally and publicly in this Parliament, that they have not been in contact with Europe's war industries. I await an answer. I think it will be of interest to all members.

Mrs Boserup (COM). — *(DA)* Mr President, it makes a change from today's agenda to be talking about industrial cooperation instead of agriculture, but it is utterly disgraceful that we have chosen to give our attention to such a reprehensible sector of industry as that of arms production. We could of course use the excuse that Mr Davignon in 1980, on the publication of the Greenwood report, stated his conviction that arms procurement formed an essential element in a future industrial policy. But we need not be so compliant as to take the words of the Commissioner for eternal wisdom. It is not correct, since it is being repeated, that arms production makes a positive contribution to the securing of jobs. It is a myth which is spread among the people in order to gain the support of citizens for the lavishing of inordinate sums and the squandering of so much human talent on something so barren of future promise. The European engineering workers, who must know, since it is they who work in these industries, have denounced this myth and have demanded a switch to civilian production. It grieves us to think of the advanced technology which enables rockets to find their targets with minute accuracy, while all that we can offer the blind members of our society to help them find their way is a white stick.

If this Assembly wishes to be seen by the voters in the Member States as a force for renewal, to be heard as a voice of hope and future promise, we must reject this destructive and outdated proposal with all its talk of weapons. The voters live under the shadow of the threat of annihilation. They desire peace and an industry which will enrich their daily lives; secure them jobs and wellbeing and secure the future for the millions outside the Community who are starving and living in ever increasing poverty. In the name of international solidarity, Socialists of all shades of opinion must support the demand for new thinking and for change and must refuse to allow our limited time to be used any more to mislead the voters into thinking

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that we can be made happier or richer by coordinated arms procurement. This view can be expressed by supporting a series of amendments tabled by Mr Boyes and others — Nos 1-9. By adopting these amendments, we can rescue the prestige of this Assembly. This illegal proposal, this result of months of work on matters far outside the provisions of our Treaties must be changed. Colleagues, you have the chance of doing so. To adopt the proposal will bring shame on this Assembly and will tell the world outside that we are living in the past and that nothing new offering hope for the future can be expected from it.

Mrs Charzat (S). — (*FR*) Mr President, I have no hesitation in categorically rejecting Mr Fergusson's report on 'arms procurement within a common industrial policy and arms sales'.

Mr Fergusson's scheme is to do away with the EEC and replace it with NATO Mark II. I have four comments to make on this scheme, which is neither European nor Western, neither realistic nor properly thought out.

My first comment is that a common industrial policy in the arms field is diametrically opposed to the principle of French national independence. Arms strategy is central to the planning, organization and deployment of France's entire military apparatus. This is not an industrial question, it is a question of defence.

The aim of military strategy as defined in French policy is based on the principle of autonomy in decision-making: this aim is to secure national independence and complete sovereignty for France while abiding by the terms of her alliances. In this connection, the Prime Minister, Mr Pierre Mauroy, in his speech of 20 September 1983, made a very clear distinction between two concepts: the defence of Europe and European defence. In his eyes, and I quote, 'the idea of European defence implies collective, integrated organization which could be set up only if there existed a single political authority'.

France's autonomy of decision is therefore incompatible with integrated European defence. Integrated European defence implies an internal cohesion and a common identity vis-à-vis the rest of the world, not only during times of peace, but also and especially in times of crisis. Before the Second World War, the collapse of alliances cost France dear. Since the Second World War, the allied States, with the exceptions of the United Kingdom and France, have been sinking into military dependence, national egoism, debilitation, and even destabilization and neutralism. Can France rely on allies who are increasingly vulnerable and divided to defend her national existence, her absolute sovereignty? Mr Fergusson's scheme is so outlandish as to be an irrelevancy.

My second comment is that a common arms industry policy is outside the scope of the Treaty of Rome.

France's consistent policy in this regard, as reiterated by Prime Minister Pierre Mauroy, is that, under the terms of the 1955 Treaty of Brussels, the Western European Union is the only European body competent to deal with matters concerning defence and security. There can be no defence treaty with ten or twelve signatories. The provisions of the Treaty of Rome confer no competence in regard to defence on the ten Member States of the EEC. There is no provision for any transfer of competence in this field to the Council or the Commission along the lines envisaged in Mr Fergusson's report. It is out of the question for the Council to brief the Independent European Programme Group. If it were to, the EEC would be allowing itself to be used as a lever to gain endorsement of NATO's preferences.

It is traditional for the United States to maintain direct relations with the main European nations through NATO. On the strength of their dominant role, the Americans push very strongly for a policy of arms standardization, of buying American equipment, the effect of which is to remove national barriers — technical barriers for the most part — to expansion of the arms technology market in the western part of the Continent of Europe.

On the other side of the coin, in 1977 the United States adopted protectionist measures severely curbing purchases of military equipment imported from Europe. In 1977 the ratio of trade in such equipment between the United States and its European allies was estimated at 5.3 to 1 in favour of the United States. By 1982 the ratio had risen to 15 to 1. This was the finding of the NATO Ministers for Defence meeting in Brussels in June 1983.

The Fergusson report would obstruct any recovery by the EEC and the WEU, any possibility that consolidation of intra-European cooperation could in the future restore the balance of trade in military equipment between the United States and the WEU.

My third comment is that the WEU provides a framework for development of a concerted policy on arms production. From the French viewpoint, that is a priority objective, making for development of European solidarity and of the means towards European autonomy, without encroaching on France's and the United Kingdom's special preserves.

I should just like to outline my fourth comment, to conclude.

With arms sales France applies rules based on the final destination procedure under which clauses on export from a second country to a third are applicable. Would that other Community countries did the same.

Mr Halligan (S). — Mr President, I thank you for your indulgence in allowing me to address the Assembly on this very important item. I am particu-

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larly happy to do so because I wish to reiterate the point that Ireland is the only one of the ten Member States in the Community which pursues a policy of neutrality in international affairs. My party, the Labour Party, being totally committed to that policy, completely supports and, indeed, wishes to enlarge the policy of Ireland into an active rather than a passive position of neutrality.

Now one of the ways — perhaps the most important way — in which a positive neutrality can be put into effect is to oppose the extension of the arms race, to oppose the greater dissemination of arms throughout the world particularly in Third World countries, and to oppose the extension of the arms industry, whether it be in Europe or elsewhere.

Therefore this report before the House places a solemn obligation on members of the Irish delegation to give voice here today to those principles of positive neutrality and to indicate unequivocally their total opposition to the European arms industry. I am happy to do so on behalf of my party. It is the view of the Irish Labour Party that the European Community, and in this instance the Parliament has in fact no competence to deal with the issue of arms production and sales. Arms cannot be divorced, of course, from the matter of security no matter how subtly the distinction may be attempted. The two are indissolubly inter-linked. The Labour Party therefore views with the utmost alarm the decision of this Parliament to authorize in the first instance the production of the report before us, and even more so, the decision to have it taken on public debate on the floor of this House. Those decisions will be justifiably viewed in my country as further attempts to ensnare us into an integrated European defence system. For it is logical that those who desire such an outcome should begin with arms production. The next stages will be political rather than industrial.

There is therefore cause for alarm on the part of all those who desire their countries to remain independent of the great military blocs or to wish Europe as a whole to detach itself from the madness of the arms race. The European Parliament, Mr President, has shamelessly compromised itself simply by permitting this debate to take place at all in this Chamber.

It can be argued, of course, that the European arms industry needs to be more efficient so as to protect jobs. It can be argued that European arms procurement needs to be more efficient to save lives. But it cannot be denied that the ultimate purpose of arms is to kill and no political authority on earth can prevent arms from falling into the hands of those who wish to use them for offensive rather than defensive purposes. The ease with which the IRA in my country can procure the most sophisticated weaponry is proof enough of that. Attempts to introduce safeguards into arms exportation are nothing more than a device to make it morally acceptable to produce and sell arms

on the grounds that their ultimate purpose is defence or peace-keeping. We should reject this report, reject the philosophy which says it is justifiable to sell arms for profits and we should commit our peoples to peace.

Mr Narjes, Member of the Commission. — (DE) First of all I would like to thank the rapporteur and the draftsmen of the opinions of the committees for their thoroughly detailed, frank and in some decisive areas, trenchant comments. I am grateful for the numerous proposals made to the Commission in the course of the debate. I am also expressing these thanks on behalf of my colleague Vice-President Davignon, who was unable to be present because of the special Council of Ministers meeting in Athens; otherwise we would both have taken part in this debate.

The Fergusson report reopens discussion of a subject that is of great and growing importance to the Member States. It follows on from earlier European Parliament debates, in particular the debate on the Klepsch report in 1980. Since then awareness of European security problems has grown, I refer particularly to the debates on the Genscher/Colombo report and to the Solemn Declaration of European Union which the heads of state and government signed in June this year in Stuttgart, in which they demonstrated their readiness to promote closer political and economic cooperation on security.

This debate, as has repeatedly been said, is not concerned with the life-and-death problems of over-kill, disarmament and arms control in an unstable world. The Commission is certainly not authorized to express a view on these matters. The subject of this debate is arms production and the arms industry, since all Member States consider them indispensable for reasons we all know. As the Fergusson report correctly points out, this involves not only the internal market, but also the creation of a unified customs area for armaments, public contracts and the need to exploit European innovatory potential, particularly in the field of research and development.

But nor should we lose sight of the significance of the arms industry for the economy. It claims a large share of Member States' budgets, either at the expense of the taxpayer or at the expense of other items. Because of its particular demand pattern, it exerts great influence on the structure of industrial production in the individual Member States and in the Community, particularly in the field of high technology products. It is an important element in international competition: for example our competitor Japan spends only one per cent of its gross national product on arms and therefore has a much smaller burden to bear than the Member States of the Community. And the European space industry has too little custom compared with the United States with NASA, the other State customer for high technology.

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We should also consider the changes which have taken place in the arms industry since 1956/7 when the Treaty of Rome was being negotiated. The role of coal and steel and the intermediate technology based on these has diminished drastically and been replaced by high technology and this has been accompanied by an enormous increase in costs. This has led in turn to ever-increasing military demands on public spending which even the most prosperous Member States are less and less able to meet under economically acceptable conditions.

Transfrontier cooperation between the arms industries of the European Community has become inescapable and irreversible. We can no longer afford the lack of unity and the waste of resources which this involves can no longer be justified, as the Commission pointed out as long ago as 1981 in a working document on innovation policy.

It is becoming increasingly difficult to draw a line between the arms industry and high technology products for civilian use, as has been pointed out several times in this debate. One example of this is the difficult discussion within COCOM on problems of delimitation, which reflects this problem. The same components, for example can be used both for military and civilian purposes. Miniaturized electronic products can be used in medicine and for the control systems of guided missiles.

Finally, I would ask you to appreciate my reluctance to comment on the trade policy of the arms industry, as I wish to avoid encroaching on the sphere of political cooperation. To revert to the question of economic policy, the Community cannot ignore the significance of the arms industry for economic development, both as far as jobs are concerned, nor for the international competitiveness of leading European products.

The position in America provides much food for thought. The Pentagon's annual research budget currently amounts to \$ 26,000 m. This has put the US ahead in research and development and it will retain this position in future. This leading position is also very fully exploited by non-military industry, for example the electronics sector. Nor should we forget the NASA orders already mentioned, and other American opportunities to make the maximum use of American research and development potential. If we fail to recognize the great effort needed then we run the risk of missing the boat as far as the new technologies are concerned, and of forfeiting forever the spin-off effects of innovatory growth on jobs and profitable non-military industries with a future.

The inevitable result would be economic dependence. Full exploitation of the European internal market cannot be achieved unless our policy takes account of all aspects of public purchasing in all areas. This now accounts for as much as 20 % of the gross national

products of Member States, i.e. every fifth ECU spent throughout the Community ignores the internal market and remains inside national borders.

This high level of public spending, which because of various developments in certain Member States is on the increase, is also important because it applies principally to products and product areas where Community competitiveness is already threatened by all too familiar problems. The widespread preference shown to national producers runs directly counter to the principles of the common market. The fact that 5 % of orders are nominally placed according to a Community procedure does not alter this. This is a very small amount and has no significance as far as our international competitiveness is concerned, since it mainly applies to building contracts.

Clearly, therefore, there can be no permanent improvement of the current procurement situation, which is bedevilled by national monopolies of demand and supply structures, unless we include arms — even if only in a number of stages. There is however, a problem. The arms industry cannot be separated from defence policy considerations. But cooperation between Member States on defence planning, which would be essential for effective action by the Commission does not fall within the Community's terms of reference. We must therefore seek ways to keep the damage to the internal market and economic development to a minimum while respecting the division of powers.

What progress has there been since 1980? The Commission proposed that a European agency should be established to analyse defence matters, for example under the aegis of the IEPG. This proposal has not been fully implemented. Nor has the WEU, which would be another possibility, taken any steps. It is not for me to speculate on the motives behind the failure of these two bodies to act. If this situation persists, we must consider whether an independent institution should not be created to provide this analysis and report to governments directly.

As far as public contracts are concerned, the Commission has largely completed its internal work. We intend to present to Parliament and the Council of Ministers in the near future a comprehensive report on the current position and how it can be improved. Solutions will only be possible in easy stages and with a combination of horizontal and vertical measures. As far as vertical measures are concerned, we have already submitted proposals relating to telecommunications. As far as horizontal measures are concerned, we must consider whether closer transnational cooperation between producers would not offer the best prospect in the first instance of overcoming frontiers and opening up markets. This is another reason why the Commission is pressing for the harmonization of company law and the development at Community

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level of legal entities to provide a suitable basis for the creation of transnational consortia. I am referring to the proposed European cooperation agreement, already adopted by this House. Parliament has frequently discussed in a different context the need to provide the European economy with a wide range of opportunities for transfrontier joint ventures and other forms of cooperation. The Community is paying the penalty for more than ten years of delay in creating a European company law.

The situation is better as regards standards. Since the acceptance of the Commission proposal on the notification of standards in the Member States, which is planned to come into force on 1. 1. 1984, our internal work has progressed apace. We hope to be able to present a comprehensive initial summary at the meeting of the Internal Market Council on 26 October.

We are also aware of the need to improve the effectiveness of the directive on supply contracts. Above all, we must extend its area of application, i.e. limit the exceptions. When formulating our own policies in the field of research and development we must consider the scope for Community-wide vertical solutions to open up markets further for each product in question. The Fergusson report commends the progress expected of the ESPRIT programme in the field of information technology. I have nothing to add to this. We hope that the strategic development of a European information technology, which is the aim of the project, the pilot phase of which is nearly at an end, will be completed by the end of the year. The seriousness of our efforts and also the determination of the Member States and industries concerned to make up for Europe's regrettable lack of development are demonstrated by the fact that our five-year ESPRIT project has a budget of 1 500 m EUA.

As far as cooperation with the United States and Japan is concerned, I would like to point out that the Community can only be a sought-after and influential partner in such joint ventures once we have succeeded in demonstrably strengthening our industrial base. We must not overlook other elements which are of major importance for Europe as far as the setting up of such joint ventures is concerned. For example, there are limits to the scope for cooperation if America maintains its present very restrictive attitude to the transfer of technology even to the European Community.

I would particularly like to thank the rapporteur for his emphasis on the importance of strengthening the internal European market. As you know, we have only been able to implement half of the emergency programme decided on at the Copenhagen summit. We hope that the imminent Athens summit will force further decisions. We are currently most concerned at the numerous technical pretexts or genuine difficulties that, for whatever reasons, are being thrown in

the way of opening up frontiers by the bureaucracies of the Member States. We see this as a reason to step up our efforts for we see the definitive and irreversible removal of internal frontiers as the acid test for the credibility of the European Community's internal market policy.

If it cannot summon up the necessary political will to achieve this, then it is hardly surprising if European industry, irrespective of which sector, adopts a wait-and-see policy, or even prefers to invest in the United States instead of in the Member States.

Finally, the Commission is of course prepared to report to Parliament at any time on the position as regards the matters covered by the Fergusson report. We are not sure whether it is expedient for reports to be presented annually.

In conclusion, I should like to emphasize that there is no gain to the Community if, in addition to the numerous economic disadvantages arising from the high level of expenditure on arms in the Member States it tolerates nationally protected, scattered and extremely expensive arms production.

(Applause)

Mrs Wieczorek-Zeul (S), *joint rapporteurs of the Committee on External Economic Relations. — (DE)* A point of order, Mr President! I would like to put the following question to Commissioner Narjes, which is closely connected with the rules of procedure. He has shown that the Commission has a great deal of imagination when it comes to dealing with possible cooperation on armaments and what the Commission's opportunities are for exploiting these possibilities. My question — he indicated that arms exports could not be dealt with because this fell within the sphere of the EPC — is he not of the opinion that, for example, compensation deals concluded by individual countries, i.e. arms supplied in exchange for oil, could represent a distortion of the internal market in accordance with Article 223 of the EEC Treaty and could therefore justify action by the Commission, and whether the Commission could not apply some imagination to this question?

President. — *(DE)* Mrs Wieczorek-Zeul, your remarks were not a point of order.

Mr Narjes, *Member of the Commission. — (DE)* I am grateful for this question and would like to add that of course a compensation deal can cause problems if it offends against the rule of fair competition and may well justify the use of other Community instruments.

Mrs Baduel Glorioso (COM). — *(FR)* We have heard a number of affirmations from Commissioner Narjes, and I should like to know whether he is expressing the Commission's opinion here or has also been expressing personal opinions?

Mr Fergusson (ED), rapporteur. — Mr President, we are exceedingly grateful to Commissioner Narjes for his response and for addressing himself so carefully to the substance of this report with such sympathy and constructive thoughtfulness in it. We are glad that he understands so well that the fragmentation of our efforts is something we can no longer condone in the Community and we welcome his statement that forces are now pushing the Community towards the kind of industrial rationalization the report has asked for. We hope that he will not only be pushed but that he will lead the Community in that direction.

He says he will continue to look for devices to overcome the damage to the Community's economic potential by the separation of the defence and the civil aspects of industrial policy, and we look forward to hearing more about the devices that he is going to dream up and think about over this time. We look forward also to the full report on public procurement which is coming. He says once a year may be too much to ask for — well then as frequently as is appropriate whatever is the right kind of time. We think that this is a matter of fundamental importance to the Community and whatever is the right time to hear more then let us indeed hear more. Let us work together towards this particular end.

I have not got much time, Mr President, but may I just say one or two words as rapporteur about the debate we have just had. It seems to be the lot of any rapporteur as he sits right through the debate — the only person, apart from the Commission, the Council and yourself who does so — to feel not once but many times that it is some other report that is actually being discussed; some other views than his own that are being attacked. I stand by all I said this morning and those who were not here this morning may care to read it in due course. As Mr Klepsch said and the Commissioner repeated, what we are talking about, though it falls within the context of security, has very much been the survival of European high technology, the survival of our industry and our economy and our employment in a world in which our rivals must not leave us behind.

I would say to Mr de la Malène that if the European Community is not the place to make sense of our fragmented efforts in this field, then what is? NATO has no industrial competence and would it help France if it had? Did he hear what I said about the WEU earlier? Did Mrs Charzat hear that? They must know that the Western European Union only has theoretical competence in defence and none whatever in industry. The European Community — I am sure the Commissioner will agree — has the competence in industry and can tackle the problem in the framework of a common policy.

To Mr de Pasquale, Mrs Bonino and Mr Kyrkos, I can only say that you have simply got the wrong end of

the stick. This report is not a policy for war. It is ridiculous to say that it is.

I have noted also what Mr Ephremidis and Mrs Castellani said. To call this policy a suggestion that arms production and trade should be increased is absolutely rubbish. Have you read the report? It is the very opposite. And do you not realize that it is from your side of the House that the calls have come for arms sale limitation? When this House supports — as I am sure it will — a policy for the limitation of arms sales, while you think it is saying something else, had you not better ask yourselves this question, privately?

To Mr Hänsch and Mrs Wieczorek-Zeul, whose views I very much respect in this regard, I repeat that their suggestions regarding a detailed arms sales policy are most valuable. But as Mr Klepsch and Mr Haagerup both said, they are, if not Utopian, asking for the moon at this stage. We may get the moon in due course but only bit by bit and we must not get too detailed too early. Mr Hänsch spoke of a common European security policy defined in the context of NATO and said that that should come first. Well fine, I do not think he really means that. If he really thinks we should debate defence strategy then all I can say is that that was not the report which is before us now. I do not think we are far apart on principles and I hope that with certain amendments agreed we will not be far apart at the end of the day when we come to vote on this particular matter.

Mr President, I must stop now. I want to thank all the people who have taken part in this debate and once again I thank the Commissioner for the way he has responded.

President. — The debate is closed.

The vote will be taken at the next voting time.

6. EEC and Latin America

President. — The next item is the report by Mr van Aerssen, drawn up on behalf of the Committee on External Economic Relations, on the economic and trade relations between the European Community and Latin America (Doc. 1-580/83).

Mr van Aerssen (EPP), rapporteur. — (DE) Mr President, ladies and gentlemen, I would like to make three basic points which are relevant to this matter. There is total agreement between the representatives of the European Parliament who are dealing with this matter and the representatives of the Latin American Parliament who drew up a resolution at the fifth meeting in Bogota which was again confirmed at the sixth meeting in Brussels and also forms the basis of this report.

Secondly, the Commission and the European Parliament entirely agree on the long-term strategy.

van Aerssen

Thirdly, this is the first time that an international final act, the Bogota Act signed at the 1981 Fifth Conference, has been the subject of a resolution by this Parliament, which was then referred to the committee responsible for a report to be drawn up; and today the rapporteur would like to inform you of its unanimous conclusions. I think this is an important event in the institutional development of the European Parliament.

The rapporteur feels bound to thank the Commission for the enormous efforts it has made and for the fact that it is prepared to pursue this long-term strategy with the Latin American States jointly with us. There is no need for me to point out that the European Community and the states of the Latin American sub-continent are natural partners. When Spain and Portugal join the European Community, we will also have among us the cultural ambassadors *par excellence*, if I may put it that way, for building this bridge and strengthening it. But we also realize that we must pursue our policy on a basis of equal rights and non-interference and that together we can be forces for peace, without arms, and will fight to uphold human rights.

The aim of our long-term strategy — for this report is not concerned with today or tomorrow — is to forge a new long-term partnership. That is the keyword: a new long-term partnership with the Latin American continent.

Mr President, as a Greek you will understand this particularly well, since many of your compatriots live in that sub-continent.

For us this means that we must not look at the matter only from an economic angle but above all from a psychological and political one. Speaking theoretically and in abstract terms, there are four options for the Latin American continent. One option is a very close alliance with Europe without the United States. No-one in Latin America wants that; no-one in Europe wants it. The second would be a very close alliance with the Soviet Union. No-one in Latin America wants that because they can see other unfortunate examples of it. The third possibility would be to join the Group of 77, as Brazil once contemplated doing. Our committee considers that the fourth option is the only right one for our Latin American friends and for the European Community. We must stretch out our hands to each other and forge a new, long-term partnership with this sub-continent.

At the same time we must not set our hopes too high. Our Latin American friends sometimes assume that the European Community is enormously rich and can solve many of their problems hands down. That we cannot do. But we can develop this partnership systematically and step by step. The first step in this plan is for the European Community to sign an agreement

with the *Sistema economico latino americano*. After the Brussels conference, the President and Executive Secretary-General of that organization in Latin America called urgently for such an agreement — and again after holding further talks with the President of our Parliament and the group chairmen. We are concluding a framework agreement between the SELA and the European Community. I think that is very important and I find it highly significant that regardless of the political difficulties it involves, and which we need not discuss here today, the Commission is willing to follow this road together with the European Parliament.

The second stage of this plan is the conclusion of regional agreements with Latin America. Anyone in this Chamber who is concerned with this sub-continent knows that the various countries have different structures and different economic situations. So it is very important to find that the example the European Parliament has given on a worldwide basis is obviously liked and imitated there. I could quote the example of the Andean Pact, which wants to conclude a regional agreement with the European Community. You know what efforts Parliament, the Commission and the Council too are making to put relations with the Central American States on a new basis. That would be the second example of a regional agreement between the European Community and Latin America in the framework of this overall plan.

The third stage relates to agreements with countries which play a particularly important part in Latin America, simply because of their size, their specific resources and their importance. I would like to give two examples: the European Community's agreement with Brazil and the European Community's agreement with Mexico. May I request the Commission most earnestly to do its utmost to instil life into these two agreements in the near future, to make it clear that this overall strategy is not just a European fantasy but a matter very close to our hearts.

The fourth stage of this graduated strategy would be the conclusion of an agreement between the European Community and the Organization of American States for Energy Development (OLADE). Our negotiations have not reached a very advanced stage. Speaking in economic terms, I think we are complementary partners. They can assist us in many areas and we in turn can do the same.

To summarize, the first cornerstone of this concept is the four-stage plan. The second — and I feel it is most important to note that here — is that on our proposal and on the basis of our joint deliberations, the Latin American States declared themselves willing, at the Sixth Conference in Brussels, to do all they could to create a joint organ that can negotiate with the European Community on an equal footing at the level of the Council of Ministers, i.e., of the executive.

van Aerssen

The very fact that the Latin American States have announced this for the first time in their history — unanimously and jointly with us — is an historic event. You, Mr President, in view of the history of your country, which has become a member of our family, will find it particularly easy to understand the importance of small steps in history and their psychological value.

May I return very briefly to the instruments which are decisive to all these strategic considerations. First there is the question of the generalized system of preferences. I do not need to describe to the Commission in detail how the poorer Latin American countries have not so far benefited sufficiently from this system. That can be changed.

Secondly, we must urge the Latin American States to move towards regional integration wherever possible. I referred earlier to the key example of the Andean Pact.

Agricultural reform is an important need in Latin America. I think that on the basis of the variety of historical examples it has given in its own countries, the European Community can provide our friends with the necessary indications of how to go about this.

The fourth instrument — and I would ask the Commission to stress this emphatically in the negotiations, and above all in connection with the Andean Pact — is investment guarantees for investors from the European Community, especially for small and medium-sized businesses.

Not the United States of America but the European Community — although many people do not know it — is the biggest net investor in South America. For us, our investors, for those who want to do business in Latin America, it is therefore absolutely essential to obtain guarantees, for investments to be secure and also for them and their colleagues to obtain the necessary assets protection.

A fifth point — and here we agree with the Commission — is the setting up of further delegations in Latin America. With due respect to the fact that one should not incur debts and should spend one's money very carefully, we should not reject this idea but look upon the long-term interest and make appropriate arrangements.

A further important point is that we support the governors of the European Investment Bank, who have stated that they are prepared to extend their investments to the Latin American continent, and that we once again request the Council to promote this process resolutely. That means also ensuring, first and foremost, that the European Community cooperates systematically, via the European Investment Bank, with the appropriate institutes of the Euro-American Development Bank and that of Central America.

May I earnestly request our friends in the United Kingdom to join us on this road. We showed our

solidarity with them at a time of extreme political difficulty — and may I point out again that in Argentina alone there are three million Italians with Italian passports — and I think the time has now come for you to show solidarity too.

The difficulties involved in this dialogue are well-known. What is decisive is that at this moment, and during this discussion, which offers the European Community a great opportunity, we should build a bridge to this sub-continent and tread this road with great determination. I earnestly request this Chamber to give consistent support to the further activities of the responsible committee, which will have to fill in the details of this strategy in the coming years.

(Applause)

IN THE CHAIR : MR MØLLER

Vice-President

Mrs Wieczorek-Zeul (S). — (DE) Mr. President, honourable Members, the Socialist Group welcomes and endorses the report submitted by Mr Van Aerssen for five reasons, which I would like to put briefly. We thank him warmly for so promptly and so fully including the decisions of the Latin American-European Conference in this report by the European Parliament and by its Committee on External Economic Relations.

In particular, we thank him for the constructive way in which he accepted a number of radical amendments by the Socialist Group, and for the content of the report. For the first time, and that is the most important point, the European Community has recognized in this report that Latin America is a region with its own economic and political interests. For the first time too, in relations between these two regions, their common interests have been set out, recognized and duly appreciated. Mr Van Aerssen has put that very clearly. The objective is for the two to strengthen each other reciprocally, in relation also to the two superpowers, i.e., to the superpower with whom both regions mainly have to deal, the USA.

In this context, we place special importance on the need for a framework agreement between the European Community and SELA, the *Sistema economico latino americano*, for it also includes such countries as Cuba, which has hitherto been excluded from relations with European countries or the European Community. We are looking at the proposals for regional groupings and cooperation within this context.

As for the direction to be followed in these relations, we welcome the approach set out in Mr Van Aerssen's report, i.e., to develop and strengthen the internal market in Latin America. We consider it most impor-

Wieczorek-Zeul

tant that a number of new cooperation instruments have been proposed, such as a Latin America institute and a Euro-Latin American Bank.

As for the indebtedness of most of the Latin American countries, I think we should ask ourselves what the European Community and the Member States can do to tackle this problem. In theory there are two alternatives: to increase their exports — but this is not really feasible because the volume of trade between the European Community and Latin America is falling. Or we could make our contribution to ensuring that low interest rates on a worldwide scale ease the situation in these countries, but so far there has been no European initiative on reducing their dependence on the dollar and on the American's high interest rate policy.

I think the right approach — and we must continue to work on this as a Parliament — would be to link financial cooperation — the keyword here is the Euro-Latin American Bank — with realistic development and trade policy projects. In my view, the traditional forms of pure trade promotion are quite ineffectual in the context of the European Community's relations with Latin America.

I would ask Mr Van Aerssen to accept the amendment which our group tabled as a supplement to this report. In it we call on the Member States of the European Community to urge the International Monetary Fund in particular to change its policy, i.e., to pursue a differentiated policy *vis à vis* the Latin American countries. For here we have the problem — which I observed in Bolivia this year — that the International Monetary Fund advises countries which have developed from dictatorships into democracies to adopt such drastic remedies that the fragile flower of democracy shrivels up before it can unfold. In plain terms, the International Monetary Fund is stipulating conditions for Zuazo's democratically elected government in Bolivia which, if imposed, will actually worsen the situation of the poorest people in the country. As a result the people will turn against the democratically elected government. The result of that could be a military coup. That would start a vicious circle which we would have to break at some point. That same problem could arise in Argentina and Chile, if they returned to democracy and we do hope they will. So we must call on our member governments to urge the International Monetary Fund to pursue a different policy and that is what we have done in our supplementary amendment to Mr Van Aerssen's report.

Mr Blumenfeld (EPP) — (DE) Mr. President, The European People's Party, on whose behalf I am speaking, thanks the rapporteur for his wide-ranging report and for the many proposals it contains, which we will support.

The report rightly notes that, to put it in my own words, in the last ten years the Community has

treated Latin America rather more shabbily than other regions of the world. I am thinking of the whole range of nations and countries which have become associated under the Lomé Convention. And yet Latin America, and parts of Central America too of course, is a region which will assume a quite central importance for the European Community in future. Both Mr Van Aerssen, the rapporteur, and my esteemed colleague, Mrs Wieczorek-Zeul, who spoke before me, are strong and committed supporters of cooperation between the European Community and Latin America. They can also refer back to a wide range of practical experience and important and interesting proposals.

Mr Van Aerssen used one keyword, which Parliament, will, I assume, also accept. He said this was a long-term problem. It cannot be resolved by rapid ideological leaps forward or hasty economic recipes. We must arm ourselves with great patience: we must be patient as regards both the concept and the financing. The Community's proposals and our desire for cooperation, as referred to in the motion for a resolution, must not and may not, regardless of the many tensions, be directed against Latin America's historically established partner, the United States.

Perhaps my ears are oversensitive, but it seems to me that Mrs Wieczorek-Zeul tends to give the impression, when she speaks of Latin America and the economic and political developments there, that we Europeans are called upon to strengthen this region of Latin America against the superpowers, and especially the United States. That cannot be our mission! We want to support each other reciprocally and in complementary fashion. We want to ensure that Latin America, with its accelerated population growth and great difficulties and problems, is not or does not remain unilaterally dependent on a single economic power, i.e., the United States; but our approach here cannot be to start a kind of second trade and economic offensive against the United States. We have enough to deal with in our own differences with our partner, the USA.

We must realize that in the long term Latin America's indebtedness can be tackled only by measures and structures based on a new concept. Europe is not in a position to replace the United States in terms of financing and we would be overreaching ourselves if we thought that by creating structures such as a Euro-Latin American bank or whatever, we could improve things. The mass of debts is so vast, so enormous, that we will have to devise entirely new concepts, and I am grateful to the rapporteur for pointing that out. The old methods do not work any more, and that is also why we want to follow up Mr Van Aerssen's report.

Miss Hooper (ED). — Mr President, I would also like to thank Mr Van Aerssen for his important contri-

Hooper

bution. It is vital to follow up and follow through on these matters, and the fact that this is the third report to be prepared covering South and Central America in the last year demonstrates the interest in the Community in increased cooperation with the region. I would say that Mr Van Aerssen is largely responsible by his personal efforts for ensuring this follow-through. As has been said, Latin America is a powerful trading bloc, a repository of resources and raw materials and, above all, a vibrant, expanding group of nations which may not yet have fulfilled its full potential, but which most certainly will.

It is important to us in the European Community to have the maximum possible contact and cohesion with the various countries of Latin America, many of which as individual countries are larger in size than the whole of our Community, and very wealthy in resources and which, linked together in trading blocs, will create a vast potential of formidable growth. Apart from the historical and cultural links between us, which cannot be forgotten and have already been mentioned — perhaps I might mention my own period of study in Quito, Ecuador where such a British institution as the 5 o'clock cup of tea was an acknowledged 'must' in many people's daily life. I was also able in my travels to see railways which had been built with the help of British engineers and I sailed across Lake Titicaca in a ship which had been built originally in Hull. So the links are there and can be multiplied by many examples throughout the Community. We must build upon them. In this respect, I would like to make a plug for enlargement. I feel it can only help with our contact and connection with Latin America if we have Spain and Portugal as members of our Community.

We are currently in a world recession, which is aggravating the problems in all our countries. Many Latin American countries have been severely hit by this recession and at times of grave economic and financial struggle, there can be no doubt that democracy itself can suffer. I think that we must ensure, as a Community, that we do not look continually inwards at our own problems, but recognize that we must, as Mr Van Aerssen has said, hold out our hands and see how we can confirm our links, exchange know-how and experience and build up our trading and commercial cooperation. Above all, as a community of institutions which are new and developing themselves to some extent, as we go along, we should remember that there are institutions and trading blocs in other parts of the world — notably those already referred to in Latin America — which are looking to our example, seeing the mistakes we make, seeing our experience and building upon it.

My group therefore welcomes the report and the spirit of cooperation which it attempts to engender. We would, however, wish to make some specific reference to the following paragraphs of the report which we feel could have a little more brushing-up Paragraph 8

is very important. We consider that this aspect of improving trading links is something that should be concentrated on. Paragraph 13 urges a group of experts to assist with the development of small businesses. Again this is something on which our experience in Europe can be of help, but it should be very much a commercial thing. It should not be yet another institute created and funded from goodness-knows-where. On Paragraph 14 on the bank: we would like to ensure that priorities in the work of such a bank would be principally the development of trade between Latin America and the Community and projects which would have an integrating effect within Latin America and projects which would increase the export earning potential of the Latin American countries.

Finally, I would like to say that the institute referred to in paragraph 15 should build upon the existing bilateral links between main countries, and should not be seen to be a duplication of effort which already exists in some parts. I will therefore conclude by saying that we must do everything possible as a Community to foster and extend our relations, to build bridges and break down barriers rather than to create them.

Mr Gawronski (L). — *(IT)* Mr President, ladies and gentlemen, the Van Aerssen report offers us the opportunity to tackle in detail a problem that is not of secondary political importance.

The relative smallness, today, of foreign trade between Europe and Latin America is something that is readily understandable; Latin America exports mainly agricultural products, which find access to our markets difficult because of the protectionist nature of the Community's agricultural policy and the preferential relationship with the ACP countries, whilst the Latin-American market remains a difficult one for European industrial products to penetrate, because of the competition of American firms, and the presence of a strong tariff system.

If, however, we look at those aspects of economic relations with Latin America that are not strictly commercial, we notice that the role of Europe is very much more important than one imagines: in the Argentine and Brazil the volume of investment from the Community has recently exceeded that of North American investment.

Although many of the Spanish-American countries are at present going through an extremely difficult time economically (to which the extent of foreign indebtedness provides alarming testimony) many of them have an enormous growth potential.

Undoubtedly, the ability to make proper use of this potential will be of decisive importance for world economic recovery, and hence for the future of the European economy.

Gawronski

But the problem of the Latin-American economy is also — indeed, first and foremost — political. If we do not want democracy to be destined always to remain the heritage of a narrow group of countries of the West, and if we wish to avoid economic backwardness, social injustice and political instability making this region a natural target for Soviet expansionism, we must provide the forces of democracy, that are struggling valiantly but with still greater difficulty in Latin-America, with the conditions for a stable success.

One year after the tragic conclusion of the Falklands adventure the Argentine seems to be embarked in a rather chancy manner along the path of democracy, Brazil has already made important steps in the same direction, the dictatorship of Pinochet is under unprecedented internal pressure and is obliged for the first time in 10 years to negotiate with the opposition, and in Uruguay the position of the military dictatorship is becoming more difficult.

There is today, therefore, the concrete, immediate possibility of an important democratic milestone being passed in Latin America. But what is to be the strength of the new democratic governments, and what is to provide their staying power, in the absence of any improvement in the economic situation? How can they reinforce themselves, under the dramatic conditions of external indebtedness inherited from the military governments?

It is the practice of our Parliament to adopt many useful resolutions on respect for human rights and civil liberties all over the world, and I, myself, have acted as rapporteur for the Political Committee on Human Rights in Latin America.

Without wishing to deny the political importance of these initiatives, I nonetheless believe that it is for the most part futile and profoundly hypocritical to limit oneself to condemning, in a moralistic way, the many oppressive, dictatorial regimes that prosper in the world, without attempting to help set up the economic and social conditions for their overthrow.

Setting up the economic conditions for the success of democracy in Latin-America does not however mean — as some Socialist members sometimes suggest — restricting oneself to a generous aid policy and allowing the rescheduling of external indebtedness; it means, rather, providing the right conditions for the progressive transition to adulthood of the Latin-American economy.

The course of development along these lines lies above all in specialization, the enlargement of the domestic market, the setting up of joint ventures to link European technology and capital with Latin-American resources and manpower availability, and the incentivation of investment and entrepreneurial ability. And I think that the Community can play an important part in stimulating this development.

(Applause from the Liberal benches).

Mr Linkohr (S) — *(DE)* Mr President, ladies and gentlemen, allow me to make two very brief comments. The rapporteur has done his homework with skill and diligence, and for that we owe him thanks. It cannot be for us now to add new proposals to the many that have been made. What we should do now is to make sure that in the coming weeks and months, practical action follows the decisions of Parliament, and also the decisions of the Sixth Interparliamentary Conference between the European Parliament and the Latin American Parliament in June this year. So we must ensure that we are measured by our actions and not by our ideas.

Mr Blumenfeld said earlier that Mrs Wiczorek-Zeul, and therefore indirectly the Socialist Group, was trying to pursue an anti-American policy by means of the Latin American policy. We must correct this by saying that we have an interest in ensuring that Latin America is not drawn into the East-West conflict. It is in our common interest to ensure that interventionism, from whatever side, becomes a thing of the past.

We have learned from history what adverse effects the United States' interference has had in Central and South America. We also know that in 1961 there was a risk that a third world war might under circumstances break out as a result of the Cuban issue. All this should be a lesson to us to promote the self-determination of Latin America — and our own too, our autonomy *vis à vis* the superpowers; and I would certainly posit that cooperation with Latin America is one of our interests.

Mr Pedini (PPE) — *(IT)* Mr President, ladies and gentlemen, in my capacity as President of the delegation for Latin-America I wish to thank Mr Van Aerssen most warmly for having accepted in his resolution the important conclusions of the Euro-Latin-American Conference that took place in Brussels last June.

I should like, Mr Van Aerssen, to add just a few observations. I think one has to insist on the urgent need for political consultation between the two parties; there are problems in the world about which it is in the interests of us Europeans to consult the Latin American democracies, as well as being our duty to do so.

Besides, if Latin-America were to fail dismally in its attempt at political revival, or if it were to collapse economically, the whole Western world would be deeply shaken. I think that it is necessary, as has already been said, to revive the work of the Group of Latin-American Ambassadors at Brussels (GRULA) and I consider that we need to think of the institution, by the Latin Americans, of a body for political consultation.

Pedini

With regard to the Latin-American Institute, this idea also emerged from the proposals at the Brussels Conference, and I think I must insist, together with Mr Van Aerssen, that it should not be a copy of the institutes already existing in our countries; instead it should be able to act as an organ for coordinating and strengthening the activities of our countries, under the aegis of the European Economic Community.

I agree with one of the members who preceded me; the problem of indebtedness is extremely serious for Latin America. It has been rightly said that we cannot, with only the strength of Europe at our command, think of helping to solve that problem. However, as Europe, we have a duty to apply pressure on the whole of the industrialized world to conceive a new form of international economy and solidarity that will prevent the worsening of a financial crisis that would overwhelm the entire banking system, and would end up by overwhelming us as well.

From the political point of view I consider that we must insist — and the insistence must come from our groups unanimously wherever there is also civil war in Latin America — that free elections be held, in the conviction that the free face of democracy, in Nicaragua just as in the Argentine, and in Grenada as in Chile, is the only system for the re-establishment of peace and the progress of the people.

In conclusion, Mr President, I should like to say that, in our capacity as the European Parliament, with all the reports that we have prepared — the last of which being the one by Mr Van Aerssen — in addition to the work carried out by the delegation, we have now come to the end of what can be done by proposals for a systematic policy of collaboration with Latin America.

It is now up to the Commission to work on and improve those initiatives that are already under way as well as those that are proposed, and it is up to the Council of Ministers finally to take political decisions.

Mrs Pauwelyn (L). — *(NL)* Mr President, ladies and gentlemen, in recent years the European Community has taken a growing interest in its relations with Latin America. These increasing contacts have given a new dimension to the EEC's foreign trade policy. In view of the forthcoming enlargement of the Community this is not without its importance. Cooperation with South America is also necessary because the countries concerned will form the largest industrial and consumer markets next century. The strengthening of our economic and commercial relations with Latin America is also warmly welcomed in these countries. I would refer in this context to the recent visit by Colombia's President Betancourt to the European institutions in Brussels. On behalf of all the heads of government party to the old agreement, he expressed the hope that a cooperation agreement between these

countries and the EEC would be signed later this year, the year in which the freedom fighter Bolivar is being commemorated.

The Liberal and Democratic Group shares the view that a cooperation agreement may prove useful. It must, however, take the form of a suitable framework for the satisfactory development of trade relations. It must, for example, ensure that all technical tariff and non-tariff barriers to trade are removed. Many European companies are after all investing in Latin America. Joint ventures should therefore be encouraged and the movement of capital and services from and to companies in the EEC facilitated. The economic crisis and above all growing debts have driven many of these countries to protect their markets. This protectionist tendency is increasingly accompanied by compensatory practices. A general cooperation agreement must therefore rectify these and other faults. In other words, it should ensure the balanced development of trade in both directions. This presupposes a favourable investment climate, open markets and cooperation. I particularly welcome the proposal for closer cooperation in the areas of energy and raw materials. A general framework agreement must not, however, have a harmful effect on the bilateral agreements. The political and economic systems of all these countries are after all so different that we must individualize our relations if we intend to take account of their specific needs and to help each country to develop.

To conclude, Mr President, I should like to emphasize once again how very much we appreciate the opportunity to discuss this subject. We therefore hope that the proposals contained in this report and the message from the Andes group will meet with the desired response and find approval.

Mrs Lenz (EPP). — *(DE)* Mr President, following on from the preceding speakers, may I once again refer to a general aspect of this report. After many years of abstinence in the European Community we have once again laid special emphasis on and devoted special interest to relations between Latin America and the European Economic Community. Evidence of this is the meetings with the Latin American Parliament both in Bogota and here, the report on the economic situation in Latin America, the report before us now and the report on the situation in Central America which is on the agenda in the coming months. I think all this will give our Parliament a comprehensive picture of our relationship and our concept of relations with Latin America; for huge as this continent is that wants to establish relations with Europe, and varied as its peoples are, the explosive political situation there poses two specific challenges to which the Community must respond: firstly the need for aid to relieve the immense social problems which are the key to the unstable political situation of many Latin

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American states, and secondly the need to build up economic relations that link the Community and Latin America to their mutual benefit, in co-ordination and co-operation with the United States. We must not imagine that we can fulfil a purely *ersatz* function here. If Europe really wants to be regarded as the protector of democratic relations, it must take action. We regard a balanced economic and development strategy on the part of the European Community *vis à vis* Latin America as a whole as an important factor of a global policy of peace, aimed at social justice, equal opportunities and constitutional democratic relations, thus destroying the basis for any forms of violence or infringement of human rights or fundamental freedoms. Reference is made to this in the report too.

A few days ago the Colombian President Betancourt stated that the SELA Council wanted to resume the institutional dialogue with the European Community. I believe the European Parliament, for its part, will encourage the European Community to hold this dialogue, and this report is an important contribution to it.

Mrs Rabbethge (EPP). — (DE) Mr President, honourable Members, this year was the 200th anniversary of the birth of the great Latin American militant, Simon Bolivar. As early as the beginning of the last century he worked for unity in Latin America. However, he was not very successful. Today, 150 years later, the many endeavours to achieve integration in Latin America have not progressed much further either. Regional alliances are — as Mr Van Aerssen pointed out — still in their infancy: the Andean Pact, Contadora, Carecom and the Latin American economic system, SELA, which was also mentioned. That is why it is so important to promote the regional co-operation that is so economically advantageous to all concerned with even more determination. That has in fact always been the essence of all our Parliament's development strategies: to promote regional co-operation, to aim at co-ordination and consistency between the various political activities and to achieve more democracy, on our continent too, by way of increased economic co-operation. If our Community treats with care a developing market of some half a billion people, that can have a very positive effect on our economy too. The development of traditionally good trade and economic relations can benefit both sides. In view of its varied worldwide political and economic commitments, it is in the interests of Europe to take an active part in resolving conflicts, removing their causes and achieving a global peace. Our European Parliament has always demonstrated its solidarity when it came to the question of the principles of partnership and non-interference in the development of a common European policy to stabilize fragile relations, on the Latin American continent too. So the report by our Committee on External Economic Relations is

late, but not too late. Our Christian-Democratic Group welcomes it and will support it as a group, as Mr Blumenfeld pointed out. Given the substantial financial requirements arising out of the catastrophic indebtedness, the programme set out in the Aerssen report represents a first step towards future co-operation. I agree with the speakers before me. It is a long-term aim and will need patience. In future more account must be taken of the many and varied historical, cultural, religious and social aspects common to the Latin American-Caribbean area. In quantitative terms, not much can be achieved in the short term. That is why initially it is the quality of our commitment that will be decisive. Here too, we will need patience. In February 1983, during his journey through Central America, the Head of the Vatican said something on which we have always agreed in our European Parliament too, in spite of all controversy: 'We can only urge everyone, those on the right and those on the left, and the leadership, to bear in mind the social obligations of ownership and of power, and urge those with a sensitive social conscience that no ideology, no revolution can magically produce justice, that conditions can only be improved slowly and that this requires patience.'

New, improved external economic relations, hand in hand with development strategies, can serve as a means on this long slow road to achieve a new co-operation between two continents.

Mr Narjes, Member of the Commission. — (DE) On behalf of the Commission may I begin by thanking the rapporteur and the Committee on External Economic Relations for this excellent report, which contains a comprehensive analysis and a variety of ideas. The Commission can largely endorse the recommendations contained in the resolutions.

This is a particularly good time to consider longer-term relations and their development, especially between the Community and the Latin American sub-continent, now that the special political problems of Latin America, and the South Atlantic crisis of last year, have led to a greater political awareness and mutual understanding of the content, scale and prospects of Latin American-European relations.

The economic, cultural and political relations between Latin America and Europe have always been very varied. They have been referred to repeatedly during this debate, so I need not go into them again. At Community level, a number of agreements already exist. Latin American trade is strongly influenced by our generalized system of preferences. More aid is being given, especially in Central America. In fact, the Community's relations with Latin America are better than they are reputed to be. Yet there are important gaps in this picture. Above all, the Community's commitment towards Latin America has no visible political profile.

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The report before this House offers a large number of suggestions in this area. It follows up the constructive results of the Brussels Interparliamentary Conference of June this year. In the Commission's view, that conference and today's debate pave the way for a new phase in our relations with that sub-continent. We must review the situation, strengthen the existing links and open up new possibilities, jointly with our Latin American partners. There are three levels on which this can be done: global relations between the two continents, regional co-operation with groupings such as the Andean Pact or Central America and, thirdly, the Community's bilateral relations with the individual Latin American states. To this could be added the sectoral agreements, e.g., on energy.

Let me briefly discuss these three different levels of action. A dialogue on an inter-continental basis requires that both sides speak to each other openly again and without preconditions. In this respect, the Commission welcomes the recent decision by the Council of Ministers of SELA, the Latin American economic system, which will make it possible to resume without delay the interrupted dialogue with the Group of Latin American Ambassadors which has formed GRULA. There will certainly be no lack of topics of discussion, and one especially important question is referred to in Paragraph 2 of the resolution before us, the question of a framework agreement between the Community and the Latin American economic system. The advantage of such an agreement is obvious. It would be an announcement of political resolve and have a signal effect. On the other hand, it must not be forgotten that both the legal and institutional problems and the possible content of such an agreement cannot be entirely foreseen today. But here too the dialogue can help provide greater clarity.

While the global dimension still lacks precise contours, there is no doubt that very great importance will be attached to co-operation with the individual regions of Latin America. Here we must begin by mentioning the endeavours to conclude without delay a co-operation agreement with the Andean Pact. After the Commission's talks with the Colombian President last week, the Commission is confident that it will prove possible to conclude the negotiations before the end of this year. Presumably, it will not be possible to achieve anything similar in Central America in the foreseeable future, in view of the political situation there. Here I am referring to Paragraph 6 of the motion for a resolution. Yet even today the Community's commitment to that area is considerable, as shown by its increased aid measures. The Commission will examine with care to what extent it is possible to improve co-operation, especially with the Central American common market. Yet it would not be realistic to consider further increasing the aid measures for the inhabitants of Central America unless it proves possible to earmark the necessary appropriations in the Community budget.

As for bilateral relations, the Commission shares the regret expressed in Paragraph 4 of the resolution about the absence so far of any concrete results from the Community's existing co-operation agreements with Mexico and Brazil. Especially in the case of Mexico, everyone agrees on the great need to catch up. It remains to be hoped that the forthcoming meeting of the relevant joint committees will make progress possible. Overall, Latin America has managed very well to stabilize its share of our imports. At the same time our own 1982 trade deficit *vis-à-vis* Latin America has risen by 5 500 million ECU. That trend has continued this year too.

These two facts — stabilization of Latin American exports to Europe and the Community's bilateral trade deficit — have two underlying causes. One is the large share of raw materials in Latin American exports. The proportion of industrial products is increasing, but we will need specific co-operation measures to produce balanced trade in the long term. Primarily they concern the businessmen on both sides. Nevertheless, more than 30 % of direct foreign investment in Latin America comes from Europe. Perhaps I may refer to this key word investment to endorse and qualify a remark made by Mr Van Aerssen. By endorse, I mean to point to the importance of ownership for investment, for small and medium-sized enterprises. By qualify, I mean that the right of ownership should apply fully to undertakings and businesses of all sizes, otherwise the sense of insecurity would be liable further to delay and impair the willingness to invest.

New impetus can be created in the framework of the existing agreements or those still to be created, especially by joint ventures and modern forms of trade promotion or by making better use of the system of generalized preferences. After all, more than 80 % of Latin American exports come into Europe free of duty or with only minimal duties, i.e., of up to 5 %. Certainly there is still some room for *ad hoc* improvements. However, it seems neither feasible nor necessary to make any radical change to the system of preferences. At the same time, we must realise that our trade deficit is due less to any spectacular export successes on the part of our Latin American partners than to the severe import restrictions imposed by an ever increasing number of states in Latin America. This fills the Commission with concern. The same applies to the question of cargo controls referred to in Paragraph 12 of the resolution.

These and similar questions can be resolved only by closer co-operation and trust. Quite apart from trade and investment questions, it is important, as the resolution justly emphasises, to promote co-operation in other areas too. For instance, the Commission will examine with care how to put greater emphasis on energy, technology and research in our relations, Sectoral agreements, for example with the OLADE on

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energy questions, are useful ways of doing this, as is making full use of the potential of the existing agreements on economic and industrial co-operation.

As regards Community aid for Latin America, the Commission also agrees with the report's conclusions, as set out in Paragraph 16 of the resolution. Technical and financial aid is to be concentrated on rural and less productive areas and on improving regional structures. In line with this objective, the lion's share of this aid goes to Central America, i.e., 66,5 million ECU of a total of 71.5 million ECU in 1982. Similarly, more than half the food aid for Latin America goes to that region, in fact 24 million ECU out of 43.3 million ECU in 1982, on top of a further 10.3 million ECU of emergency aid for refugees from Central America. So the Community's structural aid measures are designed to counteract the danger, referred to in Paragraph 18 of the resolution, that Central America will be cut off from co-operation measures.

I am grateful to Mrs Wieczorek-Zeul for touching on the question of Latin America's debts. I agree with what she specifically said and implied on this question. Over and above this, I think we should also realise that apart from the constant, solid growth of these states at a fairly high level, what is essential is to restore a climate of confidence so that their credit-worthiness is once again beyond doubt. The fact that the conditions imposed on them may be econometrically correct but are politically intolerable cannot help ensure this. In the long term, that would prove self-destructive for those who lay down the conditions. As you rightly pointed out, one of the chief tasks of North-South relations in the coming years will be to walk this difficult tightrope. The sooner that is done, the sooner we will once again have created a basis for restoring trust and restoring credit-worthiness; but of course, restoring this climate of confidence is not a one-way street.

It is obvious that the uncertainties resulting from this indebtedness reduces the willingness to invest in the Latin American countries. That has an effect not only in Latin America but also on the investors. The idea of setting up a Euro-Latin American bank referred to in Paragraph 14 of the resolution, to supplement the existing financial and development instruments, is therefore regarded with special interest by the Commission. Without underestimating the political and financial difficulties involved in such an initiative, we feel this could have an extremely important political effect. Variants are of course conceivable too.

This Commission will consider with care these recommendations relating to the central area of industrial co-operation. A further innovation would be the creation of the Latin American-European institute, referred to in Paragraph 15. As you know, the Commission has already put forward a formal proposal along the same lines, which is before this House for its opinion. It has noted with great concern that the Council has deleted the appropriations allocated for this in the 1984 budget.

In view of the considerations put forward in this report and in the Commission's communication, which in any case coincide exactly, I would like to appeal urgently to this House to demonstrate our joint conviction by restoring the relevant budgetary line. The Commission will put before this House a practical programme of action for the extension and further development of the complex relations between Latin America and Europe as soon as it has concluded its careful and realistic analysis of the various possibilities.

At any rate, much will depend on whether we can co-operate constructively with our Latin American partners. To achieve this we must continue the dialogue between joint committees, the contacts between government authorities and initiatives such as the Sixth Interparliamentary Conference, i.e., the entire range of relations. The aim should be a greater political commitment on the part of the European Community and its Member States towards Latin America; that is why the Commission is grateful for the fact that this report and today's debate clearly reflect the resolve to co-operate and asks for your understanding that it has used this report as an opportunity to describe its own position in some detail. The subject of the debate seems to merit such a detailed statement.

Mr Van Aerssen (EPP), rapporteur. — (DE) Mr President, the rapporteur need only speak briefly after this debate. He would like once again warmly to thank all the speakers for also giving due attention to the political importance of this link between two continents and considering the entire subject in the same terms as those set out in the report. It also thanks the Commission once again for its comprehensive statement and for the detailed answers it gave on individual paragraphs of the report. We cannot go into this any further at this point. But with the agreement of the Commission, we will continue to consider these points in the committee responsible, in order to pursue this policy of long-term partnership with Latin America.

On the question of debts, the rapporteur wishes to state again quite plainly and clearly that there are two alternatives. One is the Macchiavellian approach which says: we are pursuing a worldwide policy of inflation, in order to free the debtor countries from their anxiety. My group, and I think the majority of this House, if I am right about the conclusions of the committee, rejects this. The other approach is the following, and it must be put openly and boldly — as the rapporteur is now doing on his own behalf and not on behalf of the committee: both the banks that give credit and the debtor countries simply must admit that they made serious mistakes in the past and that, as Mrs Wieczorek-Zeul said, the severe measures imposed by the International Monetary Fund, which are quite correct in principle, cannot achieve total justice for all.

van Aerssen

In other words, it is inevitable that we will eventually have to remit certain debts in certain areas and that overall we must urge that these countries' debts be reduced; otherwise we will drive them into disaster, which would harm us too in the end.

May I once again say most emphatically — as several speakers here have made it clear — that a policy of the kind we are setting up here with Latin America must always be pursued in partnership with the United States. There is no cause for jealousy. An institutional dialogue will have to take place between the United States and the European Community, not only on this subject, but also on others, which this House discussed today and at the last debate of the previous parliamentary term.

In summary, Mr President, I am also grateful to the Commission for considering the question of investment guarantees in such detail. That is a central issue if we are to persuade medium-sized undertakings to invest in Latin America. Many thanks for your support, therefore, and we will continue to work on this question with great determination in the Committee on External Economic Relations.

IN THE CHAIR : LADY ELLES

Vice-President

President. — The debate is closed.

The vote will be held at the next voting time ¹.

7. Question Time

President. — The next item on the agenda is the first part of Question Time (doc. 1-798/83). We begin with questions to the Council.

Mr Boyes (S). — May I raise, on a point of order, the disgraceful attack made on the President-in-Office of the Council in the Greek press, which said, when he was in this Chamber on the last occasion of Question Time, that he was alone and isolated? I think we should make it clear in this Parliament that hundreds of people welcome the honesty and integrity of the President of the Council of Ministers. No Council of Ministers has been provoked in the way he has been provoked in Question Time, and all of us in this Chamber appreciate the courtesy he has shown under such intolerable conditions. I think it is an absolute disgrace — and I hope the reporters who wrote such nonsense are listening — that that kind of rubbish should appear in the Greek press. I am sure you will endorse what I am saying, Madam President, that such nonsense should not emanate from this place about a senior member of the Council of Ministers.

(Applause)

¹ *Topical and urgent debate (communication)*: see Minutes.

President. — Knowing, of course, your own courtesy invariably shown to this Chamber, Mr Boyes, we note your point.

(Laughter from the European Democratic benches)

Question No 1, by Mr Eisma (H-222/83):

According to the answer to my written questions 1422/82 and 1423/82 ¹, only about 1.8 % of staff are working part-time in the Community institutions. The Council has, moreover, rejected a proposal to introduce 75%-working.

Given the consensus that the redistribution of work should be encouraged, not least by promoting part-time work, does the Council agree with me that it is setting a bad example, and what steps is it considering in order to improve matters?

Mr Charalambopoulos, President-in-Office of the Council. — *(GR)* As regards this question, Article 55 (a) of the Regulation on Staff Service Conditions states that: 'In exceptional circumstances and for suitably justifiable reasons the appointments authority may sanction part-time working for an employee if it considers that this accords with the best interests of the institution'. The appointments authority at the Council operates a very flexible approach to the provisions of the Regulation on Service Conditions in relation to the opportunity for part-time working. Nevertheless, only 20 employees from all categories are seeking to take advantage of this opportunity, and it seems that the situation is no different in the other institutions.

The Council did not agree with the proposals submitted by the Commission in 1979 to amend the Regulation on Staff Service Conditions and introduce 75%-working.

Mr Eisma (NI). — *(NL)* I asked the Council why it did not approve the Commission's proposal that 75%-working should be introduced. I did not understand the President-in-Office to say in his answer that this proposal has meanwhile been adopted, and I find that a very bad thing because everyone is talking about the desirability of part-time work and of shorter working hours in particular, but the staff regulations of the European institutions are hopelessly behind in this respect. I must therefore ask the Council to improve the hopelessly out-of-date situation in the institutions of the European Community with a view to the redistribution of working hours, to allow 75%-working, not to use administrative difficulties as an excuse and to reconsider the whole matter with the aim of amending the staff regulations to enable 75%-working to be introduced.

Mr Charalambopoulos. — (GR) To the honourable Member's supplementary I can reply that the Council did not approve this proposal because it considered that the measure in question — which, in any case, does not obtain in the public services of the Member States — would cause undesirable administrative complications and engender additional operational costs which cannot be countenanced in the present economic climate. Because the number of employees who work part-time is small the introduction of additional measures towards this end would have no effect on employment levels in the institutions of the European Communities.

Mrs Elaine Kellett-Bowman (ED). — I notice that the Council's reply said 'if this is in the interest of the institution'. Now, I would respectfully suggest that it is not only the interest of the institution that should be considered, but also the interest of the individual applying. Now, while I do not necessarily approve of 75% working, I am very much in favour of 50-50 working; and is he aware that not only is this going well in British industry, but it is also now beginning to spread in government institutions and local government in the United Kingdom, which would cause therefore no administrative problems whatsoever? Will he do his best, while in his period of office, to press this very important humanitarian measure?

Mr Charalambopoulos. — (GR) I will be able to give the honourable lady an answer when I and my Council colleagues have consulted and made a full and thorough examination of this matter.

President. — Question No 2, by Mr Normanton (H-235/83):

Does the Council intend to give the Commission new instructions in order to fulfil the Community's commitment, at the Williamsburg Summit, to give special attention to the flow of resources for energy production in the developing countries?

Mr Charalambopoulos, President-in-Office of the Council. — (GR) The Council gives close attention to all the Commission's proposals and is certainly willing to examine every proposal it makes on ways and means of easing the flow of resources for energy production in the developing countries. This being so, the Council intends, as it stated at the ACP-EEC Ministerial Council meeting on 20 May this year, to carefully consider the specific communications on the mineral and energy resources of the developing countries forwarded by the Commission as soon as they are received.

Mr Normanton (ED). — I must confess that this answer gives me and I think the developing countries little, probably no, satisfaction. But, would he not

agree that ever since the Copenhagen Summit of 1974 declarations by the European Council in their communiqués have been long in words and short in deeds? And can the President-in-Office therefore give the House a much more precise undertaking and a more detailed list of proposals for action which will be implemented and, as the question put it, necessary finance provided which is not being provided in the 1984 budget?

Mr Charalambopoulos. — (GR) I can reply to Mr Normanton's supplementary in the following concise terms: he should not underestimate the flow of resources which the Community has made available, and is continuing to make available, for energy projects in the developing countries, and this quite apart from the individual efforts of the Member States.

In this context particular mention must be made of the funds which have been made available for the carrying through of such projects in accordance with the terms of the ACP-EEC Convention. The Council reminds you that under Lomé II responsibility for implementing Community aid schemes rests with the Commission and the EDF. Furthermore, by the end of 1982 the sum of 171.4m ECU had been provided for projects which were mainly aimed at energy production, 9.6%, that is, of the total obligation entered into under Lomé II. The Council also draws attention to the fact that it has recently agreed to enter 4.3m ECU in the 1984 draft budget for energy sector cooperation with the non-associated developing countries.

Mr Seligman (ED). — I am disappointed with the President's answer in this matter because it is patently obvious in the developing world, despite what has been spent in the Lomé ACP budget. Does he not agree that priority should be given to energy investment because the developing countries are spending more and more on imported oil? They are spending more than half their export earnings on imported oil and therefore energy investment should have priority over various aid programmes which do nothing to solve the problem.

Mr Charalambopoulos. — (GR) As the honourable Member knows, Lomé II expires in 1985, and I would like to tell him that discussions on a new convention are already under way. In Luxembourg last week I had the honour of presiding over the ACP-EEC Ministerial Council which marked — in a commemorative spirit, I would say — the commencement of this endeavour by the Community and the ACP countries to bring a new convention — whose title neither we nor, of course, the ACP countries have yet decided on — into being. As you know, the title of the second convention is Lomé II, but we do not know, however, if the new convention will have this title. Anyway, it will be a new convention.

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I want to inform the Member that the matter he has raised, as well as other matters, will be dealt with in the context of this new convention. I can stress the Community's awareness of the need for closer and more effective cooperation in all sectors with the ACP countries. There are 64 of these countries, and this year two more have come in with observer status.

Mr Alavanos (COM). — (GR) I would like to put a question which is not directly connected with what has been said on this matter so far, but which is, however, associated with the problem referred to in Mr Normanton's question concerning the flow of resources for energy production in the developing countries. It is also directly related to the matter we debated this morning and which is giving Parliament serious concern, namely the Fergusson report.

I would like you to tell me on behalf of the Council whether the Council includes the export of arms among these instruments. Because, according to the words of Mr Genscher as quoted in the explanatory statement of the Fergusson report: 'Arms export policy can be an instrument for safeguarding our security and energy interests.'

Mr Genscher is also quoted in connection with energy sources, not within the Community, of course, but in the Middle East and the Persian Gulf, etc. Is this simply Mr Genscher's position or does it reflect the views of the Council?

Mr Charalambopoulos. — (GR) As far as I know, what the Member has referred to has not been discussed in the Council recently. Consequently, at this moment I can neither confirm nor deny what he has suggested. What I can say is that it has not been discussed in the framework of Council meetings.

Mr Enright (S). — The President-in-Office mentioned EDF and the new convention. Does he not agree that it would be much easier for this Parliament to examine the satisfactory nature or otherwise of energy policy in relation to the Third World if the EDF were budgetized and will he not press for this?

Mr Charalambopoulos. — (GR) I had the opportunity a little earlier to say that the process of drawing up a new convention has begun. This process has not yet been completed. When it is completed and the convention has been drawn up Parliament will, of course, be able to scrutinize the convention. It will not be wrapped in secrecy and every Member will be able to examine it, because at that stage it will have been published and the text will be available for all those with an interest.

Mr Nordmann (L). — (GR) Could the President-in-Office tell us whether the Council has taken note of parliamentary initiatives aimed at promoting the use of heat pumps in the developing countries, this being a form of technology which could give these countries

a degree of energy independence, and whether the Council intends to give the Commission instructions on this matter, in view of the Commission's dilatory attitude to the Parliament's proposals?

Mr Charalambopoulos. — (GR) We have heeded and taken note of what you have said.

President. — Question No 3 by Sir Jack Stewart-Clark (H-267/83)

A recent Commission survey of public holidays in the Member States shows the highest number to be 14 and the lowest only 8 days holiday per year. Staff in the Community institutions however receive no less than 22 public holidays every year.

Can the Council explain how the figure of 22 is established?

Mr Charalambopoulos, President-in-Office of the Council. — (GR) At the Council the number of public holidays varies between 14 and 17 days per year, of which 5 or 6 fall between Christmas and New Year. This break in work conforms with long-standing practice and was decided upon at some stage in the past to enable permanent staff employees and remaining personnel to spend the Christmas and New Year festive period in their countries of origin.

Sir Jack Stewart-Clark (ED). — I wonder if the President-in-Office could perhaps not agree that both the Council and Commission staff should get the average number of holidays enjoyed by Community countries; if not that, then the holidays perhaps of where they are located, which is Belgium; and if not that, at the very maximum, the highest number of holidays enjoyed by any single national country, which is 14?

Mr Charalambopoulos. — (GR) Pursuant to Article 61 of the Regulation on Staff Service Conditions in the European Communities the list of public holidays is agreed upon jointly by the institutions of the Community following the giving of an opinion by the Committee on Staff Service Conditions.

President. — Question No 4, by Mr Lalor (H-323/83):

What action has the German Presidency initiated in relation to giving special attention to the problems of smaller economies such as Ireland which the Presidency stated recently it intended to take?

Mr Charalambopoulos, President-in-Office of the Council. — (GR) I would like to assure the honourable gentleman that the Council is always mindful of the special problems of all the Member States and, therefore, of the problems of the small countries of the Community, such as Ireland, as well. More specifically, in the first six months of this year, to which the honourable Member is referring, the Council made

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significant progress in the social and regional policy sectors and on agricultural structures. I remind him that on 2 June the Council reached agreement on a revision of the Social Fund whereby 40% of the endowments available for actions in the framework of labour market policy, the main area of intervention by the Fund, will be set aside for employment projects in Greenland, Greece, the French Overseas Territories, Ireland, the Italian Mezzogiorno and Northern Ireland. These countries and regions will continue to be eligible for the 10% augmentation of the intervention rate for priority areas. I remind him, further, that the Council has intensified its work on a new regulation for the Regional Fund aimed at improving the effectiveness of the interventions by this Fund, especially in areas with greater needs. The Council's deliberations have not yet led to an agreement, but they have helped to bring views closer into line. Finally, I remind him that when the Council approved the new farm prices in May it agreed to a package of measures for improving agricultural structures which will especially benefit Greece, Ireland and Northern Ireland.

Mr Lalor (DEP). — The President-in-Office replied to an imaginary question in connection with what might have been done earlier on. My question had to do with a promise given by his immediate predecessor. Does not the President-in-Office fully appreciate, as himself a Minister of a smaller, none-too-well-off State, like Ireland on the periphery of the Community, that further, inspired and dedicated action needs to be taken, firstly to rescue and then to stimulate smaller economies such as his and the Irish economy? Would he not feel that it would be right and proper and fully justifiable for his government during his presidency to take such appropriate initial action and launch special assistance for our joint economies?

Mr Charalambopoulos. — (GR) I have no difficulty in making a reply and I can understand the honourable Member's concern about the economic problems of the small countries. It is well known to this House and all of us that the small countries do really have economic problems. We recognize, of course, that there are considerable inter-regional disparities and also structural problems, and we must overcome these difficulties in order to enable the small countries of the Community to reap the full benefits of membership.

With reference to the question I would like to mention that this gulf is being seriously taken into account in the current discussions on the restructuring of the Community, the increase of own resources and the development of new policies. This is a process set in motion by the Greek Presidency and, as you know, special Councils have been arranged to tackle all these problems. These Councils have already convened. Indeed, a special Council is meeting in Athens at this very time, and another one

is due to be held at the beginning of November to examine the problems and, if possible, because it depends not on one country but on all 10, to come up with solutions for putting the Community on a new course. Whether these solutions have been found will become apparent at the European Council due to convene in Athens on 5 and 6 December.

I repeat that for its part the Greek Presidency is doing all it possibly can to bring about a convergence of views because, as you know, the Community is facing critical problems which, if we all really do wish for it to be given a new course, must be tackled and solved on a proper and rational basis.

Mr Marshall (ED). — Can I have an assurance from the President-in-Office of the Council that, however inspired and dedicated his action towards the self-inflicted problems of the Southern Irish economy may be, that will not divert him from the primary object of his presidency, which ought to be budgetary reform, so that the budget of the Community is based upon equity and common sense?

Mr Charalambopoulos. — (GR) Concerning the presidency which you have mentioned, you should be in no doubt that it is making, and will continue to make, every possible effort to bring about a positive outcome. However, along with this I should stress that it does not depend solely on the efforts or good intentions of a particular presidency — currently the Greek Presidency — but on a collective approach to the matter you have mentioned, and to other matters as well. Because if we bear in mind what I have said earlier, and likewise the Greek Presidency's inaugural statements, and, to go further back, the conclusions of the European Council at Strasbourg, then we can see that, for progress to be made and for a new course to be charted out for the Community, the will and efforts of any one presidency — at this time the Greek Presidency — do not in themselves suffice. There must at the same time be a full realization of the situation and an awareness of which steps need to be taken to cope with the predicament of the Community in the overall context. The matters which the Member has raised should be seen in this light.

Mr Kyrkos (COM). — (GR) Our Irish colleague's unease about the German Presidency is justified, and quite rightly this extends over to your presidency well.

The principle of convergence of the economies is one of the Community's fundamental tenets, but it is not being implemented. We are very anxious about the fact that the budgetary appropriations for the Regional Fund remain effectively frozen, if not reduced, and the same applies for the Social Fund. We also know, the way things have turned out in Greece, that our balance of trade in agricultural products has gone into deficit, and there are, of course, problems of a like kind in the other less developed areas of the Community.

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Even though the main general debate will come in December we beg you to go into greater detail about a few aspects of the problems which exist, to tell us to what extent the awareness of how crucial this matter is for the Community has sunk in, and, finally, to give Parliament the opportunity to play its part in this, albeit from a distance, and in the deliberations going on at the present time, without, of course, revealing things which need not be made public at this time. Tell us something a bit more specific so that the Irish and Greek Members, and the Members from southern Italy, can judge whether the enormity of the problem really is fully comprehended.

Mr Charalambopoulos. — (*GR*) As I said earlier, the European Council at Stuttgart, mindful of the problems which have mounted up in the Community, charged the Greek Presidency with the further task of overseeing the additional special Councils it made arrangement for. These special Councils, which involve not only the Foreign Ministers but also the Ministers of Agriculture and of Finance, and others as well, are tackling all the very serious matters which currently affect the Community and its future.

What I can say at this particular time, when we are three-quarters of the way to the Athens Summit in December, is that all sides are striving, as you know, to come up with what I would call a compromise solution to problems which are easy for some and difficult for others in varying degrees. The process of consultation to find common ground is going on all the time.

At this moment I cannot say that the examination of the problems is proceeding at such a pace as to allow me to impart optimism to the European Council. However, nor can I, on the other hand, exclude the possibility of common ground being reached through the efforts of all the partners in the time remaining. The Greek Presidency is hoping for this and is doing everything it possibly can. However, as you in this House are aware, this will depend, ultimately, on whether all the Member States, in full awareness of the current difficulties with which the Community is faced, have the political will and are prepared, in the eventuality, to accept certain sacrifices which are essential if these difficulties are to be tackled successfully, and if we are to be confident of putting the Community on a new course. Convergence of the economies, to which Mr Kyrkos referred, and which is one of the most fundamental tenets of the Treaty of Rome, is an integral part of this perspective.

President. — Question No 5, by Mr Cousté, is postponed until the next part-session at the author's request.

8. Welcome

President. — I should like, on behalf of this House, to extend a very warm welcome to a delegation from

the National Assembly of the People's Republic of China, who have just taken their seats in the Official Gallery.

(*Applause*)

The delegation, which is headed by Mr Chen Pixian, Vice-Chairman of the Permanent Committee of the Chinese People's National Assembly, is here on an official visit in answer to an invitation from the European Parliament. It is the third meeting between our two institutions. We are very much aware of the importance of the interparliamentary dialogue that has been established between the European Community and China and we particularly appreciate this gesture of friendship on the part of our eminent visitors. It is our profound and sincere hope that this visit will be a complete success and that the Chinese delegation's talks with our own delegation, headed by Mrs Desouches, will be most profitable.

I should like to ask the leader and the members of the Chinese delegation to convey the warm wishes of the European nations represented here to the peoples and the representatives of the Republic of China.

(*Applause*)

9. Question Time (continuation)

President. — Question No 6, by Mr Israël (H-286/83):

Since consideration of a resolution adopted by the European Parliament on 11 March 1982 on 'a Community programme in the field of education' figured on the agenda of the most recent meeting of the Council of Ministers of Education, which took place in Luxembourg on 2 June 1983, does the Council agree that it would be logical for it to turn its attention now to the question of the teaching of human rights in the European Community, particularly in view of the report adopted by the European Parliament on 18 October 1982?

Is not the teaching of human rights, particularly in military academies, police colleges and civil service training establishments of sufficient importance to warrant action by the Council?

Mr Charalambopoulos, President-in-Office of the Council. — (*GR*) The Council notes that the resolution adopted by the European Parliament on the teaching of human rights in the Community has been passed on to the Ministers of Education of the Member States. The teaching of human rights is being closely examined by the Council of Europe and Unesco. Individual Member States are undertaking various activities in conjunction with these international organizations. Consequently, it does not seem necessary for other initiatives to be taken at the Community level. However, when debating the resolu-

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tion to be tabled before Parliament, the representations on the Education Committee did agree to send reports on the work going on in the various Member States to the Commission for information purposes.

Mr Israël (DEP). — *(FR)* How then, Mr President, do you explain that the Council of Ministers of Education considered a Community programme in the field of education at its meeting of 2 June?

In strict logic, you should have declined to consider this matter, on the pretext of the existence of Unesco, on the pretext of the existence of the Council of Europe. What I am asking you to do, Mr President, is to examine the teaching of human rights in the European Community, and that entails the study of human rights in civil service training establishments, in military academies and police colleges. Have Unesco and the Council of Europe done anything about such teaching?

Mr President, the Community should do better than an organization which has 125 Member States; we have only 10, and should be able to go much further.

Mr Charalambopoulos. — *(GR)* I would like to repeat for Mr Israël what I said previously, namely that individual Member States of the Community are engaged in various activities in conjunction with international organizations such as Unesco and the Council of Europe, and that, therefore, there does not seem to be a need for further initiatives at the Community level. When the representations on the Education Committee were debating the resolution to be put before Parliament they did agree, however, to forward reports on the work being undertaken in this field in the various Member States to the Commission for information purposes.

Mr Fich (S). — *(DA)* Since the President-in-Office of the Council has said that it was unnecessary to discuss these things on 2 June 1983, I should like to ask him to make it quite clear and confirm that this question falls outside the Treaty of Rome, that general questions of education fall outside the Treaty of Rome, and that appropriations from the Community budget for this purpose are illegal. I would ask the President-in-Office to confirm these three points.

Mr Charalambopoulos. — *(GR)* With reference to the Council's work in connection with the teaching of human rights I must say that it is constantly mindful of the resolutions forwarded by the European Parliament, and that, therefore, it took note of the resolution on the teaching of human rights in the Community which Parliament adopted on 29 October 1982. This resolution was passed on to the Ministers of Education of the Member States who are thus able to use it as a guideline in whatever they themselves do as regards the teaching of human rights. When debating

the resolution the representative on the Education Committee agreed to forward reports on their countries' current activities in this field to the Commission for information purposes.

(Mr Fich asked to speak.)

Mr Ephremidis (COM). — *(GR)* I regard what you have said concerning the teaching of human rights in the context of Unesco guidelines as positive. However, I would like to ask if you think it right that each Member State should pass over the inalienable right it has to decide on the manner, time, place and form of human rights teaching to a supra-national agency, and, moreover, on the lines laid down in a report such as that by Mr Israël which, amongst other things, said that there is no abuse of human rights going on in Cyprus?

Mr Charalambopoulos. — *(GR)* Judging by what the Commission had to say about this matter to the sitting of the European Parliament on 10 December 1979 it seems that it does not intend to recommend any specific action on the teaching of human rights. Moreover, this area is not explicitly covered in the Treaties, nor is it mentioned in the resolution which was passed by the Council of Ministers of Education on 9 February 1976, because that resolution dealt only with a programme of action on education matters.

President. — Mr Fich, I must warn you before you speak that under Rule 4 of Annex I to the Rules of Procedure page 73, each Member may put only one supplementary question to each question.

Mr Fich (S). — *(DA)* Mr President, I just want to point out that I put three questions and only got half an answer to one of those three questions. By putting a supplementary, I got a whole answer, but two answers are still outstanding, and this is something about Question Time which troubles me greatly. If we do not get answers, there is hardly any point in having Question Time.

President. — Mr Fich, each Member may put only one supplementary question. If you choose to put three you are very fortunate to get the answer to one.

(Laughter)

Mr Boyes (S). — On a point of order. We cannot have these remarks made in this Chamber at this time at every part-session! What do you mean you are lucky to get the answer to one if you ask three? If anybody asks a question they always get the answer in the Chamber from the President-in-Office of the Council.

I am fed up with all the nasty innuendoes and slurs that are cast on this man!

President. — Mr Boyes, there have been no slurs or innuendoes on anybody and the President-in-Office is treated with the full courtesy and respect that is due to him as the President-in-Office in this Chamber.

(Mr Boyes went on speaking without the microphone)

Mr Boyes, I would warn you that you did not have the floor and nothing that you have said should be repeated in the minutes of this day because you did not have the floor.

Question No 7, by Mr Rogalla (H-219/83):

Would the Council explain how it and its officials are discussing with the national delegations the Commission's proposal for a Council resolution to relax controls at internal Community borders without having information on the legal bases and the procedures currently involved in carrying out checks, which were the subject of my Written Question No 2292/82¹. Has the Council availed itself in this matter of Article 152 of the EEC Treaty (request for specific studies) *vis-à-vis* the Commission and when may the results be expected?

Mr Charalambopoulos, President-in-Office of the Council. — *(GR)* The discussions taking place in the Council on the Commission's proposal for simplifying frontier checks are aimed at the establishment of certain principles which will govern the carrying out of these checks. It will be the responsibility of the Member States to adjust the legal bases and the procedures currently involved in line with these principles where necessary. It is not important for the Council to have detailed information about these legal bases and procedures.

Mr Rogalla (S). — *(DE)* May I first say in passing that in fact I am grateful that the President of the Council is here today. For he could have been at a Council meeting in Athens; so we should be grateful to him for doing his duty here and answering our questions.

It seems to me, and I would like to have this confirmed, that perhaps the President of the Council and other members of the Council are not aware just how much our fellow citizens want to see progress made at last on the question of border controls. Does the President of the Council not share my feelings that those responsible are always hiding behind official, bureaucratic, slow legal procedures without really tackling the problem? Moreover, have the President of the Council and his officials read Article 3(c) of the EEC Treaty which creates a basis in Community law for the freedom of movement for persons?

Mr Charalambopoulos. — *(GR)* Concerning what the Member has touched on I think that I can understand his concern and say that if certain countries still are delaying in this respect this is due solely

to the fact that some difficulties do still exist, such as, for instance, the introduction of a common Community passport. And it is precisely because there are these difficulties that the full abolition of checks, which I think is essential, has not yet come about. I believe that those countries which are continuing to carry out these checks will move ahead with the speed that circumstances demand so that this very important process can be completed.

Mr Alavanos (COM). — *(GR)* No one agrees with pointless, unnecessary and excessive frontier checks, and not only between the member countries of the Community but between all countries as well. However, I think that the issue of frontier checks is a sovereign right of each member country and I fear that what you have said, namely that the member countries will adjust their legislation in line with principles to be laid down by the institutions of the Community, essentially calls this right into question.

I would like to ask you, therefore, how this matter is being tackled, and, specifically, what provision is being made to cope with the various dangers which the complete freeing of the internal frontiers sought by different colleagues would create. Security dangers, such as, for example, the importation of terrorism into Greece from countries such as Italy and the like.

Mr Charalambopoulos. — *(GR)* The member countries are aware of some of the dangers the Member has referred to. I must stress, however, that, in addition to the other factors which are causing delay, these matters also are being studied by the competent ministries of the Member States in order to find the best possible way of ensuring freedom of passage across internal Community frontiers. But along with this freedom the Member States should be protected against the dangers which could possibly spring from such ease of movement across frontiers.

This is precisely why some Member States are holding back while they look into all these circumstances.

Mr Malangré (EPP). — *(DE)* I would like to ask the President of the Council to what practical measure is he actually referring. What measures to facilitate the crossing of the internal borders between the Member States should be carried out first and foremost and what sort of timetable is he envisaging? In the meantime, our fellow citizens have become very impatient, for they keep hearing promises from the Council but are given no practical indication when these promises will finally be fulfilled.

Mr Charalambopoulos. — *(GR)* The queries raised by the honourable gentleman cannot be answered at this moment because discussions and studies involving these matters are still continuing. So at this point I am not in a position to say how it will be done

¹ OJ C 136, 24. 5. 1983, p. 19.

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or to put a date on it. The Council of Ministers has not yet decided. The final decision has not been taken yet because the studies of the matters the honourable gentleman has raised have not been completed.

Lord Bethell (ED). — Could the President-in-Office tell us whether he is aware that Greece is now the only country of the Ten that demands landing cards from visitors from other European Community countries? Does he accept that this arrangement is not in conformity with the laws of the Community? Will he therefore take steps to abolish the landing card requirement for Community citizens?

Mr Charalambopoulos. — (GR) I would like to affirm that the cards the Member has referred to do in fact exist. They have a solely statistical purpose. However, my country — which is the youngest member of the Community — is considering abolishing this system which, as I have said, has a solely statistical purpose. If you could see what information is requested on these cards you would realize that other countries have the requisite technological apparatus to gather in this data without recourse to landing cards. However, I come back to what I said earlier on and repeat that studies are under way with a view to dismantling anything which obstructs freedom of passage while at the same time ensuring that all necessary measures are taken to obviate possible dangers.

Mr Berkhouwer (L). — (NL) Having something of a copyright on this subject, I have a brief and specific question to put to the President of the Council. Despite all the uncertainties at present, can we be sure that the citizens of the Community will be able to obtain European passports from 1 January 1985 onwards?

Mr Charalambopoulos. — (GR) As I told another Member earlier, I have to tell the Member that I am unable at present to put a date on it. The matter is being studied and I believe that the procedures involved are being speeded up with a view to bringing about what the honourable gentleman and, I believe, everyone in this Chamber, wishes to see. So I am not in a position to put a date on it. It may be much earlier than the date you have mentioned.

Mr Berkhouwer (L). — (NL) Has 1 January 1985 been solemnly agreed?

Mr Notenboom (PPE). — (NL) Does the President of the Council share my view that the computerization of personal data at the internal frontiers of certain Member States, with the aim of checking everyone rather than making random checks, can be described not as a delay but as being diametrically opposed to the policy which the Council and Parliament consider desirable?

Mr Charalambopoulos. — (GR) As other speakers have said, it is the Community passport which will effectively sort this matter out. When the Member States have completed all the procedures and a Community passport exists, together with safeguards as regards the possible dangers, we shall not be able to speak about landing cards, or computers or other such things. This is precisely why the Council, for its part, is endeavouring to speed up the procedures for introducing the Community passport.

President.— We turn now to questions addressed to the Foreign Ministers.

At the author's request Question No 24 by Mrs Ewing has been postponed until the next part-session.

Question No 25, by Mr Purvis (H-254/83):

Following Parliament's urgent resolution of 19 May 1983¹ urging the Community to offer its good offices in mediation for a ceasefire in the Iran-Iraq war, what decision has been made by the EEC Foreign Ministers as to such a political initiative and what, if any, action has been taken?

Mr Charalambopoulos, President-in-Office of the Foreign Ministers. — (GR) In the past the Ten have frequently discussed the Iran-Iraq war in the context of political cooperation, and at its meeting on 21-22 March this year the European Council expressed grave concern about the heightened threat to the security and stability of the region posed by the continuation of this war and likewise its regret that no peace initiative has yet succeeded in bringing an end to the conflict. With that opportunity the European Council appealed for a cessation of hostilities, for a withdrawal of forces to behind internationally recognized borders and for the achievement through negotiations of a just and honourable settlement acceptable to both sides and in accordance with Security Council resolutions.

Up until now, the mediation attempts made by various sides have not, unfortunately, achieved any result. However, the Ten have not excluded the possibility of a future initiative at an opportune time.

Mr Purvis (ED). — Madam President, first of all may I ask you whether questions to the Foreign Ministers will continue until 7.15 p.m. in that it started 15 minutes late?

President. — Mr Purvis, as you know, we are bound by the time factor because of the interpreters, not for any other reason. We also have to consider the President-in-Office who comes to our Parliament and according to the agenda Question Time ends at 7 p.m. We did have to start a bit late with our Question Time owing to the many notices that had to be read out at 5.30 p.m. As of now, I cannot see that we can really continue after 7 p.m.

¹ See Minutes of 19. 5. 1983 (PE 84.774).

Mr Purvis (ED). — I think that is most unfortunate, Madam President. I leave it to my colleagues, who are more at risk later down the list than me, to raise the point again but I would have thought that 15 minutes for the Foreign Ministers on the whole foreign policy of the Community in a month is rather inadequate. *(Applause)*

President. — If we could put it to the House that we continue for a further 10 minutes rather than taking up time in discussion, I will ask the President-in-Office if he would be good enough to stay until 7.10 p.m. providing he has no transport depending on his departure and also the agreement of the interpreters that they would be willing to stay on till 7.10 p.m. If I get a favourable answer to both those questions, we will carry on till 7.10 p.m.

Mr Charalambopoulos. — *(GR)* I would have no objection to staying for another quarter of an hour were it not for the fact that at 7 p.m. and 7.30 p.m. I have meetings arranged with, respectively, the delegations from the People's Republic of China and Australia. I regret very much not being able to comply with the wish of the honourable Member and other colleagues.

President. — I think this makes it clear, we must finish at 7.00 p.m. I would therefore ask the Foreign Minister if he would kindly reply to the supplementary of Mr Purvis.

Mr Purvis (ED). — I will be as quick as possible. I do appreciate the President's reply to our question about the Iran/Iraq war, but I would like to ask in view of the many discussions they have apparently had about this whether it is therefore in the context of European political cooperation that the French Government have dispatched aircraft to Iraq; and does this signify that the European Community is in some respect taking a position as regards the Iran/Iraq war and the safety of oil supplies from the Arabian Gulf?

Mr Charalambopoulos. — *(GR)* The issue you have raised has not been discussed in the context of political cooperation. What has been repeatedly discussed in this context is, as I said before, how the Community can contribute to a cessation of the Iran-Iraq war. When speaking at the United Nations on behalf of the Ten fifteen days ago I had the opportunity to mention this extremely serious matter and to express the Community's concern about this continuing war, and at the same time to appeal once again to the two countries, which have been at war for approximately three years, for an end to hostilities. I also stated that we in the Community are willing, should we be asked, to make our good offices available if this would be likely to lead to the termination of this war which is worrying us all.

Mr Adamou (COM). — *(GR)* I would like to ask the President of the Council of Ministers if he thinks that the arming of the two countries by Member States of the Community with the latest and most up-to-date weapons helps towards ending the war between them, and what action the Foreign Ministers intend to take on this.

Mr Charalambopoulos. — *(GR)* For a start, the reports which are getting a measure of publicity, and which are assumed to be true, are, in most of the cases, incorrect. In any case, what I can say today is that the question of the arming of one side or the other, whether by members or non-members of the Community, has not been discussed in the context of political cooperation. What has been discussed is how the Community can contribute to the finding of a peaceful solution and to the ending of this war which for three years has been going on in the Middle East with repercussions not only for the two countries involved but also for security and peace more generally. This is precisely why the Community is deeply concerned about the situation and wishes to see this war ended as quickly as possible.

Mrs Wiczorek-Zeul (S). — *(DE)* The Greek Foreign Minister referred to several requests by the Foreign Ministers in the framework of European Political Co-operation. I would like to ask him now whether in view of the dangerous escalation of the war in that region and its possible worldwide repercussions, he intends to propose that the Greek Presidency of the Council should offer to mediate, in the framework of European Political Co-operation, following the recommendations and proposal of the European Parliament?

Mr Charalambopoulos. — *(GR)* This possibility cannot be excluded, as I have repeatedly stressed, moreover. However, for these mediation attempts to succeed they would first have to be willingly acceded to by both the belligerents.

Sadly, as I said in my first reply, there is at present no such hopeful initiation and the war goes on. Certainly, we shall spare no effort or sacrifice in offering our services to end this war, which, as you have said and I myself stressed, can have wider repercussions for security and peace, through agreement between the two sides without damage to the prestige of either.

Mr G. Fuchs (S). — *(FR)* Could the President-in-Office tell us his opinion of the proposal made last Sunday by the French Minister for External Affairs, Mr Claude Cheysson, for the establishment of a demilitarized zone in the waters and ports of the Gulf? I think that this proposal would be in the clear economic interest not only of the belligerents but also of the European Community, as regards its oil supplies. I personally find it of greater interest than any delivery of arms just alluded to by Mr Purvis.

Mr Charalambopoulos. — *(GR)* Proposals which could lead to an improvement in the situation are assessed on their merit. At this moment I cannot comment on Mr Cheysson's statement. It is important, however, that the countries of the region should involve themselves with certain proposals along these lines, because otherwise these initiatives lose their value. That is exactly why I said earlier that each initiative must be judged on its acceptability to the parties concerned. We shall make headway only when this acceptability exists.

President. — Question No 26, by Israël (H-287/83):

Have the Ministers of the Ten been informed of the tenor of the indirect negotiations currently being conducted by Pakistan and representatives of the Government in Kabul; do they consider that they should encourage this diplomatic initiative by Pakistan, the aim of which is to achieve the withdrawal of Soviet troops from Afghanistan; and do they not consider that the time has now come to recognize the Afghan resistance as a legitimate national liberation movement, as requested by the European Parliament (in its resolution of June 1982)?

Mr Charalambopoulos, President-in-Office of the Foreign Ministers. — *(GR)* The Afghanistan crisis, which is already into its fourth year, undoubtedly transcends the regional level and is a major contributing factor in international tension. For this reason the Ten have repeatedly stressed the need for a solution to be found as quickly as possible which will bring an end to the sufferings of the Afghan people. The Ten believe that the only way a solution can be found is through the withdrawal of Soviet forces and a negotiated settlement which will allow the Afghan people to decide for themselves how they wish to be governed.

The Ten also believe that for a settlement to be viable it must, for one thing, ensure the independence, neutrality and political non-alignment of Afghanistan, and, for another, create the conditions in which the Afghan refugees can return to their homes with safety and honour.

Finally, I would like to emphasize that the Ten are following the indirect negotiations being conducted between Pakistan and Afghanistan under the auspices of the United Nations with great interest.

Mr Israël (DEP). — *(FR)* Mr President, will you then like the European Community to make contact with Pakistan in order to try to establish the extent to which the discussions which that country is having with the Government in Kabul may be conducive to peace in that region as we understand it?

In other words, is the Community going to talk with Islamabad about the discussions currently taking place?

Mr Charalambopoulos. — *(GR)* As Mr Israël knows, the talks and negotiations between the parties concerned are being conducted under the auspices of the United Nations. We in the Community have repeatedly expressed our desire for a political solution to be found to the problem. And, as I mentioned earlier, the Ten have expressed their support for a political solution to the problem of Afghanistan in other jointly agreed and publicized texts as well.

President. — The first part of Question Time is closed ⁽¹⁾ ⁽²⁾.

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

¹ See Annex II of 12. 10. 1983.

² Agenda for next sitting: see Minutes.

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IN THE CHAIR: MR KLEPSCH

Vice-President

(The sitting was opened at 9 a.m.)¹

1. *EEC-Cyprus*

President. — The next item is the report (Doc. 1-501/83) by Mrs Baduel Glorioso, on behalf of the Committee on External Economic Relations, on EEC-Cyprus economic and trade relations.

The following oral questions will be included in the debate:

— by Mr Marshall (Doc. 1-726/83) to the Council:
 Subject: Association Agreement with Cyprus

What progress has been made in moving to the next stage of the Association Agreement with Cyprus? How often has this matter been discussed with the Council during the past 12 months?

— by Mr Marshall (Doc 1-727/83 to the Foreign Ministers:

Subject: The political situation in Cyprus

Have the Foreign Ministers meeting in political cooperation discussed the political situation in Cyprus? If so, what decisions did they reach? If not, when will they be discussing the matter?

Mrs Baduel Glorioso (COM), rapporteur. — (IT) Mr President, ladies and gentlemen, in presenting this report on behalf of the Committee on External Economic Relations, which approved it at the end of last June, I will try to emphasize two aspects of relations between the EEC and Cyprus.

In 1972 an Association Agreement was concluded between the European Community and Cyprus for the purpose of setting up a customs union that was to be implemented — obviously — by stages. It is right to remind you that the European Community was in this way entering into a special relationship with Cyprus, since this Agreement does not resemble any of the other agreements concluded with the Mediterranean countries — Magreb, Mashrak, Yugoslavia and Israel. Cyprus is a European country and is free, if it should so wish, to become part of the European Economic Community.

In reality, however — and it is my duty to say this — the slowness of negotiations and the inadequacy of the commercial concessions made to the Republic of Cyprus force me to emphasize that the Community is guilty of delays and tight-fistedness where this island is concerned. It is well known, for example, that the balance of trade shows a net surplus in favour of the EEC.

There has recently been some improvement in economic and commercial relations, with the renewal of the commercial agreement for 1983, and the signing of the new financial protocol. At the Council's request, Parliament will express its views on these two acts in the next week or two, or next month.

¹ Approval of Minutes — Documents received — Referral to Committee: see Minutes.

Baduel Glorioso

This report is the result of two resolutions, — both pursuant to Rule 47 — the first presented by Mr Cottrell and others, and the second by Mr Plaskovitis and others.

The call for an improvement in economic and commercial relations between the European Community and the Republic of Cyprus thus emanates from Parliament, which shows its desire to improve these relations in consideration also of the importance of the outstanding part played by the Cypriot Republic in the field of international relations, particularly in the 'hot', destabilized zone of the Eastern Mediterranean, as well as in consideration of the forthcoming enlargement of the Community, which makes it necessary for us to have a more complex but also a more complete, courageous strategy for the Mediterranean coastal countries.

We are all familiar with the difficulties of the Cypriot Republic in resolving the problems and tensions that exist between the two communities. I do not however feel it appropriate for the European Parliament to intervene in this specific field, as some suggest. I think our job, and our duty, is to respect the legality of the Nicosia Government, as recognized also by the recent UNO Resolution, and it is for this reason that I reject all the amendments put forward by Mr Wedekind.

Mr Ziagas (S). — *(GR)* Mr President, the Community's relations with Cyprus occupy a special dimension which makes them different from the Community's relations with other countries, if we take into account the special features of the Republic of Cyprus. For a start, the particular problem faced by Cyprus today, owing to the fact that 40 % of its territory is under occupation, calls for an awakening of international public opinion and for energetic action by the Community so as to safeguard the national independence of that country.

The invasion of Cyprus by Turkish armed forces has had a series of consequences that have substantially limited the political and economic options open to the people of Cyprus.

The international organizations, the Security Council of the UNO, the non-aligned countries, and recently and by a large majority the General assembly of the United Nations, have condemned the invasion and occupation of 40 % of Cyprus' territory by the Turks, and withdrawal of the occupying forces from the island has been called for.

Beyond the fact that of course it does not recognize the situation of occupation imposed by the Turks, the Community has done nothing to justify the part it wishes to play as an important factor in securing détente and peace in an area as sensitive as the Eastern Mediterranean.

Recently there was an attempt by the Greek government to include this matter among the political priori-

ties of the EEC, an attempt that should be supported by the European Parliament as well. Besides, the recent proposals by the Secretary-General of the UNO, Sr Peréz de Cuellar, contain positive points, and the EEC will have, in its turn, to assume a decisive and prompt position if it is not to seem laggardly over so important and critical an international matter.

In the second place, we consider that integrated economic cooperation with Cyprus that takes into account the lower level of development of the productive forces in the contracting country, could act as an indicator of the understanding that the Community can show to Mediterranean countries.

Mr President, the report by Mrs Baduel Glorioso responds fully to the need for this two-sided view of the Cyprus problem. In our opinion its indications, which relate particularly to the political level but also to economic cooperation, provide a framework within which the Community's organs should move when they come up against the subject of Cyprus.

On this point we would like to stress the fact that during the procedure of negotiating the new trade agreement between the EEC and Cyprus, the Cypriot side made a range of concessions that facilitated the eventual signing of the agreement. By contrast, the Community made things more difficult by raising objections for some time, to economic measures that would have had no consequence whatever for Europe's economy.

And as Mrs Baduel Glorioso's explanatory report points out so correctly, the way in which the progressive phases of the agreement have been implemented shows that in fact the Community cannot not be regarded as consistent in its political resolve to develop specially close economic relations with Cyprus, in keeping with the political assessments that prompted the Community to conclude an Association Agreement with it once they had been recognized and verified.

However, we hope that in both the substance and the method of the forthcoming negotiations for the progress of the EEC-Cyprus agreement to its second phase leading to customs union, the Community will be more consistent.

Finally, we would like to say that the Community's political stance over the problem that the Republic of Cyprus has been facing for about nine years, would not only be helpful to the Cypriots in securing their just deserts, but would at the same time reinforce the Community's own position as an autonomous political entity on the world political scene.

Mr Bournias (PPE). — *(GR)* Mr President, despite the unanimous acceptance by the Committee for External Economic Relations of Mrs Glorioso's detailed and very objective report, and despite the

Bournias

Committee's repeated recognition that the Government of Cyprus has not discriminated between the Greek and Turkish communities but has acted so that the entire population may benefit from the advantages of the first Financial Protocol, there has been an unacceptable and irregular attempt by the Turkish Cypriots, through their spokesman, our colleague Mr Wedekind, to devalue our perspicuity and the rules in force in our Parliament by a series of amendments circulated only yesterday, by means of which Mr Wedekind, or rather their author who I suspect to be Mr Denktash, who is at present in Strasbourg, would virtually abolish the Republic of Cyprus, no less.

That is the substance of these amendments, and I insist on this point. They are tantamount to the abolition of the Republic of Cyprus, and despite all the international treaties, the decisions and resolutions of the United Nations and all the international bodies, they refer to two nationalities. In other words they divide the State of Cyprus, referring to the events of 1963 while remaining silent on the terrible and unique fact that we have almost completed a decade since the invasion and the barbarous happenings of 1974, which were condemned by public opinion all over the world.

Mr President, I have neither the time nor the right to give a detailed review of the facts and make reference to all these resolutions. I do, however, refer to our resolution of 8 July 1982 and to Lady Elles' resolution on those who have disappeared and I recommend the Turkish Cypriots to take advantage of the latest initiative by the Secretary-General of the United Nations, Mr Perèz de Cuellar, which they are undermining, while the answer given by the Greek Cypriot side was, according to Mr Perèz de Cuellar, positive and constructive.

Mr President, I thank you and beg to be excused for referring to the political aspect of the matter, but it is not I who am responsible, but rather the author of the amendments, which must all be rejected as the rapporteur Mrs Glorioso herself has said.

(Applause)

Mr Beyer de Ryke (L). — *(FR)* Mr President, from a reading of Mrs Baduel Glorioso's report and in the light of the arguments advanced by honourable Members, it is quite clear that this is above all a political report, whereas it is supposed to be an economic report. Consequently, on behalf of the Liberal Group, I ask that this report be referred back to the Committee on External Economic Relations, so that an opinion can be given by the Political Affairs Committee. It is a political debate, a substantive debate, that we should be holding. The matter should therefore be referred to the Political Affairs Committee for its opinion.

President. — If I have understood you correctly, Mr Beyer de Ryke, you are requesting, under Rule 85 (1) of the Rules of Procedure, referral back to committee. We shall have to vote on that immediately. Does anybody wish to speak for or against?

Mrs Baduel Glorioso (COM) rapporteur. — *(IT)* Mr President, I should like to reply briefly to the points made by Mr Beyer de Ryke. He has highlighted the political aspects of the problem: the strategic position of Cyprus in the Eastern Mediterranean, and the importance of relations with this country within the overall framework of relations with the countries of the Mediterranean basin.

The report that I have presented hinges entirely on the commercial and economic aspects of the question, and on financial protocols that have been signed; no paragraph in the report deals with political problems.

The request to take a vote now is therefore without justification and, above all, is not based on any disposition of our Rules of Procedure.

President. — Mrs Baduel Glorioso has spoken against the motion, does anybody wish to speak in favour of it?

Mr J. D. Taylor (ED). — Mr President, I strongly support the proposal of the Liberal and Democratic Group. It is quite clear that this debate is becoming an entirely political debate with little relevance to the economy of Cyprus or economic union between Cyprus and the Community. It is a nonsense for this report to suggest that there can be economic union between Cyprus and this Community when there is a complete division right down the centre of the island which the rapporteur has refused to report upon. She has failed to visit Northern Cyprus to investigate it. I believe that this is an incomplete report hiding some of the real issues in Cyprus. It is a political matter and should be referred to the Political Affairs Committee.

(Parliament rejected referral back to Committee)

Mr Spencer (ED). — Mr President, my group will be supporting the Baduel Glorioso report although we will not be supporting any of the amendments. We do so because we believe that the Community has a role to play, albeit in difficult circumstances, in bringing together the two communities on the island of Cyprus. We welcome in addition the signature of the second Financial Protocol with its comparatively generous terms, and we trust that aid under this protocol will benefit the whole population of the island as did aid under the first protocol.

Perhaps Mr Taylor could manage to listen to me, as he is our expert on divided islands. We used the committee stage responsibly in order to check that such aid was being given on a balanced basis to both communities on the island. We put down amend-

Spencer

ments to check on this matter and we received reassurances — which we were prepared to accept — from the Commission. Therefore, I reject absolutely any suggestion that this has become a politicized report. It may become a politicized debate, but that is a separate matter. The rapporteur has produced what is basically an unpoliticized report. Therefore, I am glad, Mr President, that we have agreed to continue the debate this morning.

We do believe that the time has come for faster progress towards honouring the Community's obligations to the people of Cyprus. We would like to see progress towards customs union. Of course we accept that it is going to be difficult. Of course we accept that the intercommunity problems pose practical difficulties, but we feel duty bound to try, we feel duty bound to do what we can for all the people of Cyprus. This may express itself at times in apparently small matters — questions concerning quotas for table grapes or potatoes — but we believe that it is worth trying to take those small steps. Those steps themselves are not going to heal the divisions of language and culture that go back millenia, but they are progress, and in any divided island progress is precious. We will support the report.

(Applause)

Mr Adamou (COM). — *(GR)* Mr President, I would like to congratulate our colleague Mrs Glorioso for the sincerity with which she has stated the Community's aims in its relations with Cyprus, both in the resolution and in her report.

Despite our reservations concerning the economic consequences of bringing Cyprus into the Community, we stress the fact that union under today's conditions, may contribute to a solution of the Cyprus problem. Of course, experience to date offers no such indication and I would like to mention two typical examples of the Community's attitude.

The first example concerns the attitude of members of the Community during the recent debate on the resolution proposed by the Non-aligned countries at the United Nations Organization on 23 May 1983. It might have been positive and direct, granted that the resolution in question offered a viable solution for the Cyprus problem. What I would also like to stress, which was pointed out by the previous speaker as well, was the EEC's attitude over the European Parliament's resolution concerning those whom we have ignored, which was approved nine months ago. This resolution is still on the shelf and no progress has been made. I also want to say that we should not forget that the tragedy of Cyprus today is due in large measure to the actions of NATO. It was with NATO weapons and NATO assent that 10 years ago the foreign troops entered Cyprus which still today occupy 40 % of its territory.

Furthermore, I would like to point out that this union provides an opportunity for certain West German

Adolfs like Mr Wedekind, and certain reactionary Englishmen like Mr Taylor, to speak of two States in Cyprus. This is unacceptable and ill-disposed. Also, I cannot help but remember the position of AKEL, the party of the working people in Cyprus, which at its last meeting expressed reservations on the subject of union. Nevertheless, we consider Mrs Glorioso's resolution to be generally positive.

Mr Beyer de Ryke (L). — *(FR)* Mr President, hearing the honourable Member say that the division of the island is not a fact, that it does not exist, I could only ask myself whether he has eyes to see. And please believe me, Mrs Baduel Glorioso, when I say that even if you choose to wear the evzone's fustanella, I for my part shall not be putting on the janissary's trousers. I simply say to you that the situation on the island is as we have seen it and that our association agreement with the Greek community does not prevent us from stating the facts of the situation on the island, its division, its partition, its strife-torn state caused by the clash between two civilizations, a clash which goes back to the beginnings of history and which has had such destructive effects. As I have said to our Greek friends and I say to Turkish Cypriots, I would be the first to rejoice if the island were not like the Soissons vase, a shattered vase. I only wish that we could put the pieces together again. That, however, is a matter for the Cypriots. I am simply saying that the European Community has the right and the duty to watch over the interests of the peoples concerned, whether they be Greek or Turkish, and that each community should be treated fairly.

Should this island be reunited one day, with both communities able to live in peace and freedom, then I shall say bravo, in both Greek and Turkish.

Mr Nyborg (DEP). — *(DA)* I should like first to say that I speak on my own behalf. The report we have before us is an excellent one as far as it goes, but it does not reflect the thinking and the spirit of the proposed resolution put forward by Mr Cotrell and other colleagues. If only their ideas had been incorporated more fully into the report, I think we could all have been completely satisfied.

When I asked to speak, it was not to embarrass my Greek colleagues, the Greek Government or the Greek people. Neither was it to seek popularity in Turkey. It was simply because we are dealing here with a population group in the northern part of Cyprus, which is not really in a position to fulfil itself in a proper manner. The Turkish minority has a right to have its views heard and to participate in the decision-making on the future of Cyprus. I therefore fully support the amendment tabled by Mr Wedekind. I welcome — and I think we all do — the closest possible trading relations with Cyprus, but these relations must take in both the southern and the northern part.

Nyborg

Once again, Mr President, I express my full support to the amendment which Mr Wedekind has worked out in such a splendid fashion.

Mr Alexiadis (NI). — *(GR)* Mr President, I too express my satisfaction at the fairness and good sense that permeate the entire text of Mrs Baduel Glorioso's report. Many voices have been raised in this House on behalf of a fair distribution of the Community's economic support between the two communities on the island, though the word 'community' is hardly appropriate when applied to the Turkish minority. It would be more correct to speak of a minority, and indeed a small minority amounting to just 18 % of the total population. Nobody will deny that economic support should also be provided for the Turkish Cypriot population of the island. But under the present conditions, which have persisted since the Turkish invasion, any such support would be tantamount to a subsidy of the occupying forces. These forces are mainly responsible for defining the economy, life-style and future of the Turkish Cypriot population, which if it were free, would be in favour of peaceful coexistence with the island's Greek population, with which it coexisted peaceably for centuries.

That is all I wanted to say about Mr Wedekind's amendments, which are inspired by the pro-Turkish spirit of the first World War during which Mr Wedekind's country was allied to the Turks. Indeed, this is the same spirit that led to the persecution of the Greek populations of Thrace and Asia Minor, culminating in their tragic exodus in 1922.

Mr Wedekind (PPE). — *(DE)* Mr President, ladies and gentlemen! Some of the remarks made in this chamber astonished me, particularly since they have been made in a Parliament that claims to champion freedom, independence and self-determination all over the world, except, it would appear, in one country, namely Turkish Cyprus.

My amendments, which it would pay you to read properly, demand that both ethnic groups be treated equally and be accorded equal rights. If you refuse to incorporate this amendment, it creates the impression that you do not wish to treat both communities equally. After all, I am only asking that the basic precepts of the UN Charter should be applied to both the communities on Cyprus and that this should appear in the motion for a resolution. If you believe differently, then say so. If you believe this is an attack on the Greeks and if you do not wish to include basic principles such as freedom, fundamental rights and self-determination for a given community in the motion for a resolution, then you should not lie and claim that both communities are to be treated equally. This is not the case. It is prevarication and I can only agree with Mr Beyer de Ryke that this is a highly political matter. It is not fair if 1974, i.e. the Turkish inva-

sion, is always taken as the beginning of the history of Cyprus. The history of modern Cyprus began with the 1960 Constitution, which was violated by the Greek Cypriots in 1963, when they excluded the Turks from government and prevented any Turkish participation in administration of the island for more than 20 years. Is this what we mean by lawful government? There is no lawful Greek government on Cyprus. Cyprus has an unlawful government which has violated the constitution and which does not recognize the rights of the Turkish community. This must be made clear in this Parliament, whatever may be said at the United Nations and in similar organizations where the Turks are excluded.

Mr Marshall (ED). — Mr President, it is normal for the author of an oral question to be able to speak outside group time. Unfortunately, that privilege has not been granted this morning, so I will, in fact, be speaking in group time although not necessarily on behalf of the group.

I think it is particularly unfortunate that the President-in-Office of the Council has not decided to come and listen to this debate. The oral questions were addressed to the Council, and it is the Council which has been responsible for the delays and the inaction of this Community towards Cyprus. The Commission has always adopted a positive approach to the second stage of the Association Agreement, and indeed this House almost unanimously adopted a resolution asking the Council to move to the second stage a long time ago.

Having recently returned from Cyprus, Mr President, where I had the privilege of meeting Mr Andraeou, the Minister for Commerce and Industry, it is clear that Cyprus itself still has a very positive approach to this Community.

Cyprus would very much like to go both to the second stage of the Association Agreement and then to customs union as speedily as possible. Unfortunately, the attitude of the Council towards Cyprus has been excessively negative for a very long time. We have to remember, Mr President, that this Community should have been approaching the second stage of the Association Agreement on 1 July 1977, over six years ago. The reason we have not done so is that the Council's attitude has been a sad, sorry story of delay after delay. The effect of the second stage on the Community would be almost nil. But the effect on the economy of Cyprus could be very substantial indeed, and I think it is very sad that we, as a Community, have been so slow in moving to that stage.

My second oral question, Mr President, refers to the political situation in Cyprus and asks whether the Council has discussed this and what attitude the Council has taken. Those of us who have been to Cyprus have been impressed by the misery of those

Marshall

unable to live in their own homes. The sandbags of Nicosia are just as real a barrier to movement as the Berlin wall is to movement between East and West Germany. Whilst the physical problem of re-housing the refugees has been solved, the emotional problem has not. The inter-community talks have gone on for years without any sign of success. The initiative of the Secretary-General of the United Nations looks as if it has been stillborn. The resignation of the Foreign Secretary of Cyprus certainly gives that impression. I feel that we in the European Community should take a positive action to call a conference of the three guarantor powers and the leaders of the two communities in Cyprus to try and get this problem solved.

President. — Mr Marshall, I should like to take the opportunity of pointing out that this item was on the agenda yesterday when the Greek President-in-Office of the Council was present. Unfortunately, the House did not succeed in discussing the matter yesterday and today, because of pressing engagements affecting the Community, the President-in-Office has left for Athens. I ask for your indulgence, there was nothing else we could do in view of the business of the House.

Mr Kyrkos (COM). — (GR) Mr President, I would like to thank the rapporteur Mrs Baduel Glorioso for the excellent report she presented. I hope it will be adopted unanimously, as a small contribution to untangling the situation in Cyprus, and to supporting the cooperation between us.

The amendments submitted by Mr Wedekind are totally valueless. Listening to him, it occurred to me that according to his lights the legitimate government in Austria after Hitler's invasion would be Hitler's government. This is an attempt to legitimize the results of an invasion, which I am sure will meet with the active condemnation and disapproval of us all. Most hypocritically, Mr Wedekind asks: After all, what am I asking for? I just want to protect the rights of Turkish Cypriots. That's fine; go ahead and protect them Mr Wedekind, in your own country too, and if you like, give them political rights as well, and later on the right of self-determination in Germany. I hope that the exaggeration of what I have just said will bring home to you the folly of what you have proposed today in Parliament.

However, my main source of surprise came from my friend Mr Beyer de Ryke. He too wonders how we can ignore reality, and claims that aid must be given to both communities. Mr de Ryke, I don't know if you quite realize where your proposal ultimately leads. It would result in making permanent the division against which you have declared yourself, and in its *de facto* recognition. Under the guise of humanitarianism the drama of Cyprus would be perpetuated and you, who occasionally fight for human rights, would become personally responsible for their disgraceful suppression in that area.

The Commission has told us, and this information has been confirmed by what Mrs Glorioso had to say, that aid will be given to both communities, the Turkish and the Greek Cypriot. We nurture the greatest respect for the Turkish Cypriot population and want the two communities to live peaceably together, but we do not intend to legitimize the disgrace of a military occupation on the island.

(Applause)

Mr Herman (PPE), Chairman of the Delegation for Relations with Cyprus. — (FR) Mr President, ladies and gentlemen, as Chairman of the Delegation for Relations with Cyprus, I am delighted that this debate is taking place three weeks before our delegation's visit to the island of Cyprus, although it is regrettable that it is taking place in the absence of the President-in-Office of the Council. However, Mr President, I accept the explanation that we have been given; it is also true that this matter should have been debated yesterday.

With regard to Mrs Baduel Glorioso's report, I think that we are able to agree with its general tenor. We take a different line on the assessment of the trade agreement and the financial protocol.

It is to be deplored — and this is perhaps not stated clearly enough in Mrs Baduel Glorioso's report — that the Council has taken so long to make really minimal concessions to allow the Commission to continue its negotiations.

We believe that we have displayed a collective lack of vision with regard to our external policy in the Mediterranean region. It seems to us that, for a few tonnes of potatoes and a few tonnes of other vegetables, we have really been using Cyprus as a lever in our internal relations, to settle the problems between the North and the South of the Community over the common agricultural policy. This does not do us very much credit.

Regarding the financial protocol, the Commission is to be congratulated on the ingenuity that it has shown in making this agreement beneficial to everyone on the island. The people in the north cannot feel that they have been unfairly treated, since their share of the financial aid is in the form of a loan which is not only interest-free but also non-redeemable. This strikes me as an ingenious and elegant way of settling our political difficulties with Cyprus.

I am also sorry that the report that has been presented to us does not discuss the economic realities in the north of the island at greater length.

That said, my overall impression of the report is that it is moderate in tone and therefore deserves our support, and I hope that we, in our various capacities, will make good use of the means that this agreement gives us to bring pressure to bear on the two parts of

Herman

the island and to get the discussions now taking place between the communities moving in the direction of the best interests of the peoples concerned and stronger ties with the Community.

(Applause)

Mr Narjes, Member of the Commission. — *(DE)* Mr President, first of all I would like to thank Mrs Baduel Glorioso on behalf of the Commission for her balanced and thorough report on economic and trade relations between the EEC and Cyprus. The Commission fully endorses the report and its conclusions. Without doubt the initiative for this report was the concern felt by this House regarding the development of economic relations between the Community and Cyprus, as the negotiations on a new trade and finance protocol within the framework of the cooperation agreement have apparently been at a deadlock for some time.

On behalf of the Commission, I am pleased to report that it has, after all, in the last few months, proved possible to bring the negotiations to a satisfactory conclusion in both areas.

The trade protocol for 1983 was signed on 26 July this year. The result of these negotiations was presented to Parliament on 3 August and the Commission would welcome a speedy conclusion of the consultation procedure so that the protocol can finally come into force.

The Commission proposals on the second stage provided for in the association agreement, namely customs union between the Community and Cyprus, were submitted to the Council some time ago. The EEC-Cyprus Association Council will deal with this matter in Luxembourg on 18 October. Progress has also been made on financial cooperation. All the funds made available under the first financial protocol have now been allocated and a new financial protocol with Cyprus was provisionally signed on 4 July of this year. A total 44 million ECU have been provided for over five years. This financial protocol is to be signed shortly and is due to come into force on 1 January 1984.

As in the past, the Commission will continue its efforts to ensure that this financial protocol is applied as even-handedly as possible, so that the entire population of Cyprus benefits. Current economic and financial relations between the Community and Cyprus are generally, therefore, more than satisfactory. The progress of the last few months was urgently needed to strengthen our traditional ties of mutual understanding and trust.

In the course of the debate, I gained the impression that some speakers were accusing European Political Cooperation of a certain degree of indifference and lack of sensitivity towards the particular problems of Cyprus. In our view this reproach is unjustified. Euro-

pean Political Cooperation is more than aware of the responsibilities arising from association with Cyprus and is of the opinion that it is particularly in Cyprus' interest that the interesting proposals made in the United Nations, initially by Secretary General Waldheim, and now by Secretary General Perez de Cuellar, should be supported.

Mrs Baduel Glorioso, rapporteur. — *(IT)* Mr President, in the course of this debate it has been made abundantly clear that this specific problem of relations with Cyprus is above all economic and commercial in character, the same as every other agreement that binds our Community to the other parts of the world, even though, obviously, there are political implications as well.

I should like to thank all those who have spoken in the debate, particularly Commissioner Narjes who, on behalf of the Commission, has committed himself once again in favour of a fair distribution of the funds provided by the financial protocol. The Commission has always taken particular care to ensure that infrastructural investment should automatically benefit both parts of the Cypriot Community. I therefore think that our faith in the Commission is well placed, and promises well also for future applications.

I should like also to thank Mr Herman, chairman of the delegation for relations with Cyprus, and to express my satisfaction at being able to take part, together with other members of the delegation, in a visit to be made to the island of Cyprus in November. I must however point out that the Community is very familiar with the details of the Cyprus situation, and that, furthermore, authoritative representatives of the two Cypriot communities are present in Brussels and Strasbourg, so that, in point of fact, a visit for the purpose of obtaining first-hand information on the situation would not be strictly necessary.

I realize that the division of the island is a tragic fact that afflicts both of the island's communities and is above all harmful to the economic and social progress of the island. I did not want to dwell on this problem in my report, nor on the question of the Turkish occupation, since UNO, by its resolution of last May, has already called for the withdrawal of foreign troops. There would have been nothing strange in our renewing this call in the present resolution also, particularly since our Parliament has urged the adoption of similar measures for the Lebanon and other countries. I only refrained from formulating such a request because this report was intended above all to illustrate the economic and financial aspects of the Cyprus agreement.

Mr Herman observed very properly in this connection that the European Community has been slow and tight-fisted: slow in conducting negotiations and tight-fisted over concessions.

Baduel Glorioso

I wish now to say again that, making an insurmountable problem out of potatoes and grapes from Cyprus is in my view downright grotesque.

We must respect the needs of the citizens of all the Republic of Cyprus, as we must respect the representativeness of the Cypriot Government and the capital of this Republic. We could not yield to the astute — and moreover dangerous — manoeuvre of backing, through the Europe Economic Community, any illegality — or at least, the suspicion of a lack of legality — in regard to the Government of the Cypriot Republic. That seems to me to be precisely the danger inherent in Mr Wedekind's amendments.

President. — The debate is closed. The vote will be taken at the next voting time.

Mr Jonker (PPE). — (NL) Mr President, the debate we have just had was very interesting, but there are highly topical matters which I believe need to be discussed today. According to the radio this morning, the budget resources are almost exhausted. The coffers are empty, and the Commission has decided to stop paying export refunds on agricultural products. This is a very serious matter, and I believe we should discuss it today. I would therefore ask you, Mr President, to find out if the Commission is prepared to make a statement on this problem in the European Parliament today. To be honest, I had expected this statement to be made here at 9 o'clock this morning.

President. — Mr Jonker, we shall comply with your wishes and request the Commission to make a declaration, if possible sometime today. We have been unofficially informed that this will actually take place.

2. Trade marks and Community trade marks

President. — The next item is the report (Doc. 1-611/83) by Mr Turner, on behalf of the Legal Affairs Committee, on

the proposal from the Commission to the Council (Doc. 1-682/80-COM(80) 635/fin) for

- I. a first directive to approximate the laws of the Member States relating to trade marks,
- II. a regulation on Community trade marks.

Mr Turner (ED), rapporteur. — Mr President, this report concerns the trade mark regulation and directive. I think it is probably unique in that we are dealing with a directive and a regulation in the same report and they have got to run together precisely, otherwise we have ruined our work. They must be consistent. Now, a great deal of work has been done

by the Legal Affairs Committee, by the Commission and I must also say by the trade mark profession throughout Europe. There have been a vast number of meetings and sometimes the Legal Affairs Committee would say we were going back to the bible class when we went back to trade marks. It is true in a way because those who deal with trade marks regard the law of trade marks as holy writ. It is a very sophisticated law, it has very sophisticated principles which have been built up in different countries. Therefore the regulation has got to be word-perfect because it is not a directive to make a law, it is the law itself. Therefore the Legal Affairs Committee has had considerable difficulty.

Quite apart from that it was necessary to get precision in what we did because of the high demands of the trade mark profession, who had set views on the law as they saw it and what they wanted. Again we had considerable problems.

Now, we have found in the course of our discussions — by 'we' I mean the committee, the Commission and the profession and everybody concerned with trade marks — that many assumptions about there being different principles of law in different countries were in fact wrong. The law in all the 10 countries is basically the same. Of course there is different emphasis and there is different terminology, and once we got round the different terminology we realized that we could produce a law which was acceptable to all 10 countries.

A second thing, I think, was that many people distrusted the Commission in the first instance because it had tried in its first draft to include codification of the law of competition from Articles 85 and 86. Now, we have discussed this at great length with the Commission and we have all come to the conclusion that it is wrong to try and codify the law of the Treaty of Rome on competition in a trade mark directive or regulation. That, I think, has taken away a lot of the worries that existed in the beginning.

We have considered fully all aspects and this regulation/directive presents a core of law which the Legal Affairs Committee has rewritten, generally speaking with the agreement of the Commission, and that core of law has not been attacked by any amendment put down in the plenary session. I am very glad about that, but it does mean we must vote consistently what the committee has done — and we can do so — rather than for the Commission's original proposals because, I think we all agree that what the committee has done is preferable to the original proposals. As I say, there are no attacks on that basic core from any of the amendments put down in the plenary session.

Turner

There are a number of amendments put down in the plenary session here on independent matters, and of course I shall deal with those. I must deal with one straight away and that is that the site of the Community trade mark office should be in West Berlin, which is put forward by Mr Sieglerschmidt and/or Mr Luster (I am not quite sure if it is both of them). I regard that as a good joke and we shall not, I hope, vote for any particular site for the trade mark office in this report. That must be done in a special report which is being drawn up by Mrs Nielsen, and so I hope we will vote against that.

Now, coming to the central core, I hope the plenary will accept the whole of what we have done. It is very important to realize that we cannot tinker with the wording now in the plenary and try and get it better here or there. The intention of the committee is absolutely plain in the amendments we have put down and if there is a need to improve the wording here or there to get it more perfect, well then that must be done by the Commission and by the Council of Ministers. We could not do it here because we would come a cropper if we tried to do so. But it is vital to maintain consistency throughout these amendments since they all hang together.

As I mentioned before, there is a regulation and a directive: the regulation sets out the law of the Community trade mark and the directive the law of national trade marks, and we have totally harmonized the two. That means we shall have one trade mark law throughout Europe, both for the Community trade mark and also for all national trade marks, and it is very important to keep those together.

I believe that national trade marks will exist for ever. There are many marks which could not be registered throughout the whole of the Community because they mean one thing in one language and another thing in another language or because they are unsuitable or undesirable. Therefore there will always be national trade mark registers in the 10 countries, but there will be many trade marks which can be registered throughout the whole of the EEC and they will go on the Community register.

Finally, there will always remain the law of unfair competition which we have incorporated into these two documents without any difficulty. It was thought there would be great difficulty over this, but there was not. We have incorporated the law of unfair competition, and that again will continue indefinitely in the national laws of the 10 Member States.

I now come to the central core of these two documents: the right of trade mark proprietors with regard to infringements. This is based on the principle that you compare the right given by the registration of the trade mark, which the proprietor has, with the use made in the market of the defendant. You do not compare the use by the proprietor in the market with

the use by the defendant. Once that has been accepted — and it has now been accepted by all those concerned — I believe all major difficulties disappear. It also applies when one is considering prior registered rights when someone applies to register a new trade mark. Again, you consider the right given by the prior registration, not the prior use when you are considering whether or not a later mark should be registered or not.

This raises the question whether there is similarity of marks and goods, and this is defined in the amendments we have put in by saying that there is too great a similarity if there is a likelihood of confusion between the registered right and the infringing right. That is what we have said: we have not put in an extra criterion on confusion. The criterion on confusion is the definition of what similarity means, and that again had given greater worry throughout the profession until it was realized that that was what we were doing. Now that that is accepted, if in any way the wording needs improving to make sure that it is clear beyond a doubt, well then, of course, the Commission and the Council of Ministers can do that; but so far as Parliament is concerned, our intention is absolutely clear, that the confusion referred to concerns the definition of too close a similarity between goods or marks.

There is one issue that Parliament will have to decide tonight and that is whether one should say there is a 'likelihood' of confusion or a 'serious likelihood' 'serious confusion, and that is the subject of an amendment by Mr Sieglerschmidt. The committee decided not to say 'serious likelihood', but to say simply 'likelihood', and I must point out that in the Dutch text and, possibly, the Greek text of Amendment No 7 by the committee to the regulation, the word 'serious' has been left in, but in all other texts it has been taken out, so the Dutch at least is inaccurate.

The other major issue is the relation of trade mark law to the Treaty of Rome provisions on competition law. We have cut out all codification of competition law in these two documents and I am glad to say that the Commission basically agrees with us on this matter. That, as I mentioned earlier, has taken away a lot of the worries that other people felt. Now there are a few amendments which were recommended by the Committee on Economic and Monetary Affairs, some of which have been put forward by Mr von Bismarck in the plenary sitting here, which do, in fact, still tend to try to codify the law of competition. We have decided to cut that right out because we cannot codify it correctly: it is changing, and it is best therefore not to try to do so.

The last major issue is the question of worldwide exhaustion of trade mark rights. The Commission originally said there should be worldwide exhaustion. I have not got time to explain exactly what that means, but it is all explained in the report. The Committee

Turner

followed the Commission on this, but my own view, and that of many other people here, and certainly of amendments put down is that although we accept that worldwide exhaustion is the proper principle, we believe it is unwise at this stage to tie the hands of the Commission, who have to negotiate with third countries, such as Japan and the United States and Scandinavia, on whether or not they will accept worldwide exhaustion, if we accept it. Therefore, there are certain amendments put down which I believe the Commission is not unhappy about, which would leave the Commission free to negotiate with third countries on this matter.

I only have one very short thing still to say, and that concerns the language of the Community trade mark office. We have said it should be one language, but that any party — and I am glad to say that Mr Siegler-schmidt has amended this to say any persons participating in an action in the trade mark office — shall be able to use the language they want to. I must point out to him that in his amendment those words do not come through in English, they remain exactly as they are in the version of the Legal Affairs Committee. I accept those and I think they are an improvement on what we did.

Finally — and I think this is one of the most revolutionary things about these two documents — the national courts will be trying actions on Community trade mark infringements and will be issuing injunctions which will run throughout the EEC. This is a legal breakthrough, quite novel in the Community, and I am extremely pleased that the Commission and the committee have supported it.

IN THE CHAIR: MR VANDEWIELE

Vice-President

Mr von Bismarck (PPE), *draftsman of the opinion of the Committee on Economic and Monetary Affairs.* — (DE) Mr President, ladies and gentlemen! First of all, I would like, on behalf of the Committee on Economic and Monetary Affairs, to thank both the Commission for its proposals and the Legal Affairs Committee for its extremely thorough, and in our opinion, successful work.

Not all of those present — and I include particularly those in the visitors' gallery — are able to appreciate the significance of the figures involved here. In my country sales of branded goods amounted in 1980 to 190 000 m and their share of exports was 65 000 m. Turnover in branded goods accounts for a significant proportion of our national economies. They are of special importance for consumers — I will return to this point shortly.

Mr Turner has, I believe, correctly identified the two aims. Firstly, existing trade marks must be harmonized such that they no longer represent an obstacle in

internal European trade to the internal market. This will be a major problem as we have something like 300 000 trade marks in conflict with each other. The second aim is the creation of a European trade mark, and this is of course the ideal for the future. I am not entirely convinced that Mr Turner's prediction that we will always need national trade marks will in fact be fulfilled. Perhaps it will in future be possible to find terms that can be used in all countries; there are a number of examples of this. Both these aims are welcome. The Committee on Economic and Monetary Affairs wholeheartedly supports this.

The importance of this matter lies in the figures I quoted, above all as far as removing the obstacle to the internal market is concerned. But a further crucial aspect is consumer confidence; confidence in products manufactured on a large scale. When consumers buy these brands, they rely on the reputation of a well-known manufacturer who would only harm himself if he failed to meet expectations; the consumer knows whom he can turn to and if he is undecided as to which product to buy, he can rely on a given brand. This is a very important factor which all housewives appreciate.

A further advantage for the consumer is certainly the fact that small undertakings produce innovative products quicker and with greater confidence if they are branded. The consumer benefits if, under the trade mark they are able to buy a new product, a better car or a better set of kitchen scales. Consumers also benefit from speedier innovation, improvement and application of technical expertise. Recognition of the solid achievements and the research on which a certain brand is based is important. The Committee on Economic and Monetary Affairs concentrated on this aspect, since it is vital, particularly for small businesses, that their initiatives and investment should not be lost because of a watered-down law on trade marks, and that third parties should not gain an unfair advantage without making any contribution of their own. This is also important for consumers, since the vast majority of improvements and innovations are the work of small and medium — sized firms.

A final major aspect is confidence in the law. When a new brand is launched, protection of this brand must be guaranteed, since the sums involved in creating, introducing and publicizing a trade mark are so great that no one could afford them if there was any risk that the whole investment would be wasted because of others benefiting from it.

To sum up: I think that everybody will be pleased at the introduction of this legislation. I hope that the Council will have the courage to adopt it as soon as possible and cannot conceive that it will come up with any better ideas than the Commission, the Legal Affairs Committee and the Committee on Economic and Monetary Affairs. It would be an excellent example — and one which I recommend most strongly — if the Commission could for once accept

von Bismarck

the amended version as it stands, which is first-rate, and submit it to the Council for subsequent enactment by Parliament.

(Applause)

Mr Sieglerschmidt (S). — *(DE)* Ladies and gentlemen! This highly technical, complicated subject is really a matter for experts and — if I might be ironic for a moment — a knowledge of law is not even really enough to provide a thorough understanding of the issues involved. I would therefore like to congratulate the rapporteur, Mr Turner, for he is an expert, or he has at least been well advised by experts. I do not think, however, that these were Socialist or Liberal experts, nor — I regret to say this — were they experts for whom strengthening the internal market was a priority. I will come back to these points in detail later. Unfortunately, the majority of the Legal Affairs Committee has more or less accepted this approach. I hope that at least the Commission will staunchly defend its original concept, even if this concept already clearly reflects the compromises that the Commission has had to make within its own ranks and to the Member States.

My colleagues in the Legal Affairs Committee will no doubt ask why the Socialist members of the Legal Affairs Committee took a more or less positive view of the draft adopted by the Legal Affairs Committee. We need not be ashamed of admitting that only once we had thoroughly studied the matter in the summer recess did we fully understand what was involved: I must say that during the meetings of the Legal Affairs Committee we did not appreciate, as clearly as we now do, the problems involved.

The aim of our amendments is threefold: firstly to maintain and intensify competition. On this point I would contradict the rapporteur. The Commission recognizes that competition and the law on trade marks cannot simply be separated and that competition aspects need to be considered. The second aim concerns strengthening the internal market and the third the position of the consumer.

As far as competition is concerned, our amendments aim to prevent the possibility of unfair practices using different national trade marks belonging to the same producer. If such manipulations are possible, Mr von Bismarck, then interest in registering Community trade marks will decline. I could provide examples, but unfortunately lack the time to do so — that is the regrettable position under our rules, Mr President. For this reason, therefore, we strongly recommend rejection of the proposal of the Legal Affairs Committee to delete Article 2 (3) of the Directive. If this is accepted, it could threaten the entire Commission proposal.

We also oppose trade protectionism as contained in Article 11 (2) (a) and therefore propose that this should be deleted — in this case in opposition to the

Commission — ; and, — as the rapporteur has already mentioned, — regarding the question of 'serious likelihood of confusion', we believe that more must be done to protect the interests of competition and the consumer.

I have already mentioned the internal market and do not wish to pursue this aspect further because of the shortage of the time available to me. As far as consumer protection is concerned, we attach particular importance to the maintenance of quality control, as provided for in Article 21 (3). We therefore oppose the deletion of this paragraph and would like to see the consumer associations given a say in the trade mark law.

Only if these important amendments submitted by the Socialist Group which I have mentioned are accepted will we be able to agree to the Regulation and the Directive.

Mr Janssen van Raay (PPE). — *(NL)* Some directives bear the name of those who played a particularly important role in their creation. Mr Turner deserves to see this directive on trade marks go down in history as the Turner directive. We are very grateful to him and complement him on his efforts. We can think ourselves lucky to have so great an expert on trade marks in the Legal Affairs Committee as Mr Turner, and it is without any doubt due to his commitment and zeal that we have before us a much improved and — as Mr von Bismarck has already said — very consistent piece of dual legislation.

My time is too short for me to go into the interesting details of the directive and regulation. I will confine myself to two remarks that are political, or at least more of a political nature.

Now that the European Community is also in financial difficulties — you heard Mr Jonker say that payment of export refunds has been stopped, which I find regrettable — it is important that those who are in favour of European integration should concentrate on aspects of legislation which will not cost the budget anything and will make a great contribution to the establishment of the common market. You have a good example of this here. Unlike agriculture and so on, this legislation will not cost anything, but it will save industry a great deal of money. The fact that we do not at present have a European trade mark, thus forcing industry to register trade marks everywhere to protect products, which is, of course, no problem for the large companies, but is difficult for the small ones, this fact, this real obstacle, will be overcome with these two pieces of legislation. What we have before us forms a cohesive whole: on the one hand, a directive that will harmonize trade marks, because we shall, of course, never be able to introduce a European trade mark to replace the national trade marks. So this is a particularly important matter. On the other hand, closely linked to this directive, the Commission has

Janssen van Raay

again proposed something very important — and I offer it my sincere congratulations — for the European trade mark with this regulation, rather than a treaty, as is the case with patents, and we must not mess about with it too much with amendments. This is a particularly good example of an area that really lends itself to European legislation, in the form of a regulation rather than a directive so that it may be immediately converted into legislation by a very high authority, the highest authority, in all 10 countries of the Community.

I have made these two comments to show that what we have here is European legislation of the very greatest importance for industry. I hope that the Commission and Council see to it that it does indeed become European legislation as quickly as possible, preferably before the European elections.

Mr Tyrell (ED). — Mr President, we believe that today's legislation does mark an important step towards the creation of one single market, which is what a majority of the Members of this Parliament have been working for for the last four years. The massive nature of the task which the Commission took on in attempting harmonization in this field is obvious. It was a massive duty imposed upon the Legal Affairs Committee which committee that has now discharged. One of the reasons we could discharge it has, of course, been the expertise displayed by the rapporteur, an expertise which we greeted at first with surprise and finally with admiration.

We believe that this will lead to a saving in time and money for Europe's business community and that that saving will, in due course, be passed on to the consumer. We believe that this legislation will get rid of some of the uncertainty which at present surrounds national trade marks.

In the short time available to me I want to look at just one or two aspects of the amendments tabled by the Legal Affairs Committee. First, the opposition provisions. In Article 7 of the regulation as proposed by the Commission, the holder of an unregistered trade mark could not rely on that mark to oppose the registration of a Community trade mark. Owners of unregistered rights would only be able to mount a challenge after the Community trade mark had been registered. Amendments from the Legal Affairs Committee now recognize a conflicting unregistered mark as a ground for refusing Community registration, and these amendments are warmly welcomed by my group.

Next I want to deal with the protection of the Community mark. In order to ensure proper protection of the rights of the holder of a registered Community trade mark, it seems to us important that he be entitled to have recourse to national legislation on unfair practices in addition to the protection afforded by the provisions of the regulation itself. So we

welcome the Legal Affairs Committee amendment which explicitly preserves these rights of action under national law, whereas the Commission's proposal had apparently excluded them.

Complementary to that are the Legal Affairs Committee's amendments which retain the possibility of actions based on national law against a Community trade mark. Linked to that are the Legal Affairs Committee's proposals for interlocutory relief which would be Community-wide, and here I agree with Mr Turner's comment that this will be a landmark in the history of Community law. I earnestly hope it will be made to work.

Finally, I wish to deal with the point made by Mr Sieglerschmidt on Article 2 of the directive. We are most concerned to ensure that existing marks maintain their present rights, so as to avoid a situation in which valuable marks and associated goodwill could be lost because of the retrospective effects of these proposals. We believe that these amendments do safeguard these rights and that those who at present have established and traditional rights may be reassured.

As I conclude, Mr President, may I remind Mr Sieglerschmidt that as long ago as 1981 I tabled a motion for a resolution suggesting that London should be the site of the trade marks office. I still believe that. West Berlin, I think, was only mentioned this week for the first time. Sooner or later the trade mark office site will have to be nominated, and I hope that the United Kingdom will at last get its first Community institution.

Mr Donnez (L). — (FR) Mr President, these deliberations are concerned with the approximation of our national laws on trade marks and the establishment of a specific law on Community trade marks. The two problems are clearly interrelated, and this makes for technical and legal difficulties which, although not insurmountable, are far from having been resolved by the proposals in Mr Turner's report.

I shall give just four examples. First, if we wish to approximate our national trade-mark laws, we must take account of the system adopted for the Community trade mark. At this stage, however, we have no sure knowledge of what the Community trade mark will be, since no agreement has yet been reached. We note in this connection that a number of Member States — France, the United Kingdom, Denmark — have consistently maintained that the creation of a Community trade mark should be achieved by agreement among the Member States. We are as yet a long way from any such agreement.

Secondly, the protection afforded to the Community trade mark must not detract from the value of existing or future national trade marks. The arrangements made in this respect cannot be allowed to cause serious damage to the interests of businesses which can never expect to operate on an international plane.

Donnez

Thirdly, there could be a problem over the choice of legal instrument. Trade marks, like patents, are industrial property. For the Community patent, we have the Luxembourg Convention of 15 December 1975, not a regulation. What, then, is the justification for a different arrangement for the Community trade mark?

Finally, the establishment of any Community institution always raises the problems of where it is to be sited and the working languages to be used. I am no rabid nationalist, but it has to be acknowledged that France is indisputably the European country where the number of trade marks registered is highest. If one considers applications registered in Member States by way of international registration, by far the majority of those registered in the Community are in French. Moreover, French is the single official language of the Madrid Agreement on international registration of trade marks to which, as you know, 24 countries are party. It would therefore be quite illogical for any language other than French to be considered under Article 103 of the proposal for a regulation that we have before us. Clearly, if French is the language adopted, it follows that the seat of the new institution must be in Strasbourg.

Mr Vie (DEP). — *(FR)* I have only two minutes in which to express the importance attached by our Group to the creation of a European trade mark.

It was necessary, useful, essential even to relieve industrialists of the need to go through the innumerable formalities required under eight different sets of laws, each of which covers only part of the Community's territory. In the face of increasing international competition, protection of trade marks is an important or indeed major factor in the success of a business venture.

I leave it to the experts, the specialists in the law of industrial property, to debate the technicalities of the directive, and merely offer three comments.

The first is addressed to the Council. Once again, we have been invited to state our opinion on a text which is no longer the same as that considered by the Council. This is hardly acceptable, Mr President, because it calls in question the very role of this Parliament, and I should be grateful if you would kindly make plain to the President of the Council that we do not agree with this procedure.

My second comment is, of course, addressed to my colleague Mr Turner, whom I congratulate on the excellent job that he has done. All of us on the committee have been in admiration of his remarkable expertise and knowledge of the trade marks field. I offer him my sincerest congratulations on the contribution that he has made.

The third comment is directly concerned with the content of the proposed directive and regulation on

which we have been consulted. There is of course not enough time, as always, Mr President, to detail the points that we should like to see changed.

During the meetings of the Legal Affairs Committee, I myself suggested various amendments which were not all incorporated by Mr Turner, which was only to be expected. We shall continue to press for the amendments corresponding to those that I recommended in committee — amendments concerned with international exhaustion, territorial licences and declarations of use.

That said, we find that Mr Turner has produced a generally constructive report and we shall be supporting it, even if our amendments or others with which we agree are not incorporated.

It will come as no surprise that I should conclude by expressing the hope, as a French Member of this Parliament, that, when the questions of the seat and working language of this office are settled in due course, the choice will fall on the French language and this fine city of Strasbourg, where we are made so welcome.

Mr Geurtsen (L). — *(NL)* Mr President, what I have to say does not concern the seat or the working language of the European Trade Marks Office. That is something that will be discussed later. I shall keep to the subject of our debate.

Trade mark legislation is one area of economics and law that affects everyone every day. Despite this, very few of us take the trouble to acquire the necessary specialized knowledge of this field. The few who have taken the trouble include our rapporteur, Mr Turner, who, with his sound report, will make a not insignificant contribution to a desirable and, in a sense, unavoidable Community development. The existence of national trade marks impedes the free movement of goods and also the development of smaller firms in particular, owing to the problems they have obtaining trade mark protection in countries other than their own. Complete harmonization of trade mark legislation might solve major problems, but it would not reduce the number of registrations and therefore the number of procedures involved in obtaining trade marks. The solution which the Commission has proposed — apart from limited harmonization, the creation of a Community trade mark — has the genius of simplicity. Its choice of a regulation on the basis of Article 235 of the EEC Treaty rather than an international treaty demonstrates vision and political courage.

Parliament should give its unequivocal support to the Commission for choosing this course, which is justified by the Community authority laid down in the Treaty, if only because the arrangement proposed will strengthen Parliament's joint legislative and budgetary powers. Supporting the Commission does not, of

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course, mean that we cannot propose amendments to certain aspects of the proposal. The Legal Affairs Committee has done so, and Mr Turner has explained its amendments. I shall not discuss them further. I should just like to say a few words about the amendments I myself have tabled regarding the arrangement for the extension of registration.

Requiring a declaration of use at the time of this extension is an unnecessary formality since the invalidation of rights where a trade mark has not been used for five consecutive years is already governed by Article 39 of the regulation and Article 14 of the directive. When we also find that Article 46 of the regulation literally gives everyone the right to request invalidation, there is obviously no sense in asking for a declaration of use.

In my country we are trying, as part of our 'deregulation' efforts, to relieve industry of the unnecessary rules which have been laid down with excessive zeal in the past and are so restrictive today. It is better not to introduce unnecessary rules in the first place than to have to get rid of them later, and that is particularly true of European legislation. In so saying, Mr President, I am not referring to the philosophy or the context of the Commission's proposals, which I fully endorse, and I shall do what I can to see that they are approved.

Mr Narjes, Member of the Commission. — (DE) Mr President! It is one of the excellent customs of this House that before the Commission comments on a report it thanks the rapporteur and draftsmen of opinions for their work and their contribution towards solving a particular problem. In this case, these conventional words of thanks are in no way adequate in recognition of the work, particularly by Mr Turner, that has gone into the creation of a European law on trade marks. I hope that this will be reaffirmed in a different context. I would simply like to point out that this is one of the major items of community legislation to come before the European Parliament in this legislative period and I am certain that Parliament has exerted considerable influence on its final form. Our proposal dates from 1980 and we are pleased to note that both committees, notwithstanding a few amendments — I might even say improvements — have taken an extremely positive attitude to both Commission proposals.

I would like to take the opportunity of this debate to draw attention to some of the fundamental economic, legal and integrational aspects of the two proposals. This draft legislation goes far beyond normal harmonization measures. Although we are proposing a limited harmonization of national trade mark law, the proposed directive on Community trade marks is far more important for it deals with a comprehensive standardization of the whole field of law. In the opinion of the Commission, the development of industrial and intellectual property is a vital element in creating an

internal European market. The agreement on a Community patent represents a major step forward in patent law. We regret that the Luxembourg agreement has not yet come into force.

The proposal for a Community trade mark is just as important as this first step. The proposed directive deals with the whole area covered by the Munich and Luxembourg agreements on patents. The proposal for a Community trade mark must be seen in the context of the Commission policy of strengthening industrial and intellectual property rights. The Commission is trying to create on the basis of the Treaty new property rights covering the whole Community. I am convinced that it is essential as a means towards strengthening the internal market, improving the competitiveness of industry, and an effective industrial policy to pay considerable attention to developing industrial and intellectual property and coordinating this with technical development. We are grateful to Mr von Bismarck for pointing out the innovatory aspect of the trade mark law.

The position on trade marks is not yet compatible with an internal European market for branded goods. Eight applications have to be filed with eight different trade mark offices to register a trade mark in all the Member States; these applications are dealt with in eight different ways, incurring costs eight times over. This plethora of red tape involves a considerable amount of paperwork with corresponding disadvantages for the companies concerned. If we are to achieve a Common Market we must create a unified law on trade marks which will permit easy, cheap registration of trade marks valid for the whole Community, with one single application to one single trade mark office.

The United States is an example of the need for such measures. The introduction of a unified law on trade marks was an inevitable consequence of the creation of a unified domestic market. For Community industry, the creation of a Community trade mark would mean that the production and marketing of branded goods could be geared to the continental scale of the internal market. The creation of a Community trade mark would give industry an effective aid to Community-wide marketing of their goods. For the consumer, a Community trade mark would provide additional information on the origin and quality of a large variety of goods. They would be protected against the registration or use of trade marks which might create a false impression as to the nature, quality or origin of the goods. Consumer organizations would be given the opportunity to participate in the work of the Community trade mark office.

The Commission proposal to create a Community trade mark and a Community trade mark office by a regulation pursuant to Article 235 of the Treaty is of particular significance for political integration. The aim of the Commission proposal is to develop indus-

Narjes

trial legal protection within the legislative and organizational framework of the Community. The Commission also wishes to include the European Parliament in the legislative process and to extend its budgeting powers to include the proposed Community trade marks office. The trade mark office can only be established as an institution with full legal powers and form an integral part of the Community if it is set up by a Council regulation pursuant to Article 235 of the Treaty.

The only way to avoid the considerable political difficulties which experience shows are involved in the ratification of agreements, which would be the less satisfactory alternative, is to adopt a regulation. For example, the Danish and Irish constitutions are currently preventing the transfer of sovereign powers to new international institutions set up by treaty. It has proved impossible to implement the Luxembourg agreement on patent law for the last eight years for this very reason. I am very pleased that both Parliament's committees fully support the Commission on the use of Article 235 of the Treaty precisely from this point of view and that they have unequivocally expressed this support in the motion for a resolution. For this reason alone I wholeheartedly endorse the motion.

As far as the 60 amendments submitted by the Legal Affairs Committee are concerned, I agree with the majority of them. I should like to congratulate the rapporteur and the Legal Affairs Committee. Their amendments have improved the system of Community trade marks to the benefit of future users of this system in a number of important respects. Much as I would like to comment on some of the special features of the amendments, my time is limited.

The Commission accepts the deletion of the adjective 'serious' in the phrase 'serious likelihood of confusion' in various sections of the directive and regulation. But I would like to make one point: the Commission regrets that the use of the expression 'serious likelihood of confusion' was so vehemently rejected, not only by the Legal Affairs Committee, but also in the Member States and by other interested parties. We understand why amendments have been tabled to retain the word 'serious'. The Commission hoped that the use of the word 'serious' would discourage too broad an interpretation of the concept 'likelihood of confusion' because if this term is applied too widely it will lead to an unnecessary proliferation in the number of potential disputes which in turn would impede the free exchange of branded goods. The Commission is not trying to reduce the degree of protection afforded to trade marks but to eliminate excesses. Even if we are now prepared to accept the deletion of the word 'serious', we still wish to maintain our basic position which is clearly indicated in the preamble to the proposal.

I should also like to comment on Mr Sieglerschmidt's remarks on paragraph 3 of Article 2. The Commission

has every sympathy with the desire to prevent the unfair use of different trade marks. But after further careful examination of this question, we have come to the conclusion that Mr Sieglerschmidt's proposal goes far beyond existing Community law; the Court of Justice has already ruled that it is a basic tenet of trade mark law that different trade marks can be used in different Member States. The Court of Justice only regards the use of different trade marks as what Article 30 terms 'a measure having equivalent effect' and illegal if the purpose is to partition the common market.

Mr Sieglerschmidt (S). — (DE) And how is that to be proved?!

Mr Narjes, Member of the Commission. — (DE) Precisely, it is a question of proof. But, Mr Sieglerschmidt, your way will not furnish the necessary proof. It is a fact of commercial life in our market — unlike in the United States — that we have seven languages and soon it will be nine. For linguistic reasons alone, therefore, trade marks cannot be standardized to the same extent as in the United States. These are facts which cannot be ignored.

The Commission therefore accepts — and here I refer to the other amendments — Amendments Nos 3 to 9, 11, 13 to 15, 17, 18, 20, 21, 23 to 26, 28 to 34, 36 to 53, 57, 58 and 60. We also accept in essence Amendments Nos 19, 22, 27 and 59, but reserve the right to make minor stylistic changes. We also think that Amendments 14 and 56 could be reformulated to take better account of each other.

As regards Amendment No 38, I would like to point out that the provision for parties to use their mother tongue in dealings with the trade mark office must not be allowed to infringe the principle of a single working language for the office, which is to ensure the speedy and economic operation of the Community trade mark system. It will therefore be necessary in the implementing provisions to take due account of the interests of the parties involved and establish who in each case is to bear the costs of translation and interpreting and of the delays caused as a result.

Of the 60 amendments it is only Nos 1, 2, 10, 12, 16, 35, 54 and 55 which the Commission cannot accept or at least not entirely, as is the case for example with No 10. However, these amendments have no fundamental significance. Our reservations are mainly of a technical legal nature and I do not wish to go into details here.

As regards the new amendments I should like to make the following points: the Commission accepts Amendments Nos 62 to 64, 66, 67, 69, 70, 82, 85, 89 and 95. I should, however, like to devote a few words to the question of 'international expiry' which has been mentioned several times today. This affects Amendments Nos 66 to 70, 95, 74 and 88. The Commission cannot ignore the arguments against

Narjes

including the principle of 'international expiry' in the proposed directive and regulation. There are a number of reasons, in particular aspects of trade mark law, which would support the idea of upholding this principle, not least the fact that the principle of 'international expiry' is part of current law both in some of the Member States and in certain third countries.

Following mature consideration we have come to the conclusion that the harmful effects on trade which this principle may have in practice are the crucial issue. These harmful effects are due to the fact that the Commission proposal would put undertakings in the Community at a disadvantage compared to undertakings in third countries which do not accept the concept of 'international expiry'. The Community would thereby unilaterally be placing these third countries at an advantage. I cannot accept, therefore, Amendments No 74 and 88, since their aim is to maintain the principle of 'international expiry' in a more rigid and arbitrary form without regard to its effects on trade.

The Commission is thus willing to abandon the concept of 'international expiry', if this is Parliament's wish. I believe, however, that to promote international trade, the Community must be empowered to conclude, at the appropriate time, bilateral or multilateral agreements with important trading partners which introduce the concept of 'international expiry'. The Commission therefore intends to include a reference to this possibility in the preamble.

With regard to Amendments Nos 61 and 84, the Commission reserves the right to change the wording slightly. We accept Amendment No 65 provided that Article 13 of the draft directive is completely deleted. We accept the first but not the second sentence of Amendment 71. In Amendment 81 we only accept the second half of the sentence and subject to a slight change in wording. We accept Amendment No 87, apart from the last half sentence. In Amendment 96 we oppose the introduction of the concept 're-labelling'. On the other hand the Commission agrees to forego a codification of Court of Justice rulings. As regards Amendments Nos 73, 91 and 92 which seek to retain the concept of 'serious likelihood of confusion', I would refer you to my earlier remarks. We cannot accept Amendments Nos 68, 72, 74 to 80, 83, 86, 88, 90, 93, 94 and 97.

The Commission intends to take account of the above-mentioned amendments when submitting its amended proposal in accordance with the second paragraph of Article 149 of the Treaty; we also reserve the right to suggest, in the light of this debate, technical improvements to individual provisions which were not discussed by the Legal Affairs Committee.

Mr Sieglerschmidt (S). — (DE) Mr President, I do not want to put a question to Mr Narjes but wish to raise a matter of procedure: I would ask you to

consider whether the Bureau and the Commission could not agree that the Commission's comments on Parliament's amendments — for which we are very grateful — should be given *after* and not *before* voting has taken place. If, Mr Narjes, the Commission's opinion is given beforehand then, in my view, to put it diplomatically, there is the somewhat problematic issue of influence being exerted on Parliament's decision. After the vote is the time to tell us which of the amendments adopted by Parliament the Commission is prepared to accept, and which not.

President. — It would be difficult to initiate a debate on the procedure. Mr Zieglerschmidt's question is well-founded, but the matter is not on the agenda. Some people might share Mr Sieglerschmidt's doubts whether it would be appropriate to have a detailed answer before the vote since that could be regarded as exercising diplomatic influence on Parliament. Others might feel otherwise. The question is in any event important. It should therefore be considered by the Bureau and discussed in consultation with the Commission. We should therefore discuss this question together with the Commission in the Bureau.

Mr Turner (ED), rapporteur. — Mr President, all I want to say is that I am extremely pleased that we did not, in the committee, settle on a site for the Community trade mark office and left it blank.

To Mr Sieglerschmidt I would just like to say that there is no curtailment in this document of the law of competition set out in the Treaty of Rome. It is merely that it is wrong to codify it in this law. Now that is the only point.

May I just say to Mr Narjes that I think it is extremely helpful that he did set out his views on the amendments. He could have given us a speech lasting two or three hours saying: 'I like this for the following reasons and so on', which would be the proper thing to do, but we have not got time for that. Therefore, he did it in a codified form and said, 'I accept these amendments'. As Mr Sieglerschmidt well knows, the Commission has taken a full part in all the discussions of the committee throughout. We know their views, and all he is doing is repeating them, here, and I think this is very helpful.

May I just say one thing more: Mr Narjes mentioned Amendment No 10 and said that except in a minor respect he accepted it. I think that Amendment No 10 to Article 8 of the regulation is extremely important, but the unimportant bit, I think he was referring to, the wording of which I think he wants to alter slightly, is only paragraph (b) of Amendment No 10. With that comment I think that is all I need say to clarify that point.

President. — I can assure you that this question will be submitted to the Bureau today as an item to be discussed by the enlarged Bureau and on which a proposal will be made to the House.

President

The debate is closed.

The vote will be taken at the time agreed.

3. *Employee participation in asset formation*

President. — The next item is the report (Doc. 1-758/83) by Mr Brok, on behalf of the Committee on Social Affairs and Employment, on the memorandum from the Commission on employee participation in asset formation (COM(79) 190/fin).

Mr Brok (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen! In the past various Member States have promoted saving schemes and schemes to encourage home ownership. Particularly in the area of home ownership, in my opinion, both the shortage of housing and the dreariness of much of the housing available demonstrate the need to continue to promote this kind of saving scheme by savings and tax incentives or whatever other means may seem appropriate, since this encourages individual independence.

I have tried in this report, above all, to deal with the third category of personal wealth, namely productive capital. I would like to thank the Commission for explicitly mentioning this in its Memorandum. Given the present economic situation, it is often so that State economic and structural aid worsens the position as far as the distribution of productive capital is concerned, since the aid only benefits those who already hold assets.

For this very reason, I believe we must try to find a way of increasing ownership by workers of productive capital. This can also be justified by the fact that employees, as taxpayers, are already providing some of the finances. I also believe that this strengthens the concept of property, which is practically a fundamental element of the European Community, albeit subject to the interests of the common good. Property-owning encourages independence and contributes to human dignity when property-owning enables the individual to organize his own life. Freedom, efficiency and social justice can only be achieved with an economic order that is based on the theory of private property.

When we look at the world today, we can see that, although there are dictatorships where private property exists, there are no democracies without private property. It follows that the principles of freedom and democracy are linked with individual independence and private property, and we should endeavour to encourage the spread of private property by achieving a wider, fairer distribution of productive capital. In my opinion, this is also an important factor in strengthening social partnership in factories and in the economy as a whole.

But this, of course, only applies if the individual can freely dispose over his property. Our economic system

should enhance respect for the principle of the distribution of power. I am opposed to a single institution, be it a trade union, or any other organization, or the State, having all the power, and I also oppose too great a concentration of power in private hands. Such arrangements only lead to the workers being overwhelmed by the system and a weakening of the economy by bureaucracy compared with decentralized systems.

We can therefore only support a solution which guarantees personal freedom of decision. Collective solutions, such as the creation of funds, currently under discussion in Sweden, are nothing but a disenfranchisement of the worker, who is deemed unfit to manage his own affairs. I think that we should look towards a society in which the individual is a shareholder, a worker and consumer at the same time, and that this combination of roles will enable us to replace class struggle with cooperation between all those involved in the economic process, irrespective of their function.

(Applause)

We should also, of course, try to find ways to use asset formation to combat unemployment. Investment capital to safeguard the international competitiveness of our industry is currently in short supply. The low level of capitalization of our companies makes it hard for them to survive economic crises. Both sides of industry must accept responsibility, for example by introducing an investment wage to enable workers to take an active part in safeguarding and financing their jobs. This should be coupled with ownership rights for workers. Wage negotiations must get away from debates on the consumer wage and introduce the concept of a balance between investment and consumer wage.

The State could promote this process without this even costing money. Progress could easily be made in this area if legal and fiscal impediments to the various forms of investment for employees were eliminated and attractive conditions created, for example in the form of employee loans, sleeping partnerships, shares and other forms of financial participation in an undertaking.

It goes without saying that all these measures must be backed up by appropriate State measures in the form of premiums and/or tax changes. If these are to achieve anything, the investment must be fixed for a given minimum period. Above all, worker participation in their company should have priority, as this would create a quite different sense of 'belonging', which could benefit both workers and employer, and the economy as a whole.

We are of course aware that this is only possible for certain categories of worker. Public employees, and workers in many small and medium-sized undertak-

Brok

ings would not have this option. In particular the latter could be placed at a disadvantage compared to large firms as regards obtaining investment funds. We must find a way of creating investment possibilities via banks, competing funds, clearing houses and institutions set up by the two sides of industry; but these investments must always remain the property of the individual, be freely disposable and not be allowed to develop into a tool for directing investment.

(Applause)

To safeguard the employee, there must be some sort of security, up to a certain level of investment and length of time, for example by means of contingency funds set up by the undertakings. A further step is profit-sharing schemes which enable workers to benefit from the creation of wealth. I regard the concept of an investment wage as a first step in this direction. Support should be given to undertakings which have already introduced this system on their own initiative. Many undertakings in the European Community have indeed set up such exemplary systems in cooperation with their workers. A further important topic under the heading of asset formation concerns such matters as saving schemes for setting up in business. If we can offer special schemes so that a worker can save enough money to set up in business for himself, then this will help not only the worker concerned, but also others who find jobs through the creation of a new undertaking. This is the best way of overcoming unemployment. Unemployment in Europe can only be successfully combatted by setting up new small and medium — sized undertakings.

Further, and here I appeal particularly to our friends in the Mediterranean countries to participate, we must offer investment opportunities to migrant workers, via regional development funds or whatever other possibilities may be found, to improve the economy in their own countries, thereby creating jobs in their nation regions. Instead of investing their savings in a taxi or pizzeria, these monies could be invested to make a real contribution to the economy.

In conclusion I would like to emphasize that in my opinion all these matters should be dealt with by the two sides of industry and the State should merely play a supporting role. However, it should also be made clear that if the social partners do not take steps voluntarily, the State may, as a last resort, enact legislation.

The Committee would like to suggest to the Commission that a further study should be conducted after five years to establish whether a directive would be appropriate in certain areas of asset formation. We are aware that the budgetary problems of some, if not of all the Member States mean that there can only be a small beginning and that no major, comprehensive schemes are currently feasible. But if we could make a

start, it would be a step in the direction of more independence and greater industrial democracy. It is also a step in the direction of greater worker self-determination, whereas all other schemes that either prevent asset formation or favour a collective solution presume that the worker lacks the intelligence to look after his own affairs. This House should choose the path of freedom and independence.

IN THE CHAIR :
MRS CASSANMAGNAGO CERRETTI

Vice-President

Mr McCartin (PPE). — Madam President, I want first of all to congratulate the rapporteur on his report and the amount of work he has put into it, and also to congratulate him on the speech he has made just now which was encouraging and revealing.

While this Community and this Parliament are discussing ways of distributing wealth and getting people to take more responsibility for their own affairs, believing, rightly that only through the widest possible distribution of wealth and opportunity can we ensure the stability of our democratic system and the acceptance of the authority of our institutions, we can, by the pursuance of prudent policies, encourage and foster the participation of individual workers in the formation of assets, and the development of their own talents in the use of such assets for their own and their families' security, as well as for the benefit of the economic system as whole.

However, while the Commission makes proposals and Parliament carries on the debate, the individual countries of this Community pursue policies which will have the effect of creating the very opposite situation. More and more, as a result of the mistaken benevolence of European governments in the years of growth and prosperity, it is not the individual who has developed the capacity to provide for his or her own security. The State has taken more and more responsibility for everything, increasing steadily the share of the gross national product which it requires to spend on schemes designed, of course, for the common good. Even when growth has slowed down and, in some countries, gone into reverse gear, the State continues to demand an ever-increasing share to finance its concern and its generosity. So throughout the developed countries of Western Europe more than half of all the wealth that is produced is snatched from the hands of those who work and earn it, in the belief that the State knows better how to provide for their future and their needs. Even in Britain, under a government which seems to bask in the image of austerity and discipline in a period of zero economic growth, the government has continued to demand an increased share of the wealth of the nation. Following the same

McCartin

trend and taking it to new extremes, successive governments in my own country of Ireland have not only crippled a generation of workers with excessive wage deductions in the form of tax and pay-related social insurance, together with numerous other forms of taxation, but is transferring this through current budget deficits to another generation. The present recession, out of which the EEC is trying to climb, is a symptom of many underlying problems. But I believe that uncontrolled demand by the State of an ever-increasing and widening role for itself is one of the causes.

We will not have individual workers saving their income for industrial investment if the State makes compulsory deductions to finance its own often inefficient involvement in industrial investment. We will not have people saving to invest for their own future security if the State compels them to pay penal taxation so that this security may be organized for them by expensive bureaucracy. Workers will not be able ever to own their own homes if, from the day they start working, they are subjected to penal taxation to finance public housing programmes. Throughout the Community we need to readjust our course so that we can give back to the individual worker the right to choose whether he wants to take his earnings and invest them for himself and his own security in industry, and enable him to decide for himself if he wants to save his own earnings for the provision of his family's future security.

Mr Patterson (ED). — Madam President, although this report has been a long time coming — I believe the committee first appointed a rapporteur in 1979 — and although the attendance here this morning tends to belie the fact, in the opinion of my group, Mr Brok's report is one of very great importance. If the employee participation in asset formation recommended in the Commission's communication and in the Brok report were actually to occur, it could effect some of the most fundamental transformations in our society of almost any measure we could adopt. The reasons have been outlined already by Mr Brok; they are partly political and partly economic. The first political reason is that this would encourage a wider spread of wealth in our society.

Now Karl Marx, I believe — and Members of the Communist Group will put me right — predicted that as capitalism develops, wealth will be concentrated in fewer and fewer hands. Happily, that has not occurred. But equally, wealth has not spread itself nearly fast enough into more and more hands. I have to point out at this stage, as we are being lectured all the time by Socialists about why under capitalism wealth is concentrated in the hands of owners, I find it extraordinary that neither their spokesmen, nor indeed any of their Members have turned up to debate this important subject this morning. It shows how much they really care about the distribution of wealth in Europe.

The second reason, of course, is individual responsibility. In the United Kingdom we have had considerable success in spreading home ownership such that, at the moment, more than 50% of families own their own homes. One of the ways in which we have done it is by giving people the right to buy the homes in which they live from their local authorities. This is something which Socialists again have always opposed for reasons best-known to themselves.

We believe, therefore, that a wider spread of assets is good from the political point of view, as I said, for the wider spread of wealth and for encouraging individual responsibility. But let us be clear; it has got to be a genuine spread of wealth and genuine responsibility. Mr Brok's report makes it very clear that these assets must be personally disposable. They cannot be disposable at the whims of some trade union collective fund or some government. Individual responsibility implies the responsibility to do what you like with your own money, and that is something which has got to be very clear.

There are also very good practical reasons for supporting wider share ownership and greater asset formation. A very interesting study has just been published in the United Kingdom called: 'Workplace industrial relations in Britain'. This shows two things: that there is a correlation between industrial peace and, first of all, Mr Richard will be glad to know, information disclosure to employees. Secondly, there is a correlation between industrial peace and share ownership schemes in firms. Surely we are all interested in industrial peace because it is one of the ways of increasing the wealth of our Community. Therefore, the encouragement of share-ownership schemes and asset formation is one of the almost proven mechanisms for achieving this.

We have a long way to go. The survey shows that only 5% of employees in the private sector are covered by share ownership schemes at the moment. Mr Brok quite rightly pointed out that this has got to be spread so that every employee is an employee, a shareholder and a consumer.

There are whole massive ways in which this can be done which have been outlined by the Commission: share option schemes, investment rate, profit-sharing schemes. I support Mr Brok that there should be a five-year period before which the Commission produces a study on this matter. What is absolutely clear, however, is that we must make a decision at Community level that this is the way in which we wish our economy to go. Indeed, my group and the British Conservative Party once coined a phrase that we were trying to build a property-owning democracy in Britain. I think we could do no better than to build a property-owning democracy in the European Community as a whole.

Mrs Tove Nielsen (L). — *(DA)* Madam President, I must compliment Mr Brok on the report he has drafted. I know of the work which has been done in the committee, and I must say that a great deal of skill has gone into producing the motion for a resolution now before us, which emphasizes how important it is that individuals are free to take their own decisions and can invest where they wish.

I am very glad of this, for as Liberals we hold the very firm conviction that the individual possesses a creative drive, an appetite for action such that we are extremely glad, when the opportunity presents itself, to join in investing and creating possibilities for us all. What has been so damaging for so many years is that the socialist wave has washed across certain countries and has sought to centralize everything, to take away from the individual his instinct for action, his share of responsibility by seeking to establish central funds with a little hierarchy of officials who know best what is of benefit to the individual. But they don't, and we are therefore very glad to see so clearly emphasized that it is the individual's right to decide which is the important issue, his freedom to invest voluntarily in the firm in which he works, in other words freedom of the individual to make his own decisions, from start to finish.

I am also glad that Mr Brok has dealt with the point that people should have the chance of owning their own homes. Again, on a voluntary basis. There are people who prefer to pay rent, and they should of course continue to have that possibility, but we also know that many people really want to own their own homes, for that enables them to see a tangible result from the work to which they devote their lives.

Madam President, time does not allow me to say more, but I must just stress that the dreadful example of a socialist administration we have seen in Sweden should serve as a lesson to us to value the proposal we have before us, which really builds upon that which is individual, giving precedence to the voluntary approach. That is the way we shall promote what is best in man, what is best for society itself.

Miss De Valera (DEP). — I, too, would like to join with the other Members of this Parliament in thanking Mr Brok for the work he has put into this report.

There are a number of positive aspects outlined in this resolution, such as the encouragement of house ownership. This is something which the EPD would undoubtedly support. The building industry is labour-intensive, and by encouraging the construction of new houses we create employment.

The EPD, however, feels that the implications of introducing the investment wage and profit-sharing have not been sufficiently examined. With regard to the

investment wage, the employee might stand to lose not only his job but also his capital in the event of a company's collapse. The investment wage can also be seen as an extra cost imposed on the employer: this situation might lead to a growth in inflation rates and further unemployment. There was no mention in the text of the need for increased productivity agreements in relation to the investment wage proposal.

The rapporteur has not examined the proposal on profit-sharing in any great detail. For example, who would control the collective fund which would be set up to facilitate profit sharing? Will this be a cash payment on profit or will it be payable in the form of shares? There is also the danger that profit-sharing might reduce funds available for investment and hamper competitiveness, which are vital to create new employment.

Although we can understand and sympathize with the general thrust of this resolution, the EPD are concerned that the proposals outlined here are inadequately researched.

Mrs Duport (S). — *(FR)* Madam President, the Socialist Group will not be voting in favour of the motion for a resolution on employee participation in asset formation. Since Mr Petersen has already commented on this subject, I shall simply try to explain the reasons for our rejection.

The clearly stated aim is the achievement, through such participation, of industrial peace, which is expected to flow automatically from the spread in private ownership of property, which secures freedom and dignity. This is an ideologically simplistic approach, based on the insecure position of many employees, who have a basic need for decent housing and job security. In fact, though, the true purpose is to mobilize savings.

Since all Western governments have imposed monetary restrictions, employees are being called upon to make up for the generally depressed level of public and private investment and the lack of venture capital, much of which is being channelled into currency speculation in an international system of floating exchange rates and high interest rates.

Descriptions of the economic crisis have become commonplace in this Chamber: unemployment is rising, the most recent OECD forecasts are alarming. At a time when workers' purchasing power is being eroded, which is now the case very widely, it makes little sense to ask them to participate in the formation of investment and venture capital. Can it seriously be suggested that such participation can provide the beginnings of a solution to the employment crisis? We for our part maintain that only a deliberate policy on the part of the 10 EEC Governments can bring us out of this recession.

Duport

Even accepting the usefulness of certain measures, such as the home-ownership savings schemes operating in various countries including France, it is only during a period of economic expansion that such savings schemes help the building industry, whose importance to the employment market is well known. With interest rates on home loans at their present high level, home-ownership savings schemes are not enough — far from it — to sustain employment in the building industry. By the same token, can the 'industrial investment savings scheme' envisaged become the medium for creation of new businesses, small or large? Of course it cannot, not while the cost of money is so high.

Another factor which must be taken into account is the distortion of demand that such a diversion of funds would be bound to cause. There still has to be demand to stimulate output and supply.

My final comment is that it is difficult to accept the claims made on behalf of this method of bringing about a problematic development in 'economic democracy', while the multinationals are continuing to gain ground and when this Parliament, of which Mr Patterson is a Member, has only recently rejected the very modest proposals for information and supervision put to it by the Commission in the Vredeling directive. Now we are being asked to believe that participation in capital would give the worker/consumer/shareholder new scope for influencing his future. The truth is that he would be ensnared by this scheme designed to achieve industrial peace, which is of course threatened by the current economic situation. Whereas he would have no right to information on the course being pursued by his company, he would still have to accept the situation if its location were moved to suit interests which would still not be his interests. He would be doubly at risk, in danger of losing money put into the business and of losing his job, since the report tells us nothing about how the wages diverted into investment would be guaranteed or how these funds would be managed. How would they be managed? By occupational group, by region, or by groups of companies? No, a categorical no to this simulacrum of democracy.

Mr Richard, Member of the Commission. — Madam President, when I walked in to the Chamber this morning, I thought that we were going to have an interesting, perhaps slightly technical discussion about the wider distribution of wealth. I may say to both sides of Parliament that, as a lifelong member of the Labour Party and somebody who has always called himself a Socialist, I have never had any problem at all in being in favour of a wider distribution of wealth. Indeed, it has always seemed to me that trying to bring about a wider redistribution of wealth was precisely one of the things that people in my sort of party with my sort of views were supposed to be about.

Therefore, I for my own part, and also on behalf of the Commission, would like to start off by congratulating Mr Brok on the thoroughness of his work in a difficult field. It is a difficult field economically, socially and indeed politically. The motion for a resolution before Parliament today is the result of a long examination carried out within the Committee on Social Affairs and Employment of the memorandum on this subject prepared by the Commission as long ago, I think, as 1979. So this issue has been quite a long time in gestation.

That memorandum was adopted by the Commission following work carried out in close cooperation and collaboration with experts from governments and from both sides of industry. I note in passing that Parliament's Committee on Social Affairs and Employment also conducted hearings of people involved in the social dialogue on 19 October last year. I would like to congratulate the committee on taking that initiative.

Madam President, in preparing that memorandum the Commission first of all drew up a purely descriptive document. We tried to list the various schemes either proposed or in existence in Member States. We tried to list those schemes which were offered either to the population at large or to modest income groups, for example, access to home ownership or savings schemes. Alternatively and perhaps more specifically, we tried to analyse the schemes relating to employees themselves: standard contributions to personal assets, profit-sharing, shareholding schemes, etc. These latter are — rightly, I think — the ones to which we have given special attention and for which we have provided most detail.

In addition to this descriptive inventory, if I can call it that, which inevitably is now somewhat dated — I think it should be brought up to date and I will come back to that point in a moment — we prepared a chapter which we called 'the mechanics of asset formation policy'. I think that chapter has for all practical purposes remained valid. It was designed as a summary and as a guide setting out the aims, main problems and fundamental choices implied in the implementation of such policies. The conclusions of the memorandum, which, is in effect a Green Paper, do not contain formal precise proposals from the Commission. What they do is to set out possible guidelines for the future.

Without entering into detail, it is worth recalling that these guidelines contain two main aspects: on the one hand, the reinforcement of the social aspect of incentives to individual saving and, on the other hand, the development of systems of financial participation by employees in the profits or capital of undertakings. I note with interest that these two points figure largely in the motion for a resolution now submitted for our examination.

Richard

Of course, in presenting the memorandum on employee participation in asset formation and particularly its conclusions, the intention of the Commission was to launch a debate among interested parties and especially to receive the reactions of Parliament. I therefore followed this debate with considerable interest. I hope Parliament will appreciate that at this stage I could not adopt a firm position on behalf of the Commission on each of the points contained in the proposed resolution. The very purpose of this debate is to receive the opinion of Parliament and I would wish to consider carefully what has been said. I simply wish to stress that a number of general aspects will continue to condition the Commission's approach in its future work in this field.

Firstly, I am happy to see that the motion for a resolution no longer asks for the preparation of a directive, as was originally envisaged, but rather of a recommendation. I am sure the current situation in the Community as regards participation in asset formation is not sufficiently advanced to justify the intervention of a Council directive — a binding legal instrument. I see that Mrs Duport is of the same opinion. The idea of a recommendation is I think, a more interesting and hopeful one. It provides the possibility of consistency of provision across the Community. It allows at the same time, and rightly so, every scope for variety on technical, political, legal or historical grounds. On this point I take note of the opinions expressed in the course of this debate, particularly the point that was made by Mr Brok. I will come back to Parliament with the Commission's reaction in the normal course of our joint business.

I am pleased also to underline the very clear position of principle taken up by Parliament at its Brussels meeting in the resolution it passed on the employment situation in the European Community on 28 April last. It contained a paragraph that proposed 'making it easier for workers to be offered the possibility of individual participation in productive capital'. We should also remember, I think, too, that the joint or Jumbo Council — the Ministers for Finance and Economy plus the Ministers for Employment and Social Affairs — of 16 November last year noted in its conclusions the suggestion of one delegation for an updated Commission study of ways and means to further the participation of workers in the capital formation of enterprises. The Commission then declared that it would examine this idea and make such proposals as it deemed appropriate. The position adopted by Parliament today will obviously be an important element in the choices faced by the Commission, and I have considerable sympathy with the fact that the study is now in clear need of updating. After all, it was carried out as long ago as 1979, and we are now in 1983. As I say, I have sympathy with the points Mr Brok has made in his report on this aspect of the matter.

Within the general framework in which we find ourselves, our approach will be the same as that outlined in our memorandum, and I would like to quote from it, if I may. 'The Commission is of the opinion that employee participation in productive capital formation constitutes an efficient approach towards the fundamental goal from a social standpoint of greater justice in the distribution of total wealth. This asset formation policy is furthermore a modern means of regulating the economy and of controlling inflation.' Those were the words of the memorandum as long ago as 1979, and I am bound to say, Madam President, that I have heard nothing in this debate today which would cause me to alter that wording which the previous Commission put in its memorandum at that time.

This has, as I say, been an interesting debate on an important subject. I do not think that it is going to prove the salvation of the European economy. Nor, indeed, is it going to prove the damnation of the European economy. What I think it will do, on the other hand, is to provide a useful peripheral weapon in what I at any rate would wish to see, which is a greater distribution of wealth particularly among the workers in the Community. I am delighted that on this issue, as indeed on other issues in the past, I am to have, it seems, the support of a majority of Parliament in underlining the point that it is necessary that the interests of the workers and the interests of the employees, in this particular aspect of the matter should be properly safeguarded.

Mr Brok (PPE), rapporteur. — (DE) Madame President, ladies and gentlemen! I would like to thank Commissioner Richard for his remarks. Over the next few months we shall be able to pursue the discussion at this level as to what further initiatives are called for. This is how I, at any rate, understood his remarks.

I would like to reply briefly to Mrs Duport who accused this report of hypocrisy. Under the new austerity policy workers in France are having to make up the deficits of State institutions with their taxes and with low wage increases. This is unfair to workers. If workers' money, whether in the form of taxes or whatever, is channelled into undertakings, thereby increasing the wealth of the State or private undertakings, then we must ensure that workers are also given rights of ownership. If you oppose this, if you do not trust individual workers to adopt a responsible approach, i.e. if you only support the concept of collective solutions and reject all others, then in my opinion you are only interested in power and not in the well-being of workers. There is a major difference of opinion here which should be made clear to the people of Europe in the course of the next few months, so that it becomes clear whose policies are really for the benefit of workers and whose are not.

Mr Patterson (ED). — I rise to give an explanation, both personal and on behalf of my group. Mrs Duport

Patterson

said that my group was against information being given to employees and had voted against it. I think if she goes and checks the record or gets a member of her secretariat to do so, she will find that both I and my group voted in favour of the fifth company directive and also for the so-called Vredeling proposal on information and consultation. Her charge must be withdrawn. My group is in favour of information to employees.

President. — The debate is closed.

The vote will be taken at the next voting time.

I would inform the House that the Commission will make a statement on agricultural prices after the Salisch report rather than after the Brok report.

4. *Employment of young people*

President. — The next item is the report (Doc. 1-754/83) by Mrs Salisch, on behalf of the Committee on Social Affairs and Unemployment on

the communication from the Commission to the Council (Doc. 1-311/83 — COM(83) 211/fin) concerning the promotion of employment for young people and containing a draft Council resolution.

Mrs Salisch (S), rapporteur. — (DE) Madame President, ladies and gentlemen! Following Parliament's decision of 28 April taken at its own initiative, the Commission submitted their programme to promote youth employment. On behalf of the Committee on Social Affairs and Employment I should today like to submit for your consideration and recommendation to the Council my supplementary report and amendments.

Since April, the employment situation for young people has become even worse. Despite concerted efforts the shortage of training places for school-leavers continues to grow. This also applies to the blockage of training places by people waiting for different training opportunities. The efforts being made are simply not enough, as practice has shown, so additional measures must be taken. The fact that of the 5 million unemployed young people 1.5 million have been out of work for longer than a year is particularly alarming. I would point out to anyone who is not impressed by these figures that unemployment among young people is now costing the Member States no less than 200 000 m DM. If all the moral arguments not to leave young people without work and prospects remain unheard, then at least the economic argument must be convincing.

As far as the Commission proposals are concerned, I am amazed that on the one hand the analysis of the position of the young unemployed and their prospects of employment is thorough, comprehensive and a warning to all concerned, while the Commission proposals to the Council for concerted action remain crimi-

nally vague. Forgive me for putting the matter so bluntly but I find all this reads like the minutes of the Stuttgart Summit. What has happened to the Commission proposals to provide all young people between 16 and 25 with a guarantee of employment, i.e. to submit proposals to this effect to the Council?

Mr Commissioner — my remarks are addressed to you personally — I do not understand why the Commission allows itself to be made the menial of the Council. Is this because, and I would in no way wish to deny your personal concern, Mr Richard, you are aware that the Council of Ministers has words aplenty, but obviously not the necessary financial means to improve the lot of the young unemployed? The result is that Parliament is still faced with the task of acting as the pressure group for the 5 million unemployed young people in this Community, a task it set itself as long ago as the April part-session.

Who else can young people turn to if the Commission, when it examines the problem, reaches sensible conclusions but does not have the courage of its convictions in its proposals to the Council? Should they look to the Council of Ministers, who are basically incapable of agreeing on a solution to this important question? Council meeting after Council meeting, European Summit after European Summit passes and the problem of unemployment is declared to be supremely important. We are constantly told that our prime task is to eliminate unemployment in the Community. But no sooner is the Council meeting or the Summit over than everything returns to normal and nothing happens.

To whom, then, can young people turn, if they cannot find jobs, if, in certain areas of the Community they do not even have an opportunity to learn a trade, let alone find jobs once they are qualified? Only Parliament can assume the important role which is necessary if youth unemployment is to be combatted on a common basis throughout the Community.

This report was unanimously adopted in committee and I would particularly like to thank my colleagues in the other groups for supporting the motion for a resolution and the amendments. This shows all the more clearly that we really are a joint lobby for the young unemployed in Europe.

Let me briefly touch on the most important point in our amendments. We want a guarantee of training and employment for young people between 16 and 25 I had a clear aim in mind when I wrote in my report for the committee that this programme should be implemented within the next two years. The Commission merely suggests that during the next five years the level of youth unemployment should be reduced to that of adult unemployment. This seems to me to be the height of cynicism when we know that adult unemployment is at an unacceptably high level.

Salisch

What use is a Commission proposal to the Council that over the next five years efforts should be made to bring the level of youth unemployment down to the level of adult unemployment, but on a voluntary basis with no real obligation? In my opinion, the Commission is completely missing the point. We feel obliged therefore to insist on the creation of a joint training and employment programme for the next two years. Years have gone by and nothing has happened. I am well aware of the scope of such a programme. I am well aware of the effort involved but as long as the Commission is so humble and so in awe of the Council, then absolutely nothing will be done. I would therefore urge all of you in this House to lend your support to this motion tabled by the Committee on Social Affairs and Employment.

Only this kind of undertaking will achieve anything: non-committal declarations of intention will get us nowhere. I would suggest to the Commission that it would be better if it respected the decisions of Parliament on youth unemployment and became a real partner of this House, rather than following the convolutions of a Council of Ministers that is obviously incapable of reaching decisions.

I would also like to comment on the budget debate. If I may be permitted to be blunt: I have the direst forebodings as far as the next budget debate is concerned. We may have decided that the appropriations for the Social Fund should be adjusted to the scale of the problem, but looking at the room for manoeuvre in the budget, there is little to be done. The Council of Ministers' inability to reach decisions once again means that more than 10 million unemployed will ultimately have to foot the bill.

I do not believe that the problem of unemployment can be solved purely at a European level or that the meagre resources of the Social Fund can solve this problem. But we could have set an example and we will not even be able to do this if policies in other areas literally eat up these monies. I believe it is high time to show the public that one of the reasons why we have no money to combat youth unemployment is because the Council of Ministers is incapable of reforming the budget of the European Community.

(Applause)

IN THE CHAIR: MR LALOR

Vice-President

Mr Brok (PPE), *draftsman of the opinion of the Committee on Youth, Culture, Education, Information and Sport.* — (DE) Mr President, ladies and gentlemen! Unfortunately, the Committee on Youth, Culture, Education, Information and Sport was not able to deliver its opinion in writing. I should like, in particular, to recall the report we presented at the

special part-session and to point out that the documents tabled pay far too little attention to the need to train young people. The State will not be able to create permanent jobs because this could not have a long-term effect — at some point jobs must be self-financing. Anything else is economic nonsense and so there is no call for a State or Community employment programme.

My group, for whom I am unfortunately not able to speak at this juncture, has tabled a motion which clearly states that the aim is to eliminate unemployment among young people. No budget of this size, and no State budget can finance a State employment programme, because in the long run jobs must pay for themselves. Artificially created jobs are no use.

I repeat: greater emphasis must be placed on training. Unfortunately, I see nothing in these documents on alternating education. They do not make sufficiently clear the point that, given current population trends, the job market at the end of this decade will present a quite different picture. Those who now cannot find work need professional training to enhance their prospects on the job market when the situation improves. Here is a sensible task of coordination for the European Community which can improve the situation in the Member States, which handle training differently and sometimes catastrophically, in cases where no practically relevant training exists.

We must also consider training syllabuses. The anti-technology attitude in the schools in some Member States is a very serious matter, it contributes to the frustration of young people and militates against training for the future. Unless we are able to utilize the present phase of industrial revolution to train young people in areas with an economic future, we shall not be able to eliminate unemployment and youth unemployment in the European Community and ensure that we are internationally competitive. European competitiveness is not based on reserves of raw materials, but on the quality of our scientists and the ability of our skilled workers to produce excellent products, which still find a market, despite higher costs. Unless we ensure that these workers receive the appropriate training, we have no hope of surviving international competition with our prosperity intact.

This report makes frequent mention of reducing working time. I regard this as a significant factor as far as youth employment is concerned. Perhaps it is better for older workers to retire early voluntarily, so that young people can come off the streets and be given an apprenticeship or a job. We should adopt a flexible approach and not adhere rigidly to the concepts either of 'flexible retirement age' or 'the 35 hour working week'. Two unrealistic opposing ideologies are currently forming in the European Community. They are on a collision course and neither offers tailor-made solutions for the different industries, types of workers or regions.

Brok

All the different aspects of reducing the working week, reducing the length of a working life, part-time jobs, job-sharing, must be coordinated so that improved vocational opportunities can also be created for young people in the European Community.

Mr Pattison (S). — Mr President, on behalf of the Socialist Group I wish to say that we welcome this report and give it our full support. I wish to pay particular tribute to Mrs Salisch both for her dedicated work on this report and also on this general area.

Youth unemployment is the greatest scourge of modern times. It has reached dimensions which most of us would have believed impossible even 10 years ago. If there are no significant changes in existing economic policies, it will reach levels which will make today's unemployment look insignificant.

In dealing with this most excellent report on a programme to promote employment for young people, I believe we must work on the basis of one fundamental principle. That principle is that there are no possibilities whatever of youth employment being increased unless positive measures are taken to stimulate such employment. I note that the Commission does not totally share this view, if one is to take the text it proposes at its face value. Unfortunately, the Commission seems to take the view that exhortation and encouragement are sufficient in themselves to get Member States to take the required action. Nothing could be further from the truth.

In contrast to the Commission, the Committee on Social Affairs and Employment has taken the view that concrete steps must be taken to overcome youth unemployment within two years. This may be a very optimistic timetable indeed and there may be some who will classify it as being unrealistic. But unless it is adopted then all we will be left with is pious platitudes and statements of good intent. This is not good enough, given the dimension of the problem confronting us.

Consequently, the committee has proposed that the two-year timetable be met by creating places in both training courses and in permanent jobs within the context of a Community-wide programme. This is an adventurous approach to this appalling problem of youth unemployment. Yet the committee calls on Parliament to go even further. It proposes that the European Community should give the young people of Europe a guarantee that they will have either training or jobs in place of the unemployment to which they are so shamefully condemned at present.

As a Socialist representative from a country with the highest percentage of young people in its population of any of the Member States, I call on Parliament to endorse and adopt the proposal of the youth guarantee. If we do not do so then our young people

will progressively turn their backs, not only on their own societies but also on the European Community as a whole. Who could blame them? To be young and unemployed is a great affliction and a great injustice. That is why the European Community needs, in this year, joint programmes to create permanent worthwhile jobs while offering training as a temporary expedient.

In turn this will require substantial increases in the 1984 provisions for the Social Fund. We all know this to be the case. We know it is unavoidable. I ask this Parliament to accept the inescapable. If we are sincere in our protestations about ending the scourge of unemployment we must do this. The young people of Europe await our reply.

Mrs Maij-Weggen (PPE). — (NL) Mr President, this is not the first time that this Parliament has discussed unemployment and specifically youth unemployment. For the last two or three years there has been a steady stream of resolutions, reports and debates on this subject. We can therefore surely say that this Parliament has really tried to be a spokesman for the young unemployed.

We must therefore welcome the fact that the Commission and Council have at last started to take practical action: the Commission by publishing a memorandum containing practical guidelines for the fight against youth unemployment and the Council by recently allocating 75 % of European Social Fund resources to projects in favour of unemployed young people. My Group welcomes this development, which is in line with what we have advocated in recent years. I must say, however, that, despite these positive words, I do have a number of criticisms, concerning aspects which the rapporteur has also criticized.

I have a criticism to make of the Commission and a criticism to make of the Council of Ministers. To the Commission I should like to say that what it is offering young people with this resolution is minimal. Let me quote from the resolution we are considering. It says in paragraph 2 that young people must have the opportunity to undertake some form of activity, whether remunerated or not. And paragraph 3 says that youth unemployment should be reduced to the average unemployment level within five years, and paragraph 4 goes on to say that young people must be offered a minimum period of stable employment. What does all this really amount to, Mr President?

I am deliberately picking out these weak aspects of the resolution because I am afraid that young people will find it very disillusioning to read this kind of text. This wording is extremely weak and not in the least encouraging and will not give young people any hope at all. Both the Committee on Social Affairs and Employment and my group have tabled amendments to these passages to make them rather stronger. My

Maij-Weggen

group's amendments are perhaps somewhat more realistic in some respects than those tabled by Mrs Salisch. But I do hope that today's text, the text that we as a Parliament will be approving, will be a great deal more encouraging and hold out rather more hope than what we have before us now. We really cannot show this to the young unemployed.

My second criticism concerns the Council of Ministers. Recently, in June, the Social Affairs Ministers very proudly announced that, as part of the reform of the European Social Fund, they would be allocating 75 % of the Fund's resources to projects connected with the fight against youth unemployment. This resolution should, of course, be giving these projects a kind of initial boost, but three months later the Council — but the Council of Finance Ministers this time — decides to reduce the European Social Fund's resources by almost a quarter. Mr President, what does the Council really want to achieve? Does it want to make a substantial contribution to the fight against youth unemployment, or does it just want to look good in the eyes of the public? The money that is now to be used to fight youth unemployment once the 1984 budget enters into force will not be an additional burden on the budget. This reduction by a quarter will simply be passed on to other projects, and this means in fact that the money will not come out of the Council's pockets but out of the pockets of the other weak groups, such as migrant workers, the handicapped and women. That will be the effect of what the Council is doing.

Mr President, this means that in the forthcoming discussions on the budget Parliament must make an adjustment here. My group will give every support it can, and we shall then be able to see in November and December what the Council really wants: whether it merely wants to address fine words to the young unemployed or to make a genuine financial and practical effort to fight youth unemployment. If that is not the case, all we can say here today is that the Council and Commission will simply be selling young people a pup and that this Parliament is still in effect the only European institution to stand up for the young unemployed.

IN THE CHAIR: MR FRIEDRICH*Vice-President*

Mr Seligman (ED). — Mr President, I am grateful to my spokesman for asking me to stand in for Mr Prag who is otherwise occupied supporting Mrs Thatcher and Mr Parkinson in Blackpool. I am sure he would have liked to have spoken. I have just taken this on at very short notice.

We all welcome the Salisch report as tackling almost the most important problem facing us at the moment

in the Community. Youth unemployment is undoubtedly a crying problem, and we are all united in wanting to solve it. But we are not all united on how we solve it. There are one or two points in this resolution which we do not agree with. Firstly, we do not agree with the first of the five points in Parliament's resolution namely the reduction of working time. This is a road to nowhere, unless it is done in a way that does not affect the productivity and competitiveness of the Community and Community firms. Unless we can persuade all our competitors — not only the Community ones but the competitors in USA and Japan as well — also to reduce their working time, we are going to lose ground to them. Consequently this is the road to nowhere. We have, therefore, amended Article 5 of the Commission's draft resolution to that effect.

Another thing we cannot accept is Article 3 of the Commission's proposal and that is the creation of places in training courses and permanent jobs within the Community-wide programme to guarantee training and employment for young people. A massive attempt to create artificial jobs for young people would destroy the whole operation of the labour market. Again that is an artificial and false cure for our problems.

The real cure lies in Article 1 of the Commission's proposal and that is the promotion of general economic recovery. Our group has always favoured this as the fundamental cure for youth unemployment. We must do what is necessary to promote industrial prosperity. In this, of course, we depend on the United States of America, and if we can persuade them to reduce their interest rates and create currency stability, we shall be on the road to economic recovery and this terrible 40 % unemployment of young people will be on the way to being cured.

That is our group's opinion.

I would like to come onto my own hobby horse, and that is the question of mobility of workers. There is no mention in this proposal of encouraging mobility of workers. The SEDOC scheme is an attempt to do this. It is poorly equipped, it has no telex network. I know they are having a meeting in Brussels on 19 October to try and pep-up the SEDOC process, but this does need a lot of attention and I know Mr Richard is doing that.

The other thing is grants to promote mobility among workers. Grants exist nationally. There is no Community grant for mobility of workers, and if a young British worker wants to cross the Channel to go to France to work, all he gets is seasick. So that does not help the situation.

Another thing is languages and qualifications. I agree with the recommendation in Article 2 of the Commission's proposal that we should take special measures

Seligman

to improve the qualifications of young people, because there are vacancies for qualified young people if only they have those qualifications.

Miss De Valera (DEP). — I wish to thank Mrs Salisch for her report, but I feel I must say that the coalition government in Ireland has proved that it lacks compassion and understanding for our young people by proposing to introduce severe cutbacks in the educational field. This at a time when unemployment among early school-leavers is higher than average.

Of those who left school in 1982 without qualifications, more than 45 % were unemployed — an increase of 8 % on the year before. There is a 10 % disparity between 1981 and 1982 in the number of young people who secured jobs after school. It is evident that our present leaving examination requirements do not relate to the labour market. Less than half of those who left school last year found jobs.

While the government seems to be content that over 16 000 went on to further education and 6 000 were catered for either on a work experience programme or in Anco training schemes, it says nothing about the 13 000 who have not been provided for. We do not subscribe to the attitude that training for the sake of training is beneficial. Such training courses as Anco have been used by the coalition government to juggle the figures on the employment register.

As I have pointed out, the leaving examination fails to relate to the labour market. We must introduce a new approach and outlook in our educational system to train young people to take up jobs which new technologies have provided, especially in small and medium-sized enterprises, the craft sector, cooperatives and the service sector.

Very little of what the Commission has proposed is likely to improve the plight of our young people and has no hope of acting as a spur to our national governments. There are 4.5 million young people under 25 without jobs out of a total of over 12 million unemployed in the European Community. The Commission has been totally negligent in its approach to youth employment. The fact that the Commission has waited until now to present this report, and in so doing has neglected to incorporate proposals on youth employment suggested by this Parliament, can only demonstrate its lack of commitment to youth employment.

Mr Buttafuoco (NI). — *(IT)* Mr President, ladies and gentlemen, the Executive Commission's proposal, which asks Member States to undertake a precise commitment to reduce the level of youth unemployment from 26 % to 11 % — which is the average level of unemployment — within the next five years, has found them reluctant and concerned at the idea of

quantifying a considerable effort within a period of time that they consider inadequate. And so, afraid of not being able to honour such a commitment within the deadline, and showing thereby how much they lack the political will in the right direction, they have rejected the Commission's project, modest as it is.

Of course, a precise commitment with regard to the deadline, by the Community's executive powers would indeed have been timely, if for no other reason than that it would oblige them to take all possible steps and make every possible effort to reduce the scourge of youth unemployment.

But it would have been a mistake to attempt to slow down that grave phenomenon without preparing and putting in hand serious reforms of our educational and training systems: no one, in fact, is unaware of the need to do something about youth training, with proper programmes integrated with the elements of the various school and further education systems of the Member States; and to prepare proper vocational training courses, to promote intra-Community exchanges both of students and of information, so that young people prepared to participate in identical programmes and methods will be able to take their place in the active life of every country in the Community.

We can agree with what is stated in Mrs Salisch's report, and hope it will prove possible to insert the necessary quantification in the plans, so that all Member States can feel the responsibility of a formal commitment in that sphere. With regard to the points made by Mrs Salisch in illustrating her valuable report, we hope it will prove possible to go beyond the recommendation of the Commission to bring down the level of youth unemployment to the average unemployment level, because that would not represent a very great step forward, and could be a deep disappointment to the young, who hope for so much from Europe.

Mrs Dupont (S). — *(FR)* One of our politicians used to say that if one wasn't repeating oneself one was contradicting oneself. I shall have to beware of repeating myself because, in discussing youth unemployment, I could very well find myself reiterating some of the things that I was saying moments ago about the state of our society and the difficulties that we are experiencing in bringing about an economic recovery, which is where our young people's problems have their roots.

I should like the Commission and the Council to think hard and often about what the young people who came to see us in Brussels had to say. It was extremely important and very significant. What were we able to say to them in reply and, for all the excellent speeches made in this House on the subject of youth unemployment, what do we have to offer them

Duport

now? I believe that our ability to take effective action to deal with the social evil that youth unemployment has now become will be directly dependent upon the progress that we ourselves are able to make in conceiving a new kind of society and upon our determination to build it, as speakers from all parts of this Chamber have said. I shall therefore say no more on this aspect.

I should just like to say a few words about the reduction of working time. No doubt, if introduced in all Community countries, it would probably be one of the means whereby jobs could be created, but I am not convinced. In my view, a much more thorough study than that carried out by the Commission in this field needs to be done before we can be sure that a substantial contribution to a solution of the unemployment problem can be made by reducing working time. The young are in fact the victims of an ideology which has gained ground in recent years; I refer to the ideology of non-work. But our society must show itself capable of providing work, because work is important since it is in work that men and women — and the young too of course — can find fulfilment.

For them to do this, they need training. I agree with Miss de Valera: training is not the whole of the answer, that goes without saying. Training is needed in order to find a job, but without a job, it goes to waste. Everything possible should be done in this area. In France, an experiment is in progress with the aim of organizing action in this field in concert with the circles concerned, namely training establishments and employers, when they are willing to involve themselves in the design and practical application of what I would call integrated educational programmes, of which there are still relatively few, even in my country. This, certainly, is an area where there is potential.

The training in new technology provided in our countries, even France, falls very far short of what is required. In consequence, we are going to evolve towards a society divided between the few who will be equipped to use this technology and the vast majority who will have no access to it and will be employed in part-time or temporary jobs, the types of employment which have been devised in recent years, basically as makeshifts softening the impact of the failure to find real solutions.

Yes, then, to training, as long as it is training which enables young people to take their place in tomorrow's world and to become self-aware workers, on terms with new technology and the tools with which they work.

I am saddened to learn that the Community's structural funds are to be reduced. Clearly, this is a very important aspect. Another is the way in which these funds are used. There were excellent intentions behind the various projects, as I have already had occasion to say in this Chamber. Unfortunately, they are

not always appreciated for what they are worth — which is a great shame, because what is not appreciated is lost — and not always carried through. Schemes are launched and then no-one perseveres with them. This does not appear to be the best possible use of Community resources, and that is what is needed, particularly when funds are being cut.

I should like to close with a word on the plight of young second-generation immigrants, who are currently having to contend with the combination of a resurgence in racism and, even today, difficulties over cultural integration into the society in which they were born, this because their parents come from other countries. It is very difficult for them to live in our societies and it will become even harder as racism worsens. We have had an example of this recently in France, but this is not the only country where such things are seen. I think that this is a problem that we all have to face. I should therefore like to conclude by drawing attention to these young people, who have not been mentioned so far.

Mr Papaefstratiou (PPE). — *(GR)* Mr President, once more our Parliament is concerned with the great problem of youth unemployment; to combat this, a series of measures was proposed in our resolution of 28 April 1983. Unfortunately the matter continues to be topical and to arouse justifiable emotions, because though in some EEC countries the number of unemployed is stationary or has even fallen slightly, in other countries it continues to increase. As an example I can mention Greece, where in the last two years the number of unemployed has nearly trebled. Moreover, in my country over 40% of young people up to the age of 30 are unemployed.

Repeatedly, stress has been laid on the need to create new jobs. On this point there is general agreement. Very often though, disagreements arise about the way and the measures to fight unemployment. Fellow-Members, it is almost impossible to create new jobs without an upturn in the economy. I am convinced that the problem of youth unemployment can be fought, though not by means of demagogic slogans and declarations but only by a strategy based on realistic concepts, that takes account of the prevailing conditions, within the framework of what is going on not just in Europe but all over the world. There must be an integrated developmental policy at both Community and national level. Prompt and effective programmes of investment, and the well considered use of new technologies will certainly help to solve the problem of unemployment, in parallel with appropriate professional education. We share the distress and concern of young people in the communities in our countries who are looking for jobs. However, there are many other countries ruled by so-called true socialism and even Marxism, where young people face not only economic problems but also a total lack of rudimentary freedoms.

Papaefstratiou

Let there therefore be less outcry from those who think they can influence young people in the EEC countries with deceitful slogans and theories that have totally failed in practice and have led to repressive situations. Our Community may be facing certain difficulties today, but it has both the will and the potential to progress towards economic recovery and a reduction in youth unemployment, in parallel with the preservation of the priceless gift of political freedom.

Mr Ceravolo (COM). — *(IT)* Mr President, we shall support the very estimable report presented by Mrs Salisch. We take, however, a very critical view of the sense of this proposal. We know what the Commission has said: it has given very valuable indications, both as regards an analysis of the employment situation, and as regards the prospects.

Well, we have wondered what is the purpose of this document, which is of such a generic nature. We have the feeling that the Commission is working within very tight limits fixed by the Council of Ministers. Since no clear lines of strategy have been laid down, the Commission, in this very restricted environment, has to follow a course that we fear is inadequate to the realities of the employment situation.

I should like to point out two limitations. The first is that reliance for absorbing this high volume of unemployment is still placed on economic recovery — a generic concept of economic recovery, that is — when we know that such economic recovery will affect perhaps only a small section of this unemployment, that which is of a cyclical nature, and will have no effect on long-term unemployment, which is the effect of the technological revolution. We have the evidence of the recovery in America, which has had a minimal effect on the volume of unemployment, and has only put a stop to its growth. So much so that the Commission itself stated in some documents that, in order to achieve a real reversal of the trend, an increase of at least 5-6 % in the Community's income would be necessary, for any attempt to solve the problem.

We are a long way from this assumed recovery: so much so that, when you hear talk of recovery through competitiveness, productivity, and an increase in investment, you realize that, whilst these are all factors that are important for any recovery, they will very probably all be translated into savings in manpower rather than a demand for labour, because investment also is largely directed towards restructuring the traditional sectors, with a high level of job shedding. As a result, we cannot entrust our hopes to this concept of recovery. We welcome recovery, indeed we must fight for recovery, but we know that there is a long-term crisis in the labour market that will derive no relief from any recovery involving a low rate of increase in Community income.

The second constraint within which, through no wish of its own, the Commission appears to have to work — and we have a great deal of sympathy, I repeat, for the Commission — is that they are unable to start reducing the working week which, today, is one of the most important social measures for the purpose of reducing unemployment. Even in Italy the chairman of Alfa Romeo — Massacesi — is beginning to hint at the possibility of a substantial reduction in the working week as a suitable way of reducing unemployment, because even his firm is faced with the problem of thousands of redundancies, and its chairman cannot see how else to absorb this surplus labour.

So here we are once again saying that the reduction of the working week can have a certain effect, but one that is of only marginal importance. This report should cover the next two years. But how can we ignore the fact that, in these two years, the situation will have worsened? It will have worsened also, for example, in relation to the jobs of men and women whose employment — and we cannot ignore this — will be differently affected, both quantitatively and qualitatively, as a result of the technological restructuring process.

It seems to us that the report that has been presented is a very generic and fanciful one. True, it does include some useful points, but one must ask oneself what are the investments, what is the coordination of structural funds, and what certainty there is that these various elements will act in such a way as to create jobs. We support the line taken regarding small and medium-sized businesses and craft industries and the encouragement for young people to set up independent or cooperative initiatives; but we cannot see the size of the resources that are made available, nor the necessary structures for coordinating these resources. We see that there is still no intention of making the Social Fund adequate for the 'horizontal enlargement' — to give it a name — of the categories who should benefit from it. If the unemployment problem is also to embrace the problem of the young people under 25 years of age, we are obviously talking about an enlargement that would require a substantial increase in the resources of the Fund to cope with it, and there is no such increase.

How, then, can we illude ourselves that these measures will solve the problem? It is our conviction — I say again — that the Commission has to work within imposed limits that strangle any attempt to map out a course that, in proper time and with appropriate resources, would offer the certainty that this level of unemployment — which is growing and becoming increasingly alarming, not least on account of the social effects it has on young people especially — will be substantially reduced.

Mr Eisma (NI). — *(NL)* Mr President, there are already over 800 000 unemployed in the Netherlands,

Eisma

and there may be 2 million in 1990. This increase by a factor of 2 1/2 will occur throughout Europe, and we must therefore reckon with 30 million unemployed, with young people accounting for an extremely large proportion of this figure. Each year 90 000 people register as seeking employment in my country, employment in industry will continue to decline, and more and more jobs are being lost in the public sector too. As widespread a reduction in work time as possible is still the best way to put a stop to rising unemployment.

And yet a reduction of this kind will not solve the unemployment problem. Even with a 20 % reduction, and given the most favourable of conditions, there will still be about 1.1 million unemployed in my country. A figure of 1 1/2 to 2 million seems a realistic estimate. The tendency will be the same in the rest of Europe. In the Community of the Ten, or even of the Twelve, many, many millions of people will be out of work in the future. Like Mr Ceravolo, I believe there is little comfort to be found in the idea of economic recovery.

It is a sorry tale, Mr President, but I think it is a realistic one. Nor must we expect so many millions of unemployed to resign themselves to being excluded from the labour market for years on end. We must therefore reckon with the likelihood of fundamental changes of attitude towards paid and unpaid work.

I hope that the Council and the Commission will at last realize that full employment is no longer a realistic goal and that there consequently needs to be a change of socio-psychological mentality, which is particularly important in the case of young people. They will be the ones who have to give shape to this changed society, in the sense I have just indicated.

I do not therefore really believe that the Commission's proposals concerning a programme to promote employment for young people are realistic. They show too little vision. Mrs Maj-Weggen may well say that there is not much in this report, but I do not think that even the contents of this communication from the Commission, the proposals it contains, can be implemented in the short or the long term.

We give young people hope with the contents of our document without being able to give them any real guarantee as regards the actual implementation of the measures to which it refers. In other words, we give young people false hopes with this kind of document, and I invite you, Mr Commissioner, to consider the situation in five years' time. You will see that precious few of the ideas put forward in this document can be put into practice.

Mr President, I am glad to say that my amendment was incorporated in the Salisch report. It calls for the formulation of a policy in respect of voluntary work to enable young people to engage in such work as an

alternative to the limited opportunities for gainful employment which are available, thereby helping them to obtain work experience and fulfil a useful social function. I hope to revert to this question when my report on volunteers is discussed in this Chamber in November, but I should like to hear Commissioner Richard's reaction to this amendment, which has the approval of the Committee on Social Affairs and Employment. It calls for the addition of a new paragraph 5 (e) to the Commission's communication, and I repeat: I should like to hear Mr Richard's reaction straight away.

Mr Vernimmen (S). — (NL) Mr President, ladies and gentlemen, I find it very difficult to consider the problem of youth unemployment as whole. Unemployment, including youth unemployment, can only be combatted if the policy at present pursued in most of our countries is changed. The deflationary measures that everyone is now trying to implement will, whatever anyone may say, lead to even greater unemployment. It would perhaps be a good thing for our policy-makers, and I do not say this out of any sympathy, to read and study the programme of the European trade unions institute. It will show them that there simply has to be another way.

In the little time I have let I should like to say in general that more resources must be made available for retraining. In my opinion, an increase in the school-leaving age must be considered, with the necessary distinctions made, and above all the quality of education in the technical sector must be monitored. Methods of counteracting the tendency for young people to leave the education system too early must be found. Practical measures, particularly for school-leavers, must show some imagination. It is better to pay young people than to give them unemployment benefits. There are tremendous opportunities in what is known as the third labour market: care of the environment, the service sector, culture, help for the aged and so on. With imagination, it must be possible to introduce systems which help people to find employment. We must not ignore the danger of unemployment becoming permanent for young people, because this may also be a threat to our democracy. I therefore believe that they should be given priority.

5. Commission statement

President. — Pursuant to Rule 40 of the Rules of Procedure I interrupt the debate on the Salisch report and call Vice-President Tugendhat to make a statement on the Commission's decision on agricultural prices.

Mr Tugendhat, Vice-President of the Commission. — Mr President, thank you for giving the Commission an opportunity to make a statement in Parliament.

Tugendhat

During the last day or so, there have been numerous press and other media reports concerning EAGGF (Guarantee) expenditure in 1983. Many of these reports have been both inaccurate and misleading. The Commission therefore considers it necessary to inform the House now of the latest situation so that Parliament, when voting on the draft supplementary budget for 1983, does so against a factual background.

The relevant facts are as follows. The appropriations currently available for the last two months of this year amount to 635 million ECU. The sum is the difference between the appropriations in the budget of 14 087 million ECU and the advances paid to the Member States for the period January to October inclusive of 13 452 million ECU. Parliament has been informed regularly, on a monthly basis, through its Committees on Agriculture and on Budgets, of these advances. The sum of appropriations currently available plus those in the draft budget established by the Council for EAGGF (Guarantee) amounts to 2 396 million ECU.

The Commission, in presenting its supplementary budget, warned that tight financial management would still be required during the remainder of the year, if CAP expenditure was to be contained within the proposed new budget. I myself also made statements to that effect in the Committee on Budgets and in the Committee on Agriculture.

Recent analyses of the situation on the agricultural market have confirmed this view. The Commission has therefore decided, as a precautionary measure, to take certain management measures within its competence in order to maintain expenditure in 1983 within the available credits, taking account of the supplementary budget now under examination by the budgetary authority. For the moment, after consulting the Management Committee, the Commission has decided to suspend, for the next 10 days, the payment of advances on restitutions and on certain premia. Under difficult circumstances, the Commission had to take this decision rapidly last night in order to avoid pre-emptive measures by third parties. The decision concerns the following products: olive oil; colza; rape and sunflower seed; soya beans; castor seed; cotton; peas and field beans; tobacco; milk; wine; sugar; dried fodder; starch products; and export refunds on agricultural products. The Commission will discuss, at its next meetings, the possibility of applying other measures in order to enhance budgetary discipline.

The very nature of EAGGF (Guarantee) expenditure makes it impossible, even at this relatively late stage in the year, to predict with certainty the level of appropriations which are necessary for the budget. There is, consequently, an inevitable risk of being somewhat over- or under-estimated. The Commission wants to minimize the burden on the Community taxpayer in a manner consistent with the sound operation of the

agricultural policy market mechanisms. In view of the known facts and the measures already taken and being examined by the Commission, the Commission considers the level of appropriations for EAGGF (Guarantee) in the draft supplementary budget, which amount to 1 761 million ECU, to be still valid. The Commission is firmly committed to remain within the resources created by the 1983 budget and the supplementary budget now before Parliament. We can achieve this objective without creating undue problems for the agricultural sector. It is urgent that the Community take swift decisions on the package of agricultural measures put forward by the Commission in July. It is only by making the necessary adjustment to the CAP that the confidence of the agricultural sector can be maintained.

President. — Under Rule 40 (2) of the Rules of Procedure this statement is not followed by a debate. I wish to inform the House that the enlarged Bureau which was informed barely an hour ago that the Commission would make this statement at 12.30 p.m., has proposed that a debate on it should take place tomorrow, Thursday, at 3 p.m. The political group chairmen will inform their groups on this proposal today. Pursuant to Rule 40 (2) Members may avail themselves of a period of 30 minutes in which to put brief and concise questions with a view to clarifying specific points.

Mr R. Jackson (ED), rapporteur for the 1983 budget.

— Mr President, I would like to ask the Commissioner three questions. Does the Vice-President agree that these events demonstrate that the agricultural policy is ultimately determined by the resources available in the budget and that the facts of life of the budget must in the end prevail? Will he agree that it is totally unacceptable that expenditure on agricultural policy should squeeze out expenditure on other lines in the budget and in other sectors, and does he agree that this episode is simply the first sign of what will happen on an increasingly wide scale unless the CAP and the Community's budgetary system are reformed?

(Applause)

Mr Tugendhat. — Mr President, it is clear that all Community expenditure must be contained both within the 1 % limit and within the limit of the own resources available to the Community, and, of course, within the limit of the appropriations voted by the budgetary authority in its duly constituted form and according to the rules that apply to the different forms of expenditure. It is, of course, also clear, as I have said many times before in this House and in the Committee on Budgets and also, recently, in the Committee on Agriculture, that we are now approaching the limit of our budgetary resources and that therefore the conduct of policies will have to take account of this while the Commission will seek, in

Tugendhat

every way possible, to maintain the objectives of policies. The Commission has, of course, put forward proposals for the extension of the own-resources system; the Commission has put forward proposals for improvements in a variety of policy sectors, including the common agricultural policy. The Commission believes strongly that all its proposals are a matter of urgency in the interests of the Community as a whole, and it urges all those concerned — the Council and the Parliament — to take decisions on those proposals with the maximum celerity possible.

Mr Curry (ED), Chairman of the Committee on Agriculture. — Mr President, would the Commissioner agree that the events of the last few days have demonstrated at best the clumsiness of the Commission and at worst its total incompetence in that, if one of its members makes statements which appear not to have been authorized by the college and those statements are then enlarged so as to spread panic in some circumstances and certainly anxiety throughout a large section of the agricultural community, that is the worst possible way to manage men as well as a market?

Would he also recognize that his own statement...

President. — I would ask you, pursuant to the Rules of Procedure to put questions and not to carry on the debate which has just been announced.

Mr Curry (ED), Chairman of the Committee on Agriculture. — I was asking the Commissioner if he agreed, Mr President, which is a question.

My second question is this. Would he recognize that his statement adds to some extent to the confusion? What are the preemptive measures by the mysterious third parties? What are the possible other measures which may be discussed, at what date will this take place and according to what timetable? As for those people who will not receive advances which they would otherwise receive, at what point may they hope to receive that money which is due to them under the rules and regulations of the Community?

Mr Tugendhat. — Mr President, as I said in the very first sentences of my statement, there have been reports that are both inaccurate and misleading, and it is precisely in order to explain to Parliament what exactly the Commission has in mind that I came before the House at the earliest opportunity today. As the House is aware, the Commission is at the moment divided between Athens, Brussels and Strasbourg and I would have come earlier had it been possible to do so.

Secondly, Mr President, Mr Curry will not expect me to comment on proposals which the Commission itself has reached decisions. He will be aware, expert as he is in

agricultural matters, that it is always unwise, where money is concerned, to announce that you are going to make changes at some point in the future. If you are going to make changes which concern money, it is always sensible to take those decisions at the moment of announcing so that people cannot preempt and therefore undermine the results of those decisions.

Mr Pranchère (COM). — (FR) I should like to ask three questions.

Mr Tugendhat, when you appeared before the Committee on Agriculture, you confirmed to us that the appropriations for EAGGF (Guarantee) expenditure were sufficient until mid-November and that the supplementary budget would see us through to the end of the year. Can you, then, explain the reasons for this freeze, which is without precedent in the 25 years of the common market's existence? Do you confirm that the amount frozen is 360 million ECU?

My second question is concerned with the implications for farmers. What is the impact of this measure on all producers, or in fact on prices, since this can undoubtedly be expected to have an impact on farmers' incomes?

The third question — the most important, in my view — is this: do you not consider that the Commission is exerting inadmissible pressure here on the farming community, on public opinion, on the Parliament and the Council of Ministers? In short, is not the Commission's action nothing short of political manoeuvring?

Mr Tugendhat. — Mr President, Mr Pranchère referred to my recent appearance before the Committee on Agriculture. On that occasion, he will recall, I said two things, both of which I have repeated today. One is that the Commission stands by the view that the amount in the draft supplementary budget, which it urges the budgetary authority to accept, will be sufficient to see the Community through until the end of the year on condition — I made this perfectly clear at the meeting of the Committee on Agriculture, I made it clear in my statement yesterday, I have made it clear on many occasions in the Committee on Budgets — that we undertake measures of strict management.

It is known to Members of this House that we are approaching the limits of our own resources, that we are approaching the limits of the budgetary resources authorized by this House and by the Council. We are anxious to do everything we can, as I made clear in my statement, to maintain the confidence of the agricultural sector and, despite the difficulties of the position, to maintain the position of agricultural producers. Our actions are designed to achieve this, and that is why we have been urging that our proposals, both those of a wider nature and also our budgetary proposals, should be accepted.

Tugendhat

I remember in particular giving the latest figures available, which remain valid, to Mr Pranchère's colleague, Mr Baillot — and I see him nodding in agreement — in the Committee on Budgets some weeks ago.

Mr Chanteric (PPE). — *(NL)* Mr President, I should like to ask a question on the conduct of proceedings. In view of the many questions and answers, I am afraid that the debate on youth unemployment, which we have just interrupted, will come to nothing. If you do not decide, Mr President, to continue and conclude the debate now, it will not be possible to continue until tomorrow afternoon because of the many other items still on the agenda. I would therefore ask you if the debate on youth unemployment could not be concluded immediately after these questions and before the midday break.

President. — In reply to those Members who have put a question concerning the Rules of Procedure: under Rule 40 of the Rules of Procedure I interrupted the debate on Mrs Salisch's report in compliance with the Commission's wish to make a statement. Pursuant to Rule 40(2), I pointed out that only brief and concise questions could be put. According to our agenda, which was adopted on Monday, questions can only be put until 1 p.m. The sitting will then be interrupted and at 3 p.m. the agenda will be resumed, as agreed, with Question Time. The debate on the Salisch report — and I personally regret this — will be continued on Thursday.

Mr Gautier (S). — *(DE)* I have two brief questions to put to the Commissioner. The first concerns the legal consequences of the Commission's decision. Are we to understand that because advances on export refunds have been suspended, the Member States are in fact no longer empowered to authorize exports, or is it just that the Commission is not providing the necessary financing for the moment? To put it in more concrete terms: for products such as butter, where we fix the amount of advances beforehand, does this mean that this will not now be done, that there will officially no longer be any advance, and that the rate of the advance, for example, has been reduced to zero?

Secondly: I should like to ask the Commission whether the measures it has now taken have been discussed within the context of the overall economic situation or whether they simply reflect a decision by the Commission to carry over certain costs to the 1984 budget year? For I assume that even the Commission is aware that cows do not stop producing milk from one day to the next.

Mr Tugendhat. — It is certainly true that you cannot stop a cow producing milk overnight!

Mr President, the answers to the questions are as follows. Exports can certainly continue. What we are

acting upon are the advances. In the past it has been possible for traders — until this decision — to receive an advance of, I think, 80 % before the whole contract has been finalized, at the point when the goods move within the designated area. Exports can continue, people will continue to receive the full amount of money, but they will receive it at the end of the deal rather than receiving a large part at the beginning. That is the sum of what we are doing. So exports will continue.

Obviously, the Commission seeks to make its agricultural proposals within the context of the overall economic situation as well as in the light of our duties and obligations in the agricultural sector. In addition to that, of course, all policies within the Community have to be carried out within certain budgetary limits. That is why some months ago the Commission put forward proposals in relation to the Community's own resources, precisely in order to seek to safeguard the continued existence of those policies which we have and to provide a basis for the development of future common policies.

Mr R. Jackson (ED). — Mr President, my point is simply that the Commissioner failed to answer my second question, which was: will the Commission set its face against any suppression of non-compulsory expenditure that would allow compulsory expenditure to expand and crowd it out?

Mr Rugendhat. — Mr President, I specifically referred to this point in answer to the question put by Mr Notenboom yesterday, when I drew attention to the fact that not only did the Commission intend to honour its obligations in the non-obligatory sector, but that, in any case, a transfer would be required, and Parliament — as I think Mr Jackson knows and I am sure Mr Notenboom knows — would have to authorize a transfer between compulsory and non-compulsory expenditure.

I should perhaps, while I am on my feet, also point out to the last questioner that the decision which we have taken, as I said in my statement, is for 10 days.

Mr Provan (ED). — Mr President, that in fact leads me directly into my question because I asked specifically...

(Protests from the centre)

President. — One moment please, Mr Provan! I cannot give the floor to several speakers simultaneously even though you may feel that you must have the floor at the same time. Members will be called in the order in which they asked to speak.

(Mixed reactions)

Mr Provan (ED). — Mr President, the last statement by the Commissioner leads me directly into what I wanted to ask him. I would like to ask him what he

Provan

intends to do after the 10-day period he is talking about is up. Unfortunately a lot of the stories that were in the papers yesterday have only proved to be too accurate and any further speculation in the future, I think, would be extremely damaging to the agricultural industry. Therefore, I hope he can give us some idea of what the intentions are following the 10-day period that he has announced this morning.

Mr Tugendhat. — Mr President, I hope it will be possible for me to answer questions from groups other than the party immediately behind me, but in answer to Mr Provan's question I cannot of course prejudge the decisions by the Commission. We will be considering the situation in relation to the decision we have taken and we will be considering the overall situation as well.

Mr Herman (PPE). — (FR) Can the Commission confirm that the article in the Treaty laying an obligation on Member States to contribute to the financing of common policies is still applicable and has not been abrogated by adoption of the financial regulation on own resources?

Mr Tugendhat. — Mr President, the Commission, as guardian of the Treaty, is conscious of its responsibilities under all the articles of the Treaty and under all the rules governing the different policies. We have to take all these into account.

President. — I have called Members strictly in the order in which they asked to speak. I shall also adhere strictly to the agenda as adopted. I would point out that the sitting will be suspended at 1 p.m. and resumed at 3 p.m. with Question Time.

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

IN THE CHAIR : MRS DE MARCH

Vice-President

6. Agenda

Mr Hord (ED). — Madam President, I rise to make a protest on the way in which the President handled the statement of the Commissioner just before the sitting ended at 2 o'clock. He failed to take my point of order at 1 o'clock and closed the 30 minute statement 10 minutes short. I am not asking that an extra 10 minutes be provided for this statement this afternoon, but I would like to register my protest and sincerely hope that whenever Parliament has 30 minutes in which to question either a Commission or Council representative, we can have the full 30 minutes, particularly bearing in mind that there were a lot of questions that remained unanswered.

President. — Ladies and gentlemen at the end of its meeting this morning the enlarged Bureau was informed of the feelings of the House following Mr Tugendhat's statement. In agreement with the political group chairmen who were present at this part of the discussion the Bureau proposes to organize our business as follows:

In the first place, as agreed, we will proceed with Question Time until 4.30 p.m. At 4.30 p.m. I propose that we conclude the short debate which we already began this morning following Mr Tugendhat's statement, on the understanding, however, that the vote on the Jackson report will begin at 5.15 p.m. precisely.

Mr Van Minnen (S). — (NL) Madam President, if you are saying that, as a result of the upheaval caused by the sudden debate with Mr Tugendhat, the agenda can still be changed, why does the Bureau not change the agenda to enable the debate on youth unemployment, which was so abruptly interrupted, to be concluded this afternoon. Are the young unemployed again to be the victims of our Greek calendar? It is characteristic that the debate on their troubles should obviously be considered so insignificant here.

President. — We have Rules of Procedure and in presiding I follow these rules. In this case Rule 56 states clearly:

Once adopted, the agenda shall not be amended, except in application of Rules 57 and 84 to 88 or on a proposal from the President.

I am therefore proposing to amend the agenda to take account of the wishes expressed by the House this morning.

Mr Marshall (ED). — Madam President, it would seem to me that the debate should take place in the presence of the Agriculture Commissioner tomorrow afternoon. I think it would be most unfortunate if a debate which affects the farmers of the Community took place without the Agriculture Commissioner being present. Therefore, I suggest that it take place tomorrow afternoon, rather than at 4.30 p.m. today.

Mrs Baduel Glorioso (COM). — (FR) If you continue this debate, I tell you frankly, it will be necessary to extend the sitting beyond 7 o'clock, given the schedule of votes to be taken.

President. — Thank you, Mrs Baduel Glorioso, but that is not the problem.

Mrs Barbarella (COM). — (IT) We are in favour of continuing with Question Time, which was begun this morning. To resume tomorrow would be to make an unjustified break; instead, it is proper to conclude it this afternoon, within the time allotted by the Bureau.

(Parliament rejected the President's proposal)

President. — The debate will be held tomorrow at 3.00 p.m.¹

7. Question Time

President. — The next item is the second part of Question Time (Doc. 1-798/83): questions to the Commission.

Question No 41, by Mr Cousté, (H-165/83):

Has the Commission noted, in recent weeks, a growing number of obstacles to passage of both goods and persons across frontiers, and what is its response to this deteriorating situation?

Mr Narjes, Member of the Commission. — (DE) As has been said on many occasions, the Commission generally deplores the large number and the intensity of checks carried out at the internal frontiers of the Community. Having made this point, however, it may be said that the small number of recent cases showing a marked deterioration in formalities at the Community's internal frontiers do not as yet give cause for excessive concern.

There are many reasons for the situation, ranging from strikes by border personnel to policy measures by those Member States which have introduced stricter border checks on movements of money and capital. The Commission is naturally also aware that the current economic climate continues, in some ministries, to reinforce the dangerous tendency towards solving pressing structural problems — albeit only apparently — by short-term, short-sighted measures, the effects of which are to varying degrees openly, directly or indirectly protectionist. The Commission continues to use all means within its power to counter tendencies of this kind. It has also, as the House is aware, made a number of proposals aimed at further reducing all border formalities in the medium term.

At its Copenhagen Summit of December 1982 and the next two meetings in Brussels and Stuttgart, the Council of Ministers urgently stressed the need for an active and convincing policy on the internal market aimed at removing all restrictions within the Community on trade, fair competition and movements across frontiers. Despite these clear directives by the Council of Ministers it has to be said, unfortunately, that the special council on the internal market has not yet managed to carry out substantial parts of the mandate conferred upon it by the Council in December 1982, even though, as repeatedly evidenced in the debates and strong support of this House, the proposals put forward by the Commission are not exaggerated but realistic and something which all Member States within the territory covered by the Treaties can and

must be expected to implement. The Commission will continue to make every effort towards strengthening the common internal market and making it irreversible. It hopes to enjoy the continued support of Parliament in this endeavour.

Mr Couste (DEP). — (FR) I should like to say to Mr Commissioner Narjes that I and all my Group share the concern that he has just expressed for the earliest and fullest possible establishment of a Community internal market. It is sad and very regrettable that the Commissioner has had to tell us in his reply that new barriers have been erected and that, in consequence, there are still difficulties over crossing intra-Community frontiers.

My supplementary is very simple: could he tell us whether he has taken up the matter with the States which have erected these new barriers and what reaction he received?

Mr Narjes. — (DE) At the political level there is agreement in all the Member States. Problems arise, though, at the administrative level and in disputes over points of detail. But I would add that the chinks in our armour against protectionism are being closed more and more thanks to the European Court of Justice and its judgments, and this makes it increasingly easier for us, in disputes with Member States, to get them to make practical changes if not to abandon the protectionist measures they have introduced.

Mr Rogalla (S). — (DE) I should like to ask the Commissioner, who began with the reaction of ministries in the individual Member States, whether he would not agree that this reply, in view of the time we have already spent on this important question, has not been rather too 'ministerial' as well. Would he not agree — and I address my question to the other Members of the Commission also — that public pressure in this matter has become so intense that the Commission needs to acknowledge its responsibility in a far more effective manner and must now do something? What steps does the Commission envisage, particularly in its public relations, towards achieving some measure of progress on this question at last?

Mr Narjes. — (DE) I would remind the honourable Member that one achievement of our public relations efforts is that there is no trades union or economic association of note in Europe which does not support our policies. It is precisely because of these relations that the general public pressure, as you rightly call it, has grown to such an extent. Individual measures in question at any time — the abuse of protective measures, control measures for specific goods at specific moments in time — are nevertheless taken with the silent assent and at the express request of Members or associations representing regional interests. We, in this field of conflicting interests, have to

¹ Topical and urgent debate (objections): see Minutes.

Narjes

reconcile general statements with everyday practicalities. We hope that by restricting Member States' opportunities for advancing their own interests by protectionist measures, we can develop the subject as a whole along satisfactory lines. We hope that the pressure generated by the Council meeting and the next two Council meetings will mean clear progress in this respect.

A word or two in clarification. I have far greater hopes of removing obstacles created by protective legislation, which can be eliminated by harmonization, than I have of actually getting rid of frontiers and frontier structures. That is the essence of the resistance we are encountering at present.

Mr Moreland (ED). — In the earlier part of his first answer the Commissioner made reference to new policies by certain governments which were occasioning more checks at borders and so forth. Has the Commission made representations to these individual Member States pointing out to them that not only do these obstacles cause delay, but under existing recognized procedures there is a lot of delay anyway? Will he, therefore, take a strong line with these individual Member States?

Mr Narjes. — *(DE)* Very generally speaking, we work with time spans of days and weeks and usually get a reaction within days and weeks. My comment at the beginning referred to measures prompted by policy decisions on movements of money and capital, and they are thus not measures of the kind alluded to in Article 30.

Mr Malangré (PPE). — *(DE)* I merely wished to record that the representative of the Council of Ministers, which is regarded as the sole source of delay and obstruction in this matter and the target of everyone's displeasure, was not present. However, he has meanwhile seen fit to rejoin the debate, so my request to speak is now really superfluous.

I trust, nevertheless, that what has been said here till not only get through to the Council representative, but will also produce some practical results.

(Applause)

President. — That was not a question to the Commission, I cannot therefore allow you to speak.

Mr Malangré (PPE). — *(DE)* I had sought to raise a point of order, but unfortunately you did not allow me to.

President. — No, Mr Malangré, it was in fact a personal statement and not a question to the Commission.

Mrs Tove Nielsen (L). — *(DA)* Has the Commission considered the seriousness of the increasing protectionism which is developing? I am thinking

here — and we have quite concrete proofs of this — that there really are viable firms in the Community which have to face the fact that they cannot continue to be viable, i.e. they have to make people redundant. We shall have more unemployed than the many million we already have. Tragedy can happen while a judgement is still pending at the Court of Justice. I think it is very serious for us, because what is happening with this growing nationalism, which is what it is in effect, is in conflict with both the spirit and the letter of the Treaty of Rome.

Mr Narjes. — *(DE)* I would have been fundamentally misunderstood had I given the impression that we do not take these matters seriously or that we deal frivolously with them. On the other hand, however, I must also make it clear that the instruments of the Treaty provide for emergency procedures only in very exceptional circumstances. As a result, in cases of doubt the party guilty of protectionism, if I may anticipate the verdict, holds the advantage in that he can continue his illegal action whilst the case is going on. However, as I intimated earlier, the armour provided by the judgments of the European Court of Justice is an increasingly powerful aid, and so we think we shall be able to reduce further the number of these displeasing instances of protectionism.

President. — Question No 42, by Mr Moreland, (H-290/83):

In view of the continuing use by many States of the USA of imposing taxation of companies on their world wide profits (i.e. the unitary tax system) and the recent confirmation by the Supreme Court of the USA of this practice, what action does the Commission now propose to take to alleviate this double taxation of a number of European operations?

Mr Haferkamp, Vice-President of the Commission. — *(DE)* Both the Commission and the President of the Council of Ministers have made a number of approaches to the US government on behalf of the Member States of the Community. In our memoranda and discussions we have stressed that the governments of the Member States and the Commission too consider the unitary tax system unsatisfactory, particularly. We have urgently requested the US Government to give support in Congress to new proposals for legislation which would do away with this method of taxing branches of foreign companies. I would, however, draw attention to the fact that the recent ruling by the US Supreme Court of the relates only to an American firm operating in a number of the US federal States; this ruling does not apply to European or to other non-US companies. Nevertheless, even after this ruling we have resumed and stepped up our approaches to the US Government in order to reach a satisfactory solution to this problem, which we too consider extremely important.

Mr Moreland (ED). — Does the Commissioner not agree with me that we have now reached a very serious situation on this issue with the United States? We have had a large number of talks over a period of time with the United States and it is clear from the events of the last month that the federal government of the United States is not really going to take very firm action on this. Indeed, in the light of the talks with Mrs Thatcher and other member government representatives, it is clear we are going to have a tough time. Is this not an issue that is now as important as the gas pipeline issue? We have to look to measures with which we may have to retaliate on this issue against the United States in the field of taxation.

Mr Haferkamp. — (DE) We regret that the US Government has not so far taken the measures we consider appropriate in this matter. As regards the steps to be taken, if the USA does not rectify the situation here, the Member States will need to make sure that double taxation is avoided, by revising the agreements between Member States and the United States.

Mr Marshall (ED). — Can I say that I regard the Commissioner's answer as exceptionally feeble. Does he not realize that on a matter such as this affecting companies in every Community country, the Commission and the Community should act as one, and it is high time that, instead of talking, we got some action from the Commission?

Mr Haferkamp. — (DE) I agree with the honourable Member.

Mr Herman (PPE). — (FR) Mr Commissioner, I find it a little too easy to say that it is for the Member States to take action. The Commission is not without the means to act. Why does it not use them?

Secondly, is the Commissioner's last comment representative of the Commission as a whole?

Mr Haferkamp. — (DE) I would say once again that, firstly, the US Supreme Court has ruled on a matter which does not concern European or non-US firms.

Secondly, this question of taxation in the USA has been raised on several occasions with the US Government by the Commission and — as I have already said — also by the Council of Ministers representing the Member States, with requests for legislation to change the existing situation. That is the position at present. All we can do is press for the introduction of such legislative measures in the United States. If these measures are not taken, we must review the situations in which double taxation currently occurs between the Member States of the Community and the United States and undertake revision work if necessary.

There is no double taxation agreement between the Community as such and the United States. Honourable

Members will be aware that existing agreements were concluded with the Member States individually. If we adopt a Community stance against this existing practice — in case the US fails to take the necessary measures — this reply, even though it must *de facto* be given by the individual Member States in their respective double taxation agreements, will clearly be a European reply.

Once again then, I agree with the view which has been expressed here.

President. — At the author's request, Question No 43 has been postponed until the November part-session.

Question No 44, by Mr Simmonds, (H-301/83):

In the light of the report in *Usine Nouvelle*, n. 13, of 31 March 1983, that the aluminium producer, Pechiney-Ugine-Kuhlmann, is being supplied with electricity at a special low price, to what extent is competition among many industrial energy consumers distorted by the lack of transparency in electricity and gas prices?

Mr Andriessen, Member of the Commission. — (NL) The Commission believes that transparency is urgently needed if a cohesive Community energy policy is to be pursued. Consumers should have proper access to information on energy prices and on the methods of calculating prices and tariffs.

On the basis of proposals from the Commission, the Council has adopted recommendations on gas and electricity prices with particular reference to the need for real transparency. The formulation of an energy price policy of this kind means that prices and tariffs must be calculated on a realistic basis, which accurately reflects conditions and costs in the market. This means that consumer prices must be based on as objective an apportionment of costs to the various categories of consumers as possible and that tariffs must not be kept artificially low.

The Commission wishes to emphasize that the cost of energy is influenced by the quantities supplied and the conditions governing supply, this being particularly true of electricity, and that consequently certain large consumers are able to negotiate lower prices than smaller consumers. This does not alter the fact that the Commission investigates every case of alleged distortion of competition which might be caused by differences in energy prices, every case, therefore, that is reported to the Commission, and this, of course, in accordance with the rules on competition laid down in the Treaty.

The Commission is also making a continuous study of the pricing of energy in the various Member States, bearing in mind the transparency aspect, in order to establish whether the principles adopted by the Council are being respected in practice. A report on the findings of this study will be forwarded to the

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Council and, of course, to Parliament. It goes without saying that the Commission has begun an investigation in this case too, and this is still in progress.

Mr Simmonds (ED). — Does the Commission believe that subsidized energy prices to key energy-consuming industries have, in effect, become a substitute for tariff barriers, particularly in those countries where aluminium, steel and chemicals continue to be affected by the recession? Would the Commissioner agree that, as the Community's policeman, it is hardly fulfilling that role in a satisfactory manner in that too little is done too infrequently and too late?

Mr Andriessen. — (NL) I would answer the first question in the affirmative by saying that the Commission does sometimes suspect that competition is being distorted, and appropriate action is then taken. The House will be familiar with such cases. As I have said, in the case to which the honourable Member refers, the Commission has begun an investigation and asked the French Government for detailed information on the nature of the contract in question.

My answer to the second question is in the negative. The Commission regards itself as the guardian of the Treaties rather than a policeman, and it does not believe that it does too little or acts too late.

Mr Herman (PPE). — (FR) Is the Commissioner aware that there is a system of distinctly discriminatory charges in favour of nitrogen producers in the Netherlands?

What action could the Commission take if it were informed of this? I can confirm to the Commissioner that this is not a case of a tariff of charges varying according to volume.

Mr Andriessen. — (NL) The Commission is aware of this, as I am, of course, since I am responsible for the complaints that have been made to the Commission in this Dutch case. This case is also being thoroughly investigated at the moment, and consultations are taking place with the government concerned. If the Commission finds that the complaints are justified, in other words, that the tariffs applied in this case are incompatible with the rules contained in the Treaty, the Commission will take the same action against this company as I have just indicated will be taken against the company to which the question refers.

Mr Seligman (ED). — Many poor people, and indeed industries, in my country which use a lot of electricity are facing a long winter of struggling with an unacceptable burden of having to pay higher prices than in many of the Member States, such as France. What is the Commissioner doing to monitor and enforce transparency and convergence in electricity prices after the Council's recent decision and recom-

mendation on this matter? Secondly, with surplus of electricity capacity in many parts of the Community, does he consider that more free competition rather than subsidies would bring prices down?

Mr Andriessen. — (NL) As regards the first question, I have just said in reply to another question on this subject that the Commission has begun an investigation into the way in which and the degree to which the recommendations adopted by the Council are being respected in the various Member States and that it will report on its findings. I feel it is too early to anticipate the outcome of this investigation, but if it emerges that these recommendations are not being implemented, the Commission will obviously take action.

As for the second question, I fully endorse the honourable Member's view that free competition is a better approach to the problems connected with sound economic development than subsidization. That is why I said that we look to see where subsidization leads to unacceptable distortions of competition and that we take action in such cases. I should add that the Treaty of Rome itself permits the granting of subsidies in certain circumstances and that the Commission cannot therefore apply the honourable Member's recommendations as strictly as he might think proper.

President. — As they deal with similar topics the following questions will be taken together.

Question No 45, by Mrs Pruvot, for whom Mr Delatte is deputizing (H-305/83):

Can the Commission provide details concerning the arguments advanced by the United States in negotiations with the Community to justify the export of wines which do not conform to European standards?

Question No 78, by Mrs Duport (H-401/83):

Faced with increasing wine production, the United States is seeking to export to European countries.

Domestically it authorizes products and practices which can be hazardous to health, for example, wines subjected to a process of ionization, which are prohibited in the Community countries.

Consultations between the United States and the Commission have just culminated in an exchange of letters, with the endorsement of the Member States, on 26 July 1983. The Commission envisages certain exceptions to Community provisions to allow imports of certain American wines.

Can the Commission say why such exceptions are being made for the United States, which is, incidentally, quite rigid about the products it will import; and has it consulted European consumers' associations and wine growers' unions?

Mr Haferkamp, Vice-President of the Commission. — (DE) Since 1976 the Commission and the Government of the United States have held consultations on a series of technical and legal questions in the wine sector. The background to this is provided by the trade balance for the 1981/1982 financial year. In that year, for example, the Community exported over 4 million hl of wine to the USA, and the Community imported about 75 000 hl of wine from the USA. Among other things our consultations recently led to the signing of an exchange of letters between the US Government and the Commission. These letters were examined first in detail by the Member States and approved in accordance with the usual Community procedures. These letters included agreement on approximation of the rules governing wine manufacturing methods in the USA and in the Community. The Community rules apply both to wine produced in the Community and to imported wine. To cover a small number of American manufacturing processes for which no solution could as yet be found, special measures are envisaged which will protect consumers and ensure that conditions of competition are fair and balanced.

Mr Delatte (L). — (FR) Growers in Europe are endeavouring to improve the quality of their wines and indeed receive aid for this purpose, and significant results have been achieved.

It is very often said in the trade that a grower cultivates his wine. My question refers to the manufacture of wine in the United States, which is a totally different matter.

I make the point that there are growers in the United States, notably in California, who know how to cultivate their wines, but these wines are not competitive on price with European wines, so that there are relatively few problems in that area. The point of my question is to establish whether or not these artificially manufactured wines offer the consumer the guarantees to which he is entitled.

My second question is: are not these wines going to be competing, from an advantageous position, with wines grown and produced by traditional methods in Europe?

Mr Haferkamp. — (DE) We are not talking about synthetic wine here — we are talking about wine. Perhaps I can bring a little of my own experience to bear on this. In 1972 we in the Commission concluded a long debate on the submission by the Commission to the Council of proposals for the introduction of a regulation on the market in wine. The technicalities were largely beyond me, but I must say I was horrified to find lists in the technical annexes of possible chemical additives, etc. These prompted me, at the last Commission meeting when the final decision on submitting the proposals was taken, to ask a

question. I asked my colleague Mr Mansholt, whether, once these proposals were accepted, it would still be permitted in Europe to make wine from grapes! So let's not talk about wine and chemistry.

It seems to me all the more important that we should take care, both in our internal wine-growing policy and on the question of our imports, to ensure that the consumer is protected and that competition conditions are fair. In our negotiations with the United States we placed great emphasis on this very point and specified in our exchange of letters that the United States should stop using a large number of substances it had hitherto used in wine manufacture. On the other hand, we for our part temporarily authorized a limited number of substances for a transitional period during which we would determine whether or not a certain number of products used in America were admissible.

The question asked by my colleague also raises the subject of ion exchangers. The use of ion exchangers in wine production is banned in the Community. In the United States it is permitted. According to studies by the FAO and World Health Organization this does not entail any health risks. Nevertheless, we consider that the use of ion exchangers causes problems when it comes to measures to combat fraud, and in our exchange of letters we have persuaded the United States to agree to a transitional period of five years before a final decision is taken on whether the use of ion exchangers should be permitted or banned.

Mrs Duport (S). — (FR) I also ask whether the Commission contacted consumer groups and professional bodies on these problems. In fact they do seem to represent a danger for consumer health. It was, therefore, important to meet the representatives of these bodies.

Mr Haferkamp. — (DE) We have throughout involved all other bodies, particularly national bodies from the Member States, in the whole negotiating process, and we consider that what we have achieved is justifiable in every respect. I would say once again that we export 4 million hl and import 75 000 hl. The concessions we have secured for these 75 000 hl represent, to my mind, a sizeable achievement: American wines will now no longer contain a whole range of substances they have contained hitherto; whilst for other items on which there is doubt, but which the World Health Organization and the FAO, for instance, consider not to be hazardous to health, — in other words items over which a question mark hangs — we have obtained a transitional period of five years in which to examine this matter further.

Given a trade balance in our favour of 4 million to 75 000 I do not think it would be in the interests of our wine growers and our overall economic relations with the United States to stop the entire process of

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negotiation simply because we are unsure about a number of substances whose harmfulness or otherwise will in any case be subjected to scrutiny.

Mr Marshall (ED). — Would the Commission not agree that those consumers who have the good or the bad taste to buy American wine do so because they actually like the stuff and that it would be quite wrong to reduce consumer choice by preventing trade in this perhaps high-grade plonk?

Mr Haferkamp. — (DE) The European consumer's reply is voiced at present in a demand for 75 000 hectolitres. The reply of US consumers is to import 4 million hl. This, I think, is a clear endorsement of the quality of the products we have to offer. Furthermore, I am convinced that in these as in other matters, we ought to pay far more attention to what consumers want. In all our discussions the focus of attention is usually the demands made of us by producers in all possible sectors. The consumers' voice is usually too weak, unfortunately. If their voice were stronger we would perhaps have fewer worries over cases of protectionism.

Mr Gautier (S). — (DE) Two brief questions: is the Commissioner also aware that, for example, it is currently common practice in the countries of the European Community to use asbestos filters for filtering wine, a practice not normally observed in the United States? Secondly: would he not agree with me that this exchange of letters on wine is in no way concerned with qualities, but with a general trade agreement aimed at improving the climate between the United States and the European Community over trade in agricultural products?

Mr Haferkamp. — (DE) Certainly, every agreement on a question of trade policy constitutes an improvement of the climate, and I only wish we had more of them. On the other hand, by my allusion to earlier experiences I have already pointed out that we in Europe by no means make wine from grapes alone.

President. — Question No 46, by Mr Papaefstratiou (H-306/83):

In May this year the Yugoslav Government decided to triple the transit dues on lorries in transit through its territory.

What steps has the Commission taken or does it propose to take in response to that country's decision, which has a considerable negative impact on the transport of agricultural and other products from Greece to the EEC Member States and vice versa, bearing in mind that Yugoslavia is linked to the European Community by a special agreement?

Mr Contogeorgis, Member of the Commission. — (GR) Last March, as soon as the Commission was made aware of the very substantial increase in road

tolls imposed by the Yugoslavian authorities on vehicles with foreign number plates, it summoned the Yugoslavian Ambassador to the European Communities and protested to him not only about this increase, but about the very short notice of the measure and the fact that it applies only to vehicles with foreign number plates.

The Yugoslavian Ambassador took note of the Commission's protests and promised to pass them on to his government. Moreover, a fortnight ago I visited Yugoslavia at the head of a delegation from the Commission. The purpose of the visit was to promote cooperation between the European Community and Yugoslavia in the transport sector, according to the provisions of Articles 8 and 9 of the agreement for economic cooperation between Yugoslavia and the Community. I had talks with the Yugoslavian Minister of Transport and other competent Ministers. We discussed matters of common interest related to transport, including of course the problem of road tolls.

In connection with the recent increase in road tolls that Yugoslavia has brought into operation, I again stressed the fact that these tolls apply only to foreign carriers, that the increase is very large, and that it disproportionately inflates the cost of products transported through Yugoslavia, especially agricultural products. We agreed that there should be frequent meetings between experts from both sides, to examine matters of common interest in the transport sector. Within this framework the matter will be raised again and discussed by the Commission's experts.

Mr Papaefstratiou (PPE). — (GR) I have listened with interest to the Commissioner's answer concerning the Commission's reactions to this excessive, unreasonable and sudden increase in road tolls for trucks, imposed unilaterally by the Yugoslavian government, a fact that creates major obstacles to the transport of freight mainly to and from Greece. Granted that Yugoslavia is linked with the European Community by a special agreement, I would like to request the Commissioner, over and above his deliberations in Yugoslavia a few weeks ago, to try again more persistently, and call for the lifting of this excessive increase because it is unbelievably injurious, particularly to Greece, but also because this action of the Yugoslavian government must generally be considered contrary to the Community's interests.

Mr Contogeorgis. — (GR) As I said earlier the Commission is fully aware how serious this matter is for road transport in transit through Yugoslavia from the nine Community countries to Greece and back, and also to the Middle East. The agreement on economic cooperation with Yugoslavia provides for a negotiation procedure on matters of common interest. Within the framework of this procedure the Commission will do all that it can for this extremely serious subject.

President. — Question No 47, by Mrs Nielsen (H-310/83):

What does the Commission propose to do to harmonize postal charges within the Community, and does not the Commission consider that the present discriminatory treatment has a distorting effect on competition and is incompatible with the plans for an internal market?

There are significant variations in the rules in force for letters weighing over 20g and postal packets, depending on whether they are being sent to addresses in Denmark or to the other countries in the Community.

Mr Narjes, Member of the Commission. — (DE) The Commission agrees with the honourable Member that postal charges in the Member States for the internal service differ considerably from those levied on mail between Member States, particularly for standard items of mail, that is to say letters over 20g in weight and parcels.

Like the honourable Member, the Commission would be unreservedly delighted if efforts to harmonize these charges within the Community were to succeed. It has repeatedly discussed this problem in detail with the governments of the Member States, the last occasion being in December of last year following a debate in this House.

The results of this last discussion are again not very encouraging. Before the postal charges of the various countries could be harmonized, or so all the governments believe, the cost structures which determine the level of postal tariffs would need to be aligned. These cost structures themselves depend to a large extent on the specific conditions governing services and postal deliveries in the postal administrations.

In addition to harmonization of wages and salaries — which make up 80% of the postal administrations' costs — it would thus also be necessary to align the hours of work, number of deliveries per days and delivery days per week, and the number of post offices and their opening hours, in so far as these affect costs. According to the Member States, it should be self-evident that this cannot be done quickly.

(Mixed reactions)

I am only quoting what the Member States have told us. They put forward a further point. In order to be able to survive in competition with private undertakings, account would also have to be taken of those undertakings' charges and dispatching conditions, which are also extremely varied, because there would otherwise — in the opinion of all the postal administration — be distortions in competition, for although the postal administrations in the Member States largely enjoy a monopoly, this monopoly is in most Member States limited to correspondence. Carriage of printed matter and parcels is in most cases the subject of free competition.

At present, however, the government representatives are not willing to accept even harmonization of charges for letters up to 20g and postcards only. In order to carry out such harmonization, a mean tariff for all Member States would have to be found which would cover costs. For Member States with charges higher than this mean tariff, existing losses would be made even greater, whilst for countries which currently have a low inland rate, this mean tariff would entail an increase in charges, which again would be politically unacceptable to the countries concerned.

The Commission thus regrets having to pass on this information. It has come to the conclusion that it can only consider a new initiative once further progress has been made on the abolition of frontier structures. Once this is done the distortions in competition resulting from the differing postal charges will become even more obvious and apparent than they are today, and this will also mean pressure on the postal administrations to harmonize them.

Mrs Tove Nielsen (L). — (DA) I should like to thank the Commissioner for a very positive answer. If we are to make the internal market function, we must also get to grips with an aspect of such importance as postal charges. An incredible number of postcards, letters and parcels of various weights cross the frontiers, and postal charges are a real burden to many. If we are to make the citizens of the Community really understand that they belong to a common market, they must also be able to see it in their daily lives. The Commissioner now informs us that the Commission is considering a new initiative, if the Member States can be persuaded to accept that there are certain distortions which need to be eliminated. I should merely like to ask: how long will it take for the Commission to put forward a proposal? The Commission should not allow itself to be put off by the information supplied by the Member States. I would simply refer to the fact that I put precisely the same question to the Council in September. Unfortunately it could not be included in Question Time, and the written answer I got from the Council was that it had not been called upon to look into the matter. So: don't lose heart, get out and have a go! When will something be done?

Mr Narjes. — (DE) We thank the honourable Member for her good wishes. We shall need them. What we shall do first, if we can, is to build up our next initiative on the basis of a kind of cost comparison of postal deliveries in the various Member States. This comparison may help to show the postal administrations, which are currently against a common tariff because they fear it will mean additional losses for them, where possibilities for rationalization may perhaps lie. Secondly, decisions to be taken in the next few months — our other proposals for the abolition of frontiers — will determine when we consider

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the time to be right for a new initiative vis à vis the postal administrations. It is a question of political timeliness, and as soon as we can exert sufficient pressure for harmonization, we should like to take up this subject again.

Mr Rogalla (S). — *(DE)* I would ask the Commissioner not to take my question personally, but in the light of what he has said here I must ask him whether he acknowledges, like me, the feebleness of this type of argument. In his eagerness to resume the political initiative on this point — which he has just confirmed would he also consider among other things recommending that the postal administrations should proceed step by step? Only this gradual approach can show Member States whether their fears are justified. Would it not also be a good idea for the Members of the Commission to hold direct discussions with the post office ministers?

Mr Narjes. — *(DE)* Bilateral discussions of this kind have already taken place, and it is precisely this type of discussion which has strengthened us in our conviction that without additional pressure towards harmonization there is no likelihood of agreement. The fact that an agreement can be arrived at step by step does not mean we are reluctant to take the first step, for once that first step is taken, further steps are only a matter of time. To this extent there is no difference between yourself and us, but at the present time there is little evidence anywhere of a willingness to sit down round a table and negotiate on harmonization measures of this kind.

Mr Purvis (ED). — Almost more detrimental than the differences of a few pennies in the price of these letters — whether they are domestic or intra-Community — is the difference in time. Sometimes there is 500% or 700% difference in the time that a domestic letter or an intra-Community letter can take. Why does a letter from London to St Andrews take less than 24 hours and one from Brussels or Luxembourg take five or seven days? Could the Commission institute a study of what is going on? Are the separate PTTs just blaming each other for the delays? What is causing the delays? Is it border problems, or is it just lethargy? Could they institute a study, find out what it is and try to improve the situation, so that the time taken is the same from Athens to the Shetland Islands?

Mr Narjes. — *(DE)* As far as we know, these differences in postal transit time are essentially due to the different levels of investment spending by the postal administrations over the last two decades. Where automated sorting centres and mechanized aids of this kind are used, delivery is usually quicker than it is when mail is hand-read, sorted and dispatched using older methods. But if it were possible to conduct more detailed studies independently, that is without the postal administrations being involved, we should be glad to do this. I doubt whether the data needed to

complete a truly comprehensive and meaningful study will be forthcoming.

President. — Question No 48, by Mr Rogalla, (H-322/83):

What is the Commission's attitude to the assertion by Member States that the progressive abolition of identity checks at the EC's internal borders would entail a number of encroachments into sensitive areas (e.g. internal security, drugs, immigration policy, weapons, etc.)?

Does the Commission possess any statistics, either of its own or from the Member States, which could be gone through and assessed — to the extent that enough staff is available for the job — and could it then compare the results with, say, similar material obtained from the USA or the Nordic Passport Union?

Mr Narjes, Member of the Commission. — *(DE)* On several occasions — most recently during discussion of Mr Schieler's report at the sitting of 9 June of this year — the Commission has stressed that its long-term objective is the complete abolition of identity checks for all nationals of the Member States. I said then in the debate that there was no going back on this objective. I also pointed out that in certain areas pertaining to Member States' internal security, but also in measures to combat international crime such as drugs and arms smuggling, Member States wished to retain border identity checks to help them in their pursuit of criminals.

If you ask us today what are our objections to this attitude by the Member States, I would say first of all that we basically accept their reservations in that Member States have a duty to protect their citizens and guarantee their internal security. But we wonder whether frontiers in the traditional sense are in fact a suitable or indeed essential means to this end. Must millions of law-abiding travellers put up with identity checks so that a number of criminals, tiny in comparison, can be apprehended, or are there not other ways and means to achieve this?

One solution would be closer cooperation, formalized to as high a degree as possible, among the police forces of the Member States. The aim would be to move police checks to the Community's external frontiers and conduct them in a form acknowledged as effective by all the Member States. Initially the Commission, in July of last year, thus introduced a motion for a resolution which would ease identity checks at the internal frontiers of the Community essentially by limiting them to sample checks where citizenship of a Member State is proven by the external evidence of the European passport. Individuals suspected of having committed a crime could still be investigated. When and by what criteria the border official, who would still be present at all times, carried out such checks would be up to him and the special instructions he had received.

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In our view this kind of system would be a reasonable compromise enabling the Member States to approve our motion for a resolution quickly. The Commission does not have any statistics from Member States or survey results of its own on arrests at frontiers. The Member States which express the reservations I outlined earlier have never provided any conclusive statistical material. We cannot therefore make any comparisons with the experiences of the Scandinavian Passport Union. Comparisons with the USA cannot be drawn, as the USA is a federal State with free movement of persons within its borders.

I should like to take this opportunity of reiterating that the Commission, despite the sizeable difficulties it is encountering in the Council, of which you are aware, stands by its efforts towards the gradual abolition of identity checks at the Community's internal frontiers, and it hopes to enjoy the continued support of Parliament in this endeavour.

Mr Rogalla (S). — *(DE)* I should like to thank the Commissioner for his answer, but at the same time express my disappointment that he merely tells us that no statistics are available. May I, therefore, ask him if he is prepared to ask Member States to provide the statistics in question, intensify work on them, ask for statistics from the Scandinavian Passport Union and compare the respective numbers of personnel involved, once the figures are forthcoming.

In particular I would ask whether the Commissioner is aware of comments by the Federal German Customs Administration following an official report on arrests in the various border sectors — illegal crossings and operations by the criminal police — and whether he is aware of the imbalance between the activities of customs officials at the border as regards catching customs offenders and catching criminals. Does he know that the criminal police authorities are more successful and is he prepared to promote efforts towards better cooperation among the police and criminal investigation forces of the Member States?

Mr Narjes. — *(DE)* Certainly we are familiar with some statistics, and with the rivalry between the Federal Customs Administration and the Federal Frontier Defence Authority, to which you indirectly allude in your supplementary question. But we lack comparable statistics for the Community as a whole, for all frontiers and the various institutions. To the extent that our staffing resources allow, these being — as you know — very limited, we can certainly help expand the statistical knowledge available.

Our problem, however, is not statistics, but the establishment of a convincing new form of international and European criminal investigation of trans-border crime which will prompt the Member States to take decisions. It is an enterprise which can only be completed in stages, but the first stage needs to be embarked upon. All of us are anxious to do this.

I also think you should give us time for about two more meetings of the council on the internal market. We shall then have a good idea of the nature of the difficulties. We shall also know how serious the resistance to our — admittedly — modest first resolution really is, and how we should set about achieving better results if we have to start again. We know how stubborn the opposition is. I would remind you of my reply to the last question but one. That covered the subject.

Mr Habsburg (PPE). — *(DE)* The Commissioner refers, in his reply to Mr Rogalla's question, to the Commission's idea that we should get through border formalities quicker by showing the Community passport. I would simply ask whether he thinks that is really a solution, for what people find particularly annoying is having to wait at frontiers. Whilst the passport is still even just glanced at, whether it is a Community passport, a Moroccan passport or whatever the waiting time is no shorter. The whole business of air pollution, everything that the waiting round entails — that is the big problem! Would it not better to aim for a kind of Benelux formula, at least initially?

Mr Narjes. — *(DE)* I couldn't agree more. All we seek to do, by way of a first step, is to get the administrations actually to accept a move which will enable the ideal solution which you and I are jointly aiming at to be achieved. At the moment there is not enough of a basis for this. The purpose of the European passport is merely to exempt its holder from checks and make the system of sample checks workable, quite irrespective of the fact that someone from a non-Community country will perhaps have to be checked more thoroughly. We ask so little, and even that is denied us!

Mr Delorozoy (L). — *(FR)* Does not the Commissioner agree that a significant increase in the duty-free allowances for goods carried by travellers — 45 ECU is a derisory amount — would facilitate the free movement within an internal market to which you were referring a short while ago and would make for a reduction in customs checks on passengers?

Mr Narjes. — *(DE)* I agree entirely. We have taken a series of measures for this reason and are again engaged in further moves to increase these duty-free allowances. One Member State is causing us particular difficulties. The other question, however, is whether, quite apart from the customs aspect of border checks, the police checks at borders can be relaxed. The difficulties we have named here in the last two questions are concerned exclusively with the problem of how border checks by police can be eased. The police authorities will not be influenced by the duty free allowances permitted or checked on by the customs authorities.

President. — Question No 49, by Mr Gerokostopoulos, (H-280/83):

The European Centre for the Development of Vocational Training (CEDEFOP) published a comparative study in 1982 entitled 'Description of the Vocational Training Systems in Member States of the European Community'. The preface to this book, which sets out guidelines for a common form of European vocational training, states that the study is to be published in a Greek edition including the relevant information on Greece which was not included in the original edition. Apparently the announcement made in the preface has not so far been put into effect.

Can the Commission say:

1. Why the said CEDEFOP study has not been published in a Greek translation to be circulated in Greece for the information of interested parties;
2. If, in the meantime, Greece's positions on vocational training and the guidelines for a common European policy on that subject have yet been communicated, and, if so, what the Greek positions are?

Mr Richard, Member of the Commission. — The comparative study of vocational training systems was published by the European Centre for the Development of Vocational Training (CEDEFOP) in 1982, initially in the German original version only. The technical problems involved in translating a text of this character complete with graphics have been such that there have been considerable delays in producing and printing other language versions. CEDEFOP is now studying the feasibility of producing a Greek version. It should be noted that the text does not include a section on Greece, since work on it was begun well before Greek membership of the Community. Since 1980, however, a separate monograph on the Greek vocational training system has been produced by the Centre. This text is currently being finalized and should be available in English, French and Greek early in 1984.

On the second part of the honourable gentleman's question, views on the development of vocational training are expressed regularly by representatives of government and the social partners who participate, for instance, in the Commission's Advisory Commission on Vocational Training and in the CEDEFOP Administrative Board. On 3 June 1983 the Council adopted a new resolution on vocational training policies, the terms of which represent the most recent policy positions of the Member States. As regards the vocational training situation in Greece, the Commission has been informed about the specific deficiencies in the vocational training infrastructure in Greece. On the basis of this information, the Commission has proposed a regulation relating to Community financial support for Greece in the social field which would

provide assistance, in particular for the construction, adaptation and equipment of vocational training centres in those urban areas which do not fall within the scope of the operation of the Regional Development Fund.

Mr Gerokostopoulos (PPE). — (GR) I thank the Commissioner for his answer, which in part satisfied and covered the questions raised. However, I would like to clear up an apparent confusion. The impression of this confusion is created because in the document sent to me by the Director-General of CEDEFOP in answer to the question, it is mentioned that the Greek edition cannot be completed before the end of 1984, while the Commissioner said 'Early in 1984'. Besides, the Greek Minister for Foreign Affairs, replying to a question in the Greek Parliament, said that the Greek report would come out during 1983. I would therefore appreciate some clarification of when a definite date for the Greek edition can be envisaged.

Mr Richard. — I think there is a genuine confusion here. Let me try and clear it up. The confusion, I think, arises from the fact that the original document, the big comparative study, the one that came out in 1982, did not include a section on Greece because it was prepared before Greece joined the Community. Therefore, it was decided — primarily by CEDEFOP but I am bound to say that I agree with the decision — that instead of spending a great deal of time and effort on translating the major study into Greek, it would be much more sensible to produce a separate monograph on the Greek situation — which has been done — and I am told that it is that which will be available in English, French and Greek early in 1984. In other words, it was not possible to do both and, I think, rightly so CEDEFOP concentrated on the monograph relating to Greece rather than the big comparative study.

President. — Question Time is concluded.¹

IN THE CHAIR: MR DANKERT

President

Mr Enright (S). — Mr President, may I congratulate Mrs De Marche on her immense patience during this Question Time. I would just like to ask if the enlarged Bureau, or the Bureau or the President himself could look at the question of keeping Members of this House quiet while they are in the Chamber. It is absurd that in order to listen to the answers to questions, one has to put on earphones because Mr Spinelli or somebody else is busy chattering away. It is wrong, and I think that something should be done about it.

⁽¹⁾ See Annex II.

8. *Votes*¹

R. JACKSON REPORT (Doc. 1-791/83 'Supplementary budget No 2')

President. — I would remind you as usual that, for adoption, draft amendments require the votes of a majority of the current Members of Parliament, i.e. 218 votes, while proposed modifications only require an absolute majority of the votes cast.

On Chapter 31 of the Statement of Revenue, I have the draft Amendment No 15/rev. by Mr R. Jackson, on behalf of the Committee on Budgets.

In my view, this draft amendment falls as it is already covered by the letter of amendment which I read out during the session on Monday. But it has some consequences for the calculations by the Committee on Budgets. That is why I would like to call Mr Jackson so that he can comment on this.

Mr R. Jackson (ED), rapporteur. — Mr President, the Committee on Budgets had not received the rectifying letter by the time we proceeded to discuss this matter last week, nor do we believe that you had received it. It was for that reason that we decided to table this amendment in order to demonstrate to the Council that they ought to be a bit more sharp, speedy and effective in their communications.

I would be willing to withdraw this amendment, as you suggest, but I would like to have the opinion of the President of the Committee on Budgets before I do so.

Mr Georgiadis, President-in-Office of the Council. — (GR) As I already said in my speech, the Council forwarded to the Parliament, unofficially and indeed officially as well, the letter rectifying revenue on this point. It was also forwarded to you personally, Mr Jackson. I therefore think that it is absolutely unnecessary to take this vote since the Council, by this letter has already readjusted the revenue in question.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen. I believe that this amendment should indeed be placed before Parliament, for Parliament is required to pronounce on revenue as well as on expenditure.

(Applause)

It is wrong to assume that Parliament is not concerned with revenue — on the contrary. This year we have given particular consideration to these matters. Consequently a vote should be taken on them.

(Applause)

President. — I have to inform the House that even if the procedure followed by the Council was not the most normal one, I did communicate to the House on Monday the rectifying letter of the Council of Ministers. There has been no argument about that communication. Therefore I think it would be wise, despite all the criticisms one could have of the Council, not to vote on the amendment because, since there were no protests from the Assembly, we have to take it that that rectifying letter was accepted thereby changing the state of revenue. Can we proceed like that?

Mr R. Jackson (ED), rapporteur. — Mr President, I do not want to disagree with Mr Lange. I agree with him that we should make this point to the Council, but it is simply a technical point. I think we have to accept that and we have, I think, got it across to the Council that we do not approve of the way they have handled this matter. So, for myself, I would be prepared to let it lapse.

President. — Then I declare that it has lapsed.

Item 2049, Section III (B) — Proposed Modification No 7/rev.

President. — As Proposed Modification No 7 seeks to increase expenditure in excess of the limits of own resources, I have to declare it inadmissible and will therefore not put it to the vote.

Mr Curry (ED). — Mr President, I move this proposed modification because the plenary voted for this project and what the plenary votes for, the plenary should be willing to finance. Would you please tell me how much of this proposed modification could be accommodated within the limit of own resources. I would be willing to scale down the proposed modification to meet that figure.

President. — That is something you should have done before, Mr Curry.

(Laughter)

Mr Curry (ED). — On the basis of what information, Mr President?

Mr Bangemann (L). — (DE) Mr President, I cannot agree with your interpretation of the Rules of Procedure and the budget regulations, and I said so this morning before the enlarged Bureau. Nor do I consider it right that an amendment should be declared out of order before the result of the vote is known, for if this amendment is rejected, for example, this 1% of VAT ceiling will in no way be affected. Even if it is adopted, I still consider this inconclusive, for it may well be that subsequent amendments reduce this expenditure again. Not until the vote has been taken, then, can we say what the effects of the vote will be. To say at this point that the amendment is out of order is in my view inadmissible, Mr President. I ask that it be put to the vote.

¹ See Annex I.

Gredal

President. — Mr Bangemann, I do think you are wrong.

Mr Herman (PPE). — (*FR*) It is not for you to make a judgement, but for the House!

President. — No, Mr Herman, the guidelines of the Treaties must also be respected in the budgetary procedure.

Mr Herman (PPE). — (*FR*) The Treaty is clear, but not your interpretation . . .

President. — Mr Herman, according to the Treaty an amendment once adopted has force of law, I would almost say, if this is the only reading of the budget. It is possible that every reading by any of the institutions is the only reading of the budget. The Bangemann approach would put us in the position where an amendment which has been adopted must be annulled. I do not see what procedure exists to reach that conclusion once the amendment is adopted. When it is adopted it is an established amendment and part of the budgetary procedure. It cannot be undone. That is the problem I am confronted with and that is why I would rule it out-of-order, even if it is possible that it is not adopted.

Mr Hord (ED). — Mr President, I would suggest that this is somewhat unfair discrimination against just one proposed modification. It seems to me a fairer approach would be to accept Parliament's decision on all the amendments and then if the 1% ceiling is exceeded they should all be scaled down to sustain the 1%.

Mr Cottrell (ED). — Mr President, I don't particularly wish to challenge your ruling, but it would be helpful to the House if Commissioner Tugendhat were to advise us whether or not the 1% ceiling would be breached if we adopt this proposed modification.

Mr Tugendhat, Vice-President of the Commission. — It would be, Mr President.

Mr Fich (S). — (*DA*) Mr President, I wish to state clearly that I support the interpretation you presented. I also do not think that we can vote on such a proposal. I will therefore, on behalf of the Socialist Group, give strong support to the interpretation you made. We may be able to use it later in the year.

Lord Harmar-Nicholls (ED). — On a point of order, Mr President, under which part of this House's procedure do you rule this proposed modification out of order? The circumstances have altered since it was tabled, thus enabling you to give second thoughts to it. However, ought not the same change give my honourable friend a chance to alter his proposed modification to fit in with the level of finances which exist? You seem to have ruled that out of order also.

President. — There has been no change in the estimates since Monday, as far as revenue is concerned and the decisions on Monday evening increased revenue. So from that point of view it was perfectly clear what the situation was.

Mr R. Jackson (ED), rapporteur. — Mr President, as rapporteur of the Committee on Budgets, I should point out that we did have a quite extensive discussion of this issue and the procedure for handling it in the Committee on Budgets and that we reached the conclusion which you have reached, namely, that this proposed modification should be inadmissible.

President. — I declare this proposed modification inadmissible.

(*After paragraph 6 — Amendment No 1 (Provan)*)

Mr R. Jackson (ED), rapporteur. — Mr President, we shall have to make a consequential amendment as a result of our vote on Amendment No 16, with respect to paragraph 5, where I think we shall simply have to say that we approve the Council's proposals in respect of the risk-sharing formula.

President. — Mr Jackson, I would not accept that amendment. I think that we should only modify the text insofar as it is in contradiction with the amendments concerned. I think the number of votes cast on that specific proposal do not justify the amendment which you are bringing forward at the moment. I think we should not confuse the issue.

(*After the adoption of the Resolution,*

Mr R. Jackson (ED), rapporteur. — Mr President, could I just say a word to the Council now that we have passed this first reading of the supplementary budget? I have had the honour to present three budgets to this House as rapporteur — the 1983 budget and then the supplementary budgets No 1 and No 2. I hope Mr Georgiadis will stay.

We have now just adopted a series of amendments at our first reading of supplementary budget No 1 and I hope that this will give the Council an opportunity next week to accept this budget so that it can be passed in one reading by this House. Then I think I will have achieved a record as rapporteur in having had three budgets, each one of which has been adopted without dispute.

FERGUSON REPORT (DOC. 1-455/83 'ARMS PROCUREMENT')

Mrs Gredal (S). — (*DA*) Mr President, I ask you to observe Rule 59 of our Rules of Procedure. The position is that we have not been able to get the amendment motions in Danish. I got on to distribution several times, but I did not get the motions till 4.10 pm. There are 85 motions for amendments. I was told during the day that the machine had broken down, so I could not have them. That is not enough time for

the Danish members. I therefore ask that we do not take the vote on this proposal now. We cannot expect our people at home to approve of our voting on a proposal we have only had a quarter of an hour to look at.

(Applause from the left)

Mr Bonde (CDI). — *(DA)* I am entirely in agreement with Mrs Gredal. But there is another point, which was raised the other day and to which we have still not had an answer. We asked the President on what authority he allowed the subject of arms cooperation to be discussed, debated and voted upon in the European Parliament. We have still not had an answer. Under the general rules which apply to this Assembly, it is illegal, and I would therefore ask the President to inform us by what right he allows arms cooperation to form a subject for debate in this Assembly? We also put a question to the Commission, as guardian of the Treaty, and asked it to intervene. Again with no reaction so far, and finally we asked the representative of the Council of Ministers to assure the Assembly — at least to assure the public — that under no circumstances would any consideration be given to the document which might be adopted in this Assembly in an area which clearly lies outside the scope of the Treaty of Rome and which is in conflict with all concept of law and order.

President. — On your point, I can only say that the report was presented within the framework of an industrial policy, and I do not think that anyone would dispute that this was within the competence of the Community.

On Mrs Gredal's point, I have to announce that the amendments in Danish were available last night but were only put together in proper order by 9 o'clock this morning.

Mrs Gredal (S). — *(DA)* I should like to say to the President that is not correct. Four times during the course of the day, I went over to see whether I could have the motions for amendments in Danish. I have witnesses to the effect that I was told we should be able to have them after 4 pm. So there is no use in insisting that we were able to have them. We were not able to get them. You can fetch the people from distribution who told me so.

President. — Immediately after your request I asked for information on this point, and the information I was given was that they were ready yesterday evening at Distribution but not sorted out according to numbers. That was done this morning at 9 a.m. We will check the matter again.

Mr von der Vring (S). — *(DE)* May I refer you, Mr President, to Rule 59, which states quite clearly that texts must have been distributed at least 24 hours

before the vote opens? If you now say that they were ready yesterday evening, this does not comply with the Rules of Procedure. I would ask you to state quite unequivocally that the 24-hour period has not been observed and to hold over the vote until tomorrow.

President. — Mr von der Vring, I do not know whether Rule 59 applies in this case.

Except in the cases of urgency referred to in Rule 48 and 57, a debate and vote shall not be opened on a text unless it was tabled not later than 12 days before the beginning of the part-session and distributed at least 24 hours previously.

I think it refers to reports and not to amendments.

Mr Fich (S). — *(DA)* Mr President, I wish to protest against this interpretation. We have documents which, according to your interpretation, must be available and which might run to as much as 15-20 pages. Here we are with 85 proposed amendments and, if they do not need to be available 24 hours previously, there is no point in the whole exercise. It is no easier to read 85 proposed amendments than it is to read our documents. The same rules must apply to all the things we have to deal with.

Mr Nyborg (DEP). — *(DA)* I find it very disturbing when words spoken in open session by a member of this Parliament are turned into untruths. When Mrs Gredal says that she was not able to get these proposed amendments before 4 o'clock this afternoon, she is to be believed. I therefore think that you really should accept her protest.

(Applause)

After the vote on Amendment No 72 seeking to replace the whole motion for a resolution by a new text

Mr Alavanos (COM). — *(GR)* Mr President, what the Presidency is doing is unacceptable. I submitted to the Presidency a petition on behalf of 21 Members, requesting that point 4 of our amendment should be voted on separately and by nominal vote. This came to the Presidency's attention when we were voting on Mr Jackson's amendments.

Mr President, I believe that unless this omission is deliberate — and you know that the point in question concerns European nuclear missiles, which is no mere matter of chance — you have the obligation to put things right.

President. — Your statement has been noted. The chair has received a request for a split vote on the amendment in question. I accede to your request that the vote we have just taken be checked. If you wish I shall check the vote and see if we can take a split vote, even though the amendment seeks to replace the resolution as a whole and therefore, in principle does not enable a separate vote to be taken.

Mr Alavanos (COM). — *(GR)* Mr President, I believe that respect for the Rules of Procedure should not be affected by political motives. I remind you that in our last part-session, in the debate on current and urgent matters, we examined proposed resolutions relating to the Jumbo affair. There was a common amendment that replaced all the relevant texts, and a nominal vote was taken on point 6 of that amendment, which referred to the position of the Greek Government. I am not asking for anything unreasonable, but only that you should apply the same procedure that you applied during our last part-session.

President. — Mr Alavanos, I would again point out that the chair has not received any request for a separate vote.

Mr Alavanos (COM) — *(GR)* Mr. President, I don't know whether, when you were directing the voting on the Jackson report, I should have tapped you on the shoulder and told you that I had this petition for you. The petition was handed at that time to the clerk sitting second along to your left. Mr. President, I consider it unacceptable that you should place political motives above respect for the Rules of Procedure. I call upon you to put to a nominal vote point 4, which refers to European nuclear missiles and to the Greek Government's proposal.

Mr Glinne (S). — *(FR)* I should like to revert to the points made by some of our Danish colleagues concerning the thoroughly unwelcome position in which they found themselves, that of being unable to study many of the amendments in good time, because they had not been translated into Danish even though it is an official language of the Community.

I have just checked Rule 53 (6) of our Rules of Procedure. You gave a ruling on this matter a few minutes ago. Having reread Rule 53, I am not satisfied. I should stress that the text states, unequivocally in my view, that if 10 Members object — and the Socialist Group is objecting, and there are more than 10 of us — amendments which have not been printed and distributed in all the official languages cannot be put to the vote.

Consequently, if our view is not accepted, I shall ask for the Committee on the Rules of Procedure to be convened as a matter of urgency.

President. — I think that a number of ambiguities need to be clarified.

Mrs Gredal has already, on the basis of Rule 59 of the Rules of Procedure, referred to the problem of the non-availability of all the amendments in all the languages.

It is my view that this rule only covers reports as such and motions for resolutions and does not apply to amendments.

Mr Glinne has referred to Rule 53 of the Rules of Procedure which, on the contrary, does in fact concern amendments. I note however that the rule states:

Unless Parliament decides otherwise, amendments shall be put to the vote only after they have been printed and distributed in all the official languages. Amendments which have not been printed and distributed in all the official languages shall not be put to the vote if at least 10 Members object.

Since the amendments were distributed in all the official languages before the vote there is no reason for not proceeding with the vote on the Fergusson report. Nonetheless, because the question is delicate and Mr Alavanos has also protested, I do not wish to take the decision alone on how we should proceed with our work and would prefer to submit the matter to the House.

I therefore ask whether we wish to continue the vote today or to hold it tomorrow at the next voting time.

I wish to point out clearly that the question being put to you is whether to vote again tomorrow on the Fergusson report on the understanding that we shall vote from the beginning, repeating the vote on Amendment No 72 by Mr Alavanos and others.

(Parliament approved this proposal)

Mr Boyes (S). — Mr President, on Amendment No 72 in the names of Mr Ephremidis, Mr Adamou and Mr Alavanos, I was one of the signatories to a request for a roll-call vote on paragraph 4. Now in this plenary I have known the President to split sentences in half — take a sentence and break it in two parts — after amendments had been tabled. All I would ask for is some consistency. Along with at least 20 other people I signed a request for a whole paragraph to be decided on by a roll-call vote.

You have abdicated a great deal this afternoon as President of this Parliament in handing this over to the House. You know the Rules full well and you have abdicated that responsibility. I only ask that you keep the responsibility this time and that tomorrow at 6 p.m. you rule that a roll-call vote will take place on paragraph 4 on the basis of 21 signatures which have been handed to you in due time!

President. — We will check the situation, Mr Boyes, concerning written proposals as made at the moment I put it to the vote. I have no proposal in any way concerning a split vote on paragraph 4, and you have to respect that ruling.

VAN AERSSSEN REPORT (DOC. 1-580/83 'EEC-LATIN AMERICA')

After the adoption of the resolution

Mr Alavanos (COM) — (GR) I have asked to speak on a personal matter. Unfortunately I do not speak French. However, some French colleagues in the Communist and Socialist Groups have informed me that when I was asking to speak on a procedural matter, not only did you not allow me to, but you said 'voulez-vous vous taire?' I don't know what that means in Greek, but I am informed that it is rather insulting and I call upon you to withdraw.

IN THE CHAIR : MR ESTGEN

Vice-President

TURNER REPORT (DOC. 1-611/83 'TRADE MARKS AND COMMUNITY TRADE MARKS')

Motion for a resolution

Paragraph 2 — Amendment No 90

Mr Turner (ED), *rapporteur*. — Mr President, I believe that this is not a valid amendment because we are dealing here with the law of the trade mark, not with where the office shall be. There is a separate report by Mrs Nielsen on where the office shall be, and I would suggest, therefore, that we do not vote on this amendment. But if we do vote, may I say that by voting against it we are not in any way casting aspersions on West Berlin.

Mr Luster (PPE). — (DE) I can see no legitimate reason why so gifted a lawyer as the rapporteur can conclude that my amendment is out of order. Of course a law may state not only that there is to be a trade marks office but also where that office is to be. I thus maintain that my amendment is, of course, in order.

Mr Jassen van Raay (PPE). — (NL) Much as I regret it, I must disagree with my friend and colleague Rudolf Luster. This is not a question of translation, Mr President. There is a separate report, drawn up by Mrs Nielsen, on where the seat of the new Trade Marks Office should be. It is a separate report. The Bureau has appointed a separate rapporteur and a separate draftsman of an opinion. There are in all eight cities which are all being considered and which have all been proposed in various resolutions. The rapporteur is therefore right, in my humble opinion. I am by no means opposed to Berlin. All I am saying is that at a suitable moment Parliament will choose between cities in the United Kingdom, Berlin and so on. The Hague is also a candidate. It is inadmissible and not very fair that an attempt should be made to steam-roller a decision on one of these cities through at this time when the Bureau has called for a separate report on the matter. Consequently, in view of the fact that there will be another report on the seat of the new Trade Marks Office, I also consider this amendment inadmissible.

Mr Luster (PPE). — (DE) Mr President, although I stand by the legal point I have made, I have no wish to earn the reputation which my colleague, Mr Janssen van Ray, has attributed to me of acting unfairly. I thus withdraw my amendment at this point.

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.

R. JACKSON REPORT (DOC. 1-791/83 — SUPPLEMENTARY BUDGET NO 2): ADOPTED

The rapporteur spoke :

- IN FAVOUR of Amendments Nos 12 to 16 ;
- AGAINST Amendments Nos 2 (Baillot), 2 (Ansquer-Nebout), 3, 4, 6/rev., 9 and 11 ;
- AGAINST proposed modifications Nos 1, 5 and 8.

Explanations of vote

Mr Hord (ED). — Today's voting and Commissioner Tugendhat's statement earlier this morning confirm the gravity of the situation confronting the Community, because today, Mr President, is crunch-day, the day the Community actually ran out of money and we have it on the admission of the Commissioner for budgets that there is not enough money to pay the farmers. Today in this Parliament you have had to rule out of order amendments which deal specifically with normal agricultural expenditure because of the fact that the budget is lacking in funds.

I believe today is the day when many of those people, and many of them are here, who never actually believed that the Community would run out of money will perhaps rue the situation and recognize the need for responsibility in the day-to-day working of the European Community. I sincerely hope that when we get to the second reading we will not have a reversal of the vote on the proposal to move funds into Chapter 100, because if we cannot work with 10 countries together, clearly there will be no future, not only for the common agricultural policy, but for the future of a Community in Europe.

Mr Pfennig (PPE). — *(DE)* I shall vote against this resolution, because I think Parliament has just made an irretrievable blunder by failing in its vote on draft amendment No 16 to achieve the necessary majority. I shall, therefore, reject the entire resolution.

Clearly a number of my fellow Members were unaware of the significance of this vote for what needs to be done in the budget dispute between Parliament and Council, and I can only deeply deplore the fact that this unique opportunity of pushing through proposals to change the European Community has been wasted, by Parliament too. I shall thus vote against.

(Applause)

Mr Griffiths (S). — Now that you have declared Amendment No 7 on Christmas butter inadmissible, there is no need for me to give an explanation of vote.

Mr Patterson (ED). — It is with modified rapture that I find myself able now to vote for this budget : rapture because Parliament has after all decided to adhere to its commitments given to the United Kingdom, modified somewhat because of the treatment of the

Social Fund. It is good that Parliament has voted to prevent the Council from distributing money voted for the Social Fund to a whole lot of other lines, but I am disappointed that this money is being put into Chapter 100 and not on the line. I will explain why.

In the preliminary draft budget the Commission states 'for the Social Fund the 1983 budget established by the budgetary authority set appropriations in favour of young people at such a high level that the balance between measures to aid less prosperous regions and those in favour of other regions laid down by the existing rules — Article 9 (2) of Council Decision 716 EEC — is not maintained. In other words the Social Fund voted in the 1983 budget was not in accordance with the regulations.

The Committee on Social Affairs and Employment was extremely anxious that the money which we voted in Chapter 60 for the Social Fund could be spent. We have evidence that some of this money is not being spent and projects are not receiving the money to which they are entitled because the balance was not respected between Chapters 60 and 61. That was why we wanted to put the money on the line and not into Chapter 100. I regret that we were not able to explain this during the debate.

I would be much more satisfied if somebody in the Commission could tell us what measures they now intend to take to bring the Social Fund back into line with the regulation. If they can do that, then I will be satisfied. It is for that reason that my rapture at voting for this budget is modified.

Mr Balfour (ED). — I wish I could return home to Yorkshire to tell my constituents that the Parliament had positively honoured Community obligations. I do not really think I can. But at least it has failed to tamper with an obligation that was entered into in the most sacred way.

There is, I fear, much misunderstanding in the Community and its institutions and this misunderstanding goes both ways. I think we must accept that. I hope that the lack of a majority for the crucial Amendment No 16 will help to create the better atmosphere that we all need so that the Athens Summit can succeed in pointing the way to a better more harmonious future.

Ms Clwyd (S). — Last year I was the budget rapporteur for the Committee on Social Affairs and Employment and one of our top priorities was to ensure that money was put into the Social Fund for employment policy. That was fought for quite hard during the whole of 1982, finally resulting in Parliament's backing that proposal. Yet the Council has taken no account of the wishes of the European Parliament and has in fact misappropriated — and I use that word advisedly — that money for measures which are quite unconnected with the Social Fund. In view of the rising and frightening numbers of unemployed, it is quite incredible that the Council should reduce the money available for employment policy by 64 m ECU.

On the amendment that I and Mr Patterson and others of the Committee on Social Affairs and Employment put forward today, and which the majority, including the majority of the British conservatives, voted against, we propose restoring the money to a specific line and that was for aids to improve the employment situation in certain regions. I am sure that public opinion in Britain will note that. Because, if the money is restored, as you have voted, to Chapter 100, there is no guarantee that it will in fact be used for the European Social Fund. Naturally we understand the irritation of other countries with our government in Britain which continues to use EEC rebates to pay for cuts in the whole area of social spending on jobs, on welfare, on the health service — instead of using it as additional money to that which the government would have had to spend in any case ...

President. — Ms Clwyd, your speaking time is over.

Mr Langes (PPE). — *(DE)* I should like to say that this half-hour has been for me one of the darkest in the history of this House, because many of our colleagues have failed to understand the import of this afternoon's debate on the supplementary budget. I say this

also for the benefit of our British friends, who have not grasped the fact that their minority action — which caused the amendment to fail, in that only seven votes were needed — has prevented this House from being able to make policy.

(Applause)

They have also prevented us from drawing the requisite conclusions as regards the Athens summit and the Council meetings at which earnest discussions are now going on, but also as regards the dramatic, too dramatic statement of Commissioner Tugendhat this morning. I can only say I am deeply sorry that we did not manage to state quite categorically that we know funds must be made available in the supplementary budget for agricultural spending, but that we cannot in these circumstances see our way to making available the funds for a refund of the United Kingdom's contribution!

Mr Baillot (COM), in writing. — *(FR)* During the debate on Mr Jackson's report on amending and supplementary budget No 2, my friend Mr Pierre Pranchère gave a clear No of the position of the French Communists and Allies.

For us, the most important aspect of this budget is the fact that the Council's proposals are going to enable the Commission in Brussels to honour its commitments regarding EAGGF (Guarantee) expenditure.

Once again, we regret that the United Kingdom and the Federal Republic of Germany in its slipstream should benefit from exceptional contributions.

Despite this, we approve amending and supplementary budget No 2 presented by the Council.

Mr Kyrkos (COM), in writing. — *(GR)* We shall vote in favour of the Community's supplementary budget, despite our categorical opposition to the hasty nature of the procedure followed. Thanks to this, Parliament is under pressure to approve the rebates to Great Britain, with which it is not in agreement, so that the implementation of CAP regulations may be financed in the normal way. The Commission, which insisted on the vote and 'cooked up' the combination, may be planning a redistribution of the CAP amounts; however, this must never be allowed to happen to the disadvantage of Mediterranean products and of the producers in less well developed countries. And from this standpoint Mr Dalsager's statement, published in the press and according to which payments to the producers of citrus products and tomatoes will be restricted this year, is unacceptable.

Mr Paisley (NI), in writing. — I welcome the acceptance by the Council of the appropriations for urban renewal in Belfast which is desperately needed in the province. I also welcome the fact that this money will be additional to expenditure by Westminster, and that this has been underscored by the Commission.

As regards the common agricultural policy, while farm spending for 1983 will be substantially higher than was initially estimated and absorbs some 84 % of this supplementary budget, it is essential for this Parliament to avoid blocking appropriations for additional guarantee finance. Commitments entered into as a result of earlier votes on farm prices must be respected.

The possibility of withholding grants from the EEC to some farmers will cause them undue financial hardship and must be avoided at all costs if there is to be stability in the agricultural sector. I welcome therefore the decision of the Committee on Budgets not to propose any modifications to the Council's draft in respect of guarantee expenditure.

As to the supplementary measures in favour of the United Kingdom and the Federal Republic of Germany, I am totally opposed to the placing of these funds in Chapter 100. By attempting to freeze the British and German rebates in this way, the Parliament is refusing to meet its obligations to the formula for calculating repayments to the UK, set out in legal form in Regulation 624/83, and approved by this House in February 1983.

With the Federal Republic of Germany and the United Kingdom now acting as the paymasters of Europe, it is totally unjust for Parliament to try to interfere with alleviation, however small, of that inequitable situation.

I shall, therefore be voting against this motion for a resolution in the hope that the supplementary budget may be passed as soon as possible.

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AIGNER REPORT (DOC. 1-790/83 — COURT OF AUDITORS): ADOPTED

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BROK REPORT (DOC. 1-494/83 — SCHOOL TEXTBOOK COMMISSION): ADOPTED

The rapporteur spoke :

— IN FAVOUR OF Amendment No 3 ;

— AGAINST Amendments Nos 1 and 2.

Explanations of vote

Mr Forth (ED). — This report makes three basic mistakes. First of all, as with so many other reports produced by this Parliament, it asks for additional expenditure but does not state from where this money will come. This is quite irresponsible behaviour for an institution that claims to be a joint budgetary authority.

Secondly, and typically for this Institution as well, it asks for the introduction of additional bureaucracy. We are very fond of bureaucracy — commissions, committees and various other bodies, whether of experts or anyone else — and yet again we are going through the ritual and routine of asking for the institution of more bureaucracy and more bodies of experts.

Worst of all, what this seeks to do is to replace one set of prejudices with another. While we seek to criticize the hallowed and cherished traditions of our various Member States, we have the impudence and arrogance to suggest that either we or some unnamed set of bureaucrats and experts set out what history really was all about. What utter and arrogant nonsense ! It is time this institution took itself a lot more seriously and stopped paying lip service to nonsense such as this. I have no intention whatsoever of supporting it.

Mrs Tove Nielsen (L). — (DA) It is quite clear that, as long as there are school books and educational material in which national or nationalistic prejudices appear, as long as there are still people who think that it is patently more important to draw attention to the unfortunate events of the past and the wars which, we all agree, must never happen again between countries in Europe, which are now involved together in binding cooperation — as long as there are people who highlight negative matters, there will of course be demands that these things should be excluded from the history books, from the educational material. I fully understand all that. I would be the first one to want school books and educational material to present all sides of a question, and that is what is lacking. I hope that the debate we have had here in the European Parliament will inspire many to work for such material. If I nevertheless cannot vote in favour, it is because I respect the system, that people are free to choose. I hope that the choice will be in favour of the many-sided approach.

Mr Møller (ED). — (DA) History is never objective. History is always subjective. No historical research can be objective. What we are now attempting seems to me to be an authorized version of European history, and I fear that kind of thing ; we could end up with a Commission which has to tell us how history is to be interpreted. I am against that. History must be pluralistic and many-sided, as Mrs Nielsen has said. I shall therefore vote against this proposal from Mr Brok, well meant as it may be.

Mrs Boserup (COM). — *(DA)* Well, I shall not go trekking off into history. One year back will be far enough. Parliament then agreed that the Commission should be asked to maintain some control over all its countless working parties, groups of experts, committees and what not. Now it is expected that a majority in the same Chamber should ask for a new commission which, if that were not enough, would consist of what are referred to as 'independent experts'. Independent of what? Independent of their countries, independent of politics? It is utter rubbish, and I ask the Assembly to join with me in voting it down. We cannot do otherwise.

Mr Adamou (COM), in writing. — *(GR)* Behind the innocent title of the recommendation for a School Textbook Commission in the Community, with the so-called aim of cultivating 'the concept of unifying Europe by abolishing national prejudices' in schools, an extremely dangerous target lies concealed: the national annihilation of the Western European peoples.

In Greece we have bitter experience of the policy of subjection and dependence, which after the war turned our country into the most miserable of American protectorates.

Nevertheless, the Greek people, after unceasing struggles, at last 2 years ago threw the proponents of this policy out of the government of the land, and are now striving to lead the nation in an independent direction that will bring progress and prosperity. The Greek people want to see cultivated in their schools the ideals of peace, friendship and cooperation with all peoples.

Interpreting the feelings of Greek working people, we consider unacceptable and will reject the proposals recommending a School Textbook Commission in the Community, and indeed any other activity that undermines and restricts our national self-sufficiency and independence.

Mr Bernard (S), in writing. — *(FR)* As stated during the debate, the dissemination and inculcation of xenophobic prejudices and sectarian ideologies inspired by nationalism and chauvinism have greatly contributed to the exacerbation of conflicts of interest and antagonisms which are too readily accepted as being entrenched in age-old traditions, whereas a more objective assessment of intra-European relations would have shown clearly that they are superficial and transitory.

For there to be a calmer, more realistic assessment of the relations that should prevail among Europeans, a number of conditions would have to prevail, and most of these fall within the responsibility of our schools.

The most important of these conditions, to my mind, relate to the following:

- the history of European settlement, the concomitant intermingling and the resulting biological and cultural affinities which subsist to this day;
- analysis of the essentially dynamic processes leading to the establishment of the modern States, processes which paid no regard whatsoever to the rights of the peoples and communities concerned to conserve their cultural identities and to benefit jointly from their mutual differences;
- exposure of the all too common failure, on the part of those with a vested interest in strengthening and perpetuating State power, to distinguish between such notions as 'people', 'nation', 'state', 'community' etc.;
- study and enjoyment of the great works of literature (not only in the major languages — in numerical terms — of communication in modern Europe) and the great works of art and engineering in which Europe's multifarious creativity has been expressed down the centuries, a creativity invigorated by influences from a diversity of sources, from Graeco-Latin or Judaeo-Christian to Arabic and Slavic, Nordic and Celtic, etc.;
- and, of course, study of all available means of fostering the cultural creativity of the peoples of modern Europe, irrespective of their numerical strength and the sizes of the regions where their languages are spoken today.

Admittedly, the motion for a resolution that we have before us is too short to contain all the details and nuances called for in the treatment of a subject of such importance to attainment of the European Union to which this Parliament affirmed its commitment at its last part-session.

Nevertheless, the generous motives of this text are enough to persuade me. I shall therefore be voting in favour of Mr Brok's report on the establishment of a school textbook commission.

Mr Kallias (PPE), in writing. — (GR) I shall vote in favour of the draft resolution in the Brok report, but wish to make the following comments :

1. Teaching in schools is indeed necessary for the development of a European consciousness.
2. Both in the composition of school textbooks on history and during the actual teaching of the lesson in schools, particular attention should be devoted to the following points :
 - a) the facts must be portrayed as they actually happened, without distortion. Only excessive partiality should be omitted, and
 - b) special attention should be given to the matter of European culture. Its common features should be praised, but also its individual expressions in each country, because these too form part of the cultural treasure-house of Europe, which is a broad synthesis, or a composite whole comprising as ingredients cultural individuality, cultural community but also cultural polymorphism.

Mrs Elaine Kellett-Bowman (ED), in writing. — I should like to congratulate Mr Brok on two thirds of this report.

I am very much in favour of promoting European Education in our schools.

We are fortunate in having an outstanding Institute of European Education in my Constituency, at St Martin's College, Lancaster. This Institute, under its enthusiastic and energetic director, has done a great deal of pioneering work in the sphere of European education and language teaching, which has spread not only through Cumberland and Lancashire, but much further afield.

This was considerably helped by grants from the Kreyszig Fund, and I therefore wholeheartedly support paragraph 1. But in the United Kingdom we have no central control curricula or school textbook and I cannot in any circumstances support the establishment of a European Schoolbook Commission.

Mrs Van Hemeldonck (S) in writing. — (NL) The only reason why I shall vote for this resolution is that it proposes the establishment of a European textbook commission, and I hope that this commission can make a study of the way in which workers and women are treated in teaching in schools.

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FERGUSON REPORT (DOC. 1-455/83 — 'ARMS PROCUREMENT'): Postponed to the next voting time ¹

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VAN AERSSEN REPORT (DOC. 1-580/83 — 'EEC-LATIN AMERICA'):
ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendment No 1 (1st part);
- AGAINST Amendments Nos 1 (2nd part), 2 to 4.

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¹ See Debates of 13. 10. 1983, approval of minutes.

BADUEL GLORIOSO REPORT (DOC. 1-501/83 — EEC-CYPRUS) : ADOPTED

The rapporteur spoke :

— AGAINST all the amendments.

Explanations of vote

Mr Wedekind (PPE). — *(DE)* I do not think Parliament has done itself a service in rejecting all my amendments. Those amendments were aimed at drawing attention, in a moderate fashion, to the fact that there are two population groups on Cyprus and that they should be afforded equal treatment.

The majority of this Parliament and those who voted here today, who constitute after all a minority of its members, clearly give no heed in very specific countries to the rights of population groups. They do not wish to acknowledge that there is more than one population group on this island. They wish the *status quo* to continue, whereby one population group is spoken for by the other which unjustly claims to be the sole and legitimate government of this island State, which it is not.

In 1963 this government violated the constitution and quite unlawfully claimed the right to speak as the government of all those living in Cyprus. This showed clear contempt for a large proportion of the island's population.

Parliament has shown that it supports this government, and I deplore the fact exceedingly.

No one in this House can claim he has not seen the amendments or had a chance to read them. They were there in everyone's pigeonhole, and everyone could have known what he was voting on. I hope you realize what you have done.

Mr Sutra (S). — *(FR)* I shall be voting for the report presented by Mrs Baduel Glorioso, whom I should like to thank for the work that she has done. My reason for asking to speak is that I wish to protest that, in a Europe which claims to defend human rights and democracy, we should be asked to consider an amendment such as that tabled by Mr Wedekind.

(Applause)

That Mr Wedekind should attempt to imply that Greece is in some way to blame for Turkey's bloody invasion of the island of Cyprus is an example of what has been called in certain proceedings a case of standing evidence on its head.

I find it deplorable that such a text should have been written and that it should appear on the European Parliament's headed paper, with the attendant risk that someone will use it to claim that the European Parliament has countenanced the adoption of such texts. It is a disgrace to democracy.

(Applause)

Mr Pearce (ED). — I find this a rather sad occasion, because we are forced, in effect, to choose between two peoples with both of whom we wish to be friends. It is not in any way anti-Greek to wish well for the population of the Turkish part of this island. I do wish that people had read Mr Wedekind's amendments. Somehow the majority of this House has got together to believe that everything which remotely suggests that the Turks in Cyprus should have a fair chance to share in a relationship with Europe should be rejected without even thinking about it. Members should I would urge, please realize that Cyprus is an island divided into two communities, of which each one has a government which is the kind of government that it wants. It is not a question of occupying forces ; it is a question of two democratic States, and the relationship that the Community has is by and large only for the benefit of one of those sides. I would therefore urge the House

most strongly, without in any way wishing to make a statement which is anti-Greek, to have a large vote of abstention to show that we do not want this kind of divisive politics any more. I hope Members will abstain. I will vote against.

Mr Spencer (ED) — My group will vote in favour because we have considered the Wedekind amendments in great detail; we have actually gone through the report itself in great detail. In some ways both the debate and some of the speeches made, now exist in a separate plane from that of the report itself, which is technically accurate and commands our support. Therefore I encourage my colleagues to vote for it.

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TURNER REPORT (DOC. 1-611/83 — TRADE MARKS AND COMMUNITY TRADE MARKS): ADOPTED

The rapporteur spoke :

— IN FAVOUR OF Amendments Nos 1 to 11, 13 to 37, 39 to 53, 55 to 64, 66 to 68 (last part), 70, 72 (last part), 82, 84/rev. and 95;

— AGAINST Amendments Nos 12, 69, 71, 75, 76, 78 to 81, 86 and 93.

Explanations of vote

Mr Cousté (DEP). — (*FR*) The importance of the resolution passed today deserves to be emphasized, and it is for this reason that I take this opportunity on behalf of our Group to congratulate the Commission on the initiative that it has taken under Articles 100 and 235 of the Treaty of Rome to establish a Community trade mark and to approximate the laws of the Member States relating to trade marks.

In so doing, the Commission — and I should like to pay tribute to all Members of the Commission and in particular to Mr Narjes whom we heard this morning — undertook a difficult task which is now on the point of reaching a successful outcome, a task which is worthwhile purely on the basis of the enlargement of the market in branded products. This point of view is shared not only by manufacturers, which is important in itself, but also by consumers, who have the right, when buying a product bearing a trade mark, to put their reliance in the quality of that product and the after-sales service.

This is why we are satisfied with the explanations given this morning by Mr Narjes. One point remains outstanding, however, and, although voting for these proposals for a directive and a regulation, my Group is anxious that the importance of the World Intellectual Property Office and the need for a proper relationship between the Madrid arrangement on international registration of trade marks and the proposed regulation for Community trade marks should not be overlooked. I refer in particular to the use of international registration as a basis for Community registration and, vice versa, the use of registration of the Community trade mark as a basis for its international registration.

It is important, therefore, that the Madrid arrangement should not be overlooked. In addition, it is essential for the Commission and, in due course, the Council to take account of the various preparations currently in progress for the establishment of a code on infringements under GATT auspices. The importance to be attached to an early outcome to these worldwide negotiations cannot be overemphasized. We are the European Economic Community, but there is a worldwide community, and the measures that we adopt must be coherent and conducive to development of the internal market that we wish to establish, so that we may also be secure in better protection vis-à-vis the rest of the world.

There remains a problem in this respect, and here I address my remarks to the Council: it is the problem of the eventual choice of legal instrument. We believe in regulation Community, but some States would prefer a convention. It is important for the Council to state its position on this point clearly, and in the near future. I would add that there is also the problem of the seat, which will be the subject of another debate. We support the French Government's position and hold that the seat should be in Strasbourg.

President. — Mr Couste, you have exceeded your speaking time.

Mr Sieglerschmidt (S). — (*DE*) Ladies and gentlemen, The Socialist Group would have been only too happy to vote for the Commission's proposal in the form in which it was submitted, albeit with the reservations I expressed this morning. I deeply regret the amendments the proposals have undergone here. The trade marks lobby will doubtless be pleased. I am not surprised that a conservative majority in this House has made concessions to these interests. I expressly deplore the fact, Mr Narjes, that the Commission too, as was apparent in your statements this morning, has been conciliatory towards the interests of this lobby and has given in to pressure from a whole number of Member States — although I appreciate the difficulty of your position.

We could also have supported a whole series of amendments against which we voted, but as we intimated this morning, we cannot agree to a number of points in a situation in which the internal market will experience difficulties as a result of what has been adopted here — a situation in which, and I shall say it again, even if Mr von Bismarck does not like it, the way is now open for holders of trade marks in a number of countries to manipulate them and consumer rights will no longer be adequately safeguarded.

The Socialist Group must, therefore, vote against the resolution and consequently — indeed it has already done so — against the proposal for a regulation in its present form, and against the proposal for a directive.

(*Applause*)

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BROK REPORT (DOC. 1-758/83 — EMPLOYEE PARTICIPATION IN ASSET FORMATION): ADOPTED

Explanation of vote

Mr Estgen (PPE), in writing. — (*FR*) I am delighted that our Parliament should be addressing itself to the task of fostering employee participation in asset formation, following the very happy example of initiatives in a number of Member States. I look upon the effects of the motion for a resolution on which we are going to vote as a development of economic democracy and citizenship in industry. It is not that I have any wish to echo the cry of the Russian Revolution of 1917: 'the factory for the workers!'

I leave any such ambitions to our Communist colleagues, from whom such a cry would be more becoming.

It is our good fortune to live in a society in which the economic and the social command each other's respect, if only because they are mutually dependent and therefore condition each other.

The idea of rising above confrontation between the two factors of production in industry — capital and labour — and bringing them together is not a new idea.

The Catholic Church set forth its social doctrine in this area in a series of encyclicals, from *Rerum Novarum* in 1890 to *Laborem Exercens* in 1981, stressing the primacy of the labour factor over the capital factor.

Pope John XXIII affirmed that 'it is today extremely desirable that workers should gradually be given the opportunity, on whatever basis appears most appropriate, to participate in ownership of their enterprises'. It is also in this context that Mr Brok's report should be seen.

In the face of the crisis and its consequences, in the face of technological development and the changes that it is bringing about, there is a more urgent, imperative need than ever for the development not only of joint responsibility and cooperation but also of joint management by employers and employees on the basis of joint responsibility.

In our present circumstances, given the strength of competition from abroad, given the plight of so many companies which are already in terminal decline, there can be no possible way forward unless there is collective determination and mobilization, unless initiatives and projects are backed by the solidarity of everyone involved in industry — employers and employees alike.

What is more, I see our initiative to promote employee participation in asset formation as a giant stride towards greater dignity in employment. Has not participation become the salient feature of this second half of the century? We hear of participation in education, active participation in public life, active participation in the exercise of political power.

Democracy, our political and social system of which we are so proud, needs the active involvement of citizens from all walks of life. In bringing together employees and holders of capital to create new investment, the report that has been presented to us is true to this philosophy. It has become essential in today's conditions for individual participation and effective solidarity in industry to reach down to the grass roots. This of course presupposes a complete and permanent change in attitudes and structures. We know that our scheme for participation in asset formation, if it is to be more than a mere gimmick, must develop into a large-scale exercise, and that this is only the first stage.

This policy on asset formation is also a modern approach to regulation of the economy and control of inflation. The strategy employed consists in eventually achieving a satisfactory level of employment and adopting a non-inflationary method of financing the productive investment needed to stimulate a return to expansion. If, with these objectives in view, we will be obliged to ask workers to moderate their wage claims, this must be offset by accompanying measures to be adopted by the various Member States, such as tax concessions and capital allowances. The proportion of wages to be allocated to investment is, of course, a matter to be negotiated through the normal wage-bargaining channels.

I should not wish to miss the opportunity to express my strongest support for the encouragement to private home ownership given in this motion for a resolution, because this is one of the best ways of fostering independence and self-fulfilment, and because it also makes for stability of the family.

*ANNEX II*1. *Questions to the Council**Question No 10, by Mr Hutton (H-292/83)*

Subject : Responsibility to Parliament of COREPER

The President-in-Office reminded Parliament on 5 July that COREPER was an organ of the Council and was responsible to it.

Will he now seek the agreement of the Council to publish press-releases, similar to those of the Council but containing more detail, to inform the European Parliament and the public of the course of discussions in COREPER and of the decisions taken by it ?

Answer

The Permanent Representatives Committee is responsible for preparing the Council's discussions and carrying out the Council's instructions. The guidelines worked out by the Permanent Representatives Committee may always be called into question by the Council, which has sole responsibility for exercising the powers conferred upon it by the Treaties. Accordingly, the Council does not consider there is any need to prepare press-releases on the Permanent Representative Committee's discussions.

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Question No 11, by Dame Shelagh Roberts (H-356/83)

Subject : Discrimination against black British day-trippers by the French immigration authorities.

Is the Council aware that the French immigration authorities have recently refused entry to France of black British day-trippers engaged on a 'no passport' excursion from the United Kingdom to France ?

Will the Council agree that, in addition to being an example of offensive discrimination, this action is an infringement of the rights of Community citizens to travel freely within the Community, and what action does the Council propose to take ?

Answer

The problem raised by the honourable Member is a matter of Member States' public policy and does not fall within the jurisdiction of the Community, except as regards possible implications for free movement, particularly of workers.

* * *

Question No 12, by Mr Maffre-Baugé (H-360/83)

Subject : American wine imports to the EEC

On 26 July, the Commission signed an agreement on wine with the United States in the form of an exchange of letters. This agreement will allow American wine, produced without regard to the quality standards imposed in the EEC, to enter into unfair competition with Community wines. This is a hard blow to wine-growers in the southern part of the Community, who for years have been pursuing a policy based on quality.

Did the Council authorize the Commission to sign this agreement ?

Answer

Oenological processes on both sides of the Atlantic were for a long time the subject of disputes. Basically, the United States challenged the quality standards in force in the EEC, which they considered a barrier to trade. We, for our part, were unhappy about the unfair practices permitted in the United States, enabling United States wine to be marketed under designations which were misleading as to the origin of the product.

We regard the solution finally reached, establishing a link between the two problems, as just and equitable. The exchange of letters in question is to the advantage of Community wines, which will thus at last be able to turn their quality to account *vis-à-vis* both European and American consumers without suffering from unfair competition.

As to the procedure, I can assure the honourable Member that the Commission acted in this matter with the full agreement of the Member States.

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Question No 13, by Mr Wurtz (H-361/83)

Subject: The American export offensive on agricultural markets

In its statement of June 1982, the European Council considered that it was a matter of the utmost importance (a) vigorously to defend the legitimate interests of the Community in the appropriate fora, notably in GATT; (b) to ensure that the Community acts as swiftly and effectively as its trade partners in matters of commercial policy.

Since this statement was published, the United States have launched a huge export offensive aimed at taking over the Community's traditional markets.

This began with the sale of one million tonnes of flour to Egypt. The Commission's pledges to limit cereal exports have proved totally ineffectual, since they have not prevented the United States from following up this deal by selling considerable quantities of subsidized dairy produce to Egypt (18 000 tonnes of butter and 10 000 tonnes of cheese) and supplying Morocco with 200 000 tonnes of wheat.

Further to its statement of June 1982, does the Council not consider it necessary to encourage the Commission to take a firmer line in negotiations with the United States to thwart this offensive?

Answer

The Council shares the concern of the honourable Member. Recent American sales of agricultural produce have adversely affected Community interests on its traditional export markets and jeopardized the already delicate stability of the world market.

As regards subsidized sales of dairy produce to Egypt, it is clear that they are compatible neither with GATT rules nor with commitments entered into by the United States in other international fora. The Community's reaction at the beginning of October 1983 was immediate and in accordance with the general approach contained in the resolution adopted by the European Parliament on 7 July 1983 on external agricultural relations. The Commission, with the full support of the Member States, requested that an extraordinary meeting of the International Dairy Products Council be convened. Discussions within this body, which have just been completed, were only partially satisfactory. Accordingly, the Community reserved its position and is currently examining all possible avenues for continuing its action.

* * *

Question No 14 by Mr Gautier (H-373/83)

Subject : Council meetings

When will the Presidency finally produce definite results from the series of Council meetings that has already begun on outstanding matters relating to the completion of the internal market ?

Answer

The Council will be holding another meeting on the Internal Market on 26 October. Progress made in the current preparatory work suggests that the Council will be able to take formal decisions on various questions and thus make a practical contribution to the strengthening of the internal market.

The Council bodies have accelerated their work on the harmonization of technical specifications. At its meeting of 26 October, the Council hopes to adopt directives concerning textile names, measuring instruments and pressure vessels. It will also be dealing with the question of easing formalities and inspections during the transport of goods among Member States, which is making progress, although it cannot yet be stated whether agreement on this subject will be completed by 26 October.

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Question No 15, by Mr Antoniozzi (H-382/83)

Subject : Promotion of the bergamot orange

A meeting of the Committee for the promotion of the bergamot orange was held in Rome, under the auspices of the Reggio Calabria regional Chamber of Commerce, at the headquarters of the Union of Italian Chambers of Commerce.

That being so, I wish to ask what measures and initiatives the Council intends to take in support of such an important and typical Mediterranean product, for which a special international committee has been set up ?

Answer

To date the Council has received no initiative from the Commission concerning market management and defence measures for the bergamot orange.

Moreover, the Council is not at present aware of any special difficulties facing the production or industrial marketing of the bergamot orange, which comes under the citrus-fruits sector.

However, it should be recalled that there is a customs duty on imports of this product. Furthermore, should difficulties arise on the bergamot orange market, basic Regulation (EEC) No 1035/72 would apply as regards this product and would permit, in particular, the use of the safeguard clause and the adoption of appropriate measures. In the latter case, it would be for the Commission to take the initiative.

* * *

Question No 16, by Mr Pearce (H-398/83)

Subject : Meetings by the Council

When did the Council last discuss in the course of one of its meetings whether any of its sessions, or parts thereof, should be held in public ?

Answer

The Council has never had to discuss a request from one of its members to make one of its meetings public.

* * *

Question No 19, by Mrs Pantazi (H-403/83)

Subject: Information technologies and vocational training policies

On 17 May 1983, Parliament adopted a resolution in favour of the draft resolution of the Council concerning vocational training policies in the European Communities in the 1980s and of the communication from the Commission, 'Vocational training and new information technologies: new Community initiatives during the period 1983-87'.

Parliament believes that vocational training policy must be an integral part of a general policy to combat unemployment, and stresses the need for the Social and Regional Developments Funds to be used to finance training programmes.

Can the Council say what action has been taken on these matters?

Answer

In June and July 1983, the Council approved two resolutions. One of them was of a more general nature and related to policies of professional training within the Community for the 'eighties, while the other was much more specific and related to measures for vocational training in the new information technologies.

These resolutions take the fullest account of the Assembly's opinion, and clearly reflect the great importance that the Council attributes to vocational training as a basic ingredient in any general strategy for overcoming unemployment.

It should be regarded as certain that the specific measures provided for in these resolutions will have the support of the European Social Fund, in accordance with the regulations and the financing capabilities of the Fund. The part played by the ERDF is also important, with its interventions on behalf of plans to promote employment prospects in the less-favoured regions of the Community.

The Council will examine the plans and results that follow upon implementation of the two resolutions, on the basis of reports that the Commission will first submit in 1985 and 1987 respectively.

* * *

Question No 20, by Mr Adamou (H-407/83)

Subject: Persecution of migrant workers, xenophobia and racialism

The recent local government elections in Dreux, France, and the latest measures on migrant workers taken by the West German Government show that, against the background of the deep economic crisis, a climate of persecution of migrant workers, xenophobia and racialism is developing.

How exactly does the Council assess the situation, and what specific steps does it intend to take?

Answer

The question submitted by the honourable Member does not fall within the competence of the Council.

Moreover, the honourable Member's attention is drawn to the fact that in accordance with Parliament's rules for the conduct of Question-Time, questions can only be accepted if they fall within the Council's competence and contain no assertions or judgements.

The Council is mindful of the declaration it issued together with the European Parliament and the Commission, in which these Institutions emphasized the importance they attach to the respect of basic rights as laid down in the constitutions of the Member States, and also of the European Convention on Human Rights. Nevertheless, it does not consider that it is for the Council to intervene in the cases specified in the question.

At all events, the Council takes the view that a failure to respect fundamental rights may constitute an obstacle to the free movement of workers.

* * *

Question No 21, by Mr Alavanos (H-410/83)

Subject: The Greek fishing fleet

At the recent meeting of the Council of Ministers responsible for fisheries, it was proposed that vessels whose replacement or modernization is to be financed should be more than 12 metres in length, while old vessels which are to be decommissioned or withdrawn should be more than 18 metres in length. However, the application of such a scheme will virtually exclude the Greek fishing-fleet, since most Greek vessels are under 12 metres long and so no funds will be available for their replacement.

What immediate steps does the Council propose to take to ensure that the Council decisions on the replacement and modernization of fishing-fleets will also apply to Greece's fishing fleet in 1983 and 1984, seeing that the finance in question was provided in 1982 and that the immediate needs of Greek fishermen cannot be met by recourse to the Mediterranean Programmes?

Answer

The honourable Member is informed that at its meeting of 3-4 October 1983, in response to the Commission's proposal, the Council adopted a regulation granting the right of aid from the Community to programmes of at least 10 000 ECU for the building or modernization of fishing-vessels with lengths ranging from 9 to 12 metres, and a directive providing support for the temporary suspension of operations by vessels over 18 metres in length which had been put into commission on or after 1 January 1958.

The honourable Member can find the texts of the regulation and the directive in question in the Official Journal of the European Communities, where they will be published very shortly.

* * *

Question No 22, by Mr Ephremidis (H-42/83)

Subject: Banned occupations in the Federal Republic of Germany

The Council has repeatedly expressed its desire to defend human rights. What steps could it take in the case of Professor Claus Lipps, of Baden-Württemberg, in the Federal Republic, who in 1982 was dismissed for the second time on the grounds of his membership of the German Communist Party?

Answer

The question submitted by the honourable Member does not fall within the competence of the Council.

* * *

Question No 23, by Mr Collins (H-421/83)

Subject : Lead in petrol

Can the Council confirm that the question of lead in petrol will be on the Environment Council's agenda for the meeting to be held on 28 November 1983 in Brussels, as indicated during the latest Council meeting on 16-17 June 1983 in Luxembourg ?

The press-release of the same date on this subject reads as follows : 'The Council will examine an *interim* report at its next meeting with a view to preparing for the examination of the proposals which the Commission will be presenting around 15 April 1984'.

Answer

The Council has not yet set the agenda for its next meeting on environment questions, to be held on 28 November 1983.

It is true that in June 1983 the Council asked the Commission to submit to it at its next meeting an interim report on the work currently under way at the Commission on the question raised by the honourable Member.

I should like to make clear that the report requested from the Commission is aimed essentially at preparing the way for an examination of the proposals which the Commission will be presenting around 15 April 1984 and on which the Council will be called upon to take a decision.

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*II. Questions to the Foreign Ministers**Question No 27, by Mr Lagakos (H-320/83)*

Subject : The situation in Central America

In view of the positions adopted by the Ten on Central America, as expressed in the conclusions of the European Council meeting in Stuttgart, what view do the Foreign Ministers meeting in political cooperation take of the recent decision by the President of the United States of America to set up a special commission on Central America headed by the former Secretary of State, Dr Kissinger ?

What view do they take of the position adopted by countries such as Honduras towards Nicaragua, given the dangers inherent in the area, and how do they intend to support the initiative of the Contadora group of countries which was favourably received by the Stuttgart summit ?

Answer

The situation in Central America is a matter of grave concern both for the peoples and for the governments of the Ten, which have repeatedly stressed the importance they place on the social and economic progress of countries in that area, on the establishment of democratic governments, on respect for human rights, and on avoidance of the use of violence in any form.

The Ten have not discussed the initiatives, options and actions of the governments of other countries in connection with the situation in Central America.

The Ten give every support to the efforts of the countries in the Contadora group, as has in any case been declared publicly by the European Council in its official declaration issued in Stuttgart on 19 June 1983, and will continue to support every initiative in favour of a peaceful solution to the problem.

Finally, I would like to remind you that the European Community grants economic and humanitarian aid to the countries of Central America, within the framework of programmes intended for the relief of people in those countries and the improvement of their living conditions.

* * *

Question No 28, by Mrs Dury (H-352/83)

Subject: Acquisition and possession of firearms by private individuals

What stage has been reached in the work by the Ministers of the Interior and of Justice meeting in political cooperation as the 'Trevi Group' on harmonizing the legislation on the acquisition and possession of firearms by private individuals and on standardizing and imposing joint controls over arms exports from one State to another?

Answer

The cooperation initiated between the Ten within the framework of the Trevi Group is of a governmental nature and does not fall within the competence of European Political Cooperation. For this reason the Trevi Group does not report on its work to the Foreign Ministers of the Ten, and I am consequently unable to answer this specific question.

* * *

Question No 29, by Mr Habsburg (H-262/83)

Subject: Afghanistan

Having regard to the continued Soviet genocide in Afghanistan and the unwillingness of the USSR to agree to a solution of the problem which respects the right of self-determination, as well as the dangers to international peace which arise from this fact, would the Foreign Ministers meeting in political cooperation be prepared to propose a joint conference with the Foreign Ministers of the States belonging to the Islamic Conference with the aim of finding a political solution to the Afghanistan problem?

Answer

The Ten remain deeply concerned about the continued occupation of Afghanistan despite the repeated decisions adopted by large majorities at the United Nations.

They stress the urgent need for the withdrawal of Soviet troops and the discovery of a political solution leading to the restoration of independence and the non-aligned status of Afghanistan, which would allow the people of that country to exercise fully the right to self-determination and would enable Afghan refugees to return to their own country in safety and honour.

The Ten have not examined within the scope of European Political Cooperation the specific matter of the possibility of a joint meeting with the Foreign Ministers of countries belonging to the Islamic Conference. However, remembering the proposals they made in June 1981, the Ten are ready to support any constructive initiative to find a satisfactory political solution. They also follow with great interest the indirect contacts between Pakistan and Afghanistan under the aegis of the United Nations, aimed at discovering a solution that accords with the resolution adopted by that body and by the General Assembly of the United Nations.

* * *

Question No 32 by Mr Kyrkos (H-351/83)

Subject: The proposal of the Greek Government to postpone for six months the stationing of Cruise and Pershing Missiles in Europe

The Greek Government has proposed that the stationing of Cruise and Pershing Missiles should be postponed for six months in order to allow more time for the negotiations in Geneva.

The hasty rejection of this proposal by certain governments not only shows the extent to which they are subject to the cold-war line laid down by the American leadership but also may cause the peoples of the Community to harbour grave doubts with regard to the attitudes of their leaders at the very time when crucial issues are under discussion with a view to European integration.

Can the Ministers meeting in political cooperation say whether they will take advantage of the proposal by the Greek Government and postpone the stationing of Cruise and Pershing Missiles for six months in order to allow more time for the negotiations in Geneva?

Answer

The question submitted by the honourable Member relates to an initiative taken by the Greek Foreign Minister acting in his national capacity and not as Chairman of European Political Cooperation. Consequently, the substance of this initiative was not discussed within the scope of EPC.

* * *

Question No 33, by Lord O'Hagan (H-370/83)

Subject: European Political Cooperation

Will the Greek Presidency now describe the ways in which it has made European Political Cooperation more effective?

Answer

European Political Cooperation is conducted according to the agreed principles in force relating to the matter in question. Thanks to the spirit of cooperation and the mutual understanding of the respective positions of each partner, the Ten have spoken with one voice at international conferences of great importance, such as the final session of the Conference on Security and Cooperation in Europe and, still more recently, at the General Assembly of the United Nations.

Next December the Presidency will put before Parliament a detailed report concerning the activities and results of European Political Cooperation.

* * *

Question No 34, by Mrs Lizin (H-372/83)

Subject : The tragic death in Berlin of Kemal Altun, a Turkish national

What conclusions as regards the European judicial area do the Ministers meeting in political cooperation draw from this tragic suicide, and do they intend to review on behalf of the Ten the automatic extradition agreements with the Turkish dictatorship ?

Answer

This matter was not discussed within the scope of European Political cooperation. At any rate, the Ten, who express their sorrow at the tragic death of Kemal Altun, are not aware of the existence of any 'automatic extradition agreements' between Turkey and the Community's Member States.

* * *

Question No 39, by Mr Pöttering (H-417/83)

Subject : Agreement on judicial cooperation between Greece and the GDR

Can the President of the Council state what steps are being taken by the Foreign Ministers meeting in political cooperation to ensure that fugitives from the GDR attempting to flee to the West via Greece are not extradited to the GDR on the basis of the agreement on judicial cooperation concluded between Greece and the GDR ?

Answer

This matter has not been discussed within the scope of European Political Cooperation.

* * *

Question No 40, by Lord Bethell (H-419/83)

Subject : Release of Jermak Lukjanow

What action have the Foreign Ministers taken as a result of the European Parliament's resolution of September 15 about Jemak Lukjanow, a Belgian citizen presently under sentence of death in the Soviet Union ?

Answer

The Ten attribute particular importance to respect for human rights and to the humanitarian implications of individual cases, and have in the past made representations on various occasions.

In this specific instance the Ten, without in any way underestimating the importance of the time factor, will follow whichever path they judge to be most appropriate in the light of prevailing circumstances.

* * *

III. Questions to the Commission

Question No 50, by Mr Wedekind (H-366/83)¹

Subject : Fair taxation of spirits

The different tax systems and tax rates in the European Community continue to cause distortions of competition; this is particularly evident in the taxation of alcoholic beverages. A comparison of taxes on alcohol in the Community shows that wine is taxed prohibitively in a number of Member States.

Does the Commission not consider, therefore, that in certain Member States the method of calculating tax on wine is intended purely and simply as a means of protecting the home market and a protectionist measure to keep out alternative products in this sector?

What steps does the Commission intend to take to remove this barrier to trade, or what efforts have already been made by the Commission on this issue?

Does the Commission not consider that the equal taxation of alcoholic beverages in the Member States of the Community, which would prevent individual types of beverages being favoured or disadvantaged, would help to reduce over-production in the wine sector?

Answer

The Commission agrees that the rates of taxation on wine in certain Member States may serve to protect other products. The Court confirmed this view in its recent ruling in case No 170/78, in which the Commission challenged the United Kingdom's high rate of excise duty on wine (a drink which it produces only in negligible quantities) in comparison with its rate of excise duty on beer.

That case is an example of the Commission's action in this field in its role of guardian of the Treaty. The Commission will also examine the position in other Member States which produce beer but not wine, in the light of that ruling. Moreover, the Commission has already commenced proceedings against three Member States which do not produce wine but which tax that drink at a higher rate than similar, or at the very least competing, domestic beverages such as fruit wines.

The Commission, however, has never considered that the complex problems of the taxation of alcoholic drinks can satisfactorily be settled by Court action alone. Indeed, its proposals to harmonize the structures of the excise duties on these drinks throughout the Community were submitted to the Council as early as 1972. Since that date, a series of Court rulings have both indirectly confirmed that those proposals are well-founded, and narrowed the scope for fundamental disagreement between Member States. The most recent decision of the Court has continued that process. Therefore, I do not despair that a compromise can be reached leading to the adoption of the Commission's proposals, and I shall endeavour to reopen respective Council discussions in the near future.

As regards the third point raised by the honourable Member, there seems no reason to believe that the uniform taxation of all alcoholic drinks would necessarily contribute to the elimination of wine surpluses.

In short, uniform taxation of *all* alcoholic drinks might be expected to impose a higher taxation of wine and beer so as to bring their taxation into line with that of spirits. Uniform taxation would imply lower rates on wine in some Member States, and hence higher consumption; by the same token, it would imply higher rates on wine in other Member States, and hence lower consumption.

* * *

¹ Former oral question without debate (0-46/83), converted into a question for Question Time.

Question No 52, by Mr de Ferranti (H-245/83)

Subject : Abolition of excise duties

If the Commission is still pursuing its objective of abolishing excise duties on articles which produce comparatively little revenue, as stated in its answer to Written Question No 280/82 in June 1982,¹ what progress has been made and what action is proposed to harmonize or abolish excise duties on matches and lighters in the four countries where they are levied ?

Answer

The Commission refers Mr de Ferranti to Mr Tugendhat's answer to his Question H-244/83, given at the July part-session of Parliament. The Commission then indicated that it considered that it would be premature to take special action on the minor excise duties until the structures of the main excise duties had been harmonized (wine, beer, spirits, mineral oil, tobacco). The Commission hopes that Council discussion on harmonization of excise duties may resume in the near future, now that the Court has given its long-awaited judgment in the wine and beer case. At the same time it welcomes the initiatives taken by the European Parliament to relieve the harmonization process.

* * *

Question No 53, by Mrs Hammerich (H-247/83)

Subject : The Scandinavian Passport Union

Will the Commission give Danish voters an assurance that the Scandinavian Passport Union will continue unrestricted and unchanged ?

Answer

The existence and further development of the Scandinavian Passport Union is a matter that does not come within the competence of the Institutions of the European Community. Problems can only arise from the fact that Denmark is a member both of the European Community and of the Scandinavian Passport Union.

In its reply to the honourable lady's oral question on this same matter in autumn 1982, the Commission availed itself of the opportunity to allay her fears that a relaxation of personal checks at the Community's internal frontiers might impose incompatible obligations upon Denmark. I should like therefore to draw the honourable lady's attention once again to the fact that, as it stands at present, our proposal is aimed at relaxing and not at eliminating finally personal checks at the frontiers between Member States. That means that the possibility of individual controls on a spot-check basis is to be retained. This being the case, if our interpretation of the obligations imposed by membership of the Scandinavian Passport Union is correct, Denmark will not be faced with obligations that are incompatible with each other.

* * *

Question No 54, by Mr G. Fuchs (H-270/83)

Subject : Coordination of development policy between EEC and Member States

Can the Commission state precisely what information it receives from Member States as to their participation in development projects or programmes ?

¹ OJ No C 188 of 22 July 1982, p. 180.

Answer

1. The way in which the Member States convey information to the Commission about their development projects follows no uniform pattern. Sometimes there is an express obligation to provide this information, as, for example, under Article 16, paragraph 1, of the internal agreement on the financing and development of aid measures under the ACP Convention, while sometimes each case is dealt with individually in a pragmatic manner.

2. Under the terms of the ACP Convention, the Member States notify the Commission of their own bilateral aid measures before the preparation of the Community aid programme. The purpose of this is obviously to ensure the greatest possible coordination between Community and bilateral aid.

Similar arrangements are laid down in the Financial Protocols with the southern Mediterranean countries.

3. With a view to financial and technical aid measures for non-associated developing countries being planned by Member States of the Community, the Commission makes every effort to obtain the relevant information, in order to coordinate these measures as far as possible with the Community's own aid measures. With this aim in view, regular meetings are held with representatives of the Member States, and these meetings are supplemented by continual informal contact between the various departments concerned. The accuracy and completeness of the information forwarded by the various Member States, however, vary from one case to another.

4. The same picture emerges with regard to the furtherance of development policy measures. Some Member States regularly forward statistics, while others confine themselves to conveying this information at coordination meetings. There are certain recipient countries and special sectors where particular care is taken to work closely together with the Member States in the matter of coordination.

* * *

Question No 61, by Mr Pearce (H-331/83)

Subject : Beer

Will the Commission confirm that, in its contacts with the German Government over health and consumer policies (Question H-170/83)¹ it is insisting that the German Government accepts the same rules for exports of beer from Germany as for imports into Germany, the same rules for wine as for beer and also for the prior treatment of water used in making beer; will it indicate the German Government's reaction to this?

¹ *Verbatim report of proceedings of the European Parliament of 8 June 1983, Provisional edition.*

Answer

1. The Commission considers the provisions of the German beer law on the production and marketing of beer incompatible with Article 30 of the EEC Treaty, because it obstructs the importation of beer from other Member States where different laws govern the production and marketing of beer. This is why the Commission has instituted proceedings against the Federal Republic of Germany under Article 169 for infringement of the Treaty.

2. The Federal Government objects that the regular consumption of varieties of beer which do not comply with German law is likely to pose a threat to the health of German beer-drinkers. The Commission cannot accept this. The Commission bases its views in part on the arguments put forward by the Honourable Member but principally on the belief that the substances permitted in other Member States for the production of beer pose no threat to health and that their use is technologically justified; for all Member States and the Community apply the principle that additives are permissible providing their use is technologically necessary.

The Commission has recently delivered a reasoned opinion on this matter to the Federal Republic of Germany in accordance with Article 169. A similar opinion has also been delivered to Greece, where the provisions governing beer are comparable to those in Germany.

* * *

Question No 63, by Mr Collins (H-350/83)

Subject: Lead in petrol and the enlargement of the EEC

The current levels for lead in petrol in Spain are 0.65 g/l (98 RON), 0.48 (90 RON) and 0.635 in Portugal. These levels are higher than the 0.40 maximum permitted level in the 1978 directive on lead in petrol.

Has the Commission received requests from the Spanish and Portuguese authorities for any exemptions or periods of adaptation to the directive, and if so, what is the outcome of the discussions?

Answer

In their negotiations on accession, both Portugal and Spain have asked the Community to grant them a temporary derogation in respect of the application of Directive 78/611/EEC concerning lead in petrol.

As far as Portugal is concerned, the negotiating conference has agreed — although the agreements concluded will not be regarded as final until an overall agreement is drawn up at the end of the negotiations — that *from the time of accession* Portugal will respect the value limit laid down in Directive 78/611/EEC of 0.4 g of lead per litre of petrol for 'regular' petrol. As a *temporary derogation* to the provisions of the Directive, Portugal will have to respect at the latest after a period of two years following accession the value limit provided for in the Directive of 0.4 g of lead for 'premium' petrol.

As far as Spain is concerned, the negotiating conference has agreed — subject to the same proviso — that from the time of accession Spain will respect the value limit laid down in the Directive of 0.4 g of lead per litre of petrol for 'regular' petrol, but that as a *temporary derogation* Spain will be allowed to retain the maximum level of lead in 'premium' petrol at its present level (i.e., 0.60 g/l for 'premium' with a RON of 96 and 0.65 g/l for 'premium' with a RON of 98) for a period not exceeding the date when the plan for the restructuring of the Spanish refining industry comes to an end (i.e., 1 January 1987).

* * *

Question No 64, by Mrs Lizin (H-355/83)

Subject : Guidelines for adaptation of the CAP

If the Commission intends to apply guarantee thresholds product by product indiscriminately throughout the Community, will it be taking account of regional distortions by providing for exemptions in its proposals for regions where small farms predominate? If so, for which products and on what terms could Wallonia enjoy special status?

Answer

The Commission is aware of the problems frequently facing small farms in disadvantaged regions of the Community. In the Commission's view, however, these problems cannot be permanently resolved by softening the application of measures laid down under the common policy on prices and markets or by admitting derogations to these measures, but should be considered in the more appropriate framework of the socio-structural policy in favour of disadvantaged regions.

Here the Commission would draw the honourable Member's attention to the proposals for revising the policy on agricultural structures which were recently submitted by the Commission to the Council and the Parliament¹: these proposals reflect in particular the Commission's desire to strengthen and extend the opportunities for small farmers in disadvantaged regions to have access to funds earmarked for income support and the improvement of agricultural structures.

* * *

Question No 65, by Mrs Le Roux (H-358/83)

Subject : Sale of American dairy products to Egypt

Despite the concessions made by the Commission in its discussions with the United States, the latter have followed up the flour deal by selling substantial quantities of dairy products to Egypt on terms incompatible with the rules of GATT.

Can the Commission state the exact conditions under which this sale took place and the counter-measures envisaged?

Answer

1. The contract in question is mainly for the sale of 18 000 tonnes of butter and 10 000 tonnes of cheese. The quantity of butter may possibly be increased to 24 000 tonnes. Deliveries are to take place between September 1983 and August 1984.

Payment will be made in Egyptian pounds in three equal instalments over a period of three years. The United States is allowing Egypt an interest-free loan in respect of these payments.

2. As far as counter-measures are concerned, the Commission will make use of the relevant procedures within the framework of the GATT. Furthermore, it will do its utmost to see that the Community retains its customary share of world trade in dairy products, while at the same time avoiding any fall in world market prices and seeing to it that the available budgetary resources are wisely used.

* * *

¹ COM (83) ...

Question No 66, by Mr Martin (H-359/83)

Subject: The price of wine destined for preventive distillation

The aim of preventive distillation, as provided for in the Community regulations on wine, is to deal with surpluses from the previous season and eliminate poor quality wine from the new season. Since it is optional and open to all wine-growers without quota restrictions, it can only be effective if prices are sufficiently attractive. Preventive distillation was relatively ineffective in 1982 because the prices offered were too low compared with market prices.

The European Commission has refused to learn from experience and has fixed prices for the 1983/84 season at an absurdly low level namely, lower than last year's level.

Preventive distillation will thus be unable to fulfil its rôle properly, and eliminate poor-quality wines right at the beginning of the season. These wines will subsequently adversely affect the market, and this may lead to distillation during the season, which will weigh heavily on the Community budget.

To rectify this state of affairs and begin the 1983/84 season under the best possible conditions, will the Commission reverse its decision and raise preventive distillation prices to 75 % of the guide price ?

Answer

Having received a positive opinion from the management committee, the Commission has given its approval for the preventive distillation of table wine during the 1983-84 season with effect from 1 September and has fixed the prices to be offered for this wine. In doing so, it was merely applying the instruments introduced by the Council and following the Council's instructions.

Moreover, the Commission does not share the honourable Member's view that last year these were relatively ineffective. According to the latest statistics, the quantity distilled as a result of these measures is likely, provided the level of production remains comparable, to reach the figure of 7 m hectolitres.

* * *

Question No 67, by Mr Eisma (H-362/83)

Subject: Lead in petrol

At its meeting of 16 and 17 June 1983, the Council of Environment Ministers asked the Commission to draw up an interim report for the next Environment Council in November by way of preparation for the decision on the lead content of petrol to be taken in April 1984.

Is the Commission prepared to forward this interim report to Parliament at an early date, so that it can be discussed by Parliament's Committee on the Environment, Public Health and Consumer Protection, in the presence of a Commission representative, before the forthcoming Environment Council ?

Answer

At the next Council meeting on 28 November, the Commission intends to give an oral report on the progress made by the group ERGA II. It does not envisage publishing, in the form of a written interim report, the results of the work of this group of experts, which is assisting in the study of measures to combat air pollution.

The Commission is, of course, prepared to give an oral report to the appropriate committee of Parliament if this committee wishes to discuss the question.

* * *

Question No 69, by Mr Aigner (H-369/83)

Subject : Nicaragua

Will the commission tell the European Parliament who is the consignee for food aid to Nicaragua, the amount of the aid, and who is checking the use made of it?

Answer

1. Food aid for Nicaragua in 1983 amounts to about 6 million units of account. When delivery has been made and the relevant formalities have been complied with, the products will be sold on the local market by undertakings in that country. In the case of wheat and red beans, the sale will be carried out by the national food products company ENABAS. The proceeds of the sale will be used to finance Community development projects within the framework of the Community's technical and financial aid.

2. The proper use of the food aid will be checked by Commission officials by means of the usual on-the-spot inspection, as well as by an expert whose job it is to oversee the carrying out of Community measures in Nicaragua and Costa Rica.

* * *

Question No 70, by Mrs Schleicher (H-371/83)

Subject : Oil pollution of the North Sea

In March the European Parliament, by large majorities, adopted two resolutions expressing its great concern at the constantly increasing oil pollution of the North Sea and the related death of birds. It requested the Commission *inter alia* to introduce certain immediate measures and to arrange jointly with the European Parliament a hearing on the island of Heligoland at the earliest opportunity with all the institutions and parties concerned by this problem.

What action has the Commission taken in response to Parliament's resolutions, and has it yet started work on the arrangements for a hearing on the island of Heligoland?

Answer

At the sittings held in March of this year, I clearly stated that the Commission unreservedly supported the political aims set out in both of the resolutions in question.

It should like to take this opportunity of pointing out that the German authorities have taken the initiative and are planning to hold an international conference in 1984 on the protection of the North Sea. In order to avoid duplication of effort, the Commission is working closely with the German administration on the organization of this conference.

In this connection, the Commission has proposed examining the feasibility of setting up — possibly on Heligoland — an international centre for scientific documentation on the state of the North Sea. I should also like to point to two other initiatives which the Commission has taken on the matter with which we are concerned today :

First, it has adopted a proposal for a Council directive on the planning of immediate measures to combat the accidental discharge of hydrocarbons into the sea, which it forwarded to the Council and to Parliament on 27 September.

It has also commissioned a research bureau to investigate bird deaths. This investigation, which is to be completed in 1984, should provide, in particular, more accurate information on the causes of such deaths.

The Commission will — as always, within the framework of the very limited staff resources available to it — support all initiatives capable of contributing to the better supervision and, where possible, diminution of the pollution of the North Sea.

* * *

Question No 71, by Mr Kirk (H-377/83)

Subject: French import measures

In July 1983, the Commission requested the French Government to desist from the action it had taken to limit *inter alia* imports of chest freezers from other Member States.

Does the Commission intend to bring this specific case and other similar cases before the Court of Justice of the European Community as a matter of urgency, if the French Government does not immediately comply with this request?

Answer

As French Standard No D38-320, relating to domestic deep freezers, contravenes the so-called 'low-voltage directive',¹ the Commission introduced on 7 July 1983 proceedings against France for non-compliance with the Treaty. The French Government subsequently stated on 21 July that it had suspended application of the regulation in question, which had come into force on 1 July.

At the same time, it adopted the following provisional measures:

- there is no limitation whatsoever on the import of appliances bearing the conformity symbol NF;
- appliances for which application was made before 1 August 1983 to use the NF symbol may be put into circulation until 1 January 1984;
- other appliances already on French territory may be sold until 31 October 1983.

The Commission is currently studying the legal and practical scope of the new French regulations and is attempting, in contact with the interested business circles and the French authorities, to find a final solution in conformity with Community law. It will soon be discussing the outcome of these contacts and will decide, where necessary, what further steps should be taken.

* * *

Question No 72, by Mr Antoniozzi (H-381/83)

Subject: Promotion of the bergamot orange

A meeting of the Committee for the promotion of the bergamot orange was held in Rome, under the auspices of the Reggio Calabria regional Chamber of Commerce, at the headquarters of the Union of Italian Chambers of Commerce.

That being so, I wish to ask what measures and initiatives the Commission intends to take in support of such an important and typical Mediterranean product, for which a special international committee has been set up?

¹ Council Directive No 73/23/EEC of 19 February 1973, on the harmonization of the laws of the Member States relating to electrical equipment designed for use within certain voltage limits.

Answer

1. The bergamot differs from other citrus fruits in that its entire output — about 45 000 tonnes — is used by industry. Moreover, international trade in fresh bergamots, insofar as this trade exists at all (Nimexe, pos. 08.02.90, which covers not only bergamots but also citrons, limes, etc, indicates a total EEC import of 1 200 tonnes), is so limited that it can hardly create any competition for fresh bergamots of Italian origin on the markets of Member States other than Italy.

Consequently, the Commission sees no need for the moment of allowing bergamots to benefit from the same market-management measures as other citrus fruits.

2. On the other hand, bergamots could benefit from the aid concerning the subject of Article 1, paragraph 1 (b) of Regulation (EEC) No 2511/69, provided that Italy has drawn up a plan to this end.

* * *

Question No 73, by Mr Clinton (H-386/83)

Subject: Enforcement of fisheries regulations

Does the Commission intend to publish statistics on infringements of Community fishing regulations in Community waters by (a) Community fishing vessels and (b) third-country fishing vessels and can the Commission please say when these statistics will be available?

Answer

Article 5 of Council Regulation (EEC) No 2057/82 of 29 June 1982, establishing certain control measures for fishing activities by vessels of the Member States¹ foresees that 'Member States, at regular intervals, provide the Commission with information on the number of fishing vessels inspected, their nationality, the type of infringements observed and the action taken by them with respect to such infringements'. Similar provisions exist concerning the fishing activities of third-country vessels in Community waters.

The Commission is considering how this information could be communicated to the Member States but does not intend to make it available for publication.

* * *

Question No 74, by Mr Adam (H-387/83)

Subject: Trade with Japan

Will the Commission state when they intend to publish the report undertaken on behalf of the Commission by the Tokyo office of the PA Consulting Group, on trade with Japan?

Answer

1. The report referred to by the Honourable Member concerns the present extent of actual investment by European firms in Japan. The findings are being supplemented by a further study being conducted on behalf of the Commission concerning the general conditions for successful activity by European firms on the Japanese market.

¹ OJ L 220, 29 July 1982, p. 1.

2. The Commission believes that each of these investigations provides useful information with regard to cooperation with Japan. The conclusions will be published as soon as consideration of the findings has been completed.

* * *

Question No 76, by Mr von Wogau (H-391/83)

Subject: Abuse of stickers and product labels for protectionist purposes

Is the Commission aware that there is currently an increasing tendency for various Member States of the Community to require stickers and product labels to use the national language in addition to the prescribed EEC product symbols, and does the Commission share the view that this practice contravenes the rules on free trading laid down by the EEC Treaty unless it is absolutely necessary on safety grounds?

Answer

In the Commission's view, the labelling requirement, generally speaking, serves the legitimate interests of consumer protection and consumer information. It is perfectly normal that the consumer should be informed — in a language he understands — on the nature, composition and proper use of a product and on any dangers connected with it.

The Commission does not have any detailed information on a new tendency in the Member States to require more stickers and product labels. Nonetheless, it takes the view that the extension of practices of this sort not only deluges the consumer with useless information but also may work to the disadvantage of imported products and, therefore, should not be permitted without restriction.

The Commission therefore regards it as essential that in each individual case and before deciding on the linguistic requirements, it should be examined whether the labelling prescriptions in question correspond to a real need, particularly where safety is concerned.

* * *

Question No 77, by Mr Key (H-399/83)

Subject: Blackbird *pâté* made by the G. Alessandri Company in Corsica.

Is the Commission aware that the G. Alessandri Company, of Bastia, Corsica, is manufacturing and selling blackbird *pâté*; does not the Commission consider this to be a clear breach of Article 6(1) of the Directive on the Conservation of Wild Birds (79/409); what action does the Commission intend to take to put a stop to this breach of the Directive, and over what time period?

Answer

The Commission has so far received no information about the situation described by the Honourable Member. Blackbirds are listed in Annex II to Directive 79/409/EEC on the conservation of wild birds.¹ That directive prohibits the manufacture and sale of products made from these birds.

The Commission will make inquiries of the French authorities about this matter. Should it be discovered that the provisions of that directive are being infringed, the Commission will immediately bring an action under Article 169 of the EEC Treaty for a declaration of failure to fulfil an obligation under the Treaty.

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¹ OJ No L 103, of 25 April 1979.

Question No 79, by Mrs Pantazi (H-402/83)

Subject : Social-security schemes for workers moving within the Community

On 16 May 1983, Parliament adopted a resolution in favour of the proposal to amend Regulations 1408/71 and 574/72 on the application of social security schemes to employed persons, the self-employed and their families moving within the Community.

Can the Commission say what progress has so far been made on the above matter?

Answer

This proposal was designed, among other things, to ensure that workers who have suffered successive accidents in different Member States are not compensated less favourably than if the accidents had happened in a single Member State.

The Commission is pleased to inform the honourable Member that the proposal was adopted by the Council on 2 June 1983 as Regulation No 2000/83. It was published in the OJ No L 230, of 22 August 1983.

Moreover, this regulation was incorporated in Regulation No 2001/83,¹ adopted by the Council on the same date, which consolidates Regulation No 1408/71.

* * *

Question No 80, by Mr Adamou (H-406/83)

Subject : Risk of liquidation of Arta poultry-farming cooperative

The poultry-farming cooperative in Arta, the second largest cooperative of its type in Greece, has decided to cut its production and its blue-collar staff by 50% from 1 July 1983 as a move to stave off its complete liquidation. The cause, as it is formulated in the decision by the Cooperative's board of directors, is 'the heedless and unrestricted importation of poultry products' since Greece's accession to the EEC and 'the complete indifference of the State as to the fate of poultry-farming'.

What steps does the Commission propose to take to assist the Arta poultry-farming cooperative and, more generally, to deal with the problems faced by the poultry-farming sector in Greece, which is in danger of being wiped out by competition from Community poultry products?

Answer

The need to improve conditions governing the processing and marketing of poultry products in Greece has been recognized by the Commission. The Greek programme for setting up or reorganizing plant for the processing and marketing of poultry-meat and eggs was approved by the Commission on 22 June 1981,² and certain questions are still being studied. The aid offered by the EAGGF (Guidance) should obviate any reappearance in future of the difficulties pointed out by the honourable Member.

Statistical data available on the volume of trade, in particular trade with the other Member States, are reproduced in the attached table.

It will be seen that the only figures of any importance are those relating to eggs for hatching, chicks and slaughtered chickens. Trade in eggs for consumption is practically non-existent.

Hatching-eggs and chicks, while partly required to cover technical needs, nevertheless show a positive export balance.

¹ OJ No L 230, of 22 August 1983, p. 7.

² OJ L 186 of 30 June 1981, p. 61/V.

Imports and exports of slaughtered chickens have varied from 1 100 tonnes to 2 300 tonnes during 1981 and 1982, and imports at present are at 1 047 tonnes. The information available to the Commission does not justify the view that these figures are likely to disturb the Greek market seriously.

* * *

Question No 81, by Mr Kyrkos (H-409/83)

Subject: Economic counter-measures against Greece

Does the Commission propose to comment on or deny the rumours that there are plans to take economic counter-measures against Greece because of the special nature of its stand on certain international problems, and can an assurance be given by the Commission that no form of action will be taken to postpone, by the use of procedural or other pretexts, the furtherance of Greek demands which have already been agreed to?

Answer

The Commission does not have to comment upon or deny rumours.

It can assure the honourable Member that it considers all requests submitted by Member States under the Treaties on their merits. This applies equally to any request submitted by Greece.

* * *

Question No 82, by Mr Pattison (H-416/83)

Subject: Importance of Rosslare Harbour to regional and economic development in Ireland

In view of the key position of Rosslare Harbour, on the south-east corner of Ireland, for incoming and outgoing seaborne traffic, both commercial and tourist, and given its proximity to Dublin, its position at the end of the Belfast-Dublin-Rosslare main traffic route and its potential to contribute to the regional and economic development of Ireland, does the Commission agree that it is essential that this harbour be developed and further expanded, and will it state what Community assistance is available, either under Community transport policies or port development policies?

Answer

The investment necessary for the development of harbours such as those mentioned by the Honourable Member may come within the scope of various Community financial instruments.

Thus those investments may qualify for aid from the European Regional Development Fund and loans granted by the European Investment Bank and the New Community Instrument, in accordance with the requirements of those instruments.

It should also be borne in mind that the adoption by the Council of a recent Commission proposal on a specific form of financial aid for infrastructures in the transport sector would allow the Community to take action in favour of projects of Community interest. Some projects located on the Rosslare-Dublin-Belfast axis helping to facilitate access to Rosslare Harbour are amongst the priority projects adopted by the Commission in its proposal.

* * *

Question No 83, by Mrs Nikolaou (H-423/83)

Subject: Problem of financing the proposal for a Council regulation extending the common measure provided for in Regulation (EEC) No 1975/82 on the acceleration of agricultural development in certain regions of Greece.

The extension of Regulation (EEC) No 1975/82 to additional regions of Greece satisfies a small part of the demands made in the Greek Memorandum. How does the Commission consider that the proposal for a Council Regulation (EEC) (COM(83) 468 final, 22 July 83) extending the common measure provided for in Regulation (EEC) No 1975/82 can be financed and then implemented when the necessary appropriations have not been earmarked in Article 329, Item 3290, either of the preliminary draft or of the draft General Budget for 1984, and when it is not included in the 5-year endowment (Doc. Council 8506/14 July 83); and should consideration not be given to extending the regulation to cover the cattle-breeding sector, with appropriations in keeping with its importance?

Answer

As things stand at present, there are five measures providing for more favourable conditions for Greece. In respect of two horizontal measures (Directive 75/268/EEC and Regulation (EEC) 355/77), eligibility and Community payments have been increased to 50 %. In the case of the other three specific measures, one of which already is in force (Reg. (EEC) 1975/82) and the two others soon to be approved (relating to irrigation and the advisory services), the Community's share, on the whole, is 50 %.

In its response to the Memorandum and in keeping with the budgetary situation, the Commission's proposals deal only with the three sectors faced with the most acute structural problems (irrigation, infrastructure, forestry).

I would point out to the honourable Member that the Community contribution normally takes the form of repayments. In the event that advance payments are not made, the first payments will take place in 1985. The Commission will not fail to draw the appropriate budgetary conclusions from the regulation as finally accepted by the Council.

It should also be noted that the Commission has already submitted to the Council its proposals for the integrated Mediterranean programmes (COM(83)495 final).

* * *

Question No 84, by Mr Kaloyannis (H-424/83)

Subject: Greece's participation in EEC development programmes for ACP countries

As is known, Greece also pays a share of 1 000 million drachma per annum towards the costs of EEC development programmes for the ACP countries.

Can the Commission state why no Greek experts have to date been entrusted with the preparation of any kind of programme and on what criteria those who do prepare such programmes are chosen by the EEC Member States?

Answer

As yet, no technical-cooperation contracts have been awarded to Greek experts or consultants to prepare or carry out projects financed by the EDF in the ACP States. However, quite recently two Greek consultants were placed on short lists submitted to the beneficiary countries with a view to studies in three ACP countries. The governments concerned have not yet made their choice.

The normal procedure for selecting consultants is to make a short-list of consultancy bureaux or experts drawn up by the Commission departments on the basis of the consultants' expertise and submitted to the governments concerned. To facilitate selection, the Commission keeps a central register with the names of consultants wishing to take part in technical-cooperation work. At present, 27 Greek consultants are on this register. Most of them are engaged in architecture and civil engineering, only one specializes in agriculture: this unfortunately restricts the range of choice, given the nature of the bulk of projects financed by the EDF in the ACP States.

Furthermore, there are at present three Greek nationals working in Commission overseas delegations under the auspices of the European Cooperation Agency, which is also paying for a Greek technician attached to the administration of an ACP State.

The Commission departments have spared no effort to provide information to the Greek economic interests concerned on the opportunities for taking up the various contracts financed by the EDF. In 1982 and 1983 there have been two official missions to Athens for this purpose.

* * *

Question No 85, by Lord Bethell (H-426/83)

Subject: Discrimination against black British travellers by the French immigration authorities.

Is the Commission aware that in recent weeks many black British citizens have been refused entry to France, the majority while travelling on no-passport-excursion identity cards, but some while travelling on full British passports? Does it agree that this recent change of policy by the French Government amounts to racial discrimination as well as a clear violation of Community law? What steps is the Commission taking to enforce the law in this matter and to make sure that all Community citizens, irrespective of racial origin, are free to travel between Member States?

Answer

The Commission is aware of the problem described by the Honourable Member.

Immediately after taking cognizance of Question H 336/83, tabled last month by Mr Lomas on the same subject,¹ the Commission contacted the appropriate French authorities by letter of 26 September requesting an explanation.

Depending on the nature of the reply from the French authorities, the Commission will consider whether, and if so what, measures need to be taken and will inform Parliament accordingly.

* * *

Question No 86, by M Bonde (H-427/83)

Subject: Transport prices for cars to Denmark

Would the Commission kindly refrain from interfering in the matter of import prices for cars to Denmark?

¹ Question No 99 (H-336/83), Verbatim report of proceedings of the European Parliament of 14 September 1983, p. 201.

Answer

The Honourable Member evidently has in mind Article 7 of the Commission's draft EEC regulation on the application of Article 85 (3) of the EEC Treaty to sales and after-sales agreement between undertakings on motor vehicles. This proposal was published in the Official Journal of the European Communities on 24 June 1983.¹ The Commission therein invited all interested persons to submit in writing any observations they might have before 25 October 1983 so that they might be duly taken into account when a final decision was taken.

However, in the proposed regulation the Commission obtains no direct control over prices, nor is there any regulation on import prices. In formulating its proposal, the Commission adhered strictly to its task as laid down in the Treaty of Rome and the Rules of Competition contained therein (Article 3(f) and Articles 85 and 86). Arrangements in trade between Member States must be so maintained that there is no distortion in competition. This should mean that no prices are charged which are substantially different from one state to another. Further, as regards those Member States which apply high taxes and levies on motor vehicles as compared with most of the other Member States, the Commission has introduced a derogation in the third subparagraph of Article 7(3) so that price adjustments resulting from competition should not come into full force directly; rather, there should be a possibility of progressive adjustment.

As usual, the Commission is prepared to furnish the European Parliament and its appropriate committees with any information required to clarify the proposal and also any background information.

¹ OJ No C 165, of 24 June 1983.

SITTING OF THURSDAY, 13 OCTOBER 1983

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IN THE CHAIR : MR DANKERT

President

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

1. Approval of the Minutes

President. — Ladies and gentlemen, I should like to make the following observations in connection with the minutes of yesterday's meeting. There were a number of incidents during the procedural debate at the beginning of the voting on the resolution contained in the Fergusson report and it has emerged from further investigation that Mr Alavanos' account of the matter was a completely accurate reflection of the facts. As regards Mrs Gredal, a brief look into the matter showed that the amendments were not, contrary to what I said yesterday, all available in Danish early in the morning but only shortly after midday.

I also have every reason to assume that she gave a correct account of the facts. I should like to apologize to both these Members for the doubts cast on the points they made as a result of the way in which the Presidency reacted on the basis of the information he had received from the administration. Since I feel that yesterday's incidents have damaged the reputation of this Parliament, I have instructed the Secretary General to see to it that the facts of the matter are fully investigated.

Mr Haagerup (L). — (DA) Mr President, as acting Chairman of the Committee involved in this matter I should like to say that I am happy with the way in which a solution has now been found to the unfortunate problems which arose yesterday.

I should also like to add that I have been informed that the rapporteur on the Fergusson report, Mr Adam Fergusson, will not be present at the voting, which has been postponed until 6 o'clock this evening, since he

Haagerup

is going home together with the majority of his group to take part in his party's annual conference in Blackpool. I would therefore recommend, postponing the vote on the Fergusson report until the November part-session so that the rapporteur can be present, and I would stress that I am speaking on behalf of the Political Affairs Committee.

President. — Mr Haagerup, I think the problem you are raising exists, but we cannot solve it now. The Rules are extremely clear on when such a question has to be brought forward. As far as the Rules are concerned, there is even some doubt as to whether Rule 87 applies to the vote only, but anyhow I think we have to wait for a decision until 6 p.m. tonight. Perhaps in the meantime it will be possible to find a solution.

Mr Haagerup (L). — Mr President, I am absolutely convinced that you are doing your best to help Parliament in this rather awkward situation. I am sure that all Members who, like myself, voted yesterday for delaying a vote will take into account the difficult situation in which we are placed by reason of the fact that the rapporteur is unable to be present.

Mr President, with all due respect, I hope that you can reverse that decision. If not, I would have to ask you to put your decision to a vote here in Parliament.

Lady Elles (ED). — Mr President, in supporting Mr Haagerup I would draw your attention to Rule 56(2) which says: 'once adopted, the agenda shall not be amended, except . . . on a proposal from the President'. There is no definition in that Rule as to when that proposal could come. I would earnestly request you, in view of your previous statement and the misunderstanding that has arisen, that you would now propose to this Chamber that we should vote on the Fergusson report at the time proposed by Mr Haagerup. I would ask you to make that proposal under this Rule.

President. — Lady Elles, the possibility you mention exists, but in view of the importance of the matter I think it would be wise to have certain consultations on that subject during the day before making such a proposal I think that could possibly be done at the beginning of the afternoon.

Mr Bangemann (L). — Mr President, I wanted to say exactly the same as Lady Elles. You have confirmed that the problem exists and I have no doubt that Mr Haagerup is right that you will do your utmost to solve it. Could you not therefore put it to the House for a decision right now?

President. — That is why I propose, Mr Bangemann, to come up with a proposal at 3 p.m. if we can get a consensus among the group chairmen.

Sir Fred Catherwood (ED). — I would like to say on behalf of my group that we do have very consider-

able difficulties this week because of the fact that we have our Party Conference. Adam Fergusson made absolutely certain that he was here as rapporteur when this was on the agenda. He has fixed all his other most important engagements, so that he has to leave immediately for the Party Conference. Therefore, it is not satisfactory to us, trying as we are to make the best presence we can at our own Party Conference, to keep Adam Fergusson here until 6 o'clock. Therefore, we would very strongly request that he should be enabled to attend the last two days of the Conference, having remained here as rapporteur during the Conference.

Mr Klepsch (PPE). — (DE) Mr President, I think we could perhaps settle the matter now — since several groups have already spoken — by asking the Socialist Group — and the House complied with its wishes yesterday — whether it agrees.

Mr Glinne (S). — (FR) Out of consideration for our colleagues from the European Democratic Group and in view of their obligations, we can fully understand their reasons for requesting postponement, and we agree.

(Applause)

President. — I no longer need to consult the group chairmen on what has taken place. I propose that we postpone the vote on the Fergusson report to the Monday of the second October part-session.

(Parliament adopted the proposal)

Mr Gawronski (L). — (IT) Mr President, for reasons of time my group did not want to table an urgent motion on Poland. We feel, however that we must mention that exactly one year ago 224 Members from all the groups supported my initiative by adopting a resolution nominating Lech Walesa for the Nobel Peace Prize.

I think it is a source of satisfaction to note that our wish has now come true. We were therefore surprised that the President omitted to mention this initiative by Parliament either at the beginning of Monday's sitting or in the telegram which he sent to Lech Walesa on Tuesday on behalf of Parliament as a whole.

(Applause)

President. — I must say that I did not at all forget Parliament's initiative. The telegram was very explicit, since I also congratulated Mr Walesa on behalf of Parliament, and I could not do this unless it was on the basis of the 224 signatures you have just mentioned.

(Parliament approved the Minutes)¹

¹ For the section dealing with documents received, see the Minutes.

2. Urgent and Topical Debate

Turkey

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

- the motion for a resolution (Doc. 1-814/83) on behalf of the Liberal and Democratic Group on elections in Turkey ;
- the motion for a resolution (Doc. 1-822/83) by Mr de la Malène and Mr Israël, on behalf of the Group of European Progressive Democrats, on the situation in Turkey ;
- the motion for a resolution (Doc. 1-829/83) by Mr von Hassel and others on the situation in Turkey ;
- the motion for a resolution (Doc. 1-831/83) by Mr Fellermaier and others, on behalf of the Socialist Group, on the association between the EEC and Turkey ;
- the motion for a resolution (Doc. 1-836/83) by Mr Van Miert and others, on behalf of the Socialist Group, on a general amnesty for prisoners of conscience in Turkey ;
- the motion for a resolution (Doc. 1-839/83) by Mr Fanti and others on behalf of the Communist and Allies Group, on the situation in Turkey.

Mr Gawronski (L). — (*IT*) Mr President, ladies and gentlemen, it is vital for the Parliament to realize fully the importance of the position we are asking it to adopt today, by approving the joint amendment replacing the various motions for a resolution for urgent debate on Turkey.

The proposed text is in no way intended to be hostile to Turkey. To the contrary, it recognizes Turkey's significance as a European power and the importance to the Community and to the Member States of the re-establishment of democracy and stability in Turkey.

We are expressing this concern because there can only be two types of stability in the modern world, stability based on the constant repression of any form of dissent and that based on the consensus of the citizens. It is obviously our duty to support the second type of stability.

We have no hesitation in recognizing that before the *coup d'état* of 12 September 1980, democracy in Turkey was subject to the centrifugal forces of left and right-wing extremist groups, but we cannot accept any form of dictatorship as the only alternative to disorder.

Undemocratic elections and the suppression of freedom of thought tend to have the opposite effect of generating cynicism and encouraging revolutionary extremism.

Perhaps some people will consider it ill-advised to express an opinion on the elections to be held in

Turkey on 6 November next before they actually take place. However, ladies and gentlemen, that would imply overlooking the rules — I refuse to dignify them by calling them laws — which have been applied for the organization of these elections.

Most probably the elections themselves will be conducted relatively properly and will not be a complete and utter farce like the pseudo elections which are held in Communist countries. But I will not go back over our reasons, which are listed in the joint text, since we consider that the statement contained in paragraph 1, asserting that the elections of 6 November cannot be considered a free expression of the democratic wishes of the Turkish people, is a fact rather than an opinion.

The defenders of the Turkish regime will perhaps say that half a loaf is better than no bread. I agree with them to the extent that the limited freedom of expression which the Turkish people will be allowed on 6 November may perhaps serve to temper the severity of military rule. Nevertheless, we in this House, cannot accept that such paltry concessions should be made to the freedom of the Turkish people. It is not acceptable to us because it is not acceptable to them.

The same reasons were behind this Parliament's continued refusal to accept the imposition on the Polish people of a regime which is far from democratic, though better than during Stalin's era, better than many others in Eastern Europe and above all better than that in the Soviet Union.

Mr President, we feel sympathy and understanding for Turkey in the midst of her difficulties. We appreciate the fact that it is not easy to re-establish democratic freedom when geographical and historical factors tend to encourage authoritarianism. We are aware of the pressure put on Turkey by the Soviet Union. We understand the great difficulties inherent in rapid industrialization and the resulting social revolution through having experienced them. We recognized the difficulties Turkey is facing owing to the resurgence of Islamic fundamentalism among its neighbours. As democrats, we condemn all forms of terrorism from the right or the left.

Consequently, we can appreciate that Turkey requires a government which is capable of taking decisive action to defend democracy and the authority of the State. Such action, however, will be vain if the government does not enjoy popular support and if its authority does not rest on democratic elections. Any election where the basic democratic forces in the society are banned from taking part is futile and unacceptable.

Gawronski

In the name of those values for which Europe stands, for the sake of our own self-esteem and the future of the Turkish people, we in the Liberal and Democratic Group hereby declare that we cannot recognize the elections of 6 November as an authentic expression of democracy. We expect something better. While we shun facile condemnations, we cannot betray the principles on which the dignity of this Parliament is based.

(Applause from various quarters)

IN THE CHAIR : MR ESTGEN

Vice-President

Mr Van Miert (S). — *(NL)* Mr President, I should like to inform you that the Socialist Group withdraws its motion for a resolution on a general amnesty for prisoners of conscience in Turkey, but intends to retable it for the November part-session with a view to avoiding misunderstandings, since the other resolutions are to be replaced by a common text in which this problem is covered. The question of prisoners of conscience will, however, certainly come up on a subsequent occasion.

President. — This has been noted.

Mr Israël (DEP). — *(FR)* Mr President, it is the wish of my group that the resolution on Turkey should be all-embracing, and take account of every aspect of an extremely difficult situation which continues to rack the conscience of Europe.

The strategic situation of Turkey is, first of all, of the utmost importance. Here we have a country which at one and the same time borders the Soviet Empire, the Persian Empire and Syria. Such a country represents a sort of strategic safety valve. It would be disastrous if for any reason such a country lost our support, was lost to the Atlantic Alliance and lost to the general strategy of the West.

Turkey has been suffering from great internal strife for many years. Terrorism of right and left wings have shaken the very foundations of Turkey's social structure. In the last analysis, the fear which I described a few moments ago was no irrational fear, it was a very real risk : Turkey was at risk of total collapse. That risk of implosion threatened the very existence of the European Community.

That is why, when the army took over in Ankara, we accepted that, in the last analysis, it was perhaps the lesser of two evils and that if democracy and human rights could be respected something might be achieved. Alas disappointment came quickly and we saw the agreement which united Turkey to our

Community broken through failure to respect human rights. Trade union rights were flouted, and in a word, Mr President, democracy was put into wraps.

Now that it is time to re-establish democracy, the Turks respond to us. They tell us, with all apparent goodwill that they have organized elections. Sadly, such elections are not entirely satisfactory. We must however accept that in theory such elections are far more beneficial than certain elections held in certain Eastern European countries, and that in time those who are elected may perhaps have the power to re-establish democracy in Turkey themselves. That, however, does not mean that I accept the restrictions which have been applied to the representation of the Turkish people.

What we are asking of Turkey, Mr President, is two essential gestures.

The first is to abolish the death penalty. There are major countries in our world which manage the fight against terrorism without executions. It is my pleasure to mention Italy, and there are others such as Israel. The essential, therefore, is for Turkey to abandon use of the death penalty.

Secondly we consider it essential that General Evren undertakes personally to prohibit all torture in Turkish prisons. We consider that these two gestures are essential.

There remains the Armenian problem. That really is a difficult situation.

In 1915 the Ottomans embarked on what was nothing less than genocide of the Armenians. I use the word in full knowledge of what it means. But I can also say that the Ottomans of 1915 were not the Turks of today, just as the Nazis were not the Germans of today. Consequently, it is essential that in some way or other, however it pleases, the Turkish Government states clearly that genocide did indeed take place on its territory 70 years ago, but that such genocide cannot concern the Turkish nation of today. I would like to suggest that the Turkish Government itself establishes a commission of inquiry whose purpose would be to set the historical record straight.

I appeal to the truth in the message of Kemal Atatürk the first and greatest of Turks, who built the foundations of democracy in his country.

Naturally, this is a question for the authority of the Turkish Government but we, and I ask Parliament to consider this with due solemnity, cannot forget that the attack on Turkish diplomats and civilians throughout the world are unacceptable, and we must condemn them with the same vehemence as we condemn terrorist attacks of any kind, irrespective of the victim's degree of responsibility.

Israel

Mr President, if I express thus my sympathy towards the victims of terrorism, whatever its origin, I cannot conclude without a word of hope. It is my hope, and that of my group, that democracy will be reestablished in Turkey; it is my hope that Turkey will be restored to its place in the society of European nations and my hope that, through this action by the European Parliament, Turkey's return amongst us will allow for a better future for the European Community and for democracy in general.

(Applause)

Mr von Hassel (PPE). — (DE) Mr President, there are six motions for resolution before us on the subject of Turkey. Nearly all the groups have dealt with this matter. Today we too, the European People's Party, are ready to enter into this debate although we consider it to be premature. It would have been more appropriate to hold it two months after the election expected on 6 November. But we will not refuse to take part in this debate, despite the fact that it will no longer be able to influence the actual last stage of the election.

It is our common hope that there will be a true democracy again in Turkey as soon as possible. We expect it not to be limited and that the rights due to a parliament, freedom of political activity, the roles of parties and trade union rights will not be curtailed. We expect human rights to be guaranteed without reservation and that torture should cease, as has been laid down in the constitution for the first time in Turkish history, and that in cases where torture is known to be taking place, now for the first time firm action should be taken against those responsible. We expect trials to be conducted according to the laws of humanity.

The European People's Party is also critical of the fact that certain political parties have not been allowed. Personally I can especially understand the Socialists, who have particularly highlighted this problem. I expressed this criticism very early on. I too regret the fact that sometimes unnecessarily severe and clumsy actions have occurred during this last phase. So we agree about the objective, we agree in some areas of criticism, and we only disagree over the attitude which Europe should adopt towards Turkey, we are not clear what we should or should not do — this is where the difference lies.

With all our criticisms, we must not see only the negative side while ignoring the progress. I would like to thank the previous speaker, Mr Israël, for pointing that out once again. As you know, the transitional government has kept to the timetable. Many in this House expressed their doubts about that from the very beginning. We forget what the situation was like before. Mr Israël and the previous speaker from the Liberal and Democratic Group described this situation. We forgot that the generals had already restored

democracy twice after they had had to intervene three times; that the Turkish generals are not comparable to the Greek Colonels or to Mr Pinochet; and that Turkey — and I thank Mr Israël for this point — is one of the most important partners in NATO and that we should keep this in mind. We should realize that even though some parties are prohibited, three parties were allowed which cover a wide spectrum of views and that in these three parties, 39 former deputies, former colleagues of ours, are standing as candidates, that 100 former candidates are already standing to be independent deputies, and that the 16 who were imprisoned or exiled have been released.

Unfortunately, the constant critics are two-faced in their attitude: they purport to be on the side of the Turkish people and to be prepared to take action on behalf of the citizens, and yet they do everything to render any kind of help impossible from the very beginning. That is not the way to help the people — and that is what we must do! Why do I say this? We have often discussed the Fourth Financial Protocol, which had two main purposes: first to conduct and finance our own projects and secondly, to undertake the residual financing of a large number of national projects. I would remind you that, for example, West Germany envisages the residual financing of the following national projects from the Fourth Financial Protocol: a large part of the building work on a drainage system for Ankara, in other words a water supply for Ankara, the generators for a dam long since completed, so that electricity can at last be supplied to the population, or, for example, the completion of a large open-cast lignite mine which provides people with coal. So all these projects serve the people and not the generals. So if we really wanted to help the population, this would be our chance.

Now it seems wrong to us to declare this election to be *a priori* undemocratic. Rather we should make clear — and this has already been done by the two previous speakers, for which I thank them — that we place our hope in the new Parliament, that it will make every effort to promote the process of democratization, so that within the foreseeable future it will have all the rights of a sovereign democratic Parliament.

We believe that the European Parliament should watch present developments with constant interest and, if a positive move is made towards democracy, it should recommend supporting the population of the country in every possible way. Therefore, after the election, the Political Affairs Committee should update its report on the political situation in Turkey. We should then give Turkey substantial and lasting help. This is the content of the balanced motion we have submitted. It combines criticism with future prospects to give the Turkish people courage and to help the new democracy to succeed.

von Hassel

But everyone knows how delicate these questions are in this House. Therefore we have agreed that a compromise be found. I supported it, but with serious reservations. But we want to make our contribution to finding a common position. I want to state clearly that our attitude reflects a desire to prevent escalating confrontations in this House, and I would hope that other sections of the House take the same attitude as we do.

(Applause)

Mr Fellermaier (S). — *(DE)* Mr President, ladies and gentlemen, the Socialist Group too would emphasize the significance of this urgent debate because it shows the importance which the whole House attaches to Turkey's return to democracy and to what we call the long-term association with Turkey. The Socialist Group is also in favour of this compromise motion which the EPP Group, the Liberal Group, the EPD Group and we ourselves are tabling.

However, irrespective of this compromise, we Socialists would emphasize our deep disillusionment over the generals who — and it is indeed so, Mr von Hassel — may well be keeping to the timetable, but at the same time have used a lot of tricks to undermine the return to democracy. The train may well have moved off but the generals have decided which democrats may be allowed to ride on it.

Social democrats are not allowed to, for example. They are excluded from these elections in Turkey. Professor İnönü, a respected scientist, democrat and the son of a former President of Turkey, is barred. So are thousands of other respectable democrats. Of 475 independent candidates, 428 were struck off the list. Of the candidates in the three parties allowed, 244 were struck off for arbitrary reasons, and not even according to legal criteria. Anyone who arbitrarily prohibits parties or only allows them after the application period for the elections has expired, is violating the basic principles of democracy, that is, equal treatment of citizens who want to organize themselves into political parties. Our sympathy goes out to our social democratic friends in Turkey, but also to all staunch democrats. We assure them of the solidarity of European Socialists both before and after 6 November.

What is the situation like in Turkey today a few weeks before this election? Infringements of the basic principles of democratic life continue as ever. Journalists are subject to intimidation and accusation; the press law was tightened up in just one minute in the Consultative Assembly at the suggestion of the National Security Council — in just one minute! The formation of free trade unions is still forbidden and human rights infringements still continue as ever. Mr von Hassel, I am deeply disappointed that you should say here that firm action is being taken against torturers since the new constitution has been in force. Torture is unfortunately not an isolated case in

Turkey. Torture is systematically applied in every case despite the new constitution.

The Turkish citizen Sahabeddin Buz is sitting in the gallery. He works in the Hanover Youth Centre and is a Turkish patriot who returned to his country in autumn 1982 to settle questions involving his military service. In the house of his father, who was mayor of his home commune for many years and an official in Prime Minister Demirel's Party, he was arrested without reason and without a warrant. He was taken to a police prison and for 50 days subjected to the worst kinds of torture. The accusations made against him in the torture cell were that the Youth Office in the German town of Hanover was Maoist and Leninist. A further accusation was that he was a member of a German trade union and had dared to take part in demonstrations held by the German Trade Union Federation in Frankfurt on 1 May. Like many of his fellow prisoners, he was hung up on a meat hook from a steel beam for four days and four nights under a glaring spotlight. But the torturers used more and more refined methods. The cruel torture continued with electric shocks on the hands, feet and genitals. The soles of his feet were then beaten until they split open and then the prisoner was forced to walk in salt water. His cries mingled with those of other prisoners who were subjected to the same torture.

After 50 days of this cruel torture, he was taken to an army camp in Iskenderun. Here too, brutal beatings and ill-treatment were the order of the day. In March 1983 Mr Buz was then acquitted by a military tribunal. Not one of the accusations stood up. But since his passport remained confiscated, he was not able to leave the country. With the help of friends he then succeeded in fleeing illegally to West Germany.

We feel nothing but abhorrence — and I hope that the whole House agrees with us Socialists — for these cruel torture methods in a country which has ratified the European Convention on Human Rights.

(Applause)

Our sympathy goes out to Mr Buz and many political prisoners who still have to undergo this treatment in Turkey. I shall put on record in the European Parliament the names of those police officials who took part in the torture of Mr Buz in this prison, and I hope very much that a high ranking Turkish diplomat who is watching the debate will do everything to communicate to the Turkish authorities that a strict investigation should take place in this case. The names of the torturers are: Halil Erciyes, Bekir Gül, Ali Tiras, Kadir Bastimur, Hikmet Sereflioğlu, Seref Cukur, Muzaffer Tas.

We would ask the Turkish regime to start criminal proceedings against these torturers, for they are still in the service of the State. That, ladies and gentlemen, is what is actually happening!

(Applause)

Fellermaier

Allow me to say a word about what may happen in these elections and afterwards. I believe that time-tables and deadlines alone are not sufficient.

Democracy can only survive with a genuine political life, and genuine political life requires that all people, all citizens are allowed unrestricted participation in political and social life. This is not guaranteed because the Turkish generals already know how to hold on to power even after the election. A decree issued on 4 October, thus very recently, is designed to maintain the generals' rule after 6 November, over and above the elected representatives of the people.

According to this decree of 4 October, governors are being appointed to the top positions in eight regional centres. These centres correspond exactly to the present army structures. They are the centres of Istanbul, Ankara, Ismir, Konya, Adana, Kayseri, Erzurum and Diyarbakir. After the parliamentary election these governors will have full power to make decisions alone and without the consent of Parliament on matters such as dissolving trade union organizations, as well as the running of the whole spectrum of social and economic life. We are deeply concerned that the generals will continue to manipulate their way past the constitution. This kind of internal structure — perhaps as the successor of martial law — is ominously reminiscent of what has happened in Poland.

(Applause)

There martial law was lifted. It is just that the provisions were applied afterwards by the national leadership much more strictly and in a much more refined way, and here, Mr von Hassel, I am afraid there are parallels. Anyone who speaks in favour of the freedom of Solidarnosc must also raise his voice in favour of the freedom of the Turkish trade union movement!

(Applause)

We Socialists are not therefore in a position to say that we are dealing with genuine free and democratic elections. For us Socialists, these elections remain a farce as long as the basic principles of parliamentary democracy are trampled underfoot. We therefore warmly welcome the fact that the responsible political forces in this House have jointly come to a decision which expresses our demand for a full return to parliamentary democracy, indeed not only a demand for it, but our wishes for it in view of the friendly ties which exist between us and the Turkish people. I hope that this joint appeal to the generals in Turkey will not go unheard.

(Applause)

Mrs De March (COM). — *(FR)* Mr President, ladies and gentlemen, we have had to wait three years since General Evren's *coup d'état* for this House to debate the question of human rights in Turkey. Even now a

request for a topical and urgent debate submitted by our Bureau, of which I myself was co-author, was rejected yesterday by the conservative members of this House. We have had to sit through more than 100 000 political arrests, 167 deaths in police operations, 137 prisoners dying under torture and 50 hangings, as we have just been told. We have had to watch the establishment of 80 detention centres since 1980, the re-establishment of the death penalty, the moth-balling of justice, and capital charges against 4 000 trade unionists. We have had to watch the national assembly dissolved, political parties and trade unions banned the press closed down or censored, we have had to watch the hounding, imprisonment, and exile of socialist members of DISK, members of the peace movement, of the Kurd community, and also of eminent Turks such as the President of the Bar, Mr Apaydin, the painter Orphan Taylan, their former parliamentary representative at the Council of Europe, Mr Toket and leaders of the main Socialist and Justice Parties, Mr Ecevit and Mr Demirel. We have had to see barristers in their turn imprisoned and tortured for daring to defend the cause of political prisoners. For three years we have had to watch the junta — whose actions are even now being whitewashed in this Assembly — flouting the United Nations declaration of human rights, flouting the European charter of human rights, ignoring the appeals made by the Council of Europe in October 1982 and January 1983, until now we are debating the situation of human rights in Turkey. So many deaths, so many prisoners, so many martyrs, so many exiles before this Assembly, which is so quick to show concern for individual cases anywhere in the world, should finally show concern for the most odious mass violation of human rights ever perpetrated in a country on Europe's doorstep. And not just any country! A country which since 1963 has been tied to Europe by a treaty of association with the Community; a country to which Europe has commitments. And note the infinitely careful language used on all sides, the deafening silences, the fine nuances used by certain speakers and the authors of certain resolutions, whose purpose is to avoid offending Mr Evren and his régime.

There is reason to wonder about such reticence, such unwillingness to admit to what is going on in Turkey. Why should there be this collaboration with the junta, these extraditions from certain European countries?

One can wonder, for example, why the silent assent of the United States, which has excellent relations with the junta favouring the strengthening of American military potential in area, and whether north Atlantic logic calls upon us to turn the same blind eye.

Indeed, did Mr von Hassel not just remind us that Turkey was a major partner in NATO? Need we search further for the answer?

De March

It is in this context that the continuing violation of human rights, the continuing martial law and the continued banning of political parties that the much-vaunted elections of 6 November will take place. In this House we have been told of 'free elections': the truth is rather different. The parties and candidates taking part in the elections will be limited to those accepted by the junta. Fifteen political parties have been banned and their candidates prohibited from standing, including the abstention party since voting is compulsory and those failing to vote will be fined. The press has already largely disappeared, and two major daily newspapers hitherto tolerated, *Milliet* and *Tercuman*, have also disappeared for the elections. In the absence of free discussion it can already be said that there will be no free choice. It is clear that these elections will not be the free expression of universal suffrage. They will consequently not be the expression of the will of the Turkish people, since their democratic life blood lies in jail.

That is the extent to which our respective friends are concerned by the military régime in Ankara.

The time available for me to speak on behalf of my group is running out, Mr President. We call for the true reinstatement of human rights. That is why we shall support the compromise motion: we wish to see some meaningful progress made. But we shall also support the motion for a resolution submitted by our chairman, Guido Fanti, and we call for meaningful condemnation of the dissolution of the political parties. We call for the meaningful re-establishment of human rights, and the rehabilitation of all political prisoners. We also insist that Community relations with Turkey should not be maintained or developed without the respect for basic human rights and the freeing of all political prisoners.

That is why we call upon the Assembly to support our proposal to maintain the freeze on the EEC-Turkey delegation and the Fourth Financial Protocol.

Lastly, we call upon the government and foreign ministries of the Ten to take steps with the military junta to obtain the liberation of all political prisoners, and to refuse all requests for extradition submitted by the General's junta as long as Turkey remains deprived of democracy and freedom.

(Applause)

Mr Vgenopoulos (S). — (GR) Mr President, the procedure being followed in Turkey to surround the military junta in a democratic mantle, is the familiar procedure which, sooner or later, most dictatorial systems adopt all over the world. But of course they do this not because the juntas themselves want to, but because they are subject to pressures from within their countries and mainly from abroad via the international organizations. We must not forget that the EEC

has frozen the Fourth Financial Protocol with Turkey and this must be taken into consideration in this debate. Also we must keep in mind the resolution of the Council of Europe which was approved on 30 September, that is 13 days ago, in which it is clearly stated that, with the conditions prevailing in Turkey, it will be impossible to regard the Parliament which will result from the elections on 6 November as democratic and representative of the Turkish people. The laws in force in Turkey regarding electoral procedure are determined by the new Constitution and by the new electoral law, which contain clearly undemocratic provisions.

As far as the constitution is concerned, let us observe the following: It is forbidden to criticize the Constitution in any way as well as to assert that any of the Turkish junta's laws are anti-constitutional. Trade union freedoms and the right to strike have been essentially abolished. Political parties which have principles different from those of Kemal Atatürk are forbidden. Parties whose ideology is based on the existence of social classes are forbidden. The parties are not allowed to form youth sections, to have organizations abroad or to receive aid from foreign organizations. It is forbidden to reactivate the parties which were operating before the *coup d'état*. Finally, it is forbidden for the activists of these parties to take part in the political life of the country. The result of these constitutional prohibitions is that more than 200 politicians are excluded from politics for 10 years and another 500 deputies and senators for five years.

Against this undemocratic constitutional background there is the new electoral law which serves as a guarantee for the junta that the situation will not slip out of their hands. By various tricks, this new electoral law assures in advance the desired result, which is to allow the military government to adopt a civilian guise and to perpetuate the ideology of 12 September, the date of the *coup d'état*. Therefore, by the elimination of hundreds of candidates by the National Security Council on the one hand and with the excessive demands of the new electoral law on the other hand, such as that which requires of the parties that they have organizations in at least 34 of the 67 Turkish provinces, the junta was able to promote those parties which were to its liking. But to be certain of the election results, the junta has changed the distribution of seats between the urban and rural population. Do you believe then, ladies and gentlemen, that with these conditions prevailing in Turkey and with the laws which are part and parcel of the dictatorship's measures, it is possible to conduct faultless elections? At any rate, we Greek Socialists, who have recent experience of such elections — as do all Greeks — do not wish you to have any part in such a fiasco, such a farce.

Vgenopoulos

Mr President, it is the duty of all of us to condemn the provocative behaviour of the junta and the manipulated elections in Turkey, and to help the Turkish people to regain its dignity and full sovereignty by truly free and democratic processes. The geo-political position of Turkey and her membership of NATO must not serve to soften our reaction to such methods and procedures, which are foreign to our democratic ideals. For us Greek Socialists, it is a matter of principle, and we demote to second place all the ulterior motives of some people, who insist on closing their eyes to what is happening so close to us in Europe, while their sensitivities are aroused particularly when it is a question of other continents. We believe that the joint compromise motion does not go very far in its condemnation of what is happening in Turkey. However, we shall support the motion as it stands except for the second paragraph of the recital, because we do not acknowledge specific roles in various countries, particularly where democracy and human rights are concerned. But we shall vote for the motion as a whole, thereby adding our voice to those of our colleagues and thus taking a last chance to bring pressure to bear on the Turkish junta as a contribution — albeit small — to the struggle of the Turkish people to restore democracy in their country.

(Applause)

Mr Kallias (PPE). — *(GR)* Mr President, Turkey is still a military dictatorship today. Like every dictatorship, it is trying on the one hand to legalize itself with fake plebiscites and false elections and on the other hand to make sure it stays in power. Tolerance and help towards the Turkish régime do not bring this country closer to normality — on the contrary it encourages the dictatorship to maintain power by force and to oppress the Turkish people as well as to pursue a provocative foreign policy.

Peoples who are under the yoke of dictatorships expect the support of the free peoples and are disappointed and embittered when these dictatorships are tolerated or, even worse, given backing. In Turkey elections are due to be held on 6 November. The conditions under which they are to be held make it certain that they will not be genuine. A statement to this effect was also issued by the Council of Europe, the international organization with the greatest responsibility for the protection of human rights and political freedoms, in its recent resolution of 30 September 1983.

The exclusion of real parties as well as of most of the candidates from the elections, the participation only of prefabricated parties and approved candidates, the expulsion of politicians, the thousands of prisoners, the torture, the death sentences, the muzzling of the press, the infringement of all human rights and the general climate of fear which the three-year dictator-

ship has created — all these things render free expression of popular opinion in the elections of 6 November impossible.

Quite rightly, the joint motion of all the political groups and other individual motions which have preceded it refer to this very important text from the Consultative Assembly of the Council of Europe. The same joint motion calls upon the Turkish régime to restore the human and civil rights of all Turkish citizens, irrespective of the convictions, political past and future persuasions of each one, to give back to the Turkish people their full sovereignty by means of free elections and to stop the use of the death penalty in political cases or for political offences, as well as to stop every kind of torture in the prisons.

The motion, which is generally accepted, gives a picture of the tragic reality of Turkey today. Only paragraph 2 of the recital causes problems and hesitation for us Greeks, and we think that it has no place in the motion. If this joint motion is adopted, let it be considered as the final notice to the Turkish dictatorship that the Turkish people must regain their freedom.

(Applause)

Lady Elles (ED). — Mr President, I must preface my remarks by saying that the European Democratic Group does not have a common view on this particular matter and I am therefore not speaking on behalf of my group.

I would like to tell Mr Fellermaier that, of course, we in our group share with him a belief in democracy and in freedom and we also believe that this Parliament is a basis for democracy and freedom. I should also like to congratulate Mrs De March on her most eloquent plea for freedom for political prisoners and for the principles of democracy to be observed in Turkey. I only hope that she will apply the same standards when the names happen to be those of Shcharansky and other Soviet prisoners instead of Turks ...

(Applause)

... and we shall watch closely the way in which she applies her impartiality on principles which are dear to all of us in this Chamber — certainly on my side of the House — such as the freedom of the individual and respect for parliamentary democracy.

Mr President, those Members of this House who travel around the world a lot will be aware of the enormous political influence that this Parliament has acquired, far beyond the legitimate powers that have been accorded to this House under the Treaties. For that very reason, I believe that it is essential that this Parliament exercises this influence with a sense of responsibility. My personal views on these resolutions and this debate are that it has been timed irresponsibly to take place immediately before elections in Turkey.

Lady Elles

This debate and these resolutions do, of course, refer to the manner in which the elections are to be held. I think that nobody will deny the facts contained in the preamble of the amending resolution. They are based on verifiable facts and I believe, have come also from the European Commission's Information Office in Ankara. We do not dispute these facts, nor, indeed, are we in a position to dispute any other facts which may pertain to the situation in Turkey at the moment. However, I question the wisdom of holding this debate and adopting any resolution today. Indeed, I believe it is mischief-making on the part of certain elements in this House.

Mr President, members of countries with long histories of parliamentary democracy, or even some of those who have only a short history of parliamentary democracy will be fully aware the counter-productive effects of external criticism immediately before and during elections in one's own country. I would also remind Members — we have all had experience of this situation in all our countries — of the very delicate balance which must be maintained in order to preserve democracy within the established institutional frameworks which we are fortunate enough to possess and in order both to ensure political stability and guarantee the protection of human rights and freedoms of the individual to which most of the parties in this Parliament subscribe.

Turkey is a country which is fully conscious of its importance to Western geopolitical strategy. This has been mentioned by many speakers already. But it has suffered extremes of internal political instability; it has suffered a reign of terror where the rate of deaths was about 20 per day, something which any of our Member States would have difficulty in facing under normal circumstances, let alone those which already obtain in Turkey. I therefore believe that there is a need to resist interference which might in any way contribute to further destabilization in that country.

Condemning the present government for the way in which it is behaving does not help the people of Turkey at this time. If it did, we would be far more willing to support the resolutions before this House than I am certainly prepared to today, because I believe it is doing harm to the people of Turkey. It will have a harmful effect on the generals' position and it will not help them to move towards democracy. We must remember that this is the third time in 20 years that the generals have attempted to move towards a democratic system. We have seen what has happened so far. The generals must be encouraged to take action to move Turkey towards a democracy.

Let us remember our studies of history, particularly those of you who were proposing a European textbook on history only the other night in this House. Let us remember that those who have rushed or run into

democratic systems without the backing of the people, without the understanding of the people that they have a freedom of choice, have nearly always ended up in disaster, not in democracy but in something very much more unpleasant for the peoples of Europe. This has happened over and over again in our European history. Let us also remember that those we pressurize into democracy fall even harder than those who take it slowly and evolve into such a system. We only have to look at those countries throughout the world which have adopted — regrettably I must say — the Westminster system of democracy and see where they are now: one party, one vote, once. That will be the last vote they will ever have. If you pressurize a country which is not prepared for democracy, you are doing more harm than good.

I myself, Mr President, cannot support any of the resolutions before this House for the reasons that I have given. I support totally the guarantee of the protection of human rights for all individuals. I am quite convinced, however, that the action of this Parliament today is not a credit to this House, and I shall look forward to debating this subject after the elections in order to help Turkey to move towards what we know as parliamentary democracy.

(Applause from the right)

Mr Segre (COM). — *(IT)* Mr President, it is not a lack of responsibility, as Lady Elles has just asserted, but a demonstration of a democratic sense of responsibility to discuss the 'farce' being prepared for 6 November here today, at long last, as Mrs De March pointed out a short time ago.

We are not prone to selective indignation, we look West as well as East. We are not politically one-eyed, like some groups in this Parliament. So while condemning the situation in Turkey today, we are deeply shocked by all the attempts still being made to avoid a debate and a vote. Mr President, we do not share many of the expressions and arguments in the joint Socialist, Christian Democrat and Liberal motion for a resolution, some of which seem feeble to us, and others vague or even ambiguous. This motion for a resolution straddles some profoundly divergent viewpoints, as Mr von Hassel and Mr Fellermaier pointed out. For this reason we hold to the motion put forward by the Communist and Allies Group.

However, what we are most concerned about, as Mrs De March so rightly emphasized, is that at a time like the present, the European Parliament should be capable of raising its voice firmly in protest and demanding that the civil and political rights of all citizens in Turkey should at long last be restored, that the people of Turkey be given back their full sovereignty through free elections and that the shameful practice of torture and the death penalty should cease.

(Applause from the Communists and Allies Group)

Mr Eisma (NI). — (NL) Mr President, instead of 120 seconds I shall need only 20, because after listening to Mr Fellermaier I have nothing to add to his impressive contribution. In giving up my speaking time I should like to make it absolutely clear that I agree 100 % with what Mr Fellermaier said, and that his remarks fully reflect my feelings.

Mr Croux (PPE). — (NL) Mr President, ladies and gentlemen, the Group of the European People's Party will support this resolution, which resulted from joint consultation. This debate has shown that there are many, differing concerns, depending on whether one is right or left wing, on whether one finds the geopolitical factors more or less important than the moral elements, or whether one looks back to history or is concerned about the future. We think this text is a meaningful synthesis of all these elements because it encompasses two main trends.

Firstly, it is obvious that Parliament is not happy with the preparations for the elections in Turkey and this is clearly expressed. It is equally obvious that Parliament is renewing its call to have human and political rights respected in Turkey as well. And we do that all the more insistently because Turkey is in such a special position where Europe is concerned, as manifested for instance in its membership of the Council of Europe. There must not be the least bit of doubt about this point.

But there is also another point. We are not a court of justice; a Parliament which represents the people is also concerned about the future and strives incessantly to bring about an improvement in the human lot, especially in those areas of the world where we might have some influence. That is why we want to keep our options open and why we again call on all the Turkish authorities, on all those currently in office, and also on the next Parliament which could perhaps play a role in these moves towards freedom and democracy.

Lady Elles said clearly that we in Europe must also show humility in the face of history and project that feeling to the future. It is in that sense that we feel that this is a constructive motion that explicitly pays attention to all the relevant elements.

Mr Alavanos (COM). — (GR) Mr President, there is an unacceptable motion before us which is — and I would like to stress this point — unfortunately co-signed by the Greek Euro-MPs of the New Democracy Party. It is a motion by the Christian Democrats which, amongst other things, talks of a return to democracy, while there are 4 500 people under sentence of death, 150 already executed, and 100 000 political prisoners.

They claim that there will be an elected national assembly after these elections when in fact the Turkish people are not going to make a choice, but

simply ratify, under the armed threat of the NATO junta, the choice which the junta has already made.

And I ask you, colleagues from the New Democracy Party, what would you say if elections took place in Greece with Papandreou, Averof and Florakis in prison? What would you say if the administration of the General Confederation of Greek Labour was facing the death sentence? What would you say if newspapers like *Kathimerini* and *To Vima* were closed?

Apart from this motion there is also a joint amendment from various political groups, with the exception of the Communists. We have fundamental and serious reservations. This amendment talks of the strategic position of Turkey and of the need for a balance of power. It is this strategic position which Turkey holds, particularly after the events in Iran, which is responsible for the situation today. Can we agree on a balance of power when there are Turkish troops in Cyprus, the army of the Aegean threatening our national sovereignty at the instigation of NATO and of the USA, the bases which are directed against the Soviet Union and the other Socialist countries and are threatening this balance? And finally, Mr President, I should mention the appeal made to General Evren. Here the Parliament makes decisions, gives orders and expresses its disapproval of Andropov, Castro, the Sandinistas, even of Papandreou, and yet appeals are made to General Evren. It is a scandal, it is unacceptable.

Mr Kyrkos (COM). — (GR) Mr President, we support the Fanti motion but we will vote for the joint amendment before us. We reject the second paragraph because it constitutes an alibi for all those who wish to consolidate military rule in Turkey.

Mr von Hassel told us that we expect something from the military leaders in Ankara, but we expect nothing at all. However, with this joint motion we would like to address a greeting of solidarity to the Turkish people and to express our own eagerness that the struggle of all their political forces be strengthened so that they may be freed from military dictatorship. However, we consider that this motion, for which we shall vote despite the most acute disagreements between us and our categorical rejection of the second paragraph, does not mean that we will open the door of Europe to let in the pseudo-leaders in Ankara, nor that we will recognize the results of the pseudo-elections in Turkey.

Mr Haferkamp, Vice-President of the Commission. — (DE) Mr President, this debate has not only brought to light certain important facts, but also clearly demonstrated the general concern we feel as regards this associated country. On the day of the military coup, the Commission immediately called for a swift return to democracy and full respect for human rights.

Haferkamp

We have taken every possible opportunity of stressing that the development of relations between the Community and Turkey depends on this demand being fulfilled and we have also explained quite specifically on previous occasions in this House what this has meant in practice, i.e. we have virtually no dealings whatsoever with the country and this is certainly not the time — as also became apparent from the debate — to change our approach. Consequently, the Commission will continue to uphold its demands and attitudes.

Mr Bournias (PPE). — (*GR*) Mr President, there has been an inaccurate statement made in this House. The Member from the Communist Group, Mr Alavanos, accused us, the Members of the New Democracy Party, of having signed a motion by the Christian-Democratic Group on Turkey. This is completely untrue and the Member who made this inaccurate statement must be called to order.

President. — I should not have called Mr Bournias to make a personal statement until after the vote, but after saying that it was a point of order he went on to make a personal statement.

The debate is closed.¹

Mr Alavanos (COM). — (*GR*) Mr President, I shall be very brief. Frankly, we listened to this statement by Mr Bournias with great pleasure, but I want him to understand us, because in the motion by Mr von Hassel we can see Mr Gontikas' signature. We thought Mr Gontikas was evidently expressing the view of the other Euro-MPs from the New Democracy Party, since by all accounts no division of responsibilities had been made by the spokesman, Mr Kallias. We listened to Mr Bournias' statement with really a great deal of pleasure.

President. — Mr Alavanos, fortunately I can settle this matter. Mr Gontikas wanted to withdraw his signature, but this was no longer possible for technical reasons. I think that this clears the matter up.

Argentina

President. — The next item is the joint debate on — the motion for a resolution (Doc. 1-838/83) by Mr Fanti and others on the situation in Argentina — the motion for a resolution (Doc. 1-840/83) by Mr Pedini and Mr Barbagli, on behalf of the Group of the European People's Party, on the situation in Argentina.

¹ For the vote, see Annex.

Mr Carossino (COM). — (*IT*) Mr President, the 30 October is drawing nigh. This is an historical date for the people of Argentina, who by dint of struggle and the sacrifice of so many of their best sons, have won back the right to freedom and democracy and are now about to inherit a difficult situation from the military régime, which has brought the evils of political adventurism, defeat and economic collapse on the country. With the 30 October coming up then, it is right and proper that some words of solidarity, support and warning should go out from Europe and this Parliament, which represents the peoples from whom so many Argentines are descended.

First and foremost, we must express our *solidarity* with the democratic and progressive forces, which have managed to organize and direct the efforts of people to bring back legitimate government, in spite of the most merciless dictatorship and ruthless repression. We must express our *support* for all those who are working to make the difficult transitional phase from dictatorship to democracy pass peacefully without further bloodshed, in the observance of fundamental civil rights. We must give a *warning* to that part of the military establishment and those forces who took advantage of the dictatorship to acquire privileges and illicit gains.

They might still see an advantage in thwarting the return to democracy and will not hesitate to threaten coups, which would throw the country into chaos and probably lead it to the brink of civil war. These forces should realize that they cannot bank on the solidarity nor even the complacent silence of the peoples and government of the Community. To the contrary, they must realize that they will find themselves most severely condemned and forced into complete political isolation.

Our hope is that the return to democracy shall come about peacefully and in a climate of unity, so allowing closer and more profitable economic cooperation on new bases to develop between the Community and Argentina.

In these crucial hours we hope the European Parliament will send this message of solidarity and friendship to the people of Argentina.

(*Applause from the Communist and Allies Group*)

Mr Pedini (PPE). — (*IT*) Mr President, ladies and gentlemen, we are pleased that the amendment tabled has received the practically unanimous support of the political groups in this Parliament.

Some of us had the opportunity to go to Argentina recently and see how strongly the Argentines desire the restoration of democracy, and how many men and political forces there are who are more than capable of tackling a difficult state of affairs left by the military.

Pedini

We hope that the elections will proceed responsibly and peacefully, and that once elected, the Parliament will be able to solve the basic problems, beginning with the *desaparecidos* and the apportionment of blame for responsibility during the many different phases of a long civil war. We hope above all that the elected Parliament will lay down the conditions for reconciliation which we see as a fundamental factor in Argentina's future.

We would like to pay tribute to the fundamental role which moral forces, such as the Church, are playing at present in the reconciliation process. The European Parliament feels in close sympathy with the democratic forces in Argentina, but, Mr President, and I address the Commission in particular, we consider that moral support is not enough. The Argentine problem also comes under the wider subject of relations between the European Economic Community and Latin America which we discussed yesterday.

We used to have an agreement with Argentina for economic and commercial cooperation, which has practically fallen into disuse. It should be revived as soon as possible, Mr President, and our political and moral support should go hand in hand with a willingness on our part to examine conditions for economic and commercial cooperation, which are a fundamental factor in affording in the future some significant stability, productivity, export capacity and crop development as well as in a Latin American democracy of Argentina's size.

These are the feelings, Mr President, which motivate the Group of the European People's Party, which has made a positive contribution to this document, to support the gradual return of Argentina to a democratic way of life. May Europe express its solidarity clearly today and may this solidarity be of comfort to this great country with which we have such close historical and cultural bonds.

(Applause from the centre)

Mrs Veil (L). — *(FR)* Mr President, ladies and gentlemen, our topical and urgent debates are usually an occasion for sadness, for they are our means of expressing our condemnation of régimes which defy democracy and flout human rights: for once we can hold such a debate with the faintest glimmer of hope.

We are concerned with a country which is going to hold general election, and a general election which allows us to hope for a return to democracy. We are all aware that not everything in Argentina is yet perfect; that tragedy is still commonplace, that torture remains, and that desperation is an everyday situation. We still do not know what has become of those who have disappeared, and the authorities are still unwilling to shed any light. On the other hand, whereas in so many totalitarian countries — and I am thinking mainly of East European totalitarianism —

there is no hope of any return to true democracy (Poland, alas, is the day-by-day proof of that), such a possibility does exist on the other side of the world. We should give our support to any such possibility, and that, I believe, is the meaning of our resolution: first it is a message of hope for democracy throughout the world; a message to Argentina to rejoin the world of democracy. And secondly it is a message of solidarity addressed to the peoples of the 10 democracies we represent: a solidarity which will be needed for years to come, for life is not becoming easier in economic terms, in social terms or in political terms. But the Argentinians must be sure that we shall stand by them in their happiness and their labours, as we did during their misery and their sufferings.

(Applause)

President. — The debate is closed.¹

Human rights

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

- motion for a resolution (Doc. 1-832/83) by Mrs Duport and others, on behalf of the Socialist Group, on the situation of 48 Uruguayan women detainees, in particular Mrs Rita Ibarburu;
- motion for a resolution (Doc. 1-833/83) by Mr Glinne and Mrs Van den Heuvel, on behalf of the Socialist Group, on the arrest of Pedro Felipe Ramires and Juan Pablo Cardenas;
- motion for a resolution (Doc. (1-835/83) by Mrs Théobald-Paoli and others, on behalf of the Socialist Group, on improved observance of human rights and civil liberties in Brazil and defence of two imprisoned priests.

Mrs Duport (S). — *(FR)* Mr President, ladies and gentlemen, at our June 1983 part-session the House decided to send a delegation to Uruguay to examine the situation there after 10 years of military dictatorship.

20 % of the population is in exile for political or economic reasons; there is 14 % unemployment. Thousands of Uruguayans are imprisoned for political or trade-union activity. They are subjected to physical and psychological torture which was described to me by members of 'Frente Amplio', one of the opposition parties, whose leader, Liber Seregni, is in prison at this moment.

When 'Frente Amplio' learned of our decision to send a delegation, they sent me a list of 48 women imprisoned at Punta Rieles prison. They are ill, without treatment, and subjected daily to physical and psychological tortures ranging from the most sophisticated to

¹ For the vote, see Annex.

Duport

the crudest imaginable. A motion for resolution was tabled on behalf of one particular prisoner, Mrs Rita Ibarburu, who is a journalist aged 68 serving eight years, and a very active militant member of the still clandestine opposition. At present she is virtually an invalid as a result of the multiple injuries she has suffered. This is the list of the 48 prisoners, together with the trials and tortures inflicted upon them. I cannot read the list in the two minutes available to me, but it is available for the delegation to see, and I trust that the delegation will be sent very quickly to Uruguay so that these prisoners can be visited and the appropriate steps taken with the Uruguayan authorities.

Mr Israël (DEP). — (FR) My group is of course fully in favour of these three resolutions relating to human rights, Mr President. I would simply like to remind the House that we have asked the 'Human rights' Working Group of the Political Affairs Committee to examine every aspect of these questions. It is very difficult for us to decide on individual cases without their first being considered by the 'Human rights' Working Group.

President. — I quite understand, Mr Israël, but we have gone into the question already. The item is on Parliament's agenda. The objection you are now making should have been made earlier.

Mr Glinne (S). — (FR) Mr President, we do not choose lightly the cases to be brought to the attention of the House. During the debate on Chile at our last session we mentioned Mr Rodolfo Seguel, a trade union leader. It was after the House adopted the Chile resolution virtually unanimously that we learned of the arrest of two further well-known Chileans, Mr Pedro Ramirez, the former Minister for Mines, and Mr Juan Pablo Cardenas, the director of the magazine 'Analysis', charged with incitement to insurrection and with publicly suggesting that the President General should leave.

They are not the only victims of such actions; it is simply that they are amongst those best known worldwide, irrespective of their political allegiance. I consider that we should not wait for these cases to be considered in depth, but vote for them straight away.

Mrs Théobald-Paoli (S). — (FR) Mr President, ladies and gentlemen, the priests imprisoned in Brazil for wanting justice deserve our respect and our help. They are supported by the local peasants — mostly illiterate, starving — the victims of the big landowners who oppress them, and of the repressive system which governs the north of Brazil.

There are occasional peasant risings in this appalling triangle of hunger, and provocation by the landed oligarchy which runs these penniless federated States. It appears to have been a question of provocation — I

have checked the facts carefully over several months, Mr Israël — in the case of the 13 peasants and two priests who supported them. They have been imprisoned for over 12 months on the evidence of penniless peasants in the pay of the military. The two priests are citizens of a Member State of our Community. They are not asking for clemency, they are asking to be retried in accordance with democratic principles, certain of their innocence. The trial should be taking place shortly.

By supporting this resolution, with its carefully-chosen wording, the House will be contributing to freeing these men, and perhaps to a return to democracy in the largest country in Latin America. Whilst all our sympathy extends to Brazil and her people, in the difficult economic times they are suffering as a result of the *laissez-faire* of her previous military leaders, and while they are attempting successfully to return to democracy — and, as Mrs Veil said, may it be for all time — we must give them our support by adopting this resolution.

Mr Predini (PPE). — (IT) Mr President, my Group will be voting in favour of the Théobald-Paoli motion for a resolution.

I would just like to ask Mrs Théobald-Paoli and her Group whether they have any objection to deleting the first two lines, beginning 'having regard to the results of the Europe-Latin America Conference ...' I have every respect for that conference, but if we were to let this reference stand, we would also have to mention all the political conferences and the proceedings of the Parliament in which a stand is taken in support of human rights.

President. — The debate is closed.¹

THÉOBALD-PAOLI MOTION FOR A RESOLUTION (DOC. 1-835/83)

Mr Glinne (S). — (FR) Mr President, recently there have been many meetings on Latin America, particularly on Brazil. The Socialists have had three or four, but I am convinced that other political groupings have also held some. The important thing is not to refer to a particular meeting in Bonn but for Parliament as a whole to adopt paragraphs a, b and c. Thus we willingly withdraw the first two lines of the motion.¹

Christmas butter

President. — The next item is the motion for a resolution (Doc. 1-828/83) by Mr Aigner and others, on behalf of the Group of the European People's Party (CD Group), on the sale of Christmas butter at reduced prices.

¹ For the vote, see Annex.

Mr Aigner (PPE). — (DE) This topic was debated at the last part-session, so I would only like to reiterate some of the main points and ask the Commission in particular to confirm the facts.

Is it true, Mr Dalsager, that we have 800 000 tonnes of butter in stock at present? Is it true that, due to the irresponsible market and agricultural policy of the Community in this area, annual production is running at 2.3 million tonnes, whilst Community consumption — including all cut-price campaigns — only amounts to 1.6 million tonnes?

Is it true that we have an annual surplus of approximately 700 000 tonnes per year, that we are thus certain to have a surplus of over 1 million tonnes of butter at the end of the year, assuming that only 350 000 tonnes of butter are exported yearly — and here I am using the Commission's figures — that in the foreseeable future we can thus expect to have enormous stocks of butter? Mr Dalsager, if the export subsidy for this surplus butter is approximately 50 % — at present it is slightly less but when the world market price collapses it will have to be well over 50 % — is it not clear that the scheme we are proposing to step up butter sales within the Community at a ratio of 1 to 2 only represents a subsidy of 33%? How can the Commission then claim not to have the funds, even if it wished to support the scheme, and not to be in a position to implement it?

To recap: for exports — and this is the only alternative if the internal market is not extended — the subsidies are now running at 50% and will have to increase, since the Americans are also putting 500 000 tonnes of butter on the world market — which occasioned some very tough talks with the American agricultural minister recently. We shall therefore be obliged to raise our subsidies to over 50 % to maintain anything like our share of exports. How can the question of funds arise when a subsidy of 33% less is involved?

I was then told that it was only a question of the annual accounts. Mr Dalsager, may I ask you to explain Article 30 of Directive No 804 and Article 7a and 8 of Directive No 750/69 and tell us whether the legal position is not such that the scheme could be funded by savings on export refunds in 1984 by transferring funds next year — an absolutely legitimate accounting procedure. Whether the butter is in stock or is distributed, it is the Commission that has to bear the financial burden, so it is quite able to fund the Christmas butter scheme.

Yesterday I read in a French newspaper that the margarine industry has now adopted our scheme and offering to give away one packet of margarine for every two bought at the normal price in the retail trade. If that happens, butter will lose more ground in the Community market. If the Commission wants to answer for that, we shall come back to them later on this subject.

Mr Wettig (S). — (DE) Mr President, ladies and gentlemen, the Socialist Group will approve the motion of the Group of the European People's Party (Christian Democratic Group) by a majority although it cannot take the reasoning advanced once more by Mr Aigner absolutely seriously and thinks that the scheme might well suffer if backed up by reasoning which is not fully verifiable.

In approving the motion we have allowed ourselves to be guided by the fact that there has never been so much butter in cold-storage in the Member States which could not be sold at market prices as in this year. Despite the seasonal downturn in milk supplies the butter stocks are still on the increase as consumption is declining and scarcely anything can be sold in the world market. Both these trends reflect the extremely poor economic situation.

In September 1983 — the last full month — we had 230 000 tonnes of butter more in stock than in September 1982 — this figure alone shows how critical the situation is. At present the Commission has no idea how it can actually reduce the enormous stocks. At the most — as we suspect and as is confirmed by rumours at the Commission — it will dump the butter on the world market at ruinous prices when it threatens to spoil or when storage capacity is exhausted — which looks like being the case at the beginning of next year, — and in so doing will, I think, severely tarnish the image of the Community within its own boundaries.

This is why we are supporting an emergency scheme, which is what we feel the Christmas butter scheme to be, to reduce at least some of the stocks, for this is not going to solve the entire problem. We also feel that the internal market offers the only chance of reducing stocks appreciably as the world market will not absorb any large quantities in the foreseeable future. The Commission could also demonstrate that it is capable of flexibility, for the unsatisfactory sales achieved in past schemes with which it constantly argues are a result of its own inflexibility and excessive red tape.

This was the case last year — an unpopular scheme was to be stopped by red tape and this is something which we would like to censure categorically once again here. Flexible policy must not, we feel, call for mandatory implementation of a scheme in every Member State, but must concentrate on those Member States where it can actually prove successful. We expect the Commission to review its decision and fall in line with Parliament's decision.

Mr Bocklet (PPE). — (DE) Mr President, ladies and gentlemen. I don't wish to comment on the costs but I would like to ask whether it has not occurred to the Commission that it is to blame for the failure of last year's Christmas butter scheme which it uses as an argument against this scheme. The Commission's internal squabbles contributed to the late start of the

Bocklet

scheme and even then it ignored sound advice given by Parliament which the Committee on Budgetary Control is now bringing up again. If the Commission had been self-critical it would have realized this itself and would have been obliged to comply with Parliament's wishes and approve the motion now tabled. But I think that the Commission has a very different approach.

The Commission stated in Document 500 on the Reform of the Agricultural Policy that it wanted to do away with consumption subsidies. This is obviously the reason for not wanting Christmas butter schemes. In an attempt to push through their ideas for reform the Commission appears to be willing to allow the butter stocks to increase more and more and exert such pressure on public opinion that the proposals the Commission wishes to inflict on agriculture will be accepted. I refuse to take a policy of this type seriously and also feel that it strikes at the roots of the Community's image.

I therefore beg of you: there is still time to turn around. If we start now we still have a chance to take the pressure off the market. Please support our demand for a Christmas butter scheme. If you do not do so we will all feel the consequences at the end of this year as the image of the Community will have suffered enormously.

Mr Edward Kellett-Bowman (ED). — Mr President, the European Democratic Group supported Mr Aigner's excellent motion when it first came before Parliament, but the Commission has confused the issue by issuing what have not been reliable figures and in fact I believe, as Mr Aigner has pointed out this morning, by not being fully aware of its legal base for making this kind of expenditure.

I believe they see cash flow as a problem at the moment — they would rather keep the money in stock, which is in itself expensive, than go for the more expensive option of putting butter on the market during 1983. But I have to say to Mr Aigner that we are now not able to support the motion this morning.

First, we believe that it is now too late to get the butter down the channels of distribution to be in time for Christmas. The Commission, by dithering, has wasted time and it will be too late. Secondly, because of the Commission's believed problem with funds and cash flow, as I mentioned earlier, they do not believe that there is money in the 1983 budget for it to be done this year. Now, I want to ask the Commission to get with it, to get up to date and to consider modern marketing techniques for a scheme to improve and increase the consumption of butter within the Community. If they do this quickly, there will be plenty of time to have the project of Easter butter and that is what I think we should be aiming for.

There will be time to get it into the channels of distribution and time to put forward a proper scheme with proper figures, which they have not yet put forward, so that Parliament can make up its mind.

Mr Irmer (L). — (DE) Mr President, this strikes me as being something of a phantom debate in the light of the fact that, yesterday, the motion for funding the Christmas butter scheme was rejected. On behalf of my group I would like to point out that we regard yesterday's decision as a legal error and worse a political catastrophe.

Let me explain this briefly. If this is accepted and regarded as a precedent, the Council will soon be able to propose and prescribe what we may or may not do. The fact is that if the Council earmarks all revenue for expenditure — and what we heard yesterday is right — we won't be able to pass any resolutions at all, or if we can, the priorities will be a matter of pure coincidence.

At some stage the funds are exhausted, at some stage they are no longer covered by revenue and then we have no way at all of passing sensible resolutions.

This way, we are going to throw away our hard-won budgetary rights. I'm warning you all and asking you to check up on what I am saying. We cannot allow such motions to be rejected again in budgetary procedures. The Liberal and Democratic Group will talk to the Budgetary Control Committee and the Committee on the Rules of Procedure and Petitions to try and get yesterday's decision revoked. If we do not succeed, we reserve the right to have this matter settled by the European Court of Justice. For we see no reason why Parliament should allow itself to be emasculated as regards its budgetary rights by its own President. We would be throwing away our budgetary rights if we did so and we must be on our guard against this.

Mr Paisley (NI). — Mr President, I fully support the motion for a resolution tabled by Mr Aigner on behalf of his group and I am glad that we have another opportunity to debate this important subject, which is of direct relevance to the people whom we represent in this House. The Commission is to be condemned for its refusal to implement the Christmas butter scheme for 1983, as adopted by Parliament on 14 September, and I trust that as a result of today's debate it will look afresh at its implications.

The Commission says that the scheme has been rejected because it is too costly, yet it was a financial watchdog of this Parliament — the Committee on Budgetary Control, charged with overseeing the sound management of EEC funds — which unanimously proposed this plan in the first instance. I am convinced that, far from involving the EEC in expense, this scheme would enable money to be saved through increased consumption provided, however, that it is launched in good time before Christmas.

Paisley

The fact that last year's scheme led to an increase in consumption of only some 25 % was due principally to its late start. Undoubtedly that figure can be improved upon, but the Commission must think again and act with a degree of urgency if the scheme is to have a real and effective impact on the Christmas butter market.

At a time when the Community is running out of funds, surely, it makes sense for Commissioners to look again at a scheme which, as a result of increased demand, will result in savings in intervention storage costs and export refunds. These savings would more than compensate for the cost of distributing 100 000 tonnes of butter free. Anything which helps to reduce the huge surpluses in the Community, particularly in butter where over 800 000 tonnes are in intervention stores, and at the same time directly benefits the consumers and taxpayers of Member States is to be welcomed. The sick, elderly and the unemployed — those most in need — must find it strange indeed when the EEC Commission appears more interested in pressing ahead with its policy of expensive butter at home on the one hand and cheap exports to countries such as the Soviet Union on the other. It is time the Commission interested itself more in the needs of its own citizens and awakened to the financial and political folly of feather-bedding Russian consumers at the expense of European taxpayers.

I shall therefore be voting in favour of this motion.

Mr Eyraud (S). — (FR) Mr President, ladies and gentlemen, it is not my intention to repeat now the main lines of the arguments I developed against Mr Aigner's resolution during the last session. It is likewise not my intention to resort to quoting figures, since, as our debate has shown, they can be used to prove almost anything, and then to develop ill-founded hypotheses.

I propose to tackle the question from different angles. From that of the budget, the amendment tabled by Mr Curry, providing finance for the operation, was not voted yesterday, and there is therefore not enough money available between now and Christmas. That would seem to demolish the basis for any argument should we wish to remain even moderately consistent in our decisions, and if the operation is launched before Christmas it means that the Commission will be drawing on appropriations set aside for it in the 1984 budget. From the legal angle, regulations vary from one Member State to another, and make the proposal very difficult to implement as it stands. In France, for example, consumer legislation forbids offers of the 'three-for-the-price of two' variety.

Socially, too, things differ from one country to another. As the Court of Auditors observed, there have been frequent cases of individuals storing Christmas butter in their freezers: this means that the social

aims are not achieved, since it is not the least well off who benefit, but the distribution networks.

That is why I again suggest the increased industrial use of butter, and improved facilities for artisanal use, particularly by bakers and *pâtisseries*, with free distribution of butter to the least well off, via local welfare offices, and the inclusion of butyric fats in animal feeds.

I am finishing, Mr President. This should be complemented by a more active export policy. I consider that these proposals should receive the general support of the House.

Mr Clinton (PPE). — Mr President, I think it is only on very rare occasions that we get such a show of unanimous support for a motion as we have had here this morning. I am not surprised at this, because it makes good sense, certainly to me. We have a serious problem, as has been explained. We have an unprecedentedly high stock of butter in the Community — it has to be sold; it has to be got rid of — and the longer we keep it in store the more expensive it is to get rid of it, and it has always been accepted that the cheapest way to get rid of it was by adequate export refunds.

Now it has been explained by the author of this motion that the cost of what he is proposing for a Christmas sale of butter is much less than the size of the export refund. It is time that somebody came along with a more attractive scheme than the one we had, because, the one we had failed, but it failed mainly because we did not get it going in time. If the scheme is to work at all, it must be launched in time to ensure that it is *extra* butter that is sold, and it will be so if we produce it at the time that housewives normally make their Christmas cakes; this is the only way we can be sure it is *extra* butter, so that it is a question of getting the scheme going.

I do not accept at all, incidentally, what the Commission is saying, that they just have not the money for this scheme, if they have money for export refunds. That money, surely, is flexible enough to be used for a scheme of this kind. Shopkeepers all over the Community consider it good practice to have an annual sale at reduced prices. That is really what Mr Aigner, the chairman of the Budgetary Control Committee, is trying to get going for butter. Surely the last thing any of us would want to accuse the chairman of the Budgetary Control Committee of is that he is out to squander money. The fault I have to find with him is that he is too tight-fisted when he is talking about the budgetary purse.

Mr Tyrrel (ED). — Mr President, I have listened to the technical objections put forward by Mr Eyraud and Mr Kellett-Bowman, and I am not convinced. I would like to put some basic truths to the Commission. First, let them remember that the Community

Tyrrel

housewife is no fool : she knows that she is paying for the surplus whether she buys it herself or finances a gift to a foreign government. Second truth, she would rather finance a gift to herself and her family than finance a gift to a foreign government. Third truth, she would rather do so even if it costs her more. That being so, the Commission should find the way not by increasing revenue but by savings in their other surplus disposal programmes.

The figures that have been unanimously put before this House by the Budgetary Control Committee show that it is cheaper to make the gift to the Community housewife than to a foreign government. The Commission's failure to do the obvious is due to its practice — and it seems to me a devious practice — of delaying sales of those products over which it has control until it receives new funds in 1984, and it does this even though the delay is costing the Community housewife even more in the long run. I am told the cost of storage is 2.5 million pounds pounds a day. In the short term, the Commission believes it can afford these storage charges but not the gifts, either to the housewife or to the foreign government, but by January it will be able to afford another massive gift to a foreign government.

Mr President, in my opinion, this policy is a discreditable policy. In my opinion, the Commission is failing in its duty of efficient commercial management ; it is attempting to fool the Community housewife, but she will not be fooled, nor will the majority of the Members of this House. So I will support Mr Aigner's report.

Mrs Le Roux (COM). — (FR) Mr President, Mr Aigner tells us he wants to dispose of surplus butter by offering it to the consumer at cut prices. If his motives were that honourable, and his *modus operandi* that clear, we could back him. The truth is otherwise.

This operation, with its evident appeal to the voter, is the continuation of the campaign of pressure and propaganda which for several months has prevented the Commission from exporting butter to the USSR, with the consequent loss of a market of 100 000 tonnes and a corresponding increase in stocks. I would, incidentally, like the Commission to tell us in plain terms what this has cost the Community budget.

We are not against cut-price sales as a means of disposing of the stocks, but it must be done above board, it must aid the most disadvantaged, and it must result in a real increase in consumption.

There are other ways of disposing of the surplus. We must establish a real export policy, with adequate restitutions and long-terms contracts. With the resources taken to sell 100 000 tonnes of butter inside the EEC we could have sold 300 000 tonnes in exports. And before disposing of surpluses, it is better to prevent their accumulation. We must put an end to the

imports of New Zealand butter, which are even less justified now that British butter consumption is falling and margarine consumption rising. We must make sure that those who are really responsible for the surpluses pay, by taxing the dairy factories. It is quite right to spend EAGGF money on natural dairy farming, transforming forage produced on the farm ; it is an aberration to offer the same guarantees to non-agricultural farms where neither climate nor land area have any effect or limit.

Our proposals would be more sure than those of Mr Aigner in disposing of surpluses and preventing their accumulation, of developing exports and encouraging domestic consumption of butter.

Mr Dalsager, Member of the Commission. — (DA) Mr President, in September, this Parliament adopted the famous resolution calling on the Commission to sell its subsidized Christmas butter in 1983 according to the special system proposed by Mr Aigner. The Commission does not share Parliament's view that the proposed sale of Christmas butter would be effective from the point of view of costs. That is our main objection.

First of all I should like to say that the Commission is just as concerned at the butter stocks as this Parliament and has tabled a proposal for a radical and effective solution to both the short-term and long-term problems. It has been completely uncompromising, it takes them seriously and hopes to get more directly to the roots of the problem with a view to finding a lasting solution. Parliament's proposal would involve selling off part of the existing stocks. The Commission, on the other hand, has alternative proposals which it thinks would represent a more cost-effective way of reducing stocks in the short term. However, what we need is a long-term strategy for the prevention of surpluses, rather than *ad hoc* measures and, moreover, a strategy which will enable us to reverse the current trend towards increasing stocks. The Commission proposal for the dairy sector primarily concerns the surpluses — their present size and possible ways of reducing them in the future. It is the effects of the proposals on production which receive most attention, since each 1 % increase in milk production corresponds to a 3 % increase in butter production. Our primary aim is to prevent the production of still more milk and butter which must be sold into intervention and this is precisely why we have opted for a quota system. The super-levy not only involves quotas, but also ensures that the costs of over-quota production are not borne by the EAGGF. We have proposed the 1981 level plus 1% as a reference level for deliveries to dairies, which will mean that each time deliveries to dairies drop by 1% we can expect a 3% drop in butter production. This central measure, which we hope to introduce in conjunction with several cost-effective and far-reaching marketing arrangements, is aimed at reducing stocks substan-

Dalsager

tially. Far more important, however, is that the producers should be brought face to face with the facts of the market situation and that milk and butter production should be reduced sufficiently to enable us to dispose of the butter stocks in the medium term, after which we will have enough room to manoeuvre at the budgetary level so that we can place a new emphasis on producers' yield. The stocks figures are alarming, but this does not mean that we should shy away from considering the costs. Obviously, it is tempting to reduce the stocks almost regardless of what this might cost, since the stocks are a physical, political and financial burden which we would all gladly be rid of. However, we must do our sums carefully if we are to be certain of not being frightened into budgetary rashness. We must compare the costs which the various disposal options would involve as well as comparing current disposal costs with what it would cost us to maintain the stocks for some time and dispose of them at a later date.

This brings me back to the special proposal adopted by this Parliament as regards Christmas butter and I should like, in this connection, to draw the attention of the Members of this House to my written answer to Mr Aigner's question of last Monday, which will be made available to you. I must, I think, insist that Mr Aigner's proposal would involve substantial costs but that the cost-effectiveness would be low, and our calculations differ from those of Mr Aigner in two important respects. Firstly, certain costs have, we think, been omitted from Mr Aigner's calculations but cannot nevertheless be simply disregarded, and secondly, we do not agree as to how much extra butter would be sold. All our experience hitherto indicates that we could count on an approximate 25% increase in sales of butter. During discussions between Mr Aigner and myself, he insisted that the psychological effect of this special system would lead to an additional 66% being sold, but I simply cannot agree with him on this point. Our strategy with a view to getting to grips with the problem of increased production of milk and dairy produce is to use the superlevy and the ancillary measures and to get rid of these stocks by more intensive use of arrangements which have already proved their cost-effectiveness. Both these things are necessary.

Mr President, our proposals are nothing new: they merely constitute a further development of proposals put before this Parliament and the Council in the course of the past three years but only partly adopted. We have now submitted these proposals even more resolutely than in the past, since the situation has in fact deteriorated over the last three years to the extent we had feared when we originally outlined this strategy. We specified 1 January 1984 as the final deadline for the entry into force of these proposals and we must respect this deadline if we are to avoid further deterioration in the situation. The history of the dairy sector has been one of exceeded deadlines and wasted opportunities. The Commission first

proposed a superlevy in 1979 and in the following year it proposed that it should be applied in the dairy sector. Both proposals were rejected by the Council and failed to gain the support of this Parliament. In 1982, the situation was so serious that it proved possible to reach agreement on the introduction of a guarantee threshold, but this too was without Parliament's support. This year, the guarantee threshold system has permitted price increases to be kept down to 2.2% and I would contend that any objective examination of trends in surpluses shows that the Commission alone has consistently endeavoured to reduce them. The situation has got worse from year to year, which has inevitably resulted in our proposals becoming progressively more drastic. Continued rejection of the proposals demanded by the situation leads to still further deterioration and in turn to still more drastic proposals. If our proposals are rejected or only partially adopted yet again, or if the deadline we have stipulated is not respected, it is inevitable that the situation will get even worse and thus demand still more radical, not to say risky, measures.

If all goes well, we should begin to have some effects on stocks and hence costs and for this reason I hope Parliament will support our policy. In spite of a great deal of criticism, opposition and frustration, the Commission has stood steadfastly by its analysis and assessment of the problem and has been proved right. We have certainly not been passive as regards the growing problems nor have we been short of ideas for solving them. We have proposed and pressed for a number of radical and effective solutions and Parliament's resolution demonstrates that it has now realized the seriousness of the crisis. I hope we have reached a turning point where we can agree on the diagnosis and how we can work together with a view to deciding on the appropriate treatment. We should not, therefore, get into an argument about an individual short-term solution.

When Mr Paisley says that the sick, the aged and the unemployed will not be able to understand the Commission's rejection he must realize that there is a Community arrangement, financed 100% out of Community funds, a social butter arrangement which involves nothing less than the use of Community funds to bring the butter prices down for these social groups. This involves 180 ECU per 100 kg butter, financed 100% by the Community. Thus it is possible to achieve the social results at which this arrangement is aimed by a different method, but unfortunately there is only one single country, i.e. the Republic of Ireland, which applies this system. However, all the Member States are obviously perfectly at liberty to implement an arrangement of this kind.

In his introduction, Mr Aigner put a number of specific questions on certain issues, which I should like to answer. It is true that our butter stocks amount to some 800 000 t, but it is not true that they will have gone over the 1 million mark by the end of the year.

Dalsager

On the contrary, as far as we can judge at the moment, the stocks will decrease. As regards annual production itself, Mr Aigner is also correct — indeed, this is precisely what the Commission is aiming at with its proposal designed to reduce production. As to the question of whether the policy conducted hitherto has been irresponsible, the answer is 'yes' — which means that several institutions must be answerable for this lack of responsibility, since the Commission's proposals were, after all, not adopted in various cases. Annual exports involve 370 000 t while export subsidies are not over 50%, as Mr Aigner claimed, but 44%.

There is much more at stake than the price of butter to consumers or the price of milk to producers. The problem of the dairy sector is the central issue in our entire attempts to survive a political and budgetary crisis on such a scale that it might affect the entire future of the Community. We have no time to lose in solving this problem and the Commission hopes that it will indeed be able to do so in a resolute manner and with the cooperation of this Parliament.

Mr Aigner (PPE). — (DE) Mr President, I should like to ask the Commissioner responsible to reply to my questions. I asked five questions, but he has answered only one of them.

Secondly, according to Rule 66 (4), as committee chairman I should have been allowed to speak after such a non-answer — since it was only a lecture on the agricultural policy the Commission intends to pursue in the future, but it was not an answer to the questions we debated. So why was I not called?

President. — The answer to your question is that according to Rule 66 (4) no-one may speak more than twice on the same subject except by leave of the President, and I am not prepared to let you speak.

Mr Aigner (PPE). — (DE) Excuse me, Mr President, but I meant the second paragraph of section 4.

President. — That states that permission may be given to speak for a period to be decided by the President. I have already allowed you double speaking time, so I cannot treat you any differently from the way I just treated Mr Alavanos. If you wish to make a personal statement, you may do so after the vote. Furthermore, Mr Dalsager said that he will be providing written replies to all the questions you asked.

The debate is closed.¹

Mr Aigner (PPE). — (DE) Mr President, I consider the reply by the responsible Commissioner to be totally inadmissible, because he did not deal with the questions we put.

Secondly, whatever is said about the calculations which were unanimously approved by the Committee on Budgetary Control, there is one thing which cannot be denied: this 1:2 obligation — irrespective of whether my calculations are over-optimistic or not — means that the risk remains only with a 33% subsidy. This completely demolishes the argument that it is more expensive, since this model does not involve subsidies in excess of 33%.

If the margarine industry now announces that it is accepting the model — and not supported by subsidies but at its own expense — you can just imagine how irresponsibly the Commission has discussed our proposals so far!

3. Welcome

President. — (DE) May I interrupt this debate briefly to extend a warm welcome to a Swiss delegation led by Mrs Jesi Meier, a member of the Swiss Upper House.

(Applause)

The Swiss delegation has spent two days in talks with a delegation from our Parliament led by Mrs Elise Boot.

This was the third exchange of views between the two Parliaments after the last meeting in Berne in November 1982.

All of us here are keenly aware of the great importance of the economic, political and cultural ties between the European Communities and Switzerland. This country's place in the heart of Europe has a particular significance for all of us in the Community and the work of both our Parliament's delegations symbolizes long-standing and close cooperation between us.

I hope that the Swiss delegation will be able to look back on a useful and interesting visit and I wish its members a good journey home.

(Applause)

4. Urgent and topical debate (continuation)

Mr Gautier (S). — (DE) Mr President, I should like to ask you a question in connection with yesterday's budget vote in which the President, Mr Dankert, refused to allow an amendment by Mr Curry on sales of Christmas butter. Now two bodies have done their calculations, the Commission and the Committee on Budgetary Control, but we cannot possibly know who might be right — I personally think it is the Commission. Can you on procedural grounds state that, if the Commission's calculations should be the correct one, we shall somehow or other have the money in the 1983 budget in order to bring today's decision by Parliament into line with yesterday's statement by the President, namely that the allocation of funds is inadmissible because it infringes the Community's financial constitution?

¹ For the vote, see Annex.

President. — I shall have this matter checked, Mr Gautier.

Fisheries

President. — The next item is the motion for a resolution (Doc. 1-799/83) by Mr Provan and others, on behalf of the Committee on Agriculture, on fisheries inspectors.

Mr Provan (ED). — Mr President, I welcome the opportunity that Parliament has given this morning to discuss this very important matter of the failure of the Commission to appoint Community fisheries inspectors. Surely, Mr President, the *raison d'être* of the European Parliament is that democracy should look after and control the Commission and therefore the bureaucracy. The Commission, by its failure to appoint the fisheries inspectors, has not been answering the serious allegations.

The Commission are not answering the serious allegations, Mr President, and the failure to appoint the 13 fisheries inspectors is a serious matter. Today I must ask for assurances from the Commission that misappropriation of funds has not taken place. I think it is important Parliament realizes that three hours of interrogation of Commission officials in the fisheries working group has, in fact, added to the confusion surrounding this matter, because in committee it was stated that no funds were available for these appointments. Now we discover that the Commission has, in fact, found funds to appoint only seven. I understand that there will be some inspectors appointed later this month, but not the 13 inspectors that Parliament asked for in the 1983 budget amendment which it adopted. It was Amendment No 169 and we created 13 posts. This was confirmed by the Council of Ministers when it approved the Community budget as published in Official Journal L 19, 24. 1. 1983. That, therefore, confirms it, and the remarks in the Official Journal give a legal base for the appointment of these fisheries inspectors.

On 7 October I received a report on the implementation of the budget of the European Communities, dated 30. 6. 1983. On page 51 it says :

'The problems in the fisheries sector are still delaying the utilization of appropriations.' What I would like to know, Mr President, is this : where are those appropriations, since the Commission says in committee that they are not available ?

I think it also important that Parliament should address itself to the way the Commission has gone about trying to recruit these inspectors. It has asked the Member States to find them for it. Now it will only take one or two Member States to say that they

are not prepared to do that, in fact, for the whole fisheries inspectorate to fall apart. I would say that it is vitally necessary, if the common fisheries policy is going to have any credibility and if Scottish fishermen where I come from are going to have any hope for the future, that these inspectors be appointed as quickly as possible and that we get proper meaningful answers from the Commission today as to why they are not in place nine months after the funds being made available !

IN THE CHAIR : MR ESTGEN

Vice-President

Mrs Péry (S). — (FR) I should like two minutes of the House's time to survey the common fisheries policy more generally. I can speak with less pessimism than I would have done before 4 October, since the most recent Fisheries Council, despite being presented by the press as a failure from the outset was in fact the most constructive meeting since 25 January. The agreement on the rules implementing the structural policy is particularly worthy of mention. Extending Community aid to include boats from 9 to 33 metres will give great hope to Mediterranean and Atlantic fishermen, and I am delighted at that decision. I cannot therefore subscribe to Mrs Ewing's amendments which speak of the current bankruptcy of the common fisheries policy.

A number of points remain very worrying. I should like to say a few words on quotas policy and on the monitoring of Community waters, which is the particular subject of the urgency resolution of which I am co-author.

It is intolerable that the 1983 quotas have still not been set in October. And it is true that the public gaze is turning on our ability to set up rational management of the Community's resources. It might be advisable to include in the common policy the compulsory setting of each year's quotas by a given date, as we do with agricultural prices. We must without any doubt have agreement early in the year — by the end of the first quarter at the latest.

As regards monitoring, I was myself the author in May 1982 of a report on the subject, which received the broad support of Parliament, and I was delighted when the Council decided to embark upon a common policy of inspection. I realized for myself how much such a policy was the hope of fishermen from the Bay of Biscay to the Scottish and Irish coasts. Enlarging the Community will only add to the problem : conflict in Community waters between Spanish and Community fishermen is already an everyday occurrence.

Péry

In closing, Mr President, I should like to say that there will never be a real common fisheries policy without Community inspection.

Mr Helms (PPE). — *(DE)* This request for urgency was addressed explicitly to the President of the Commission and I find it deplorable, therefore, that President Thorn should only a few moments ago have left this chamber where we are discussing this question of the internal workings of the Commission.

A few brief points. The Group of the European People's Party will give its unanimous support to this request for urgent procedure tabled by the members of the Committee on Agriculture fisheries working group. We doubt, however, whether the Commission will correctly follow up the decision of the budgetary authority, i.e. the Council and the European Parliament. In spite of our insistent questioning, it did not prove possible at the last meeting of the fisheries working group to persuade the Commission to explain why it failed to appoint fisheries inspectors, which are so urgently needed, after they had had sufficient time to deal with the procedural aspects. Nor did we receive an answer to a question put by myself as to the use to which the funds exclusively earmarked for this purpose in the 1983 budget had in fact been put. Mr Tugendhat stated in the Committee on Agriculture that this question did not fall within his competence and had not, in his own words, as commissioner with responsibility for finance, been informed on this point.

The Commission has been aware of what has been going on for some weeks now and so far we have received no information whatsoever. I should like to ask the Commissioner present here today — who I hope has been informed — to take heed and give an answer here and now to my questions, particularly as regards what has happened to these funds and the Commission's competency in this sector. We expect a straight and complete answer from the Commission.

Mr Battersby (ED). — Mr President, as chairman of the fisheries working group, I too regret that President Thorn has found it impossible to be with us throughout this debate.

There can be no effective fishing policy without effective control and there can be no conservation without effective inspectors. Now, we realize the importance of selecting the right men and achieving the correct balance between inspectors from the different Member States and we recognize that we have to have skilled and dedicated men, highly professional experienced people of impeccable integrity and preferably with some linguistic ability. They are very rare animals and obviously it takes time to appoint these people but we feel that 10 months, in view of the urgency of the need, is far too long and we have lost

one whole fishing season. I hope that now that the Commission has selected and appointed the first seven — I understand they were appointed a few days ago or will be on 15 October — the remaining six will be on post by the end of the year and that we will then have an effective system fully in operation by next spring covering all Community waters and all major ports.

Obviously 13 inspectors is not enough. More will be needed and I hope that the Commission, having now established the list of suitable candidates, will be able to appoint additional inspectors at a much faster rate of knots than they did in respect of the first 13.

Finally, Mr President, this inspectorate cannot be fully effective and the policy cannot operate without adequate statistical backup and I ask the Commission to look now very urgently into the statistical service backup for the fisheries sector. Internal empire building or internal empire protectionism and bureaucratic obfuscation must not be allowed to stand in the way of effective policy management.

I assure the Commissioner that we are going to look very closely into this sector in the near future and any help he requires in improving the statistical backup for the fishing policy will meet with our full support.

Mrs Ewing (DEP). — Mr President, ladies and gentlemen, I support the motion for a resolution tabled by Mr Provan. It is an excellent one. It is clear and seems very well argued and I do not think I need to repeat these arguments. I agree with all the speakers on the matter.

Parliament will know that yesterday I tried to get my urgency resolution included in this debate and I think it should have been. So far as the common fisheries policy is concerned, it is as if the harbour is under threat from a turbulent storm and we are only repairing one bit of the wall. I think Mrs Péry's speech highlighted this. She indicated that at least one leg of the failure of the common fisheries policy has to do with the policing. There are other legs that are also totally hopeless. We have no real common fisheries policy, we have none of the certainty that was promised and we have no fairness. All of you who represent fishermen will agree that they are reasonable, realistic, pragmatic men. They try to cooperate to make something work. However, all the associations in Scotland have written to me, and their mood is now one of pessimism, angry despair and disillusionment. This must affect their ability to be their normal cooperative selves. I lodged three amendments to try to broaden the scope of the resolution. I wanted the policing accepted, but I also wanted to point out that there are other aspects to the failure of the common fisheries policy and the fact that the whole of 'Blue Europe' is in a crisis.

Ewing

Amendment No 1 was just to make the resolution sound more urgent. The fishermen are looking to this House to know if we are taking the whole matter seriously enough. The second amendment seeks to list the various factors which, in my view, add up to a collapse of the common fisheries policy.

I do not think the Commissioner is listening to me either. He did not listen entirely to Mr Helms and he does not seem to be listening to me. Perhaps that is partly a measure of what is wrong with the fishing situation.

President. — Mrs Ewing, Commissioner Contogeorgis is listening to you.

Mrs Ewing (DEP). — I would like then to pass to Amendment No 3. I am asking that you regard this as a matter of top priority. I am very happy to get the policing solved, but the whole fishing policy is under threat. The bones — as the Clyde fishermen say — are not there in the policy. The Shetland fishermen support me, and all the fishing associations in Scotland support in writing the need for a separate committee. Now this is not to detract from the working group, but to enhance it. It is not to criticize them, but to give them more power. If the common fisheries policy were working, I would not be coming here with this proposal, because it ought to be working well. It is not working. It is collapsing. There are no agreements on quotas this late in the year. So I urge that a separate committee be set up. Here is one of the so-called common policies of Europe. Agriculture is not the same matter as fishing. Agriculturalists are not necessarily interested in fishing, though some are. I think that the present crisis demands a separate fisheries committee.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, first of all I would like to express my regret at Mrs Ewing's remark that I was not listening to her. In my long career I have not made a habit of behaving in this way. I was listening to her very attentively.

(Applause)

Mr President, there are two matters which have been touched upon. Firstly, the appointment of the 13 fishery inspectors of the Community and, secondly and more generally, the common fisheries policy. I shall reply to each one individually.

The necessary appropriations for the employment of 13 fishery inspectors have only just been written into the budget for 1983, and the Commission has begun the administrative process for their employment. The announcement for applications to fill these positions was published in March. The closing date for applications was 31 May 1983. This announcement was repeated in April to give it a wide circulation and to reach

a broad selection of candidates. 264 applications were submitted. Examination of the candidates' files required a reasonable time because it was the Commission's intention to employ personnel of suitably high quality and experience, people who have carried out similar duties in national administrations, so that a balanced team could be formed with a high awareness of its duties. This job was completed on 25 July 1983 and seven inspectors were chosen for employment. These inspectors have already been appointed and will take up their duties in three days, that is on 16 October 1983. I should point out that for the employment of these people and for their secondment to the departments of the Commission, the consent of the national administrations was required, because, as I said before, all of them were serving in national administrations. The remaining six inspectors, Mr President, who will come from the same list of candidates, will be appointed and will begin their service before the end of 1983 at any rate. At this point, Mr President, I would like to make something clear to avoid any misunderstanding. The responsibility for controlling the implementation of Community resolutions with respect to fishing activities in Community waters belongs to the member countries, who must implement the Community resolutions strictly with their national institutions and with the means of imposition available to them. The national administrations will receive assistance in these efforts from the Community inspectors, who will supervise correct implementation of the Community resolutions on behalf of the Commission. The Community inspectors have neither the same funds nor the same legal capacity to take measures against citizens of the member countries. Mr President, finally on this point, that is the appointment of inspectors, and referring to point 2 of the motion, I would like to emphasize on behalf of the President of the Commission that he too has given absolute priority to fishery matters and particularly to the need to employ all the necessary personnel for it to be possible to implement the whole of the common fisheries policy effectively. The priority which the President of the Commission affords to these matters has been demonstrated repeatedly. On this point, Mr President, I would like to say the following: apart from the 13 inspectors, the Commission asked for 35 officials to be employed to man the relevant fishery services. During discussion of the supplementary budget for 1983, the Council reduced the number from 35 to 12 and, according to my information, Parliament approved this reduction in the budget vote. I think that reducing the number of officials asked for by the Commission to a third does not take enough account of the need for suitable manning of the fishery services.

Mr President, the debate became a general one on the whole of the common fisheries policy, and it was remarked that this policy is collapsing. I think that Mrs Pery explained the matter correctly. With the decisions taken by the last Council on 4 October

Contogeorgis

concerning artificial protection measures and with the adoption of the two regulations and a directive concerning the implementation of structural measures, the resolutions of January are completed. Of course, the taxes and quotas for 1983 have not yet been decided despite the fact that the Commission's proposals have been in since spring and we are now at the end of the year. But the Commission is not to blame for that. The Commission has made its proposals and has applied pressure to accelerate the process. There have been successive Councils and at the last one on 3 and 4 October concerning the disputed herring question, the Commission submitted a new compromise proposal to cover this and certain other small differences. Unfortunately, the Council could not agree and the Commission shares Parliament's concern at the lack of agreement on taxes and quotas. A new Council has been set for 19 October, that is next Tuesday. The Commission has done and is doing what it can to bring the various views closer together. Mrs Ewing also remarked that it is necessary to set up a special parliamentary committee on fisheries. This matter certainly does not concern the Commission, it concerns Parliament. And I think that in the past the setting up of this committee by Parliament was not passed because of lack of funds. The Commission would be pleased to see such a committee set up. That, Mr President, is what I wanted to say on the matters under discussion, and I also wanted to repeat that the Commission is doing what it can. Absolute priority has been given to all fishery matters, and I think that during the period of service of the present Commission resolutions have been made in the fisheries sector which it had not been possible to make for six years.

(Applause)

Mrs Ewing (DEP). — Mr President, I just want to apologize to Mr Contogeorgis. It is either a question of glasses on or off. With them on it was my impression that Commissioner Contogeorgis was in the front seat. I do apologize.

President. — The debate is closed.¹

Mr Helms (PPE). — *(DE)* Mr President, I should like, if I may, to make a personal statement. As I stressed at the beginning of this debate, this resolution is addressed directly to the President of the Commission since this was a very delicate matter within the Commission which needed to be cleared up. Unfortunately we would not appear to have received an adequate answer, although our cooperation with Mr Contogeorgis is otherwise excellent and even though it was explained in the fisheries working group that the fisheries department of the Commission was not responsible in this case. For this reason, I should like to ask the President of the Commission once more before this House how the ample funds earmarked for fisheries inspectors were in fact spent

— or if may put it bluntly, where these funds have been frittered away, since they were there after all.

(Applause)

They only appeared in October and hence our question. We must settle this matter unambiguously as otherwise how are we to decide on future budgets and cooperate — as we would wish — with the Commission?

I should like to ask the Commission, i.e. all the Commissioners, but the President of the Commission in particular, to explain this situation either today or tomorrow.

President. — *(DE)* Mr Helms, we have taken due note of your points but I think you are being a little too modest in saying that you asked to speak to make a personal statement. What you made was in fact a political statement.

Mr Contogeorgis, Member of the Commission. — *(GR)* Mr President, I would like to repeat that the seven inspectors have already been appointed. This proves that the funds have not been used for other purposes. Also, I assured the Parliament that before the end of the year, the remaining six inspectors would have been employed on the basis of the existing list of candidates. For technical reasons, and also because we wanted to select the most suitable candidates, it was not possible to appoint all 13 at once. But all of them will have been appointed before the end of the year — and this proves that the funds exist.

Steel industry

President. — The next item is the motion for a resolution (Doc. 1-834/83) by Mr Wagner and others, on behalf of the Socialist Group, on the crisis in the European steel industry.

I am in a very difficult situation owing to pressure of time. In fact, there are four Members down to speak on this motion, but there is not enough time left to hold a debate and to vote.

I therefore ask Parliament whether it wishes to vote on this motion without debate.

Mr Glinne (S). — *(FR)* For our part, we are perfectly prepared to do without a debate so that the necessary agreement can be more easily reached. But in that case I would point out straight away that in the text which Mr Wagner and I have tabled paragraphs 1 and 5 should be deleted.

¹ For the vote, see Annex.

President. — I note your statement. Do the other speakers also agree to dispense with the debate?

Mr Welsh (ED). — I am very happy to give up because I do not know why we are debating this at all, but since Mr Glinne has withdrawn his two paragraphs, I would like to withdraw part D of the preamble to my group's amendment on the same basis. Naturally, we rather hope that that amendment will be carried.

President. — I note that there are no requests to speak.

*Vote*¹

(The sitting was suspended at 1 p.m. and resumed at 3.15 p.m.)

IN THE CHAIR : MR VANDEWIELE

Vice-President

5. *Commission statement*

President. — *(NL)* Ladies and gentlemen, the Commission's statement must not, in accordance with Rule 40 (2) of the Rules of Procedure, necessarily be followed by a debate. Members may, however, put succinct and very specific questions for a total of 30 minutes to elucidate particular aspects of the statement.

After Mr Tugendhat's statement yesterday morning several Members were able to ask him questions, but for less than a total of 30 minutes. The President thus announced yesterday afternoon that he wished to respect the rights of those speakers already listed by proposing to give them the floor either yesterday afternoon before the vote or today at the beginning of the afternoon debate.

Parliament has voted to accept the Commission's statement this afternoon and we now give the floor to the 10 Members who were already down to put questions to the Commission.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, I observe first of all that neither the President of the Commission nor Mr Dalsager nor Mr Tugendhat is present in the Chamber.

I observe secondly that it is quite difficult to put questions to people who are not there. Finally, if this Parliament is to mean something, putting questions to people who are not there, questions therefore which will not receive an answer, is a great deal less satisfactory than having a debate.

I therefore request, in the name of my committee, that we should have an hour's debate.

Mr Lange (S), Chairman of the Committee on Budgets. — *(DE)* Mr President, I am sorry but I have the impression that you have made a completely inadequate and inaccurate statement. We agreed yesterday on the basis of a proposal by the enlarged Bureau, to hold a debate at 3 p.m. today on the statement by Vice-President Tugendhat.

(Applause)

This debate was to have lasted 60 minutes. You cannot at this stage — as the President quite rightly did yesterday — change the agenda in such a way or only to permit questions since otherwise Parliament can go home and we will have no more need of Commission representatives. In other words, we can abandon the whole thing.

(Applause)

Thus, in accordance with yesterday's agreement, you must allow this hour's debate to be held — and we insist on this point. I hope that, as announced, President Thorn will also begin by making a statement which we can subsequently deal with in the debate itself. There is nothing in the Rules of Procedure to prevent him from doing so.

(Applause)

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, yesterday a Commission statement was made to the House, and yesterday it was agreed that today that statement should be debated.

Members need not doubt that other Members of the Commission will take part in the debate, but the Commission is already represented and ready to proceed with the debate and try to answer any questions that are raised.

President. — Ladies and gentlemen, we are all conscious that the Commission has collegiate responsibility: if Mr Andriessen tells us that the Commission is represented and prepared to proceed with the debate, then we must accept the fact.

Mr de la Malène (DEP). — *(FR)* Mr President, I should like to refer back to what Mr Lange was saying. I spent all yesterday at the meeting of the enlarged Bureau. We discussed at great length the procedure to be adopted by Parliament in this question, and in the end we decided, after hearing the Commission spokesman, that Mr Dalsager would make a statement to us this afternoon. I am fully aware that the Commission is a college. Yesterday we were told 'Mr Dalsager isn't there today; he will be here tomorrow' i.e. today.

¹ For the vote see Annex.

de la Malène

We acted on that information and, as Mr Lange has reminded us, we decided to debate for one hour the statement by Mr Tugendhat.

All I am asking is that we keep to the decisions we have taken.

(Applause)

President. — Mr de la Malène, I was at the meeting of the enlarged Bureau too. We are trying to find a reasonable solution which is acceptable to the House.

Mr Provan (ED). — Mr President, I have two points of order. The first refers to the debate on fisheries this morning. I asked for specific assurances from the Commission that misappropriation of funds had not taken place. These assurances were not given during the debate. I therefore request a categorical statement from the Commission on this point. Otherwise I shall have no alternative but to ask you, as President of Parliament, to refer my resolution to the Committee on Budgetary Control and to the fisheries working group under Rule 47. I would also ask that, if we do not have a satisfactory solution to this problem by the end of the year, it be referred to the Court of Auditors.

Regarding the matter under discussion at the present time — the debate on the Commission's statement of yesterday — I would ask you to adjourn the House until a satisfactory arrangement is arrived at between the Commission and yourself, so that the debate agreed by the Bureau can go ahead.

Mr Davignon, Member of the Commission. — *(FR)* Yes, Mr President, the point of order just raised refers, I believe, to the question of fisheries inspectors.

It was my privilege to be present on the Commission's behalf at this morning's debate on fisheries inspection, and I cannot understand what it is the honourable Member cannot understand. The question asked was whether the funds set aside in the budget for the recruitment of fisheries inspectors have been used for other purposes, or whether they are still available for the recruitment of fisheries inspectors. The answer is that the money is still available for the recruitment of fisheries inspectors.

The second question is whether the money has all been spent, and the answer is no. Seven inspectors have already been recruited and the other six will have been by the end of the year, using the money which remains available. I regret that I cannot see how the Commission failed to answer the honourable Member.

Sir Fred Catherwood (ED). — I would like to speak on behalf of my group, since I was at the Bureau meeting when this was decided yesterday. It was decided that we would have it *now* in order to have Mr Dalsager. That is quite clear in my mind. We have not got Mr Dalsager, but we have got no less than four Commissioners, including the President. I suggest that

that is enough and that we should proceed. After all, as long as Mr Thorn is here, he can presumably, with the assistance of three other Commissioners, tell us what we need to know. We should not waste time but should now proceed with the debate. I propose that.

Mr Langes (PPE). — *(DE)* Mr President, I should like to ask my colleagues, including Mr Provan, not to change the subject now. As a Member of this Parliament, I am not pleased with the situation either, but we should nevertheless turn to the main subject in hand and bear in mind the following points :

(Applause)

We have heard a statement by the Commissioner with responsibility for finance, Mr Tugendhat. This was followed by half an hour during which questions could be put. However, it did not prove possible to fit everyone in during this half hour and the Bureau stated that it would be possible to hold an hour's debate, which was originally scheduled for yesterday before the vote. The Plenary Assembly preferred, however, to conclude its discussions and vote on the supplementary budget. Hence the decision by the Bureau to hold the debate on Mr Tugendhat's statement now from 3 p.m. to 4 p.m. still stands.

(Applause)

Surely it is not that difficult. Those Members who had put their names down will surely want to speak today too. Obviously, Mr de la Malène, it is possible that a few more people might put their names down for this debate and there is a new aspect in that the President of the Commission is present and apparently would like to make a statement himself. If this is indeed the case — he is sitting here and can say yes or no — it would be nice if he would make his statement at the beginning of the debate so that we would then be able to discuss two statements, i.e. by Mr Tugendhat and by Mr Thorn. At any rate, we should get on with it without more ado.

(Applause)

President. — Ladies and gentlemen, I think we are now all in agreement ; we are, as announced yesterday, going to debate for one hour the statement made by Mr Tugendhat.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, there is a very serious problem indeed. The first point I would make is that this whole situation is a perfect illustration of what has gone wrong the whole of this week. The confusion on the Commission benches is unbelievable, and I am forced to the conclusion that the Commissioners do not talk to each other ! Why is the Commissioner for Agriculture not here ? It's his problem, his dossier ! That is what we are discussing.

(Applause)

Curry

What do they do, Mr President? Do they write each other letters and put a second class stamp on them? They could walk along to the office and talk to each other. It is a very well known technique of human communication!

Secondly, Mr President, you yourself do not have to seek a solution. The solution is there. The House expresses its wish to debate, and you as President are the servant of the House which has a very great respect for you. We have the President of the Commission; and if the Commission is a college, he takes responsibility for that college. You give him the floor and tell him to speak, and we will debate. But please forget your lists here and your lists there and observe the will of this House, which is to debate and not to have a recital of questions.

(Applause)

Mr Thorn, President of the Commission. — *(FR)* Mr President might I through the Chair respectfully request the honourable Members of this House to — how shall I put it? — establish their position a little more precisely?

The honourable Member was no doubt exaggerating a little — it does happen occasionally, even with members of parliament — when he spoke of confusion on the Commission benches. Personally, I received the impression listening a few moments ago that there was a degree of confusion amongst members of the House, too.

Having said that, Mr Tugendhat did indeed at our request — no-one in this distinguished house can be unaware that we are a collegiate body — read a statement which was therefore read in the name of the Commission. The House decided to debate that statement; Mr Tugendhat informed me of the burden of that debate and advised me that it would be continued today. For reasons which you will understand perfectly, Mr Tugendhat considered that it would be worthwhile spending a few hours at the annual conference of his own party, and that is why he is at this moment at the British Conservative party conference. For my part, I consider that the importance of this debate warrants the presence of the President of the Commission and six other Members of the Commission. We are a college, Mr President, ladies and gentlemen, and we are at your service.

(Applause)

President. — Mr Dalsager has just arrived, and I shall therefore ask whether he prefers to speak now or after the debate.

Mr Dalsager, Member of the Commission. — Mr President, I would prefer to wait until after the debate, to hear what the questions are.

Mr Dalsager, Member of the Commission. — *(EN)* Mr President, I would prefer to wait until after the debate, to hear what the questions are.

President. — I therefore propose that the debate should begin.

Mr de la Malène (DEP). — *(FR)* I should be obliged if persons would abstain from trying thus to ridicule the positions adopted by the Bureau and by the House.

Yesterday we decided that we should hear Mr Tugendhat.

At the suggestion of the Commission spokesman we said that today we should hear Mr Dalsager. That is what we decided. There must be no turning the problem inside out. We delayed the debate until this afternoon for the simple reason that Mr Dalsager could not be here earlier, and we had been told that he would be happy to come and address us.

We agreed to hold a brief debate on Mr Tugendhat's statement, Mr President: that was yesterday's debate, and it is over. For today we decided — at the suggestion of the Commission's spokesman, I would remind you — to let Mr Dalsager speak and then to react. We are not continuing yesterday's debate: let us not get things muddled. At the request of the Commission — at the request of the Commission, I say, we are to hear the Member of the Commission responsible for the matter and then debate. Let us not turn things around. That is the problem. I think it very important to make that clear.

Mr von der Vring (S). — *(DE)* Mr President, I should like to draw your attention to the fact that this Parliament has certain relations with the Commission and all these relations between this Parliament and the various Commissioners are based on courtesy and are not of a merely institutional nature. We have heard a statement by the Commission — the Commission was prepared to discuss with us. However, who represents the Commission on what occasions is a personal rather than an institutional subject and I would therefore urge us to get on with the debate proper. The list of speakers includes peoples who have heard the statement but who have not as yet been able to speak on it and would like to do so now. If the President of the Commission is present now, so much the better, since he will be able to state his views after hearing the points we have to make. We should, however, start behaving like mature adults.

Mr Thorn, President of the Commission. — *(FR)* Mr President, ladies and gentlemen, I realize that your agenda is very full; if we are all here it is not to avoid a debate. Yesterday you heard the statement made by Mr Tugendhat on behalf of the Commission, and you debated it. Perhaps the Chair will allow me to say to

Thorn

Mr de la Malène with all respect and in all friendship, that today we are here to respond. My information — and I have checked it — is that Mr de la Malène is not strictly right in saying that the Commission agreed that Mr Dalsager would make a statement. Some members of the enlarged Bureau did express their wish that he should make a statement, but that is not the same thing as the Commission agreeing to it. The Commission is a college, and decides for itself who shall speak on its behalf. That is actually in the Treaty. We are here, and Mr Dalsager is here. Let us not be diverted from the matter in hand.

Would it not be better, Mr President, if we proceeded with the debate?

President. — I quite agree, Mr Thorn, I call Mr Sutra to open the debate.

Mr Sutra (S). — *(FR)* Mr President, rarely in all my political experience have I seen such a yawning gap between a statement and its underlying reality as in that made yesterday by Mr Tugendhat on behalf of the Commission.

Very briefly, I should like to consider first what he actually said, then the words he used to say it, and finally — perhaps most significantly — what he omitted to say.

What the Commissioner actually said was that the Commission has decided '... to suspend, for the next 10 days, the payment of advances on restitutions and on certain premiums ...'.

In passing, I would point out that for farmers the wait has always greatly exceeded 10 days anyway, and that if operators have never had to wait more than 10 days, they have been a lot better treated than the farmers. If that was all that was involved, however — and I shall come back in a minute to what was left unsaid — then why all the stage-setting, and all the talk of catastrophe? It would have been more appropriate had we been meeting in Strasbourg cathedral, with Mr Tugendhat up in the organ-loft.

The session formally suspended, called, and put back, preceded by meetings described as 'secret' with 50 journalists waiting at the door, little phrases let drop at Athens by other members of the Commission or by Ministers: why all this, if not to build up an atmosphere of panic? They haven't bothered with the details in my country: the headlines are saying 'Common market bankrupt: no further payments'.

Panic has not been the only effect of this mismanagement. You are going to have to extend your ten days by a further ten days, since you announced it three days before you took the decision. That's like announcing a devaluation three days before you make it. All the operators moved fast.

Now, Mr Tugendhat gave an excellent reply to the excellent question put by Mr Pranchère, namely

whether all compulsory expenditure would be honoured, and Mr Herman's wise and timely question forced him to agree that this was no less than respect for the Treaty of Rome would require. I do not doubt the Commissioner's intentions in this respect.

What all this proves, Mr Jackson, is that although policy must be written into the budget — and there you are quite right — the budget must by the same token be drafted with an eye to the policy objectives which have been set, and you would be wrong to reject that rider to the first part of your analysis.

In conclusion, a thought on the common agricultural policy, which is the origin of this debate. I have always believed that there can be no guarantees without discipline, and that, at the same time, no discipline can be expected without some guarantees. Those who advocate free trade in production and protectionism in marketing are giving a recipe for budgetary dynamite. Imposing discipline on production without giving any protection in marketing is, on the other hand, social dynamite. Here in Europe we must have neither the Chicago stock exchange, nor the Soviet gas plan. Our society is becoming increasingly dependent on give and take both within our own Community and in our relations with the ACP States. That is what makes Europe different, and it may be this planet's only hope for peace.

Mr Langes (PPE). — *(DE)* Mr President, I am pleased that the President and several Members of the Commission are here today since what we in this House got so worked up about in Mr Tugendhat's statements yesterday was his opening remark about there having been numerous misleading or inaccurate reports going around lately. I assume that he was including the various statements made by the Commission under this heading, such as Mr Dalsager's statement in Athens, the points made by the President of the Commission and, finally, what we were told yesterday.

When I consider our debates on the budgetary situation in the Committee on Budgets over the last few weeks, I must agree that, as Mr Tugendhat stated yesterday, financing would be possible by November. Thus, as we have seen, the Commission has fundamentally contradicted itself over the last days and weeks and has, furthermore, failed to keep the public and this Parliament clearly informed. I should therefore like to make four points on behalf of the Group of the European People's Party.

Firstly, we basically agree with the Commission's view that the financing situation in the Community is very difficult in general.

Secondly we also realize that the common agricultural policy needs rethinking and a large majority of this Parliament has made a whole range of proposals to this effect.

Langes

Thirdly, the Group of the European People's Party (Christian-Democratic Group) is not prepared to accept these theatricals from Mr Tugendhat. We had the impression that after weeks of confusion and irritation within the Commission this Parliament was now to be put under a certain pressure, not least in connection with the supplementary budget, in spite of the fact that all the Commissioners were surely aware that the question of making the amounts for the agricultural sector available in the supplementary budget was by no means a point of contention in either the Committee on Budgets or in other committees, so that we could, we think, quite easily have done without these dramatic statements and this deadline of 10 days.

Fourthly, all this must nevertheless be seen in the context of the impression given today, for example, in an article by a highly competent journalist in the *Frankfurter Allgemeine Zeitung* which states that this Parliament is blocking funds for the agricultural budget. The Commission has for weeks now been gradually leaking this view, as if Parliament had not been prepared to discuss and vote on this supplementary budget — but we have in fact done so.

What is the reason for this? I have the impression that the Commission realized that Parliament had not been properly informed and that it has done far too little to clarify these questions in recent years. Again we have been confronted with the question of the financing of the agricultural policy being lumped together with that of the British contribution with a view, as it were, to wringing some kind of agreement out of the stubborn non-Britons in this Parliament. I should like to inform the Members of the Commission that we are against that sort of thing. We as Christian Democrats have always been prepared to discuss all questions, including that of the fairness of the British contribution but we oppose an inadmissible linking of two distinct issues i.e. the fulfillment of our duties on the one hand and preparedness for political discussion on the other.

Mr President, I hope you will understand this annoyance and disappointment and realize that these things are not conducive to increasing the confidence of this Parliament in the Commission.

President. — (NL) Mr Langes, I beg you to appreciate the difficulties of presiding on such a turbulent sitting. When high-ranking personages from the groups answer specific questions of procedure, it puts the President in an ambiguous situation. I beg your pardon once more for the lack of attention to your important speech, but ask you to appreciate the difficulties facing the President.

Mr Provan (ED). — Mr President, I welcome this opportunity of taking part in a debate on this subject.

We must face the fact that the common agricultural policy has been a success. We in Europe have a good climate and good soils and we are one of the breadbaskets of the world. Adaptation of the common agricultural policy, however, will take time and it is very important that the 10 Member States, in building Europe, must move together in accord. That is most important.

Budgetary constraints, however, are now going to make us reform very much faster than we realized. The opportunity to adapt the common agricultural policy by purely agricultural management has now been lost and budgetary management will now have to take over.

I recently — in fact this morning — spoke to some Australian visitors to this Parliament and they are extremely worried about the morality of inefficient production. Having said that, Mr President, I think it is important that we ask the Commission to make certain that they will reinstitute export refunds as soon as possible so that normal trading patterns can be re-established and we do not lose what world markets we have already won to other people.

Mrs Scrivener (L). — (FR) Mr President, the House is seeking to understand a situation which is, to put it mildly, complicated. Now when Mr Tugendhat addressed us on Tuesday morning in the course of the debate on the supplementary budget, he told us that the budget must be adopted urgently, but he added that the Commission had the funds necessary to keep going until November. Under the circumstances it is reasonable for Parliament to doubt the sincerity of the Commission's decision, given the theatrical effects produced by Mr Tugendhat's statement yesterday, and its quite exceptional nature.

One of two things must have happened. Either the Commission knew it was going to take such a decision, which is not impossible, and in that case we should be told why Parliament was not given any prior notice, or the situation deteriorated in only a few hours, which I find difficult to believe, as do you. And in that case we are entitled to fear the worst on the Commission's own ability to forecast.

Those are the questions to which I would like an answer. The fact now remains that the Community can no longer run away from the problem of reforming the common agricultural policy. All our present problems demonstrate this, and any further delay will put the future of Europe at even greater risk than it is already.

Mr Davern (DEP). — Mr President, in your reply to the point of order you said I would be called after Mr Provan. You totally forgot about that. I would just like to remind the Chair that we do not want to see repetitions of yesterday's confusion in this House in regard

Davern

to speakers and so on. Do not look only at the front bench, there are people sitting at the back as well.

Since last Monday there has been serious concern within the Community. One Commissioner announces something, the President denies it and then a further Commissioner announces the same thing here in the House. The Committee on Agriculture was informed of the situation only after it had already been leaked to the press 24 hours before. If one of our functions is to be budgetary, then we must at least be informed of the bad news. Too often we are not allowed to announce the good news from this House.

I think that irreparable damage has already been done to our export markets this week. It is due to the consistent failure of this Commission as a body to put European interests first. They have continually failed to stand up to American aggression on the market. Now they comfort us with export refunds. It is the smaller exporter in particular who will now be badly hit. For the last three or four years, the trend has been ever lower incomes. We now have the superlevy, an increase in co-responsibility and we are told there will be no support for exports. You have destroyed the confidence that people had in our proven farming output and the hope that it would continue.

It was announced here that nine days were left before the so-called 'temporary suspension' of farm payments was ended. What copper-bottomed guarantee can the Commission give us that the suspension will in fact be lifted at the time indicated when at the same time unidentified Commission officials are reported in the papers as saying this will continue till the end of the year?

Because of this mismanagement concerns are now being expressed amongst parliamentarians — will this continue till the end of this year? Or is this another slipshod method of ending it completely, or at least by 50 %, according to 'unofficial' sources within the Commission — in actual fact high-placed officials?

Will the Commissioners now give an assurance that as soon as the suspensions are lifted — and naming the date they are to be lifted — they will give full restitution to those who have suffered losses, particularly in the dairy and beef industries already under deep psychological threat as well as financial threat?

Finally, in regard to my own country, I would say to the Commissioner that if these suspensions are not lifted and full restitution made, the 2 000 million pound food trade in our country, which already has the highest level of unemployment in this Community, will be seriously jeopardized. And again I would ask him to give an assurance to the Community, to this Parliament today, that they will be lifted and restitution will be paid.

Mr Bocklet (PPE). — (*DE*) Mr President, ladies and gentlemen, the Commission maintains that it has acted in accordance with the market arrangements and the Treaties whereas I would claim that its action is verging on an infringement of Community legislation. I should like to draw your attention to the following facts. Pursuant to the marketing regulations the Commission has imposed a ten day-moratorium on payments. They are perfectly at liberty to do so and to this extent no-one will reproach them. However, subsequently it did something which undermines one's confidence in the legality of their action, i.e. it stated that during these 10 days it would examine what was to be done subsequently. In saying this, an element of uncertainty came into the question which has serious implications as regards our confidence in the legality of its action in terms of Community law. This is the whole problem.

(*Applause*)

This is the reproach we are making, and the result will be that no one will enter into contracts any more on the grounds that he does not know where he will stand in 10 days time. This phrase in the statement is totally superfluous, however, since it is in fact there — and I assume the Commission had something in mind when it included it — I can only surmise that the Commission was intending to have a destructive effect on the market and we have already, i.e. last summer, had an opportunity of seeing what this leads to in another case, whereby the Commission was first of all unable to agree on introducing initial intervention in the case of lowest-quality baking wheat and this led to an immediate drop of 20 % in the quotations for baking wheat.

The same thing will happen in other product areas as a result of the Commission bringing in an unnecessary element of uncertainty and I can only go along with what Mr Langes has already said, i.e. that there must be some ulterior motive. The Commission is quite obviously trying, before a decision is reached in Athens, to establish a *fait accompli* by undermining the necessary preconditions for the proper functioning of this market by means of measures such as those I have just described. It is doing considerable harm in this respect — on the one hand, because of the disillusionment on the part of farmers and others who will have their confidence in the legitimacy of their trade shattered, and on the other hand because they will be giving the rest of the world an incorrect picture of this Community. I would therefore strongly urge the representatives of the Commission to take this opportunity here in Parliament and make it quite clear that nothing unexpected will happen after these 10 days have elapsed, but that the old arrangements will simply be resumed.

(*Applause*)

Mr Adamou (COM). — *(GR)* Mr President, the Commission's decision to suspend agricultural payments for advances, premiums and export subsidies for 10 days — and there is no guarantee that it will not be longer — is a measure which directly hits millions of farmers in the South, and particularly Greek farmers. And that is the case because these payments chiefly affect Greek products, such as cotton, olive oil, tobacco, wine, beans and sugar. The Greek cotton producers were already up in arms because their subsidy had been stopped at 80 % with the promise that the remainder would be handed over later. The same goes for the 25 000 wine-growers of Attica, whom I visited recently, because instead of a guaranteed price, a guide price of 14.40 drachmas a kilo for grapes used in wine with an alcoholic content of 12 degrees was announced at a time when the cost of these grapes exceeded 18 drachmas a kilo.

Mr President, it is well known that Greek farmers have been greatly harmed by the common agricultural policy. 700 000 tonnes of fruit and vegetables have been buried, and the balance of trade with the EEC in the agricultural sector is showing a deficit to Greece's disadvantage of around 50 000 million drachmas for the three years of membership.

Now the minimal support which was being given has been stopped. We find this anti-agricultural decision scandalous. While it offers thousands of millions to the monopolies, the Commission has found an easy way to deprive millions of poor farmers of their livelihood.

We are expressing our protest on behalf of three million Greek farmers and we demand that this decision be revoked and that the necessary amounts of money be obtained from other sectors.

Mr Delatte (L). — *(FR)* Mr President, ladies and gentlemen, I do not wish to appear discourteous towards the Commission but it does appear that the lack of consistency in the various statements it has issued following the Athens meetings of foreign ministers and agricultural ministers on the Community's financial situation has given rise to some concern.

The decision taken on Tuesday night to suspend advances of restitutions for certain products has increased that concern. That can unfortunately be seen through the very disturbing newspaper headlines and articles published today.

Mr Tugendhat addressed the House to confirm that we still had sufficient resources before starting on the supplementary budget. He added that the supplementary budget might not be enough to meet all expenditure until the end of the year. This sudden concern before voting on the supplementary budget — which was, after all, based on figures provided by the Commission — is, to put it mildly, surprising and in any event no justification for the brutal decision taken

on Tuesday night to stop the payment of restitution for certain products for the next 10 days.

Experience has shown that it is not possible to give accurate figures in advance for payments under the EAGGF guarantee section, and if the budget was going to prove insufficient it would have been better to wait for the end of the year before deciding to delay payment of restitutions. Why should this decision have been taken today, when it will shake the market at the expense of operators and farmers? Why should such a hurried decision be taken, except to apply pressure to Parliament in its voting on the budget and, even more serious, to spread alarm just as the debate opens on changes in the agricultural policy.

I would draw the Commission's attention to what is at stake in that debate. Changes in the Common Agricultural policy cannot be considered only in the context of the budget, but only as a whole. If debate is to be fruitful it must be conducted calmly and I can only deplore the way in which the Commission has created this atmosphere of panic: there can be no doubt that it is a threat to the future of the European Community.

(Applause)

Mr Bonde (CDI). — *(DE)* Mr President, I should like to put a few questions to the Commission.

Why was it not possible for you to give better warning of the decisions reached? Why was it not possible to present the figures a little earlier and put the matter to the Council of Ministers for it to decide? Why did you have to, as it were, hold the farmers to ransom rather than asking the Council of Ministers to decide what expenditure should be suspended if funds were to run out? Why did the Commission virtually assume that the farmers would have to be the scapegoats, even though they have legal rights to certain payments? Usually when people run short of money, they are obliged to continue making certain fixed payments and to cut down somewhat on luxuries. You should cut down a little on items which can wait till next month, but certain fixed items, such as rent, must be paid. Agricultural expenditure consists of fixed items. Certain people have legal rights to these payments. Why, then, does not the Commission come up with proposals to cut down in areas of expenditure where there are no legal rights, i.e. expenditure items which are aspects of Community policy, but which are not subject to binding regulations? Why don't they cut back on that kind of expenditure? This whole business strikes me as a disturbing example of certain groups being held to ransom for political motives.

Why didn't they attack their own incomes? Why have the commissioners, who earn over Dkrs 700 000 per year, got at the farmers who on average earn less than a tenth of that amount? The impression that the

Bonde

farmers are making the greatest demands on Community funds would appear to be gaining ground but this is not true. If we look at the trends in agricultural incomes we see that in 1982 — which was the best year so far in the Community — the average Danish farmer earned 84% of what he earned in the year in which he was dreaming of high prices in the Community. It is very unfortunate, as I see it, that it should be agricultural expenditure — a vital form of expenditure — which should be coming in for this treatment and that possible decisions were not put before the Council in good time. In view of the serious nature of this decision, I would like to ask the President of the Commission which members in fact voted in favour of it and, in particular, whether Mr Dalsager was among them.

Mr Maher (L). — Mr President, there are a couple of issues involved here. One that I would like to refer to at the outset is the relationship between Parliament and the Commission. I would remind the Commission, particularly President Thorn, that he himself and other Commissioners have emphasized from time to time that the Commission and the Parliament are natural allies. This is not the case with the Council. We try here in Parliament — we do not always succeed, of course — to take European decisions and apply European Community solutions and so, I believe, in fairness to them, does the Commission. In the Council there is a greater tendency to adopt national positions.

On that score, I would like to remind the Commissioner that it is exceedingly important for them to keep Parliament on their side as much as possible and therefore to be absolutely forthright and clear with us about the important decisions they are taking, not to tell us three or four days afterwards, and not to create a situation where we have to read the newspapers in order to learn about the important decisions that the Commission is taking. This I feel creates a bad atmosphere; it upsets the relationship between us, and that, I believe, should not happen. I would remind the Commission that this is an important element.

The second point — again referring to the relationship between the Commission and Parliament — is that we were concerned here a couple of weeks ago about a very difficult problem, i.e. the stocks of butter. We all know they are extremely high. We all know the market for butter is very difficult. But there was a proposal, not just from the Committee on Agriculture but, strangely enough, from the Committee on Budgets, for reducing those stocks to the advantage of people within the Community and not the Russians. The proposal was put forward. Since I am not a budgetary expert I am not trying to say that it was too costly or not costly enough. I do not know. But frankly I was disturbed at the way the Commission reacted to it.

They virtually just wrote it off. They said there was no way it could be done. They did not even give an explanation. They did not come up with accurate figures. In fairness, Commissioner Dalsager yesterday made some attempt — but it was only a partial attempt — to explain it.

Would it not be possible for the Commissioners to find some middle course of action? The butter has to be stored at the expense of the European taxpayer. It has to be disposed of with refunds. Could we not see whether we could in fact get the European consumers to take more of it? I do not like the attitude of the Commission on that. It should have been more open about it and should have seen whether we could not sit down together and work out a solution in order to lessen the cost to the taxpayer and to reduce the surplus that we have. I appeal to the Commission, even at this last stage, to see if we can find a better solution than the one that now applies. After all, the butter *is* there.

Could I also ask the Commission two questions. I think your approach to this problem in relation to the supplementary budget, whether you meant it or not — and I do not want to be unfair to the Commission because it is very easy to blame you — has led to a certain degree of destabilization of the very policy that you say you are defending. I know, because I have spoken to them, that the cooperatives in my own country, the people engaged in the agro-industries, do honestly not know what is happening. They are very unsure about the future. In a free enterprise society, as you well know, the climate of confidence is all important. Your action has led to a certain destabilization. I would not say it is irreversible, I do not want to exaggerate. We can get this under control.

This brings me to my next question. I have been informed — and please correct me if I am wrong — that as we speak in Parliament today, the Commission officials in Brussels are working out new measures which are going to be applied after the 10 days. Now is that true? If so, what are those measures? Will you explain them to us, because it is very important that we should know in order that we can have back the confidence that was there, at least the minimum amount of confidence that was there, before these announcements were made.

My final question is a smaller one. It has been said that, in the case of the sheep-farmers, payments will not be resumed until after Christmas. That is not a 10-day moratorium, it will not take place until the New Year. Is that right or wrong?

Mr Edward Kellett-Bowman (ED). — Mr President, this is the afternoon for getting answers out of the Commission because actually they are only one short of a quorum. I am not quite sure who would be censuring whom.

Edward Kellett-Bowman

I think the statement yesterday was helpful. It put an end to some of the uncertainty which arose from careless talk in Athens, and it is quite clear that we have on our hands, within the Community, a cash-flow crisis. How that cash-flow crisis is going to be managed is something that we have got to watch very carefully over the coming weeks. I think we should have the full facts put before Parliament, because there must be some costs to the Community arising out of the actions behind the statement which is being made. Let me explain what I mean.

I believe that the Commission is delaying the disposal of the huge stocks in restitution. I cannot see them doing it any other way. They are doing that because it is quite clear that if they keep the stocks in storage, they only have to pay rent and interest which will have an impact on the 1983 budget. The costs of restitution and disposal would obviously be much greater. They are trying to roll those costs over into 1984. Granted that it may be cheaper in the short term to do it that way, in the longer term higher costs will inevitably arise for the Community, apart from the obvious problem that much of the stuff in store is not improving. It is stuff which will be deteriorating in stock and the position is only getting worse. It is no help simply to roll the problem into the forthcoming financial year. I would like an answer to that question, Mr President.

Mr Di Bartolomei (L). — *(IT)* Mr President, the atmosphere in this House was upset yesterday by two apparently trivial but actually very significant events. First of all, there was the unexpected announcement that the Community's own resources should be considered exhausted, until such time as the supplementary budget comes into effect. Then the President of this Parliament decided to rule out of order an amendment to the amending budget, also on an aspect of agriculture, because adopting it would have meant overspending the Community's own resources.

In these circumstances one may legitimately ask what is happening about Community agriculture? Are these two facts interrelated or did they come to light at the same time purely by chance? Actually it would be easy to take the formal justifications for them apart. As regards the first point, it is well known that the appropriations for agriculture were expected to be sufficient, at least throughout November. Furthermore, Mr Tugendhat himself said he was optimistic that the supplementary amount in the amending budget approved yesterday would suffice to cover the Community's commitments. As for the second point, our very good President Mr Dankert can confirm that the Parliament is sovereign and an increase in expenditure in one budget chapter can be offset by a reduction of the same amount in another. Why, then,

should the finger be pointed at expenditure on agriculture in such a dismayed and alarming way? Why spread panic in the sector, perhaps affecting the rates on the world market and jeopardizing the Community's image at such a delicate moment in its history?

We are convinced that the common agricultural policy needs a lot of revising and from this point of view we are looking forward to the outcome of the Athens meetings. But it must be acknowledged that the results of the negotiations depend greatly on the relaxed or feverish atmosphere in which they take place. The present trend in the Community is to reduce expenditure on agriculture, but the common agricultural policy is the only major European policy we have managed to establish, as the Prime Minister of Italy had occasion to say at the summit in London in 1980. If this policy is given up, there is little left and the Community is likely to fade away.

Progress must obviously be made in other sectors and new Community policies developed. However, it would be criminal and utterly mistaken politically to put the agricultural policy in question in order to establish new policies. Expenditure on agriculture should certainly be rationalized but not reduced. This will be discussed in Athens, we have discussed it ourselves and will do so again during the impending debate on the budget during the next part-session. In the meantime, we hope to get some positive signs and clear replies in this Parliament, for ourselves, the farmers and businessmen.

In the light of all this, the meaning of yesterday's events definitely seemed obscure, ambiguous and unacceptable.

(Applause)

Mr Baillot (COM). — *(FR)* Mr President, yesterday's statement by Mr Tugendhat following the news from Athens was in direct conflict with the statements which he himself made to the Committee on Budgets on the subject of the supplementary budget.

I personally asked him a number of questions aimed at establishing what the Commission's difficulties would be if the supplementary budget was not voted in time. It became perfectly clear during the meeting of the Committee on Budgets that if the supplementary budget was voted no later than its second reading during the budget session, that is by the end of October, the Commission would have no difficulty in meeting its obligations under the EAGGF.

And I must acknowledge, and thank Mr Tugendhat for the fact that he gave us very clear and specific figures. Since yesterday we have known that there will certainly not be a second reading of the budget and that the Commission will therefore have its supplementary appropriations earlier than it expected.

Baillet

As a result, the questions asked yesterday by my colleague Mr Pranchère remain highly topical, in as much as they have received no answer. First, what is the total amount of payments which have been stopped? Figures have been suggested and published in various places. Can the Commission confirm or deny them?

Secondly, what would be the effects of this decision if it were maintained? It is, of course, impossible for such a stop on payments not to have its effects on Member States' budgets and on the cash-flow of individual farmers.

Lastly, such a decision was bound to have its effects on the market and events have shown that speculators did not remain idle between Monday and Tuesday and managed some quite successful operations. People of that kind do not need much time to get into action.

In conclusion, I should like to say that in our view such a decision was entirely unjustified, or was aimed at applying pressure to the Council and Parliament. We consider that it should be withdrawn. In any event, such action from the Commission, which never misses an opportunity to remind us of its role as guardian of the Treaties, is quite improper.

The duty of the Commission is to manage the funds of the European Community, but its authority does not extend to freezing those funds without consultation and, indeed, in direct contradiction to all the quite precise statements which had previously been made to us in the Committee on Budgets.

Mr Kirk (ED). — *(DA)* Mr President, the events of the last few days involving the EAGGF make it quite clear both to the public and to us in this Parliament that the Commission has no control whatsoever over the money which passes through its hands. What is known in English as the 'cash flow system' does not work in the Commission. It is some twenty or thirty years now since private undertakings realized the importance of keeping an eye on the cash flow, but this would not appear to have got through to the Commission yet.

Surely the Commission must be aware that expenditure on agricultural prices increased this year. World market prices have shown clearly that EAGGF expenditure will have to increase. Nevertheless we might get ourselves into a situation whereby we will have to freeze payments under the EAGGF and hence sow the seeds of a profound lack of confidence the entire common agricultural policy.

I should like to stress that, as Mr Bocklet has already mentioned, this is not a question of whether or not the Commission has the option of holding back the payments. It is a question of confidence. Many private operators have realized that their companies have gone bankrupt through lack of confidence — not

through lack of merit — but simply through lack of confidence in the management. I fully realize that the Commission is not going to go bankrupt and nor is the EAGGF, but a similar lack of confidence is spreading among European farmers today. There is no one today who is in a position to take on full responsibility for exporting his produce from the Community, since nobody has any idea whether or not he will receive payment from the Community in the form of export refunds — and this situation could therefore very easily lead to an increase in Community stocks, since the individual exporters and farmers do not feel up to continuing their exports of agricultural products from the Community. As I see it, it will be extremely unfortunate for us all if the business relations which have been established over decades should suddenly be broken off because the Commission has been unable to live up to its responsibilities.

Finally, I should like to say that this matter also has implications for the Community at the most general level. We have heard, for example, how the Danish Communist, Mr Bonde, can use this business in an attempt to instil a sense of distrust of the Community. It is not surprising that the Communists, who are against the European Community, should try to use any situation as an opportunity to distort the picture and I would therefore strongly urge the Commission to clear up this matter as soon as possible, so that it cannot be used in an attempt to pull the wool over the eyes of the people of Europe.

I should like to conclude by putting the following two questions to the Commission. When does it intend to introduce a cash flow system which will ensure that a situation such as this does not arise again, and is it prepared to pay the extra export refunds necessitated by the extra expenditure payable by the exporters in the form of interest on their out-of-pocket payments on behalf of the Community?

Mr d'Ormesson (EPP). — *(FR)* The confusion which reigns in this House is, in my opinion, a reflection of the uncertainty which reigns within the Commission and also within the Council. My own feeling is that the Commission's aim was to give us a warning. I agree, they lost their nerve, but their aim was also to give a warning to the Council, and we ignore it at our peril.

The point for which I reproach you, Mr Thorn, is that at a moment when we were considering report 500 — a report which in some respect many of us consider positive — we were not expecting any dirty tricks. At the same time, our feeling is that neither this House nor your Commission have dealt with the question in depth. We believe in the common agricultural policy and we hold fast to its principles. We believe equally in construction of the European union and strengthening its security, and as long as we fail to draw up real

d'Ormesson

rules of membership and fail to consider members' ability to contribute, then we shall be failing in our task.

I looked recently at the figures of expenditure and Member States' contributions to the budget, and I must say that the difference between the contribution asked of our British neighbours and their ability to provide finance strikes me as excessive. Neither we nor you have had the courage to get to the bottom of this question. I believe that rather than reproach each other we should be considering the problem and/or its ramifications, considering the terms of new rules, which would not only compel Member States to belong to the European Monetary System — which would be an essential condition — but also for their contributions to be matched to their financial capacity. Mr Notenboom asked an essential question on this subject: what benefits did the industries of each Member State derive from the common market, so that a real assessment could be made of each Member State's ability to contribute. So far we have not received any reply. My appeal to you therefore goes beyond our dispute today and relates to tomorrow's debate, that is, our debate on reform and change in the common agricultural policy.

Shall we have a reply to Mr Notenboom's question? Shall we remain blind to the fact that if Commission and Parliament do not join forces to get Europe out of its present rut, all our chances shall pass us by. If, instead of attacking us you support us as you should have done, then we shall have one chance to help Member States understand that their duty is to put the situation straight and help us rebuild Europe.

Mr Curry (ED), Chairman of the Committee on Agriculture. — Mr President, there are two theories of politics. One is the conspiracy theory and the other is the confusion theory, though in English we do not use the word 'confusion'. We use a rather riper expression, which I think Mr Davern used earlier on.

I profoundly believe that this affair falls into the latter category. I do not think we are facing a conspiracy. If the Commission was convinced that there was a risk of a cash shortage — and it is perhaps as well to remind colleagues that there is a difference between having money in the credits and actually having the cash available for spending, because it is a question of ins and outs — if the Commission was convinced that the choice was either to take deliberate action or simply to shut the shop at some future date, then it was right to prefer the deliberate action rather than choosing an action which did not hurt producers.

There were, of course, if this is the conclusion to which the Commission came, alternative courses. It was faced with a demand for advance payments to Member States in November of 1.6 billion. That is so much more than what is normal that perhaps they might have asked themselves whether there was not

an element of national speculation in that demand. Perhaps they might have seen their way to scale down the payment. There were also, I understand, certain credits which were likely to have been available from the Guidance Sector at the end of the year, which might have helped to fill any hole. But if one accepts that there was a cash-flow problem — and there is a debate as to whether that is real or not; it depends upon the pattern of advances — there were alternative actions. However, I think that we must ask the Commission to do its duty as it sees it, and therefore to take action before a crisis and not wait till after a crisis. As I say, that is a matter for debate.

We must recognize, Mr President, that this is a very small crisis indeed. If there is a flash of lightning we suspect that it presages storm, but not all lightning necessarily brings the storm with it. The thought prompted by the way in which this whole matter has been handled is that if this happens in this very small crisis, we must have the very liveliest fears of what will happen when we move into what could well be successive crises next year if there is no positive result to the sequence of summit meetings.

If we look at what happened from the procedural point of view, we have, if I may paraphrase an English radio programme, an 'everyday story of Commission folk'. It appears that the Commissioner for Agriculture, foreseeing a problem, wrote to the President of the Commission and to the Commissioner for Budgets. He wrote a letter. I do not know what prevented him from telephoning them or going to see them, but he wrote a letter. He then went to Athens and the President of the Commission was in Athens. The Commissioner in charge of industrial affairs and the Commissioner in charge of economic affairs were also in Athens. But we do not know whether they all talked to each other in Athens. We do not know whether the message was conveyed, whether anybody said: have you, by the way, learned about this little problem? The Ministers were in Athens, but they do not appear to have learned about the problem. When the agricultural section of the debate is finished, quite naturally the Commissioner for Agriculture leaves Athens. The Ministers then read the story about the crisis which somehow slipped into the newspapers, and they say to the President of the Commission: well, my dear Gaston, what is happening? But Gaston has not had his letter, so he does not know! The Commission is spread across the globe, and they do not know what is happening. Now that is not conspiracy. That is confusion.

This is not ill-will. This is not wickedness, but it does illustrate a certain institutional weakness. How do people communicate? If it is a college, the notion of a college and the notion of a cabinet is that they talk, they communicate. There are methods of communicating in an extempore and urgent fashion, even if this has to be followed by certain formal procedures.

Curry

Our concern is that we believe that what happened, while it may have been aggravated by some very bad coincidences, was an extremely curious lapse from the normal conventions of human conversation and human contact. That is what makes us wonder about something like this, if my account of what happened is true.

All this, of course, has an effect on the markets. It has effects on the traders. It has effects which ripple outwards. If the Chancellor of the Exchequer were to say over his cups — and I do not wish to suggest that Chancellors are ever in their cups — that he felt that the pound was a bit overvalued, one would suspect quite strongly that by the end of a week he would have a real financial crisis on his hands, even if he did not have one at the beginning. That is the sort of danger we face now.

I would appeal to my colleagues to accept that all this has been difficult, in some ways dangerous, in many ways perhaps even unnecessary. What the Commission must do — and we face similar problems in our own Assembly — is to actually devise means of making sure, in the very difficult periods that are ahead, that it is talking with one voice in the same language and towards the same objective. If we, Mr President, can do the same in this Parliament, then we will both contribute a great deal more to the creation of Europe.

(Applause)

Mr Lange (S), *Chairman of the Committee on Budgets*. — *(DE)* Mr President, ladies and gentlemen, I should like to begin by addressing a few words to this Parliament itself, since some people are talking as if agricultural expenditure consisted exclusively of compulsory and enforceable items, but even those Members who are implying this know quite well that we have two types of agricultural expenditure, one of which is indeed compulsory while the other items are for the Commission to decide.

We have, on innumerable occasions, called on the Commission to introduce a rational and sensible system of administration of the markets and funds, and the only question which arises in this context is whether the Commission has in fact been so reasonable. Basically we have ourselves to blame, and we cannot say that everyone has a claim to certain things which are only discretionary. Take a look at the relevant market regulations and you will see what is compulsory and what is optional, and in the latter case it is for the Commission to decide — we have no more say in the matter.

We have known for years that we are approaching or have probably arrived at the point where the money will run out because of the financial mechanisms and that we must exercise more thrift. There is, however, the question of whether everyone in the Commission

knows what all the others are doing as regards financial policy. Mr Curry has just spoken about cash-flow in his capacity as Chairman of the Committee on Agriculture. Does the Commissioner with responsibility for financial and budgetary matters really know what is happening with the funds in the agricultural sector? Is there any guarantee in the Commission — and I doubt very much whether there is — that spending policy in the agricultural sector is implemented in accordance with the budgetary provisions?

There are indications that this is by no means the case and this might in fact be a point on which the Commission might be open to criticism — to put it mildly — from the Court of Auditors. However, I do not intend to go into this further now. I suspect, however, that the Commission has over this last year been playing a game as a result of its own feeling of uncertainty and an inability on the part of its Members to come to terms with each other. After all, we have seen often enough how long it has taken before certain urgent proposals for policy reform — not only in the agricultural field, but in other areas too — to produce any results, and we have seen what difficulties the Commission has had to contend with.

As I see it, this is another reason for this, basically speaking, highly inappropriate and unnecessary act. It is completely irrelevant, in this connection, whether it is directed at the Parliament or the Council. We — that is to say the Committee on Budgets and to a great extent Parliament too — have repeatedly drawn attention over this past year to the increasing financial difficulties. We have received the odd bit of information from the Commission, but each time the picture has changed. This reflects, furthermore, either indifference in the appraisal of the Community's financial scope or deliberate withholding of information at certain times for the sake of effect at a later date.

I can only say, Mr Thorn, that overall, the Commission's antics with this exclamation mark, as it were, in the form of Mr Dalsager's statement in Athens, to which Mr Tugendhat added a question mark and a further exclamation mark in the form of his statement in this Parliament, have not exactly done much for people's confidence in the Commission and, speaking personally, I can tell you that I have serious reservations as regards everything the Commission says and it is not for nothing that people are saying here today that an attempt must be made to work in an atmosphere of confidence. An atmosphere of distrust is harmful to the development of the Community but — and again I say this for the benefit of the Members of this House — we should all of us stick to things once we have decided them in this Parliament and not keep changing our minds like the Council and now, as we have seen, the Commission, as this will not do any of us any good. As we have often said, we can conduct hard-hitting negotiations.

Lange

I should like to remind Mr d'Ormesson that it is years since we first pointed out the need for clarity as regards division of labour between the Community and the individual Member States, since this would mean that the need for financing would automatically emerge from activities under Community policy and national policies. However, this has repeatedly been put off both by the Commission which let two years slip by following 13 May 1980 without doing anything, and by the Council which has given no further thought to its own instructions to the Commission. Thus, they have simply let everything slide and now the gentlemen are faced with this knotty problem, not to say catastrophe.

We have finally arrived at the point, Mr Thorn, where the Commission cannot, as I see it, go on taking account of the different attitudes adopted by the Member States, which keep chopping and changing, as we have seen from the various meetings of the Council of Ministers, but must rather make proposals purely and simply on the basis of its own views in the light of the needs of Europe as such.

As regards the so-called common agricultural policy, let us have no illusions. It is no longer anything of the sort. Our agricultural policy is divided four or five ways, and basically we have not had a common agricultural market in the original sense of the term since the beginning of the 1970s and we should not act as if we can go on playing this game forever.

Thus what we have to do is find genuine European solutions, and this means we will have to come to terms with the fact that certain things cannot continue as in the past. We must also accept the fact that producers must bear some responsibility for the market, since they cannot simply go on and on producing and expect some public authority — it does not matter which — to bail them out. Industry cannot do this either and it is simply not on!

(Applause)

If we pass, as it were, a half vote of no confidence in the Commission — not, I would stress, a complete vote of no confidence, since my confidence in the Commission's utterances has suffered substantially — we must also, by rights, call on ourselves to act accordingly. If we do, we would once more have a chance of getting out of these difficulties and we have no need — as we did yesterday — to reduce ourselves to the status of a mere rubber stamp or registry for the Council's decisions, as we have accused the Commission of doing earlier today.

I hope we will all draw conclusions from all this and I hope, above all, that the Commission will draw appropriate conclusions and not present the public with such theatricals, to put it bluntly, only to end up in a complete mess.

IN THE CHAIR: LADY ELLES

Vice-President

Mr Thorn, President of the Commission. — (FR)
Madam President, ladies and gentlemen, I should like to thank all the speakers, in particular the two Committee Chairmen, Mr Curry and Mr Lange, whose criticism, though harsh, was objective and put things more into perspective.

Ladies and gentlemen, both the House and the Commission have been saying this afternoon that we are convinced that if we must work together on our real business, the future, the long-term, then we had better all start weighing our words. Terms have been used such as 'insecurity', 'dirty tricks', and 'European credibility'. We are only a few months away from the next European elections. Had we better not put the debate into perspective and see what has happened? Believe me, no one regrets more than the Commission and its President, the situation in which we find ourselves. Let us, dispassionately and like the political creatures we are, examine where we are and what we want before embarking on any irresponsible exaggeration.

We have been accused of acting in this way because the British wanted their money. No connection. There has been suggestions of a plot, an attempt to apply pressure to Parliament and the Council. That was not our intention and had it been — if you believe the Commission was being dishonest or devious — at least give us some credit and do not imagine that we would have been foolish enough to take such a decision on the very day that you were debating the budget or the very day that I and my colleagues were due to face 33 ministers assembled to discuss the Community budget and the credibility of our own figures. Do you seriously believe that on that of all days we could have allowed them to imagine that our own figures were wrong?

It can happen that circumstances combine against us and we suffer from breakdowns in communications. It is not new to me; no doubt it happens less frequently in the European Parliament, and, to listen to you, one gets the impression that you reach unanimity more easily than we. You too are convinced Europeans and you are therefore unlikely to forget that the Commission has Members from ten countries and while some of us are in Athens others can be elsewhere, and things may not work as well as we might wish.

Now let us put things into perspective. The real question, the one which really concerns a Member of the European Parliament is 'does it affect the common agricultural policy?' Our purpose, ladies and gentlemen, is not to take away Europe's security nor that of your own electors. So, if you please, let us have no talk outside of the Commission wishing to attack the common agricultural policy: we are defending it,

Thorn

now more than ever, in our dealings with Member States and the Council. This morning's debate on Christmas butter (which has rather become an end in itself) and this afternoon's debate should be evidence enough that you cannot charge us with applying the common agricultural policy to its most outrageous limits and at the same time charge us with betraying it. You must choose your own line but you cannot accuse us of failure on all sides.

It has been suggested that we wish to attack farmers' incomes. Not true. I am grateful to Mr Lange whose critical mind and experience enabled him demonstrate clearly to those Members who did not realize it before that there are different kinds of expenditure and this particular expenditure consists mainly of advance payments. We are not seeking to attack any right, any at all. All the Community's obligations to the farming community will be honoured.

What, then is involved? The point is that the Commission, acting on behalf of the Community, is now involved in prefinancing operations, and when a commercial or other operator tells us that all the customs documents are prepared for a sale, an export, we make an advance which can sometimes be as much as 80 %. That is, we finance all the operations in advance. Do I need to spell out to politicians of your calibre that there are some individuals who at the end of a year are capable of imagining that next year will be less good and that certain currencies, certain stocks might change, and who therefore wish to cover themselves. We are the underwriters and the bankers for all those people. We are not diminishing their rights. If there is some delay, it will harm no one since what is not paid in 1983 will be paid in 1984. Everything will be paid in full.

And so the loss of income which you fear does not exist. I wish to make that clear straight away since you were right to be concerned by it as representatives of the people of Europe.

Having said that, what is the situation? A number of speakers have said that we are reaching the limit of our financial resources. Let no one, if you please, reproach the Commission for not having said so these two years.

It is we who asked — with your support — for increased own resources. It is we who said that it was only the quality of the harvest which dictated when the common agricultural policy, taking 60% of our budget, would bring us to the limit of the 1%. You all know how the harvests were this year, and you all know what the changes in exchange rates have been. We are very close to the limit. I believe, though let no one make the mistake of thinking this to be the final word on the matter, I believe that this year we are within a few tens of million ECU from using the full 1%. And you say to me 'Mr President, were your

figures right, honest, given in good faith?' Ladies and Gentlemen, with all the imponderables facing us, we drafted this supplementary budget in July, before the harvest and before some currency rates changed. How could we hope to be within 0.1 or 0.2 %. And, alas, some operators in our democratic society read the newspapers and realizing that we were approaching the 1%, took their precautions against end-of-year changes.

That is why, like reasonable men, like the good managers which you would wish us to be and which the Council and Member States would certainly likewise wish us to be, when we realized that the 1 % threshold rapidly approaching we asked our staff how we could manage until the end of the year and avoid the situation of asking the Parliament to adopt a budget which by definition exceeded that 1%. Different departments worked in different ways, and that is how the problem arose.

I am well aware that the misfortune which has happened to us this week cannot happen to Parliament. Nobody regrets that misfortune more than myself. The Press discovered that we were going to propose certain measures. I would be grateful if you would note this one point: the Commission has not in fact yet adopted the decision in question. We must first obtain the opinion of the Management Committee, and before the decision had been submitted to the Management Committee, the Press described the decision as having been made. What actually happened was this. It is no secret to you that two of the Vice-Presidents, Mr Dalsager and myself were at Athens; other Members of the Commission were in Germany, and yet others elsewhere. As far as my information goes, the leak took place on Tuesday morning, and on Tuesday evening we decided to suspend advance payments for 10 days. I know, ladies and gentlemen, that twelve hours is a long time, but if you can suggest any way in which 14 Commissioners all over Europe could take a joint decision I should be glad to know it. That is why, in the afternoon and evening, we asked the Management Committee to wait until the Commission had considered the problem, together, in Brussels and looked at every detail, because it was a difficult problem, difficult for you and for us, and we wished to find a proper solution to it. It was at that point that we were told that the news was already out, and since the operators thought payments would be suspended, and would consequently be less remunerative, speculation would follow. My own reaction, for the Commission, was to defer the collegiate decision of the Commission until Friday, which would be our normal meeting this week. But I was warned that if there was any delay it would rule out one of the terms of the hypothesis and we might then be faced with no choice at all, since vast numbers of applications would have been made for advances in the Member States and we would lose any benefit we hoped to gain, with a consequent loss for the Community.

Thorn

Ladies and gentlemen, you are responsible for the Community and you are told 'Right, speculation is staring you in the face. What are you going to do? Are you or aren't you going to suspend payment of advances for 10 days?' So we — I and the many others who had initially been against this measure — said 'Fair enough! Let's shut the tills for 10 days, shelter the Community's budget and our own finances from speculation and give ourselves the time to look at the problem.' Because the problem for us was not just that of advances, but also that of respecting the sovereignty of this House over the budget, respecting the terms of the budget and finding what we could do with the budget which was available to us. And, alas, or rather fortunately, we live in a democracy. That is the price we have to pay when there is a leak. And, if you ask me whether at the Commission everything works at 100 % efficiency, I have to reply that though it may in the Parliament, in the Commission it doesn't always. The point has been taken and I can assure you that as far as the Commission is concerned I shall be asking my colleagues to ensure that no further incidents of this kind take place.

Madam President, ladies and gentlemen, it will not have escaped you that at this moment you, and we, have on our hands a battle with the governments of the ten Member States to save the common agricultural policy. But we are also aware that we have our backs to the wall as far as our financial resources are concerned. We know, too, that we are faced with a certain amount of speculation. We must accept that the going is not easy. We have done everything we can to solve our problems, and we are continuing to do so. That is why we are here before you today to explain the situation.

And it is because, thank God, we are in a democracy, that we have today been able to answer your questions.

(Applause)

Mr Dalsager, Member of the Commission. — *(DA)* Madam President, following on from what the President of the Commission has said here today on behalf of the Commission, I should like to repeat what our Vice-President, Mr Tugendhat, said yesterday. The Commission's measures are only intended to give us time to examine the situation more closely and consider, among other things, whether or not the requests by the Member States for advances are reasonable. It is the Commission's duty to ensure that our expenditure remains within the budgetary limits which have been set.

I should like to reply to the allegations made by Mr Sutra and Mr Provan among others to the effect that the Commission has stopped the payment of export refunds. This is not in fact the case. All we have done

is to suspend the payment of advances on export refunds or in other words, we have postponed certain payments since, at least to some extent, exporters get their money before the products have actually been exported. To give an example, exporters have hitherto submitted export documents on the conclusion of a contract and have subsequently received an advance normally corresponding to 80 % of the export refund. If the exporter then provides documentary evidence indicating that the products have reached their intended destination, the final 20% is paid. Now, according to our proposal, the exporter receives the entire export refund only after we have received documents showing that the products have reached their destination and this means that we have not, I repeat not, discontinued export refunds. All that has happened is that exporters now receive the export refunds only when we have evidence that the deal has gone through. In other words, we are not depriving anyone of anything, we are merely postponing the final payment for a certain time. The Commission has taken the least harsh course of action open to it. It will make no impression on the farmers. We are merely postponing certain payments, as I have mentioned. No one will go without the payments which are legally due to him.

Mr Kirk and Mr Bonde have been at odds with each other and Mr Kirk reproached Mr Bonde on the grounds that his reasons for speaking the way he did was to promote distrust of the Community. I must say that Mr Kirk's contribution to this debate also did a lot to promote this distrust which the Communists have been working on, and I find this very disappointing.

Madam President, I should like finally to make the following points very clear. Firstly, export refunds have not, I repeat not, been suspended; secondly, the advance fixing of export refunds has not, I repeat not, been suspended; thirdly, the only thing which has been suspended is the advance payment of export refunds and certain premiums, and fourthly and lastly, do not exaggerate, like some Members of this Parliament have done, the effects of these measures, since they are quite minimal but might nevertheless enable the Commission and the Community to get safely through 1983 from the budgetary point of view.

President. — The debate is closed.

6. *Employment for young people (continuation)*

President. — The next item is the continuation of the debate on the supplementary report (Doc. 1-754/83) by Mrs Salisch.¹

¹ See the previous day's debates.

Mr Chanterie (PPE). — *(NL)* Madam President, it is not easy to resume a debate that was adjourned yesterday. I think this aspect of our conduct of proceedings will have to be looked into.

Madam President, ladies and gentlemen, of the 12 million unemployed in the European Community more than 4.5 million are under the age of 25. Youth unemployment runs at more than 20 %, compared to an average of 11 % for adults. Not only has the percentage of unemployed risen, but the periods of unemployment have lengthened along with it. Almost 1.5 million young people have been out of work for more than a year.

It is possible to identify three major trends in relation to the supply of young people to the job market over the next ten years: first of all a drop in the percentage of young people under the age of nineteen, especially after 1985; secondly a rise, also after 1985, in the percentage of young people between the ages of 20 and 25, and thirdly, the percentage of young people will be substantially larger in the female working population than in the male working population. The full scale of the problem emerges from these facts. It is thus totally wrong to regard youth unemployment purely as a temporary phenomenon resulting from demographic developments. We must face up to the fact that the number of young people of 20 and older will continue to increase, even after 1990.

The question with which we are all faced is as follows: is the European Community willing and able to draft and put into effect a policy that will offer a whole generation of young people an alternative to unemployment. It is thus a matter of establishing whether the European Commission's communication concerning the promotion of employment for young people gives a viable answer to this question.

It is rightly emphasized that a solution should principally be sought in an overall strategy aimed at economic recovery and the growth of job opportunities. Neither the Community's nor the national policy-making bodies can disregard Albert and Ball's report concerning this matter which was prepared at the request of our Parliament. I hope that people will have the courage to thoroughly examine not only the analysis but also the positive suggestions contained in this report.

A strengthened European policy will only affect re-employment in the medium term. That is why the Commission is justified in putting forward suggestions for Community action to improve the situation of the young unemployed in the shorter term, supplementary to the specific measures being undertaken in the Member States.

We do indeed have to admit that the majority of Member States have undertaken many special measures in the last ten years to tackle the problem of young people in the job market. It must, nevertheless,

be added immediately that these measures were often widely divergent, lacking in coherence and rarely effective because they were based on the assumption that the economic recession would be short.

In the light of the present situation, the European Community's plan for future action must be directed at promoting entry to the job market for young people, with priority for those who have been unemployed for a long time.

When seen in this light, we regard the programme proposed by the Commission as inadequate, because, despite all the fine words, it will not lead to the necessary decisions and because the essential financial resources for this are lacking. To achieve better results in the fight against youth unemployment all possible forces must be brought to bear: in the undertaking, in the regions, in the Member States and in the European Community. It is equally essential that young people and representative youth organizations be involved in these efforts, because a lot of creativity might otherwise go wasted.

Mr Prag (ED). — Madam President, no one could possibly underestimate the potential dangers of unemployment. I do not need to repeat the figures which have been given to you by Mr Chanterie or those of the Commission's report. But I do want to underline in particular the Commission's point that jobs for young people are concentrated increasingly in the secondary labour market. This means short-term jobs, temporary jobs, peripheral jobs — i.e., jobs with no future — and unskilled jobs, in which young people acquire no skills. No skills, no status, no future. Moreover, there is great potential danger in the concentration of the most disadvantaged young people in areas of social and economic deprivation and, as the Commission says, sometimes areas of racial tension. It is appalling also that one in four of our jobless young people have joined the ranks of the long-term unemployed before they reach the age of 25. This must lead to the alienation of some young people from society, to a loss of confidence and respect in themselves and, indeed, to disrespect and contempt for those of their fellow-citizens who push up wages without regard for the people they price out of jobs.

In the central point of its proposals — that there is no substitute for economic recovery — the Commission is, of course, right. We also approve, in particular, the proposals to set up Community demonstration projects and to organize the exchange of information and experience. We must learn all we can from each other. The Commission report is not, however, impeccable. I believe it underestimates the effect of two factors, First, of mismatch, which is still undoubtedly an important cause of unemployment. I know of many employers in my own constituency who have vacancies but still cannot find anyone suitably trained for them.

Prag

In the United Kingdom, at any rate, there is no doubt whatsoever in my mind that high wages for young people in trades with overweening trade-union influence play a major part in youth unemployment. Low differentials for skill and experience in these industries mean that an employer will find it more economic to employ older persons who have these qualities.

We also have certain doubts about the specific measures proposed. We are not certain that it is valuable to have a target figure, and it is certainly impractical, in the view of my group, to suggest, as the Social Affairs Committee does in its amendment to paragraph 3 of the draft Council resolution, that youth unemployment can be overcome in two years. That is a foolish illusion.

We have very strong reservations, too, about the creation of jobs in the public sector. Here I would make a sharp distinction between public consumption and public investment. I could not accept the Commission's recommendation if it meant setting up unnecessary pen-pushers or movers of paper from one in-tray to another. And they still exist in our public services. They would put a brake on recovery rather than stimulate it. If jobs are to be created in the public sector, it must be through infrastructure investment in our roads, railways and ports which will make our economy more productive, more efficient and more competitive and thus stimulate rather than hamper recovery.

I welcome the renewed emphasis on job training, although I believe it could still be strengthened. There is still an enormous amount to be done to ensure that our young people are trained in the jobs of today and of tomorrow rather than yesterday's jobs, and that they are trained and ready to take up the new vacancies when they occur. I also welcome particularly the proposals to train young people to open and run new businesses. We must have their reserves of initiative and enterprise, which still so often remain untapped.

Therefore, except on certain points of detail, my group wholeheartedly supports the Commission's response to the Jumbo Council's request of November 1982 to present proposals to encourage the employment of young people. It also supports, in general, the Salisch report on these proposals. But it is a great pity that we have been discussing a report on a text which is already almost certainly obsolete. At the Social Affairs Council in June and at a meeting of Employment Ministers in September, the version of the draft Council resolution on which Mrs Salisch has reported was substantially changed, and the committee's amendments refer to a text which is already superseded and the successor to which we have not received. That points up once again this major defect

in our procedures, and if we care about democracy in the Community, we cannot accept this situation.

I hope that the Social Affairs Council, when it meets in December, will get on with the job. The Ministers have been fiddling for too long. I ask the Council of Ministers and the ten governments which shelter behind it to show our young people by their actions that Europe cares about their fate. We cannot build a European Union if we fail to strengthen those hands — the hands of our young people — in which its future lies.

Mr Frischmann (COM). — *(FR)* Mr President, the French Members of the Communist and Allies group will be voting in favour of the resolution proposed by Mrs Salisch and the Social Affairs Committee.

Our view is that the figure of five to six million young unemployed in the Community is indeed a disgrace, but that we must face up to it.

At the special session on unemployment held in Brussels on 27 and 28 April, we stated that the most pressing need was to relaunch the economy with massive investment in productive industry and by increasing the purchasing power of the man in the street so as to give an impetus to domestic consumption. That is what the French Government has been trying to do despite the unfavourable international climate. We consider that the other measures, such as the reduction in the working week, encouraging employers to take on young workers, vocational training leading to real, skilled and steady jobs, aid in establishing new businesses, and many other measures, are inseparable.

We realize that none of these measures is a panacea on its own — as some speakers have said with rather too much insistence. However, together they can first halt and then reduce youth unemployment, and unemployment generally.

Finally, we agree that it is not only desirable but essential that these measures are taken simultaneously throughout the Community.

The Commission has its role to play on that particular question, and the Commission has our support. It would be far more beneficial for the young, and for all the workers, than the coordinated closure of vital firms and industries, and far more worthwhile than spending countless millions on the arms race which the youth of today, like ourselves, are so right to condemn.

Mrs Viehoff (S). — *(NL)* At the start of this directly-elected Parliament the unemployment figure in the Community was 6 million. Now, four years later, the figure has risen to more than 12 million, 5 million of whom are young people — almost as many as the total figure for unemployment in 1979.

Viehoff

One is forced to conclude that nothing was actually done to solve the problem, or even worse, considering the present situation, wrong measures were undertaken. When are people ever going to learn? The bitter reproaches levelled by young unemployed at politicians during the hearing in Brussels, obviously fell on deaf ears.

Madam President, a dangerous situation is developing in the various Member States. Firstly, paid jobs are slowly but surely being transformed into volunteer work. The second danger is that we are very gradually drifting into a sort of compulsory labour situation, because what is at present still voluntary work can, under social pressure, rapidly turn into compulsory work done by those on unemployment benefit.

Madam President, Mr Patterson does not believe there is danger of the young unemployed becoming a marginal group in our society. I think he is wrong, I think it is much more serious, I think there is a danger that they will form an unwanted minority group.

Mrs Maij-Weggen called Mrs Salisch's report unrealistic. Well, it may be so from her social point of view, but that is not ours. One needs political will to introduce new measures, and it is about time that this is demonstrated and that we stop talking because we have been doing that for years with no result!

Mr Kyrkos (COM). — *(GR)* Madam President, we have discussed the subject of unemployment, and particularly youth unemployment, many times. I am afraid that each time we discuss it with greater optimism while the situation is growing steadily worse. In my country, for example, young people constitute 40 % of the unemployed, whose numbers are growing all the time, without counting the unemployment obscured by the fact that a huge number of young people are doing military service. And we must consider not only the economic but also all the social implications of dashing the hopes of young people who find no way out.

The paradox is that the technological revolution makes it possible nowadays for working hours to be shortened and for people to enjoy other qualitative aspects of life, which only human creativity and talent can reveal. The point is, however, that this technology is introduced as an element in conflict with work, driving out workers without giving them other outlets. One may wonder whether we are in a vicious circle.

We support the proposals put forward by Mrs Salisch who has been working hard for some time to make us all aware of these matters, but we are sorry when we read that the countries must set up programmes to absorb the unemployed within two years, or when the necessary conditions can unfortunately not be considered certain to arise such as for example, a future increase in the Community social budget.

We believe, ladies and gentlemen, that we ought to take an honest look at the political dimension. There is basically one problem. Mr Frishmann is right when he asks for massive investment. At some point, we have to make a choice between guns and jobs. Of course, we are not in favour of unilateral disarmament, we mean that the Community should pursue a firm policy of peace so that it contributes to economic recovery. The day before yesterday we talked about the Fergusson report and we argued, but our sole aim must be to find a way out of the vicious circle at any cost, to make massive investment possible, to make the great choice between guns and jobs, and to absorb the unemployed, both young and old.

We are afraid, ladies and gentlemen, that if we do not tackle the root of the problem realistically, we may well express wishes and draw up resolutions but unemployment will worsen, the economic crisis will deteriorate and at some time we will be called upon to face terrible social consequences which none of us wish to see.

Mr Abens (S). — *(FR)* Madam President, ladies and gentlemen, I do not propose to call on figures to show you today just how dramatic the unemployment situation is generally and for young people in particular.

I would rather tell you about one of the most harrowing meetings I have ever attended: that on youth unemployment organized by the Committee on Social Affairs and Employment together with the Youth Forum in Brussels in June 1983. I shall never forget the English boy, unemployed for two years, who begged us Members of the European Parliament to do something: despite his despair, he still believed in the European Parliament. I remember the French boy, from the Fourth World, his voice choked with emotion, telling us how he sold scrap found on rubbish tips, so as to keep his family. And the Irish girl who accusingly told us 'You have work: we don't! That's not fair!'

It is in the light of that experience, Madam President, that I support the motion for resolution proposed by Madam Salisch. I would like to stress a number of points which strike me as essential.

Paragraph 3 of the motion for resolution refers to the social guarantee, which aims to give training or a job to every young person aged between 16 and 25; this is something that has been called for on many occasions by the European Trades Union Confederation and by the Youth Forum and without doubt goes a long way beyond the vague promise made by the Commission to give young people job training.

What, I ask you, is the point of job training if there is no job to follow it? Is a young person's disillusionment not all the greater, if after he has been trained or

Abens

retrained he can still find no work? Job training, no matter how useful it may be, is not an end in itself; it is merely the door to a steady job. Of all the unemployed it is the young who are the most affected and of them, it is worst of all for girls. That is why I must congratulate Mrs Salisch on the inclusion in her motion for resolution of 'positive measures for the most disadvantaged groups, in particular long-term unemployed young people, and to expand the range of occupations open to girls.'

I am, moreover, in complete agreement with the rapporteur as indeed with the Commission, in believing that one of the ways in which we can reduce unemployment in general and that of young people in particular is by shortening the working week. That view is also shared by the Economic and Social Committee in its report of 6 July 1983 on social trends in the Community in 1982, which was adopted unanimously with 6 abstentions.

Finally, I would like to stress the importance of paragraph 7 of the motion for resolution, which calls for an increase in the European Social Fund to a level commensurate with its tasks. I am aware that discussion is continuing between the Parliament and the Council. Notwithstanding that, I would like to remind you that we have already on several occasions asked for increased resources for the European Social Fund, one of those occasions being during the special session of the European Parliament held on 27 and 28 April 1983 when we asked for a 100 % increase in appropriations for the Social Fund as part of the budget proposals for 1984.

Madam President, ladies and gentlemen, I hope and believe that this motion for a resolution will be adopted as it stands but I would like to address my last words to the Council. If the Council does nothing to deal with unemployment in general and that of young people in particular, then the Council must be warned that although construction of a united Europe has allowed conflict to be avoided, the Council will bear the entire responsibility for any future social conflicts in the Community, and I call on them to ensure that the words of an unemployed English youth 'we are a lost generation' are never proved true.

Mr Alavanos (COM). — (GR) Madam President, we too respect Mrs Salisch's efforts in dealing with youth unemployment, and there is no doubt that the report by the Committee on Social Affairs points to progress in the Commission's communication. However, it is way behind with respect to what must be done now to deal with youth unemployment. We may say that it is based on the reasoning and policy followed by the Community until now, a policy of austerity on the one hand, and of enormous expenditure on armaments on the other. This expenditure represents a

prohibitive barrier against any attempt to deal with the enormous problem of unemployment. Other countries in Europe with different social systems do not face these problems. Let us not forget that, in spite of Walesa's Nobel Prize.

Yet we have certain reservations on the particular measures which Mrs Salisch proposes. I shall mention three: firstly, there is the fear that voluntary work could lead the way to unpaid youth work. Secondly, we are afraid that the proposal for a reduction in working hours, which we accept will also lead to a corresponding reduction in purchasing power which we do not accept. Thirdly, with the subsidies given to employers for the creation of new jobs for young people, we fear that instead of the problem of youth unemployment being solved, the big employers will have found yet another way to lay their hands on public or Community funds, as the Greek experience shows.

Apart from these general reservations which prevent us from voting in favour of the Salisch report, we have another which concerns Greece in particular. It is a mockery — and this is not just the opinion of the Communist Party, it is the realistic opinion — to talk about a solution for youth unemployment, particularly in Greece, without touching upon the problem of Greece's membership of the EEC.

Since I have no time, I will say only this: Greece's trade deficit during the first two years of her membership of the European Economic Community has reached 297 000 million drachmas. This means a fall in industrial production and an increase in unemployment in our country. In this respect, unemployment in Greece can only be tackled by a policy of anti-monopolistic national economic development and withdrawal from the EEC.

Mr Richard, Member of the Commission. — Madam President, I wonder if I might start off with one or two perhaps overfrank remarks.

I am glad to say it is always possible to get an audience in this Parliament for farmers. It is always possible to get people to come into this Chamber to discuss agriculture. It is with great respect, I think, a disgrace that there are so few people here this afternoon to discuss this issue. It is not for a Commissioner to castigate the Parliament. On the other hand, since I have been in this particular job that I have been occupying now for the last two and three-quarter years the one thing that has obsessed me, and, if one is to believe the words, that has obsessed Parliament, that has obsessed the Council of Ministers, that has obsessed the Commission, is the problem of employment. When we actually have a serious discussion on it, the number of people that are here to contribute is, to put it mildly, somewhat thin.

Richard

Secondly, again if I can be brutally frank (well, I propose to be brutally frank anyway), it really is not good enough, with respect, having listened to every word that has been said in this debate, for the Parliament to demand the moon in relation to unemployment and then to castigate the Commission because we are not prepared to join with the Parliament in their stratospheric attempts. I have no intention whatsoever of engaging in gesture politics with the unemployed of this Community. The thing that the Commission has tried to do is to put forward targets and aims which we consider brutally realistic, and not only brutally realistic but targets and aims which (1) we think the Council of Ministers and the Member States *should* be in a position to accept and (2) if they were to accept, then it would have an effect upon the unemployment figures. Frankly that is what I propose to go on doing.

I would congratulate Mrs Salisch — other people have congratulated her, perhaps I can join in the congratulations — on the initiative that she has taken and on the report that she has produced. I would not congratulate her upon some of the perhaps wilder fancies that she introduced into her speech yesterday. I think she accuses us of being cynical, of disregarding the youth of the Community, of not being concerned about unemployment, of not being serious about it, of not indeed coming with her in setting targets which she knows and I know are hopelessly unattainable. If they were attainable, all I can say to her is that it is a little surprising that she has not had more effect upon her own government and it is a little surprising that other people here who have been calling in the same way for the same target have not had just a little effect upon the position of their own governments too.

Can I also say that the Commission's communication on this was prepared in response to the exceptionally high priority given to this subject by the Heads of State or Government in the last few years. It was designed to complement, not to replace, not to restate, the various proposals that have been made by the Commission over the last three years. I have forgotten who it was this afternoon — I think it may have been Mr Prag or Mr Chanterie — who said that this has to be seen as part of an overall strategy. And of course it does. If one looks at the totality of the proposals made by the Commission on employment, it will be seen that we have produced specific proposals on investment — productive investment, public investment mainly, true — not to produce pen-pushers, Mr Prag, but to produce on the whole more employment in the private sector rather than in the public sector.

We have produced detailed proposals on vocational training. We have produced detailed proposals on the impact of the new technologies on the productive process. We have produced proposals on work sharing in a general memorandum last December and detailed

propositions — within the last month or so — and we have now produced this document for young people.

Everybody knows what the employment situation is in relation to young people and I will not weary the House by reiterating it. Suffice it for me to say that the figures are bad and that they are getting worse and that unless positive measures are taken, then it would seem to me that the situation in the next few years is going to deteriorate rather than get any better. What we need to do, and I do think this is a realistic and attainable target, is to create an additional two and a half million jobs for young people over the next five years — that is half a million jobs a year — so that we could then bring youth unemployment down to approximately the figure for adult unemployment, in other words about 11 %.

We have stressed in our communication that the longer we put off facing this challenge, the worse the problem will become because as the number of young unemployed increases, the average period of unemployment also seems to increase.

Now, are we asking for the moon or are we asking for something which is realistic and attainable? We consider that it *is* possible to meet this target of half a million extra jobs a year if every effort is made both at the macroeconomic level and at the level of specific measures. We do not accept that it would imply an additional strain on public deficit, nor indeed should it entail any decrease in the competitiveness of enterprises. It requires first and foremost that governments should take some greater responsibility for mobilizing the solidarity of those in work on behalf of those that are out of work. They can do this by actively encouraging the redistribution of employment opportunities in working time, not least within the public sector. It means too that governments look around more seriously, paying for work that needs to be done in the social and environmental sectors and in public investment projects in order to cut down the numbers of people that are these days being paid to do nothing at all.

Now we are, of course, currently discussing with the Council the draft resolution in relation to the Commission's communication. I make no secret of the fact that, at the point where we are today, the ideas that are being expressed in and by the Council seem to fall a very long way short of what the Commission has prepared. Although most of the Commission's lines of action seem generally acceptable, the Council is very reluctant to make any commitment about the scale of the action to be undertaken and I should tell Mrs Salisch and the House that any commitment to make additional effort or to set targets for creating job opportunities, whether in five years or, as she wants to do it, in two years, seems at the moment to be totally rejected by the Member States.

Richard

Such an approach I find totally unacceptable. The situation of young people is so serious that I cannot see how Ministers in present circumstances can continue to say there is nothing new to be offered to young people over and above the policy measures that already exist. The situation of young people will not improve by itself, nor should we delude ourselves that additional vocational training will create job opportunities. It will help to improve the employability of young people, but vocational training of itself cannot, of course, give them work. What we therefore need to do — I think I am broadly in line with Mrs Salisch on this — is to undertake a whole series of employment creation actions, each of which is designed to take account of the diversity and the scale of the problem, and that is the purpose of the communication. I very much welcome the fact that the Committee on Social Affairs and Employment of the Parliament unanimously adopted the draft resolution before us today, since the draft resolution not only approves the Commission's analysis, it proposes a strengthening of the Commission's draft resolution.

I note in particular two points that the Committee on Social Affairs and Employment of the Parliament is proposing to strengthen our proposals. Namely, to speed up the achievement of the political objective of halving the level of youth unemployment and secondly, of extending and expanding the role of the Social Fund. I can understand the impetus, the motive and the desirability of speeding up that process and, if you like, of increasing the target, but I am bound to say that I find the new target would be unrealistic and I think that there will be very little chance of its gaining acceptance in the Council.

As regards the Social Fund, I note that the draft resolution, of the Parliament is supportive but, if I may say so, not very specific. It does not mention, for instance, the Parliament's own role in relation to the Social Fund budget. Perhaps, Madam President, it will be entering into somewhat deep waters, today of all days, to talk of comparing the needs of farmers, who look to Community price support for their income, with the needs of young people who look to the Social Fund to stimulate training and job creation measures on their behalf. But the time may come, indeed, it may have already have come, when the Parliament needs to reflect perhaps on the relationship between those two sets of *demandeurs*.

This said, however, there is, I think, a remarkable convergence of views between the Commission and the Committee on Social Affairs and Employment of the Parliament and the Economic and Social Committee. We must build on this cooperation so as to convince the Council and the Member States that shelter behind the Council of the need for urgent and extensive action. The Community really cannot stand by and leave one in four, even perhaps one in three,

of our young people out of work, often for months or for years on end. It is our responsibility, Parliament's and the Commission's together, to bring that message home to the national governments in the Member States of the Community. I hope that your action as parliamentarians will not end here with the voting of a resolution. I hope it will continue in the constituencies and in the party groupings at national and European level in the months ahead. I must say to Mrs Salisch — perhaps a final remark to her and those who have spoken like her in this debate — that the more influence she can bring to bear, she and those like her, on the governments of the Member States that make up the Council of Ministers, the more effective she can be in bringing that influence to bear, the more effective, I think, I can be in putting these proposals before the Council.

Mrs Salisch (S), rapporteur. — (DE) Mr Richard, I should like, if I may to go into a few of the points you have made. You have not been able to counter the criticism I made of the Commission yesterday and I must repeat today that the Commission is not placing anybody under any obligation with its proposals. That was the crux of my criticisms of the Commission yesterday and if you say somewhat provocatively that I should have more effect on my own government I can only reply that it is not my government, and that I am just as much at odds with this government, as regards the utilization of funds to combat unemployment among young people, as with you or the Council as a whole. I just wanted to make this point clear.

With all due respect, I do not take very kindly to your implication that I am indulging in wild fantasies by saying that we must get a programme to combat unemployment among young people off the ground within the next two years if we want to come to terms with the problems. If we go on wasting as much time as we have so far, there will be a rapid escalation in the number of young people out of work and there will be nothing we can do about it. That is the crux of the problem.

I would also reproach the Commission for not having acted in partnership to this Parliament. You said, Mr Richard, that you welcomed the fact that the Committee on Social Affairs and Employment proposed to strengthen your proposal in certain areas, but I would like to ask why the Commission did not therefore have the courage to go further along these lines, since then we would have been able to give you even firmer support and strengthen these proposals still more, and this is what we find particularly disturbing in the cooperation between the European Parliament and the Commission. You cannot just stand here and politely tell the Members of this Parliament that everything will be alright if they run along home and work on their governments. Surely one of

Salisch

your jobs is to prepare the ground in such a way that the Council is obliged to act. The problem is that in Europe responsibilities keep shifting from one institution to another, and this is what makes matters so difficult on the one hand and so disagreeable to the public on the other. It is unfortunate therefore, as I see it, that you feel obliged to tell us in the Committee on Social Affairs and Employment that we are asking for the moon. We are not asking for the moon, we are saying that years have been wasted and not only are there more young people out of work than before, but they are staying out of work for longer to boot, and this situation is no longer acceptable. We must all, therefore, roll our sleeves up and make greater efforts than in the past.

As you know yourself, the Council of Ministers as a whole has reduced the Social Fund by a quarter. That was the response to its own fine-sounding declarations made by Mr Blüm in this House only last April. This is the absurdity which we have to contend with, and how are we as Parliament to work if the Commission lets us down too?

(Applause)

President. — The debate is closed.

The vote will be taken at the next voting time.

7. Direct elections in 1984

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

— the oral question with debate (Doc. 1-776/83) by Mr Glinne, on behalf of the Socialist Group, Mr Barbi, on behalf of the EPP Group (CD Group), Mr Gauthier, on behalf of the Communist and Allies Group, Mr Bangemann, on behalf of the Liberal and Democratic Group, Lady Elles, on behalf of the ED Group, and Mr de la Malène, on behalf of the EPD Group, to the Commission :

Subject : Preparation for direct elections in 1984

The European Parliament,

— having regard to its resolution on the information policy of the European Communities for the 1984 direct elections adopted on 11 February 1983 (Doc. 1-1058/82),

— having regard to the proximity of 14-17 June 1984, the date for the next direct elections by universal suffrage to the European Parliament,

— wishing to encourage the maximum possible involvement of voters in the consultative process and aware in this context of the importance of an information campaign beforehand to stimulate awareness, in particular of the role of the European Parliament,

— reaffirming its concern to ensure effective coordination of the technical and material aspects of information campaigns and to avoid duplication of effort by the institutions, in particular the European Parliament and the Commission,

Asks the Commission of the European Communities what measures it has already taken or plans to take as part of its information policy in order to link European public opinion as closely as possible with preparation for the next European elections.

— the oral question with debate (Doc. 1-825/83) by Mr Bord on behalf of the EPD Group to the Commission :

Subject : Centralized processing of the June 1984 elections results in Strasbourg.

Does the Commission not consider that Strasbourg's importance as the capital of Europe and the fact that it is associated with the European Parliament in the minds of Community citizens would make it an appropriate centre for the processing of the results of the European elections of 14-17 June 1984?

Mr Glinne (S). — Madam President, the oral question we are now debating has been tabled by the chairmen of the political groups because of the importance we attach to the role of information in the democratic process.

People must have at their disposal the knowledge they need in order to make intelligent, informed decisions about the society in which they live and the electoral choices they wish to make. This is particularly important in relation to the forthcoming elections for the European Parliament when the citizens of the Community will be asked to elect for the second time their European Parliament. It is increasingly important that they be fully aware of the issues involved and the role of the Community in dealing with the problems facing their society today. Most of this, we increasingly recognize, cannot be solved by the Member States alone, but only by joint action in a Community framework.

The results of the recent Eurobarometer opinion polls have been worrying because of what they demonstrated about knowledge and attitudes of most potential voters to the Parliament and the Community in general and their achievements. It is therefore particularly important that at this point in time the Community gives clear and coherent information. We believe the Commission has an important role to play here, given its central function in the Community structure. It can take a global view of developments and can stress in particular the role of the Community as a whole in dealing with the problems of today both within its own borders and in relation to the rest of the world.

In addition, it has the resources — practical, material and financial to some extent — to ensure effective coordination of information campaigns, to ensure maximum impact with the avoidance of duplication of effort.

Glinne

We are asking the Commission now to inform us what it has already done in relation to its information campaign and what its plans are from now until direct elections. We would, in particular, like to know what has been done to implement the proposals in Parliament's resolution of February last. Here, I believe, it is essential that the Commission consults with various organizations and bodies which could have a 'multiplier' role and involves them, or intensifies their involvement as appropriate, in the work of explaining the Community. Here I am thinking of organizations such as the trade unions, the Youth Forum and women's and consumer organizations. It does not necessarily imply large expenditure.

In my group we believe very strongly that such information campaigns, which should be much shorter than those of 1979 because of the political responsibilities we ourselves carry as political groups since 1979, must deal essentially with information and not constitute publicity and advertising campaigns.

Finally, on the second oral question tabled by Mr Bord, the idea he suggests is interesting. However, I do not believe it to be practical on technical grounds, without even examining the political aspects. Our group, however, will support as it is the resolution tabled by Mr Hahn and others.

Mr Bord (DEP). — *(FR)* Madam President, ladies and gentlemen, my question to the Commission might by all rights also have been addressed to the Council. I address it to the Commission, though, Madam President, because it is the Commission's view on this question which I am most anxious to learn. We are all aware that the Commission has no budget resources for its own direct participation in the elections. My own discussions with leading Commission officials did suggest that if the Commission does participate it will only be at the request of the House. I do wonder, though, whether there has not been a change of policy since, and whether, if the European Parliament did indeed centralize the results of the 1984 European elections in Strasbourg, for example, the Commission might not also want to organize its own election event, or to be associated with the Parliament operation in Strasbourg.

I should add that in my view and in that of my group, centralizing the count in Strasbourg would constitute an elegant tribute to a city which for many remains one of the capitals of Europe.

I offer my thanks to the Commission Vice-President in advance of his reply, knowing the Commission's spirit of tolerance and fairness, and I ask Mr Natali to be kind enough to let us know his colleagues' views on the subject.

Mr Natali, Vice-President of the Commission. — *(IT)* Madam President, ladies and gentlemen, as Mr Glinne

pointed out, the oral question has been signed by all the political groups, and this shows how much importance the Parliament attaches not only to the event itself, but also to the means used to achieve the main objective, which is for citizens of the Community to be aware of the elections and to take part fully in them.

I already had occasion during the debate on the subject in February to emphasize that the Commission shares this appreciation of the fundamental importance of the elections. I pointed out at the time that the budgetary authority had not considered it necessary to set funds aside specially for a mass publicity campaign, as was the case during the 1979 campaign, but I nevertheless gave assurances that the Commission would do its best within the limits of our normal budget to contribute towards bringing the message home to the citizens of Europe.

I think that the time is right today and would like to thank the members who put the question, for raising the issue once more. Mr Glinne, the Commission will follow the Parliament's guidelines and the suggestions and hopes it expressed in the February resolution.

I would firstly like to consider the first two events which we have prepared in conjunction with the Parliament. The first is an exhibition of publications by the Commission, to be held in Strasbourg during the November part-session.

You know, ladies and gentlemen, that we are responsible for a great range of publications, which unfortunately are not widely known. Consequently we felt an exhibition covering these publications should be organized to bring them to the knowledge of the Parliamentarians, so that they may make effective use of them in their daily contacts with the electorate. We hope that this exhibition meets the success it deserves, even if the effort of providing the material will obviously have to be shared by the Parliament should there be, as we hope, a strong demand.

The second event, which will also require the Parliament's cooperation, involves a series of visits. A total of 50 visits by groups from the Parliament has been decided. These visits will take place over a period starting from the next few weeks to May 1984. I would not like to weary this House, but I feel I should emphasize the amount of organization which must be undertaken for coordination, rooms, equipment and speakers if these visits are to proceed smoothly.

In the speech to which I referred in February, I mentioned endeavours to encourage the heads of radio and television stations to transmit programmes with a Community content. Contacts begun at that time have continued and have mainly shown us that the Commission's role cannot consist only of this type of events. The role of the Commission ought to be to

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provoke changes and provide backing, including financial aid, if necessary to allow for cooperation to begin with the main radio and TV stations. We have been moving in this direction in spite of many difficulties, such as obstacles of a financial nature, administrative red-tape, which is out of tune with the dynamic and imaginative methods of the audio-visual sector. These obstacles have largely been overcome and I can tell you that with its own budget resources, the Commission in conjunction with some of the most important TV stations has developed a plan for a multi-media Community programme in three sections, comprising a series of about 20 films and spot announcements aimed in particular at young people and women, with an educational content relating to the Community.

Secondly, a European evening has been organized, with contributions from all member countries emphasizing aspects of their culture and national character. Thirdly there will be family TV series, which could consist of quizzes, feature films, contests between countries and so on, also relating to Community topics.

There will perhaps not be enough time for this project, which is a completely new departure by the Commission in the field of European co-production and information campaigns, however, to get everything done before the elections.

To conclude on the subject of radio and TV programmes, I would like to point out that following the resolution adopted by the Parliament at the instigation of Mrs Boot, the Commission is producing a film on Community activities.

Mr President, ladies and gentlemen, while those are the most newsworthy activities I cannot forget nor do I underestimate the importance of the day-to-day activity of the Commission's information services both centralized in Brussels and in information offices in Member States.

This work is multifaceted and complex, ranging from the organization of seminars and exhibitions to participation in specific events and campaigns, not to mention the numerous tasks involving contacts and cooperation with European organizations and movements. Our 'Eurobarometer' is therefore fully tuned in on the elections. I will spare you a list of these activities which would be tedious and probably not exhaustive.

Nevertheless, I cannot pass over these less obvious activities, on which Community information services are really based. We have given instructions to the effect that such activities should concentrate on the election of the European Parliament particularly in forthcoming months. With this aim in mind, we have also begun to work more closely with the information offices, so that the latter can inform the public through the press of future Community events more

quickly. I would like to answer the question put by Mr Bord, who is requesting centralized processing of election results in Strasbourg, by saying that the Commission is fully aware of the significance of his request. Furthermore, the Commission is very pleased to come here to Strasbourg, which is not only a sincerely hospitable city but is undoubtedly an important symbol in the history of Europe. I would nevertheless like to say to Mr Bord that if by 'centralization' he means the official calculation of results, that is not the Commission's responsibility. If on the other hand centralization is taken to mean action to inform the public, I am sorry to say that the Commission does not feel capable of organizing such a complex operation, involving sophisticated and costly equipment which would be needed to process and display data forwarded at different times and days by various electoral systems. That is our position, although I repeat, we appreciate the import of Mr Bord's question.

Mr President, I would now like to make a remark of a political nature, which is certainly related to the subject of information. Over the past weeks and days, we have presented a series of, we believe, coherent proposals to give the Community new impetus for consideration at the European Council in Athens. The Commission and I personally see a close link between the results of this Council and the 1984 elections. The success or failure of the Athens Council will have a significant effect on the elections and voter turnout too. For this reason we are doing our best to inform public opinion about what is at stake in Athens. We have asked our information offices to submit a special plan of activities leading up to the Athens Council, to show what we are doing.

In this way we hope to prepare the ground for the political implications of strong, responsible Parliament, provide for better knowledge of the Community and predispose public opinion to the forthcoming elections.

May I thus reassure the Parliament that the Commission, which is aware of its responsibilities and duties, will do its best — and I think what I have said has given you first illustration of this — to make June 1984 a further significant milestone in Community history.

IN THE CHAIR : MR DANKERT*President*

President. — I have received from Mr Hahn, Mr Beumer, Mr Barbi, Mr Kallias, Mrs Lentz-Cornette, Mr Verroken and Mr Gerokostopoulos a motion for a resolution (Doc. 1-837/83) with request for an early vote, pursuant to Rule 42 (5) of the Rules of Procedure, to wind up the debate on oral question Doc. 1-776/83. Parliament will decide on the request for an early vote at the end of this debate.

Mr Beumer (PPE). — *(NL)* Mr President, I would like to thank Mr Natali for his answer. He rightly referred to the relationship between the motion tabled by the chairmen of the political groups and the report from the Committee on Youth, Culture, Education, Information and Sport on the role of information. He not only rightly emphasized how important it is for Parliament to have an information policy, but also pointed out the Commission's duty with regard to the European elections, and that is why the coordination he is proposing is of the utmost importance. I think it is good for the people of Europe to know what the Community can do, what it does do and what it does not do, and also what the function is of all the institutions. It is also important for the European dimension, insofar as this is provided by the Community and also affects national policies, to be clearly underlined once more.

I would like to recommend once more the motion I mentioned. It is a pity that there was too little time for all the groups to sign it. It asks whether the Commission is prepared — and perhaps Mr Natali would like to confirm this explicitly once more — to get in touch with, for instance, the European broadcasting organizations who are, by the way, meeting in Geneva next week and who are also extremely interested in the activities of the Commission because — just as Mr Natali said — it concerns cooperation not only in these elections but, what is more important, beyond the elections. That is why it would be so good if Mr Natali could confirm explicitly once more — in view of this conference next week at Geneva — that he is prepared in due course to establish and maintain contact with the broadcasting organizations. In this context I also refer to the interim report from the Commission itself, which clearly states the positive interest the Commission has in collaborating with the European broadcasting organizations with a view to a European programme. This is gradually taking on a concrete form, and because the Commission said it would support it not only organizationally but possibly financially as well, I consider an explicit confirmation of interest on the part of the Commission important. Apart from establishing those contacts, the motion also asks for a report to be brought out on this in Parliament, if possible before the end of the year. I hope that Mr Natali will support this and at the same time — as he himself has made apparent — show how much sense coordination between Parliament and the Commission would make, as happened in the previous elections.

Mr President, I would thus ask you, if Mr Natali has no objections, to allow him to answer explicitly the questions I have put to him, because they could be of such importance for the previously mentioned conference next week.

Mrs Squarcialupi (COM). — *(IT)* Mr President, I would like to ask Mr Natali two questions which were

put to him when he appeared before the Committee of Enquiry into the status of women in Europe and which remained unanswered.

The first concerns staff expansion, using funds which have been increased in the information sector again owing to efforts by women. The second question concerns an autonomous service for women which we requested, to make provision for independent information for them. Will this be done, and if so, when?

I am raising the issue once more, Mr Natali, because I believe that many people are interested in your reply, in view of the role played by women during past elections in deciding Europe's future.

Mr Israël (DEP). — *(FR)* Mr President, we could of course talk all day about the organization of the electoral campaign but my own purpose now is to draw the attention of the Commission to the main themes which will develop. It is essential that we talk of them.

Council, Parliament and to a certain extent the Commission must work together to generate widespread public belief in the principles of Europe: widespread, because the pooling of the vast wealth of resources and intelligence which belonged to the old Europe remains to be made public. We are, of course, going to encounter historical barriers. The history of Europe's nations has not always run smoothly and we shall have to try and explain to the nations to what extent history must be set aside. Widespread belief in Europe means trying to explain what being European means in everyday life, and the Commission is in the best position to do that. A widespread belief in Europe means reminding people that we are aiming at a Europe of peoples, a Europe of nations for the benefit of all the people. In that context, our role is to put technocracy at the service of individual nations. And the European Parliament is the expression of that popular will.

Our aims, though, are not merely those of a self-centred Europe. We have the Lomé Conventions! We grant enormous importance to the North-South dialogue. That is another subject with which to mobilize Europe's youth.

And, above all, we must remember that we are an interventionist Parliament, that we do not hide warily behind the principle of non-interference in the affairs of others. That too is of interest to the youth of Europe. At the same time, we must seek economic success, the convergence of economies in a single market which will result in our defeating unemployment. Are we in fact, as has been suggested by an eminent economist, ourselves becoming underdeveloping countries? The only question which really arises when one considers the economic wealth of the European Community is whether we shall become the world's first economic power or merely its second. But the main theme of our campaign, Mr President, ladies

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and gentlemen, will without doubt be the defence of freedom and democracy. Defending freedom and democracy against the totalitarianism which kicks at Europe's door, but above all against defeatism and pacifism. The peoples of Europe must understand what is involved, and it is the duty of the European Parliament to tell them. That is what is at stake in the European elections. Let us try and be worthy of them, for no-one else will do it in our place.

Mr Natali, Vice-President of the Commission. — (IT) Mr President, I think I should reply, if only briefly, to some specific questions put to me. First of all I would like to say to Mrs Squarcialupi that I think the Commission's considerable efforts in informing women and the ungrudging work put in by the officials in this department should be acknowledged.

With regard to the two specific questions on an increase in staff and the related establishment of a specialized service, I can only repeat what I have already said to Mrs Squarcialupi. Any increase in personnel and any administrative changes will depend on the number of staff we have available. The decision therefore does not lie with us but with the budgetary authority.

As for the point raised by Mr Beumer, I would like to say that with regard to the report presented, it is not up to the European Broadcasting Union but member stations to organize an information campaign. We have had contacts in the past and will keep them up. In my report I also spoke of several projects, which we hope will be televised. I am sure that Mr Beumer knows, however, that we are facing some financial difficulties.

The Commission will continue, however, to maintain these relations and is always pleased to report to the Parliament on the development of such contacts, which, moreover, are cordial and helpful.

Lastly, I would like to say to Mr Israël that I did not evade the question of subject matter in my report. I am perfectly aware that the problem is not only resources and media but also the message to be put over. That was precisely why I stressed at the end of the report that, for example, we are particularly sensitive and concerned about the outcome of the European Council in Athens, because we are hoping for answers on areas and opportunities for Community development.

President. — The debate is closed.

(Parliament agreed to the request for an early vote)

The motion for a resolution will be put to the vote tomorrow morning.

8. Membership of Committees

President. At its meeting of 28 September the Bureau authorized me to submit to Parliament the list

of Members nominated for the temporary special committee to draw up a report on the economic recovery of the European Community.

I have received the following nominations: for the Group of the European People's Party: Mr Herman, Mr von Bismarck, Mr Giavazzi, Mr Jonker, Mrs Moreau, Mr Papaefstratiou, Mr Brok, Mrs Walz, Mr Sassano, Mrs Cassanmagnago Cerretti, Mr I. Friedrich and Mr Dalsass; for the European Democratic Group: Sir Fred Catherwood, Mr Curry, Mr Welsh, Mr Spencer, Mr Patterson and Mr Hutton; for the Communist and Allies Group: Mr De Pasquale, Mr Bonaccini, Mr Damette and Mr Alavanos; for the Liberal and Democratic Group: Mr Poniatowski, Mr Delorozoy and Mr Maher; for the Group of European Progressive Democrats: Mr Flanagan and Mr Deleau; and for the non-attached Members: Mr Petronio.

The time limit for tabling any amendments to this list is 9 a. m. tomorrow.

Mr Glinne (S). — (FR) I should like to ask whether it would be possible to extend the time limit until the second October part-session. You will have noted as you read out the list of nominations that the Socialist Group has not submitted any names.

As our colleague Mr Barbi says from time to time — and this means that one must be perfectly consistent with oneself — *pacta sunt servanda*. An agreement reached and confirmed by the enlarged Bureau earmarked the chairmanship of the special committee — independently of the debate which took place on the advisability of such a committee — for a Member of the Socialist Group, in this case the chairman of the Committee on Economic and Monetary Affairs. Since it seemed to us that certain agreements were being concluded running counter to this commitment, the Socialist Group decided not to nominate any of its members until the group chairmen were given another chance to arrive at a consensus in this matter after consultation. This is why, Mr President, I have the honour and advantage to propose to the House to postpone setting up this committee until the next plenary part-session. In the meantime, I hope that we will be able to come to an agreement on the membership of the Bureau without giving too much or too little room to anyone. By giving little room to the Socialist Group Parliament would be guilty of forgetting that this group is legitimately and by the will of the European voters the largest group in Parliament.

Mr Welsh (ED). — Mr President, I listened with great interest to what Mr Glinne had to say and it seems rather curious. It seems to me that, whatever agreements may or may not be made by group chairmen, it is actually the committee's own job to elect its own bureau and its own chairman. I would think that if the Socialist Group wishes to play a full part in that, the best thing for it to do is to nominate

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its members so that the committee can meet as soon as possible. Then the members of that *ad hoc* committee can decide what its own internal administrative relations should be.

I think that the committee should be constituted as quickly as possible so that it can get on with its job. I find the whole idea of delaying it until the next part-session very curious. I do not understand why, in fact, the list from the Socialist Group has not yet been forthcoming.

Mr Barbi (PPE). — (IT) Mr President, I also hope that it will not be long before this committee is set up, since otherwise it is unlikely to achieve its aim. We are, however, always aware that in such matters there must be fair play and agreement. This is why I have tried to put forward some compromise proposals. I hope that the two weeks until the next October part-session will be enough for the Members of the Socialist Group to arrive at this compromise.

President. — I would point out that if we decide tomorrow morning on the names of members without any nominations from the Socialist Group, it is still possible for the Socialist Group to add its names before the committee meets. I understood that it will be difficult to have a meeting before the next part-session. That also gives, in my view, the chairmen of the political groups, as well as the members or possible members of that committee, time to consult each other. If we do not proceed to the formal constitution of a list of members tomorrow, it will automatically mean that we incur a new delay. I think that is the problem.

Mr Glinne (S). — (FR) Mr President, I should like to say that in a matter of this kind my group feels both frustrated and irritated at the fact that there have recently been several incidents of promises made to our group not being kept.

When a committee of enquiry was set up, in accordance with Rule 95 of the Rules of Procedure, on the Seveso affair, it was agreed among all the group chairmen that the rapporteur would be Mrs Beate Weber, who well deserved the appointment.

When the committee, which was made up of Members nominated by the various groups, met, someone else was appointed rapporteur. That is just one example, and I could quote others.

Well, we have had enough. The Socialist Group would rather boycott the work of the special committee on economic recovery than see once again its partners failing to honour the commitments they have given.

(Applause)

President. — I think that, in view of the possibilities open to us before the first meeting of this committee, we shall have time to settle these problems. I there-

fore propose that the time limit for tabling amendments be set for tomorrow morning.

9. Votes¹

SALISCH REPORT (DOC. 1-754/83 'EMPLOYMENT FOR YOUNG PEOPLE')

Paragraph 5 — Amendment No 16

Mrs Tove Nielsen (L). — (DA) Mr President, I should like to request a separate vote on Amendment No 16, so that we first vote on the introductory section and then on sub-paragraph (a).

President. — I do not see how it is possible. I have a French text and I cannot see how I can adapt the text to the proposal by Mrs Salisch.

Mrs Tove Nielsen (L). — (DA) — Mr President, I should like us first of all to vote on whether the word should be *must*, as proposed by the Committee on Social Affairs and Employment, or *should*, as the Commission has proposed. This is first of all in Amendment No 16 to paragraph 5. We have also tabled two amendments on paragraph 5, sub-paragraph (a), namely Amendments Nos 16 and 1.

President. — Mrs Nielsen, what you have just said means in fact that you prefer the original text to that proposed by the Committee on Social Affairs and Employment. If that is so, you must vote against the amendments tabled by that committee. Otherwise we will be duplicating the votes.

10. Cosmetic products

President. — The next item is the report (Doc. 1-770/83) by Mrs Squarcialupi, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council (Doc. 1-955/80 — COM (80) 917 final) for a directive amending for the third time Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products,

Mrs Squarcialupi, rapporteur. — (IT) Mr President, nothing has gone smoothly for this report, and that looks like being true of the debate too, since I think many members will have to leave the House.

First the Committee on the Environment, Public Health and Consumer Protection asked for the scientific terms to be corrected and this obviously took some time. Then, when the Committee was ready for the final vote, the Commission put forward new amendments to its own text, extending the powers of the Committee on the Adaptation to Technical

¹ See Annex.

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Progress, thereby preventing the Parliament from amending several articles.

As rapporteur, therefore, I have had a very difficult task, because I have been forced to work at the same time with at least five texts. The 1976 framework Directive on Cosmetics, the 1982 amending Directive, the third amending Directive, this third set of amendments and the amendments by the Commission.

I would therefore address a formal plea to the Commission to work out a simpler and clearer form for the new amendments which are already being drafted and to resubmit the original text in revised form when other amendments are made. Having several texts can lead to wrong interpretations and, above all, may create confusion in a field where I think I can safely state there is already plenty.

This third amendment relates to suntan oils, and thereby involves an important and happy time for Europeans, when they are most exposed to the sun, which may be a time of great risk for people with particularly delicate skins.

The Directive we are dealing with provides at long last for positive lists. I say 'at long last' because we have long been waiting for a list of substances which can be used in cosmetic products. This is a significant step forward as compared with the framework Directive, which only provided for negative or provisional lists. And while we are on the subject of provisional lists, we would like those substances which have not yet been approved to be finally pronounced acceptable or refused, so that European consumers are not forced to go on playing the part of guinea pigs, as they have for over ten years.

Naturally, various viewpoints have arisen within our Committee concerning this Directive. Some members felt that 'expiry date' should be carried over from the framework Directive, while the majority accepted the proposal for 'date of minimum durability', which many, including some producers for instance, found ambiguous and insufficiently clear. Thus the majority accepted a proposal to specify the date of minimum durability, even on the inside of the packaging. I think I may make a comment here to say that this could be rather awkward for consumers, because they could not check any date given on the inside of the package at the time of the purchase.

Furthermore, my proposal to have the substances contained in cosmetics listed on the labels was not accepted. This request stemmed from consumers and some producers, as well as some judicial authorities, for example in Italy, who had placed under attachment a series of products which did not list the substances they contained.

Unanimity was reached within the Committee, however, on one awkward, important and delicate

amendment. This was Amendment No 12, which we submit on behalf of the Committee, and which gives the Parliament the right to hand down its own opinion on any further amendments to the framework Directive, thereby supplanting the Committee on the Adaptation to Technical Progress.

I would like to close by calling on all parties involved, producers, dealers, consumers and particularly the Commission at this time, to devote greater attention to the cosmetics sector on account of the legitimate aspiration of all to a better appearance and also because cosmetics include health care products, which can improve our looks as well as our health.

Mrs Pantazi (S). — (*GR*) Mr President, we hold the view that one of the tasks of the European Parliament is to try to ensure, through Community regulations and directives, that European Consumers are supplied with top-quality produce which presents no danger to health, and we therefore consider Mrs Squarcialupi's report to be a very important one.

Cosmetic products, even if they represent a relatively small and yet very varied proportion of all manufactured goods, nonetheless are of importance because some of their ingredients have pharmaceutical properties and they should therefore be manufactured and used with the greatest of care; it should also be remembered that they are bought by a very wide range of customers. However, it is regrettable, especially since Parliament is not given the opportunity to express its views, that the constant amendments put forward make it difficult to exercise any effective control; we are very much afraid that these constant attempts to extend the permitted range of ingredients will make it quite difficult to implement an effective policy in this field. In addition, we are diametrically opposed to the attempt, which we detect in the amendments of the Committee on the Environment, to substitute for the term 'expiry date' the vague and misleading expression 'date of minimum durability.'

We are opposed to this change, firstly, because one of the principles of consumer protection policy is that the consumer is entitled to know precisely when a product becomes unfit for use and should not be misled by vague instructions which can only give rise to doubt and confusion.

Secondly, we can see the danger of establishing a bad precedent which might affect other types of product.

Finally, Mr President, I should like to emphasize how important it is for consumers to know what ingredients are used in different preparations, and also the precise amounts in order to ensure the necessary transparency for all cosmetic products.

I thank Mrs Squarcialupi for her work on this report.

Mr Mertens (PPE). — *(DE)* Mr President, ladies and gentlemen, it would be going a bit far if I were to imagine that I, as a mere man, understood more about cosmetics than Mrs Squarcialupi, whom I should like to thank for her report. Even if statistics show that men too are coming to take an interest in this area surely the use and above all the artistic application of these products remains primarily a female prerogative, even if it is for the pleasure of us males too.

(Applause)

I have no compunction about dealing with this matter since one time I had an excellent teacher who told me and my fellow students 'make no mistake, gentlemen, even the smell counts for a lot'.

Obviously, if just the smell counts for a lot, other means will obviously produce even more effect. We could give a fair amount of thought to what could be done in this field but unfortunately time does not permit so I must simply deal with the subject in the most straightforward terms. I should therefore like to repeat very briefly the main points with which we had to concern ourselves and which the ladies who have spoken before me in this debate have already alluded to.

Firstly, there was the question of minimum durability and secondly the time of sale, and I can only endorse what the rapporteur, Mrs Squarcialupi, has just hinted at on this point. I am saying this for the benefit of the Commission and I regret that I cannot speak to the competent Commissioner directly. It was virtually impossible for the rapporteur to get to grips with this subject since the Commission made various amendments during the time she was working on it. How is anyone supposed to deal with such a question properly under these conditions? To say it was difficult would be an understatement.

As regards the third question, i.e. the labelling of all the substances, one can imagine that the consumer, who should not only be protected but also encouraged to buy, would like the label to show all the various constituents. However, there is another way of looking at it. The quantity of substances in itself causes a problem but there is above all the question of the composition of certain preparations.

Certain producers have their own special formulas for creams and perfumes, and labelling of this kind would involve problems of secrecy and we must, I think, be very cautious in this respect. I wanted to make this quite clear once more. Obviously, our group regards it as very important that the consumer should know what he is using and that products should be labelled in a readily comprehensible form. I should like to ask the Commission another question which will be a matter for other committees in the near future, i.e. to what extent is the Commission prepared to involve the committee in the discussions and Parliament in the drafting. We have discussed this point in detail

with Mr Narjes but the matter is not yet settled. I think certain conflicting interests are at play here and Parliament must thrash this matter out further.

My group firmly supports Mrs Squarcialupi's final report since it very much reflects our own views. This means at the same time that we are not prepared to support any amendments which might run counter to the report as it stands. Let us hope that this report on cosmetic products will mean that the matter is to some extent closed and that it will not only contribute to some extent to increased mutual understanding in Europe but that the use of the products will give us more beauty and access to more perfumes. Last but not least we hope it will contribute towards the protection of the population and the quality of life of all the citizens of the European Community.

(Applause from the centre)

Mrs Scrivener (L). — *(FR)* Mr President, ladies and gentlemen, Mrs Squarcialupi's report on cosmetics should clearly be approved by the Liberal Group. There are four points which merit special consideration.

Firstly, we share the views of the Commission and of the rapporteur concerning the date of minimum durability. Such a concept is as appropriate to cosmetics as to foodstuffs.

Furthermore, I must say that we are glad that the Commission has at last adopted the principle of positive lists for sunscreen agents. It will be remembered that, thanks to an amendment tabled by our group concerning aromatizing substances, the system of positive lists was adopted for artificial aromatizing substances, since we feel that consumer protection is thereby strengthened. The same applies, indeed, to cosmetics.

As for labelling, the rapporteur calls upon the Commission to present a report on whether detailed labelling is sufficient or whether it should be more complete. We should warn the Commission against proposing a rule to make labelling include all substances used in the manufacture of cosmetics. Firstly, this would be physically impossible for a large number of cosmetics, especially those intended for make-up and whose size does not permit such labelling, but more importantly, such lists would be very difficult for the consumer to understand, they could cause confusion and in any case would serve no useful purpose. It would be much more worthwhile to list those substances which could prove dangerous and which, indeed, often represent a real hazard for consumers. The consumer's attention would thus be focused solely on those substances which could in certain cases prove harmful.

We heartily welcome the reference to the second action programme for a consumer protection policy, in particular the holding of meetings to foster coopera-

Scrivener

tion between the representatives of consumers, producers, distributors and those providing services. We too have always vigorously supported such an idea.

Finally like the rapporteur, we regret the fact that Parliament has been excluded from the work on the 4th and 5th amendments to the outline directive tabled by the Commission, but we feel that this is a sound report and that Parliament will have accomplished a worthwhile task.

Mrs Van Hemeldonck (S). — (NL) Mr President, although some expensive and usually useless beauty products produce a magical and thus illusory result — as we have noticed, however, they did have an effect on Mr Mertens — more and more products which have in fact to do with general hygiene and body care are masquerading under the general term of cosmetic products. They are generally and widely used by people of both sexes, of all ages and under very diverse climatic and weather conditions. It is thus becoming increasingly important to provide a customer with the right information about the contents, the use and the durability of these products, and I fear that we cannot simply leave the responsibility of providing this information to the good will of the industry, as Mrs Scrivener suggests.

The special concern of my group is that the criteria of effective consumer protection be applied, criteria such as date of minimum durability, positive lists of the permitted constituents, and the general labelling requirement. The beauty and cosmetic products market is not very transparent, and the price structure of the products lies totally outside any realistic criteria. I am sorry to have to say that the Commission has to some extent contributed to the general bewilderment felt by the customer with successive sloppy and confusing amendments, directives and annexes. Moreover, it does not seem judicious to limit to such a degree the matters on which Parliament can express its opinions. It is precisely the role of Parliament to monitor the rights and the protection of the consumer especially against materials that harm one's health or may even be carcinogenic as well as against wrong use which may cause skin cancer or skin disease.

We wonder whether it would not be better if the Commission subjected the whole cosmetics sector to a sound and thorough scientific investigation and laid down clear rules for indicating the nature and the quantity of the ingredients, be it on the product itself, on the packaging, or on an enclosed leaflet.

IN THE CHAIR : MR PFLIMLIN

Vice-President

Mr Richard, Member of the Commission. — Mr President, the Commission would first of all like to thank

the Committee on the Environment, Public Health and Consumer Protection, and in particular Mrs Squarzialupi, its rapporteur, for this excellent report which has been submitted, I fully recognize, in spite of the difficulty of the subject itself and also in spite of difficulty caused by the amendments which the Commission had to make to its own proposal following the adoption of Council Directive 82/368 on 17 May 1982. So the work was carried out under great difficulty and we appreciate that. I can only say on behalf of the Commission that our thanks are genuine and we think the report has been extremely helpful.

I shall be brief, since I am happy to say to Parliament that the amendments which are proposed by Parliament to the proposal for a directive did not pose any particular problems so far as the Commission is concerned. In its resolution Parliament has asked the Commission — this was just repeated by the last speaker — to review the labelling of cosmetic products. I am happy to tell Parliament that the Commission intends to re-examine the whole of Article 6 of the basic directive which lays down the rules governing the labelling of cosmetic products. I recognize that there is a procedural difficulty. I do not think anything new has emerged this afternoon as far as the institutional relationship is concerned, nor indeed do I think there is very much that I can add to what Parliament will know has been the position taken up previously by the Commission.

We think that the committee procedure is justified in this case, because one needs to be able to react quickly to new products or new additives which come onto the market and to which the directive should be adapted very quickly. Otherwise damage to health may have been done already. We do have a problem therefore in that the procedure proposed in Mrs Squarzialupi's report would, we feel, considerably slow up the procedure of adaptation.

Finally, may I assure Parliament that the Commission attaches great importance to cosmetic product safety and that it closely follows and thoroughly examines in consultation with a scientific committee on cosmetology all research undertaken in the cosmetic product sector, particularly evaluations made by the Food and Drug Administration. Finally, may I repeat that the Commission does not see any problem with the amendments that are proposed and repeat our thanks to Mrs Squarzialupi for this report.

President. — The debate is closed.

The vote will be taken at the next voting time.

11. *Export of dangerous substances*

President. — The next item is the report (Doc. 1-458/83) by Mrs Squarzialupi, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the export of various

President

dangerous substances and preparations and the desirability of increasing the protection of workers and consumers in the importing countries and of the European consumer of exotic foodstuffs.

Mrs Squarcialupi (COM), rapporteur. — *(IT)* Mr President, I should firstly like to say that the title of this report should be simplified in view of the fact that it deals mainly with the export of dangerous pesticides from the European Community to the developing countries and the consequences which certain products may have on our health and that of peoples in those countries.

The figures speak for themselves: according to the World Health Organization, over 500 000 people throughout the world are poisoned every year by pesticides and there are 10 000 fatalities. Three quarters of the deaths occur in developing countries which use only 15 % of the total pesticides consumed. Unfortunately these figures are rising as these products become more available.

The problem raised in Mr Glinne's motion for resolution is that while many pesticides have been banned or their use has been strictly limited at Community level and in Member States, there is still complete freedom to export them to third countries, which in this case are all developing countries.

Public opinion in Europe and further afield has become very sensitive to this problem in the past three years. Dozens of petitions and requests have reached our Parliament from environmental protection associations, non-governmental young people's organizations, such as the Youth Forum, and private citizens.

At the same time there have been moves by the major international bodies, such as the World Health Organization, the OECD and FAO. However, the clearest condemnation came from the UN, which voted a resolution at its December 1982 General Assembly, which inspired the work of the Parliament's Committee on the Environment.

This report was therefore approved unanimously, as was the opinion of the Committee on Development, which was very close to our document in inspiration. A further point is the open-mindedness shown on the subject by the producers, who are waiting for a code of conduct on the export of pesticides to be drawn up.

The most significant point in the report, which thereby goes a step further than other reports on the same subject, is that we request herein that the governments of the importing countries be informed of the restrictions and prohibitions to which products are subject in the exporting countries and also that the developing countries be informed of the reasons leading to such restrictions and prohibitions. The importing countries should therefore be notified of the specific dangers of the product. If, however, they

decide to import these products after they have been notified of the dangers, they must make an explicit request. Only under these conditions shall the product be sold to them. On the one hand, therefore, the industrialized countries producing pesticides are under an obligation to notify customers of the dangers of any given product, just as for example, we in Europe demand of products purchased in the United States, and on the other hand, the importing countries are still free to choose the product, once they have received clear information on its dangers.

Unfortunately, an amendment has been submitted by an individual member of the Group of the European People's Party with the intention of depriving the developing countries of the right to choose freely on the basis of scientific knowledge available only to the industrialized countries. The amendment has already been rejected by the Committee on the Environment and the Committee on Development has also come out against it. I would therefore strongly urge the member who tabled it, to withdraw it, as it is at variance with all the guidelines provided by the Parliament. I must add that it is also in conflict with our ethical sense, which must sometimes modify certain political decisions, and with our duty to respect fellow human beings, particularly when they are in a weaker position than we are, as is true in the countries which import these products in order to survive.

As for the remaining contents of the resolution, we request that the Community Directive on classification, packaging and labelling be extended to Third World countries also. This is possible under Article 103 of the Treaty of Rome.

Furthermore, we request that more and better information be included in development programmes for people using such products, and that special help be given to provide developing countries with independent registration procedures, so they do not depend on our information and registrations. Lastly, we would like to see studies centring more on protection methods, which must necessarily differ from those applied in our countries as a result of the climatological differences.

To conclude, we request that every possible means be employed to limit and if possible, eliminate altogether the dangers of pesticides, which are vital to the fulfilment of our present and future food requirements.

Mr Glinne (S). — *(FR)* Mr President, I am addressing the House as the author of the motion for a resolution which, by good fortune, was the subject of the report by Mrs Squarcialupi. In 1980 I submitted a draft which was referred to the committees responsible. I am very pleased to see that the document is now home and dry. It is stated at the end of the motion for a resolution before us that a more judicious policy on the use of pesticides would provide better protection both for European consumers and for consumers in

Glinne

developing countries against the possible dangers arising from the misuse of pesticides. This is precisely the objective which has to be achieved. Present legislation is quite inadequate, since pesticides intended for export or in transit, that is en route to the Third World, are not covered by restrictive internal legislation, whereas the same exemption in principle is included in directives other than that of 26 June 1978 and in the national regulations based on these directives.

I would briefly like to say that I hope the problem will be raised in the context of social policy at the annual meeting held within the framework of the Lomé Convention, at a meeting of the Joint Committee or of the ACP/EEC Consultative Assembly, since I greatly fear that for a variety of reasons, which are not necessarily pertinent, the governments of the Third World countries associated with the Community under the Lomé Convention may be slow to react appropriately.

Finally, Mr President, when tabling the motion for a resolution together with an explanatory statement which I believe can be described as a significant document, my personal and political convictions led me to refer to a large body of information given in a progressive American journal 'The Nation', published in New York, which I would like to quote today, as well as to a book which I believe provided the basis for certain measures carried out in this field throughout the northern hemisphere. The book is entitled 'Circle of poison, pesticides and people in a hungry world' by David Wer and Mike Shapiro of the 'Center for investigative reporting' in Oakland, California. I would like to say, before the problem is examined by the competent authorities, that voluntary and spontaneous contributions of this kind have done much to alert international opinion.

Mrs Lentz-Cornette (EPP). — (FR) The title of this report is in itself an indication of the complexity of the problem dealt with.

The report begins by discussing the export of various dangerous substances and preparations and later concentrates exclusively on pesticides, as Mrs Squarcialupi has just pointed out; but the subject of pesticides was taken up solely on account of the motions for resolutions tabled by Mr Glinne and Mrs Van Hemeldonck. The question should be asked whether the definition of dangerous substances might have been extended to other products such as veterinary drugs, since these present similar problems. All the recitals were also applicable to these, especially recital C, which states that dangers arise more often from the abuse and misuse of dangerous substances than from their proper use. The same is true of recital D, according to which the proper use of the substances in question helps to improve economic conditions and to combat world hunger. Recital F claims that it is essential to undertake a serious cost-benefit analysis of the prudent and proper use of dangerous

substances. The report then discusses the need to protect workers and consumers in the Third World as well as Europeans who consume exotic foods.

We are all agreed on the highly honourable and above all very humane objective of protecting all consumers in all countries. In this I include all the world's animal and plant life. So much for matters of principle.

As for the practicalities, our views coincide in many respects. For example, if pesticides are to be transported and exported, they must be suitably packaged and labelled, and they must include instructions appropriate to the importing country, if possible with diagrams, so that anyone seeing these packaged and labelled products will know exactly what he is dealing with. An indication should also be given that the products in question are prohibited, that is, they are excluded from the internal trade of the producing countries, the so-called developed countries.

However, there is disagreement concerning certain aspects of marketing policy. We Christian-Democrats believe that the countries which import pesticides should be warned about the particular nature of the products in question and about the restrictive measures applied to them in their country of origin. We do not feel that the governments of importing countries should explicitly declare that they are importers. This would tend to create a bureaucratic world market in which bureaucracy would be the clear winner.

This would be an infringement on the sovereignty of all importing countries, and we feel that it is up to the purchaser, and not to his government, to decide, in full knowledge of the facts, whether or not a given product should be accepted. In purchasing a product, the buyer accepts the terms of sale: the seller does not ask for the written approval of the buyer. Such a procedure would really create a highly unusual type of market. In any case, one of the multinationals — of which we hear so much — would soon be capable of manufacturing the pesticide in question on the spot, thereby bypassing the import procedure. It would only have to transport the product in containers inside the developing country and package it there, without having to ask for permission to import the packaged products. The essential requirement is that the properties and precise practical application of dangerous substances should be understood as fully as possible as they are described in the recitals: such products, and the residues they leave in all foodstuffs, should also be subject to very strict controls. It is up to the buyers in each importing country to decide whether or not to accept products which may be contaminated. Rejection of a batch of products considered unsuitable for consumption (for example, meat, vegetables or fruit) by one country would very quickly have enormous repercussions on the world market, and the country producing such products would be very prompt to react.

Lentz-Cornette

An international code on toxicological data and residues in foodstuffs prepared by various world organizations like the WHO and the FAO could be most useful, and we would welcome any efforts in that direction.

With the exception of paragraph 2 (b), on which my group has tabled Amendment No 4 requesting its deletion, the European People's Party vigorously supports the motion and will vote in favour of it as it stands.

Mrs Squarcialupi (COM), rapporteur. — (IT) Mr President, I would like to clarify one point, the amendment in question was not tabled by the Group of the European People's Party but only by one member of that group, since it seems to me that a large section of the EPP Group is opposed to this amendment.

Mrs Le Roux (COM). — (FR) The excellent report by Mrs Squarcialupi deals with a subject which has rightly aroused the concern of the international community. Certain trading practices clearly show that the trusts of the chemical industry regard the Third World countries as convenient outlets for their products, the use of which is prohibited or restricted in our own countries. They disregard the disastrous effects to which such practices can give rise. There are numerous instances of catastrophic pollution or mass poisoning due to the misuse of toxic substances.

The importing countries must, it is true, protect themselves by devising their own control arrangements. Since the problem of information is of crucial importance, stricter regulations of the trading practices under discussion are urgently needed. These can only be achieved at international level.

At the initiative of the Group of 77, a resolution was adopted by the UN which clearly underlined that access to information is an essential requirement for any country wishing to exercise vigilance with regard to its imports of toxic products. It should be noted that the United States was the only country which voted against the resolution.

The establishment of a satisfactory international code of conduct cannot be expected in the immediate future. However, by coordinating the activities of each Member State, the Community can play an important part in creating an improved policy on trade in dangerous substances. It can meet the wishes of numerous importing countries, which will be all the more interested in trading with the Community if they have access to the information and advice they need.

As is indicated in paragraph 5 of the motion for a resolution, we believe that more appropriate use of pesticides in the developing countries would help to improve the quality of certain imports consumed in Europe.

I conclude by expressing my group's support for Mrs Squarcialupi's motion for a resolution.

Mrs Pruvot (L). — (FR) Population growth is the main cause of world hunger. There is therefore an urgent need to increase food production in the developing countries. To increase crop yields, crop protection is essential; the FAC has estimated that 30 % of crops are lost before harvesting, and 20 % are lost after harvesting. We should always remember that certain parasites or plant diseases are rife in the Third World and can only be eliminated by pesticides. The same glib philosophies cannot therefore be preached to consumers in developing countries as to those in the industrialized nations. The main concern in the developing countries is to become a food consumer or, at best, to remain one. The dangers associated with the use of pesticides are put into perspective by the enormous problem of hunger. Are we aware, for example, that in the present state of research DDT, the use of which is restricted or prohibited in certain countries, is the most effective substance in preventing malaria? For these reasons no international organization has so far outlawed the use of pesticides. Under these circumstances, the countries which export chemicals have no right to decide unilaterally to ban their use in the Third World. It is not for us to impose our rules: the importing countries must be allowed to draw up their own rules independently.

Furthermore, we should not market dangerous products without first warning our buyers.

The exporting countries must have a very clearly defined code of practice. When a chemical is declared unsuitable for consumption on their territory, the least that can be expected is that the authorities of the importing country should be notified before the product is exported, so that they can purchase it in full knowledge of the dangers involved. Instructions for the use of such products must therefore be very precise, very detailed and clearly visible on labels. The instructions should be brought to the attention not only of the national authorities concerned but also of end-users and should specify the composition in detail, harmful effects in the event of misuse, symptoms of intolerance, contra-indications and emergency treatments.

The training of end-users is also very important, and the governments of importing countries must instruct users concerning the elementary rules for the safe handling of the products in question.

Such instruction should form part of all agricultural development programmes.

Pesticides should moreover never be used to excess. A broader approach should be adopted, that is, pesticides should only be used when they are necessary, and other methods of crop protection should be applied where possible, for example crop rotation. There is therefore a need for research to develop more specific

Pruvot

pesticides requiring smaller dosages at less frequent intervals, pesticides which are easier to apply and would be more effective and at the same time less costly.

The export of pesticides to non-Community countries is therefore not a political problem but a human and economic one.

Our group will be voting in support of Mrs Squarcialupi's report, since it accords with our position, which favours a moderate, sensible and safe use of pesticides.

Mrs Pantazi (S). — *(GR)* Mr President, the adoption of Mrs Squarcialupi's sound and well-balanced motion for a resolution would give Members of the European Parliament an opportunity to make a positive and effective contribution to the defence of public health in the developing countries of the Third World and would, in particular, satisfy the obligations which the EEC undertook in relation to the corresponding UN resolution of 17 December 1982.

It is in our view unacceptable that chemical substances intended for agricultural use whose safety has been questioned, and whose use is restricted or forbidden within the Community, should be exported to developing countries in the Third World for some commercial advantage, thus putting at risk the Community's reputation as a trading partner. In addition, this practice is a dangerous one, and among those exposed to the danger are Community consumers, if we consider that these pesticides are used irresponsibly and without any control in the growing of produce which is subsequently exported to and consumed in various Community countries.

However, apart from these considerations, we have a certain moral obligation to the people of Third World countries, since recent research by the FAO showed that in 18 of these countries no information is available on measures for the control of pesticides — in fact most of them do not even know that such measures exist. Furthermore, in countries which do have some regulations the process of their implementation is slow and difficult.

It is particularly important for these countries to have full and exact information on the hazards presented by the pesticides which they import. They must be enabled to make informed decisions as to whether or not they should import this or that pesticide and allow it to be used. The statistics of the WHO indicate that about 400 000 people in the Third World will this year be poisoned by these preparations, and that 11 000 of these poisoning cases may be fatal.

We should also not lose sight of the fact that irresponsible trading in and use of pesticides is a serious threat to the environmental biosystem of these countries. We wholeheartedly support Mrs Squarcialupi's motion

that Third World countries be given technical assistance to provide more effective control of their pesticide imports, and that the relevant Community directives be amended to ensure stricter control of our exports. We believe, however, that the problem will only be solved when there is a total embargo on the export of dangerous and unsuitable agrochemicals to developing countries.

Mrs Dury (S). — *(FR)* Mr President, I would like to speak not as a member of the Committee on Cooperation and Development but as a member of the Socialist Group. Indeed, the opinion adopted by the Committee does not reflect the views of its Socialist members. We felt it was necessary to be much more firm in discussing the dangers and problems associated with pesticides. Mrs Pantazi has already mentioned these. For my part, I would like to draw attention to an aspect of the problem which shows that pesticides are an integral part of the vicious circle in which food crops are neglected in favour of crops for export; we all know how much distress and famine can be caused by this vicious circle in the developing countries.

I should also point out that the use of pesticides makes farmers even more dependent on the large chemical trusts.

My second point is that pesticides can prove hazardous not only for the farmers who use them, and not only for the soil which they can devastate, but also for groundwater which is frequently polluted by their misuse.

Despite opinions to the contrary, the pesticides imported by the developing countries are not always effective, and I shall briefly illustrate this with a case in point. Together with some Members of this House, we took part in a fact-finding mission to the Caribbean, mainly Jamaica, and visited a research centre at Kingston University. The researchers at that establishment were trying to wipe out an insect which was destroying the coffee crop. No imported pesticides had proved effective in combating this insect, and the researchers relied on the expertise of farmers to produce a much more effective pesticide which could be manufactured in Jamaica. Obviously, the aim was to produce a pesticide which was not only usable and effective in combating the insects but was also much less expensive than imported pesticides.

The researcher directing our visit told us how difficult his work was because of the attitudes of the Jamaican authorities, which preferred to encourage imports and yield to the pressure of the big chemical trusts than to encourage an overall approach to pest control. I feel it is important to remember that we have, on the one hand, the farmers and their interests and, on the other, the sometimes ambivalent attitudes — to put it mildly — of governments. Furthermore, if

Dury

I may say so, we have the heavy-handed tactics of the chemical trusts which are exploiting all possible means of selling products for which there is no longer a market at home, thereby lining their purses at the expense of the farmers and of their health, and possible too, through the products which they export to us, at the expense of our own health.

Mr Eisma (NI). — (NL) We value this report greatly because it is well balanced and moderate. It contains no extreme demands such as a total ban on the export of materials prohibited in the Community, or such strong rules as were recommended for multinationals in the original motion for a resolution.

The report is also being supported by various environmental and other pressure groups. It is in line with, for instance, the conclusions drawn by the European Environmental Bureau's International Seminar in May 1983 on the export of pesticides to developing countries. Mr Sherlock's advice on behalf of the Committee on Development and Cooperation has duly been taken into account.

The timing of this report is very opportune. The Netherlands tabled proposals in June 1983 with a view to arriving at a Community ruling on this subject. The Council has asked the Committee to study these Commission proposals, and I would gladly hear from the Commission how far they have progressed. I am used to Mr Narjes giving adequate replies to our questions and I therefore expect a clear answer to this one. If the Squarcialupi report is accepted, then the Commission can already take Parliament's opinion into account.

As for the rest, we must not think that the misery will be over after the acceptance of the legislation as has been proposed. We can prescribe packaging and labelling, but we cannot prevent the local retailer pouring the products into empty beer or whisky bottles without changing the label. These things happen and will continue to happen, and it is a good thing that the instructions for use must be written in the most-used language of the country of destination, but that is of very little use if the consumer cannot read, and that is very often the case. It only works if the consumer is willing and able to follow the instructions. I must tell you a story about this. After the fishermen in Suriname discovered that the pollution of river water by endrin killed the fish, they substituted the traditional methods of fishing by adding some endrin to the water. The fish were caught with a net and sold without further ado at the market. There is a wealth of stories like this.

In short, Mr President, a truly satisfying solution will only be reached when the level of development and the infrastructure of the importing countries have reached an acceptable standard. That is a long-term job.

Until then we must make do with taking small steps, and as such we heartily support Mrs Squarcialupi's report.

Mr Narjes, Member of the Commission. — (DE) I should like to start by thanking this House for giving us the opportunity here today of dealing with the problem of the export of dangerous substances, which is a cause for concern for all of us, and I should like, above all, to thank Mrs Squarcialupi for her excellent, well-thought-out and well documented report which makes things considerably easier for us in this debate.

We have already discussed this question in previous contexts in the past. The question concerns the conditions and means for protecting users in the Third World against the dangers of pesticides, and I should like in this connection to remind you of the debate on the Castellina report on the international code on the distribution of breast-milk substitutes. Both my colleague, Mr Pisani, and myself have, furthermore, had occasion to speak on this subject in other connections where the question of the export of medicines or pesticides was involved.

Our point of departure has always been that it is fundamentally up to the country of import to lay down and apply its own conditions for trade in and use of products of this kind, and I think this House is agreed on this point. The problems of pesticides used in the Third World basically arise from the improper use of good products which are used quite safely elsewhere. This point is also made in the recitals of this Parliament's motion for a resolution.

If they are to achieve greater protection, the third countries — particularly the developing countries — must have access to data which is essential for the correct assessment or even recognition of pesticides. We must place particular stress in this connection on international cooperation, particularly via international bodies such as the World Health Organization or the Food and Agriculture Organization. For this reason, we assume that the main problem is information and training in the use of these dangerous products in the Third World and, I would add, above all the efficiency of the agricultural and health authorities in the countries of the Third World, since the various cases, some of which have been quoted here, demonstrate and clearly stress the inefficiency of these authorities.

The Commission strongly favours broad international cooperation between producer countries and user countries since this is the only way of arriving at effective measures for the protection of the people and environment in third countries and, if necessary, users in industrialized countries. One might refer by way of example to the provisions concerning the international transport of dangerous substances, which provide for appropriate labelling of products of this kind. In many cases, this labelling is identical to that

Narjes

provided for in Community directives on intra-Community transport.

Paragraphs 2 and 3 of the report call on the Commission to amend Directive 78/631/EEC and Directive 79/117/EEC in such a way that the export of pesticides can be subject to the obligations arising from these regulations. If we really were to try and impose Community legislation unilaterally on third countries, this would have numerous political and legal implications, as the autonomy and the principle of respect of the sovereign rights of these third countries would thereby be affected, and these countries must and can make their own decisions concerning the safety and health of their citizens. We are prepared to give them any form of information or technical aid imaginable, as far as we can, to enable them to cope appropriately with the tasks facing them.

While accepting the various elements of the report with the exception of paragraphs 2 and 3, the Commission wishes to concentrate all its efforts on international cooperation whereby a series of solutions would appear to be imminent. I am thinking particularly of the code of conduct for the distribution and use of pesticides as prepared by the FAO.

Mr Eisma asked a question which I did not understand in the interpretation. Can I give him my assurance that I will provide him with a precise written answer.

Mrs Squarcialupi (COM), rapporteur. — (IT) Mr President, I am very grateful to the Commission for pointing out the importance of international cooperation. To draw up this report I contacted all the international organizations, and wherever I turned, I saw for instance training programmes being implemented and trainers acting on their own account, perhaps in close vicinity, thereby increasing expenditure in a quite alarming fashion.

I must say, Mr Narjes, that since you say you accept everything except points 2 and 3, perhaps you have not read the text very carefully because as far as the directive on packaging and labelling is concerned, I do not think that any government can object if the European Community sends dangerous products properly packaged and properly labelled, with instructions in the language of the country using them. In fact we are not asking for amendments to other directives. We are only asking for a notification system which you seem to want when you say that we must supply as much information as possible to the recipient countries. Perhaps we are just using different words; perhaps I have misunderstood what you said. I am sure that both you and the Committee on the Environment, Public Health and Consumer Protection are

saying the same thing and perhaps we should agree on the terms we use. We use the word 'notification' because it seems more official, while you use the word 'information' which I would say was less official. As far as the directive on labelling is concerned, I think that the Commission could make an effort to see that Community exports have a good reputation.

President. — The debate is closed.

The vote will be taken at the next voting time.

12. Science and technology

President. — The next item is the report (Doc. 1-752/83) by Mr Sälzer, on behalf of the Committee on Energy, Research and Technology, on

the proposals from the Commission to the Council (Doc. 1-170/83 — COM(83) 143 final) for

I. a decision on structures and procedures for decision-making in the field of science and technology;

II. a decision on the structures and procedures for the management and coordination of Community research, development and demonstration activities.

Mr Markopoulos (S). — (GR) Mr President, Mr Sälzer's report is an important contribution to the Community's efforts to organize the system of management and coordination of its research programmes as efficiently as possible. In an age characterized by very rapid developments in the field of science and technology it is essential to identify the methods and procedures which will put European science and technology on the right track and which will ensure improved competitiveness and a pioneering role for Europe.

Undoubtedly the emphasis here must be on a coordinated and appropriately guided Community research and technology policy which should reflect the tendencies and needs of the 10 Member States. It is also essential to have an organizational framework suitable for creating — though mainly for promoting, controlling, evaluating, directing and generally managing — each Community development programme.

It is clear that the way these programmes are managed at present is characterized on the one hand, by sluggishness in the development, execution, completion and evaluation of the procedures and on the other by a lack of that flexibility which is essential for all activities involved in the execution of such programmes. It is also obvious that all these obstacles spring from the multiplicity of advisory bodies, which are frequently run on bureaucratic lines and lack independence.

Markopoulos

Thus we agree with Mr Sälzer on the need for a fundamental reorganization of the system of advisory bodies and the type of reorganization which is proposed. In this connection we would like to point out that the proposed rationalization of the advisory bodies will further strengthen the Commission's position and reduce its dependence on the Council. Although this may harbour certain dangers we accept it because we hope that the Commission will make proper use of its increased powers: firstly, to concentrate gradually the Community's activities on those fields of research which are of undoubted scientific and technological interest for the future and secondly, to share out these activities among the 10 Member States in a more rational manner in line with their specific characteristics and with a view to exploiting the development potential of all the Member States so as to benefit both themselves and the Community as a whole.

One final point which should also be stressed concerns the manning of the proposed advisory bodies: they should be composed of persons of recognized scientific achievement, spokesmen for the research and development policies of the countries they represent. Likewise the composition of these bodies should ensure balanced representation of all the Member States of the Community.

To conclude, Mr President, I would like to congratulate Mr Sälzer on the report which he has presented, because I believe that the implementation of the programme which he has worked out will contribute towards the harmonization, further development and strengthening of Europe's competitive position. Accordingly, on behalf of the Socialist Group, I call on Parliament to vote in favour of this motion for a resolution.

Mr Purvis (ED). — Mr President, it was with every justification that Mr Sälzer declined to stand up and speak, because his report is so concise and straightforward and clear that it needs relatively little extra said about it.

The European Democratic Group welcomes the Commission proposals to reorganize the whole advisory committee system and reduce the numbers and make them more effective. This can only improve decision-making in the research area and thereby the effectiveness of the Community's growing and very important research effort.

I understood, at least in committee, that the Commission was agreeable to the one or two amendments tabled to the Sälzer report, and I would be interested to have the Commissioner's confirmation that that is so. I would stress that these relate to Parliament's role in the decision on research programmes and the selection of research projects. I do not think that this should be construed in any way as meaning that we wish to interfere with the right of the Commission to

decide. In fact, we would encourage them to take that responsibility fully upon themselves and not to pass it on to the advisory bodies. We would just be interested to know on a continuing basis why these advisory bodies suggest or advise as they do, and I think it might just help us to understand a bit better how the decisions are arrived at.

If research at Community level is justified at all, the programmes themselves must be justified as worthwhile, relevant and cost-effective. Within those programmes the individual projects must be selected on merit alone. This is where I begin to part company with Mr Markopoulos who insists that these advisory bodies should consist of one member or an equal number of members from each Member State. If our objective on a European level is to promote excellence in the research sector and make our industry on a European scale competitive with the United States, Japan and other blocs, then we must insist that these advisory committees be small and select and that they be made up of the best scientific and research minds available to us in this Community. We would hope that the Commission will not feel constrained by having to divide everything by 10 but will concentrate above all on producing the best possible research effort for the Community.

We consider this another step towards a much more effective research programme and effort in the Community. We congratulate the Commissioner on taking this initiative and Mr Sälzer on supporting it in his report.

Mr Davignon, Vice-President of the Commission. — (FR) I shall be extremely brief, not because this debate is unimportant but because it is getting late.

Let there be no misunderstanding — for the Committee on Energy, Research and Technology was under no misunderstanding — this is an important debate because the Commission proposals are not procedural proposals. They relate to procedural matters, but their aim is to create the conditions necessary for the effective management of the restimulation of Community research. This is therefore a matter of substantial importance and not merely a technical issue. We greatly appreciate the fact that our objectives have been fully understood by Parliament.

Secondly, it is perfectly obvious and essential that there should be no confusion over responsibilities, as has been all too often the case hitherto in the field of management and research. It is only normal practice for the different Community institutions each to play their individual roles, but it is not to be expected that a Commission adviser should act as negotiator for the Council and that a scientific opinion should turn out to be a political opinion. We need both, but they must be clearly divided and everyone must assume his own responsibilities. In this connection we should realize — and today this is, after all, an important

Davignon

point when considering savings in costs — that the committees which are supposed to keep abreast of all research problems have a membership of 1 500. Thank heaven, these are not 1 500 different people, because the same experts are members of several committees, but it is absurd, is it not, that for a programme on this scale there are almost as many people to monitor the programme as there are to implement it?

At the Joint Research Centre there are 2 260 researchers, and there would be 1 500 individuals responsible for ensuring that these researchers do their work properly. These figures are sufficiently telling to indicate that this bureaucratic requirement did not emanate from the Commission.

As for the amendments — and I shall conclude on these — I would like to clarify a point concerning Article 5. All the other amendments are perfectly acceptable to the Commission.

The amendment relating to Article 5 would require the members of the management and supervisory committees to be questioned by Parliament and its committees. This is a legal problem which we cannot accept. The amendments which I have accepted stipulate that the report should be submitted to Parliament so that, as Mr Purvis has just pointed out, Parliament knows when the scientists do not agree with the Commission or propose something different. We do not have a monopoly on reason and sometimes change our policies according to the opinions of the advisory committees. If we ignore the opinions of such committees, we might as well have no committees at all, but it is only fair that Parliament should know why the Commission has to modify its proposals.

It is the Commission which is responsible, for it is responsible for acting or not acting on the views of an advisory committee, but the Commission has to assume responsibility *vis-à-vis* Parliament. Thus, our legal experts tell us that if we agreed that the members of the Commission's advisory committees should be questioned by Parliament and its committees, this would create uncertainty from the legal point of view. I would like to say in this connection that we agree with the Committee on Energy and Research that the advisory committees should be able to explain their positions at the Committee's request. I cannot accept the amendment as it has been tabled. I cannot therefore propose any changes to Article 5, which states that members can be questioned by Parliament, because they are responsible to the Commission and cannot have dual responsibilities. The problem is a legal one. However, as I have agreed that it should be possible for them to present their opinions to Parliament, I am willing, if the Parliament's Committee on Research, Energy and Development requests, to organize the necessary meetings to ensure

that Parliament has all the information it wishes. This is a reservation relating to the letter of the text, not to its underlying spirit.

Mr Sälzer (PPE), rapporteur. — (DE) Mr President, in accordance with the rules of procedure I am authorized by the committee to withdraw the amendment following this position which has just been presented by the Commission. In our deliberations in the committee we were fully aware of these legal problems, but, like the Commission, could not come to any final conclusions.

Since, however, the matter has now been cleared up in a way we can understand and particularly since the Commissioner stated quite explicitly that he accepts our other amendments regarding consultation and information, the committee withdraws Amendment No 3 to Article 5.

President. — We note your statement.

The debate is closed.

The vote will be taken at the next voting time.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)

IN THE CHAIR : MR B. FRIEDRICH*Vice-President***13. Biomolecular engineering**

President. — The next item is the report (Doc. 1-751/83) by Mr Schmid, on behalf of the Committee on Energy, Research and Technology, on

the proposal from the Commission to the Council (Doc. 1-525/83 — COM(83) 356 final) for a decision adopting the second stage (January 1984 — March 1986) of the multiannual research and training programme for the European Economic Community in the field of biomolecular engineering.

Mr Schmid (S), rapporteur. — (DE) Mr President, gentlemen as long ago as December 1980 this Parliament pronounced itself in favour of a four-year programme on biomolecular engineering. It was the Council of Ministers which delayed the adoption of this programme and which decided, in its wisdom, that it should be carried out in two phases. The European Parliament has always been in favour of a four-year programme and we therefore have no difficulty whatsoever in supporting the inception of the second phase.

It should be pointed out once more how we have regretted these delays which were caused by the decision-making machinery in the European Community and, if I may put it somewhat indelicately but frankly,

Schmid

the Council of Ministers in its current form is the personification of the triumph of rump over reason. All they do is sit around without making any decisions.

We in Parliament are quite clear on this point. We want to give the green light for the second phase. However, this Parliament does not always go about everything in the right way and when I think about the supplementary budget and the vote I must say Parliament did not stand in a very favourable light. A genuine European Member of Parliament of course has such a thick skin that he can stand up without a backbone, but there are a few people in this House who have very thin skin.

I wanted to make a joke because late-night sittings are always so boring that the odd humorous remark here and there is the only way of getting through them. However, to get down to serious business I should now like to say that the Committee on Energy and Research supports the Commission's proposal with one exception, which is the reason why there is a report at all, as otherwise we would have proposed the procedure without report. We would like medical topics also to be included in this programme, since there is a social need for the use of biomolecular engineering in the field of medicine, but no demand in commercial terms. The market is not the determining factor in this area. It is a classic area for State trading and in this case Community trading and we propose, therefore, that research into vaccines against tropical diseases and the cloning of factor VIII should be included in the programme. This is important for haemophiliacs since at present we must rely on preparations based on blood plasma and, as we know, anyone receiving a blood transfusion or blood plasma-based preparation from an American source is running the risk of being infected with Aids. The best way of avoiding this would be if substitute products could be synthesized by means of biomolecular engineering.

We know that basically the Commission has nothing against working in these fields too, so all we needed to do was to include it in the resolution. However, this Parliament must, I think, get round to realizing what a parliament is really all about. A parliament makes laws, and for this reason our committee expressed a wish to amend the Council decision. It is up to the Commission to say whether or not it can go along with us but at any rate a proper parliament should never do such a thing by means of a resolution, but rather by means of Council decisions, and for this reason we insist that it should be included in the Council decisions.

The Committee on the Environment, Public Health and Consumer Protection has pointed out that there is a safety aspect to research in molecular biology and genetic engineering. I might remind you that this House has already dealt with this question in a debate

dating back to 1980, that we have drawn up proposals and that the Commission — to which we are grateful for this — amended the programme in such a way as to make safety research a separate item. The fact that the Commission has received too few proposals is not its own fault but results from the fact that scientists do not find this a stimulating topic. However, as I said, this is not the Commission's fault. The Committee on Environmental Protection, Public Health and Consumer Protection can rest assured, however, in this respect. The programme in fact contains everything which is sensible and practicable from the point of view of the Community. I should also like to mention that the Commission has fallen in with all our proposals of 1980 and this is a further reason why we give our unqualified support to the proposed continuation.

Finally, Mr Seligman, who is also doing the night watch here, has tabled an amendment which I do not actually oppose — I merely think that his proposals for research topics are in fact already covered by the programme as it stands, and when a particular point is singled out this means that it gets an unwarranted and inappropriate priority over other points. I would be in favour of your proposal if it was suggesting anything new which could not be done under the programme as it stands, but it is not and I should like to tell you now that for this reason, I cannot support your amendment.

Mrs Van Hemeldonck (S). — *(NL)* Mr President, the scientific and technological breakthrough in the last few years is impressive and augurs well. Unfortunately, the temptation is again great to give priority to the most lucrative applications instead of to those best serving the needs of mankind.

We must take care that the wrong choices are not made under the pressure of certain speculations. The Socialist Group supports particularly paragraph 1 of the motion for a resolution, which asks for research in the field of biomolecular engineering to be oriented towards medical subjects. The needs in that area are great, especially where developing countries and preventive medicine are concerned. A reliable, stable and cheap vaccine against hepatitis B can be produced with the use of genetic engineering, for instance. We are on the verge of discovering important applications for treating, tracing and diagnosing many diseases, including the treatment of diabetes, the fight against cancer, the use of interferon, and applications are also possible in the field of psychogeriatrics, neurobiology and neurochemistry. Effective cooperation between biotechnology and information technology can produce new medicines. The pharmaceutical industry will also gain: pharmaceutical products can now be purified more efficiently, tested more efficiently, and produced more cheaply. Chromosome research based on the new biotechnology could contribute to better pre-, peri- and postnatal health, and could reduce

Van Hemeldonck

infant mortality. Cell research can also contribute to the understanding of the aging process and of certain abnormal cell mutations. In short, it is extremely important for the future of the human race that medical aims be given priority.

Mr Seligman (ED). — Mr President, biomolecular engineering and information technology are the two most important growth areas in our Community, and yet biomolecular engineering is regarded with great suspicion and fear by the public. This fear is stoked by the media. The media paint a picture of Frankenstein and his monster — someone rather like Mr Schmid — or Hitler and his super-race. We are accused of tampering with nature. But, Mr President, man has tampered with nature since the year one. Tampering is the basis of all progress, and if we had not tampered with nature, man's life, in the words of the philosopher Hobbes would be nasty, brutish and short.

We support the 1984-86 12.5 million ECU programme because the pilot stage, which started in April this year, clearly showed an important demand for cooperative research in this field. The fact that the Commission was able to be most selective from 169 applications was an excellent augury.

Now the main point I wish to make in my Amendment No 2, which Mr Schmid kindly condemns, is to call for biomolecular development of high energy species of plant material. Mr Schmid says this is a redundant amendment. He says it is already covered. Well, in all the jargon in this annex I cannot see the word 'energy' at all. I see plant genomes, I see organelles and plasmid DNA — all a lot of jargon which I just do not understand. It does not mention energy.

Now, renewable energy from biomass is one of the most promising fields for biomolecular development. I list a few: the development of special yeasts which will produce alcohol at a higher concentration and therefore reduce the amount of distillation required and make gasohol more competitive; the development of varieties of sunflower seed which contain more carbon and less nitrogen so that they are a better fuel for tractors, make a competitive alternative to diesel oil for tractors; and the third one is the bacterial production of oil fuel from refuse, another very important area.

There are many other applications in the energy field for biomolecular engineering and the only one mentioned in the Commission's document seems to be degradation of ligno-cellulosis, which is polite Euro-jargon for wood. If this can eventually produce gasohol from wood, then we are making progress. At least we will then be able to drive cars from trees and not use trees to produce all the bump that we have in this room tonight. It would be a much better use for trees than the use we make of them.

I hope the Commissioner will confirm that renewable energy from biomass is part of the biomolecular engineering programme.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, I would like to take this opportunity of thanking the Committee and Mr Schmid for having adopted the same approach as the Commission with regard to both method and content.

On the subject of the method, you will recall that when the Council initially seemed disposed to curb our resources, we took the unprecedented step of saying the time for keeping the same objectives and at the same time cutting resources was over. The Council had the right to decide what it did or did not want to do but it could not keep the terms of reference of the Commission's proposal and at the same time insist that the same objectives must be achieved with budget appropriations which were cut by half or even three quarters. We set ourselves clearly-defined objectives and agreed that in two years' time we would consider the question of what more could be done in the light of the proposals. This has led us to two conclusions!

In the first place, there is the programme which you are proposing to approve today and which was drawn up on the basis of the requests submitted to us. The significant feature of this programme for the Community is that it relates to concerted and coordinated research activities, that is to say not merely national activities.

Secondly, the Commission has proposed a very much more extensive and general biotechnology programme, and we hope that the Athens European Council, when it is considering the revival of the Community, will recognize that this sphere — together with information technologies — is one of the main vehicles for the development of research within the Community.

I have not a great deal to say about the questions raised by the committee because we worked with it and we decided on a common approach. I will merely say to Mr Seligman that I see no problem in his amendment but I must assure him that the topic to which it relates is included in the programme. Indent 3 of paragraph 1 (4) of the annex concerns the development of methods of transfers and the expression of foreign genetic information in cultivated plants, which also has a bearing on the energy aspects.

Another question, which is even more important, is the first amendment in which Mr Schmid, speaking on behalf of the Committee on Energy Research and Technology says: *Parliament can and must indicate additional options.* It can, because that is within its terms of reference.

Davignon

I would point out to Mr Schmid that we have made strenuous efforts to coordinate all our objectives within one overall programme in this sphere, so as to have a very clear idea of the aims of our research programmes. Our programmes for the developing countries include vaccination against tropical diseases. It is accordingly quite superfluous to incorporate the same objective in two different programmes. That is why it is only included in the 'developing countries' programme.

Similarly, the problems concerning blood coagulation — and more particularly those concerning factor VIII — will be covered in both the current biomolecular engineering programme and the Community action which we are preparing in connection with Aids.

Mr President, I see no point in submitting an amendment on this point. Tropical diseases form part of the tropical programme and I have no wish for them to be included in the biomolecular engineering programme. As to blood coagulation, I think that this should be included in the Aids programme.

To turn to Mrs Van Hemeldonck's comments, it is apparent that the objectives which we are pursuing are designed to use these new technologies for the benefit of mankind, particularly in the field of medicine. In passing, I will just mention, for the benefit of Mr Schmid, that we have included the security aspect in our programme.

Mr Purvis (ED). — Mr President, I wonder if I could just ask the Commissioner two questions with reference to what he has been saying in his speech.

The first one is this. I may be mistaken, but in all the time we have been discussing this in committee I do not remember any of his officials indicating that these two items — blood coagulation and vaccination — were already so well covered in other programmes that they were unnecessary here. If they had, we could have discussed this point in committee and spared ourselves the discussion or possible misunderstanding that is arising now.

My second question arises from the fact that he refers to the Aids programme as almost an ongoing research programme and existing research programme. I would be very surprised at that, but I just wondered if he could tell us how far along the line the Commission is in developing this Aids programme, which I know is a concern to a large section of the population now.

Mr Davignon, Vice-President of the Commission. — (FR) I would like to say to Mr Purvis that it is quite possible that we have not given all the information. We are constantly improving coordination, but a number of Directorates-General were involved and it was a really good thing that we were able to do so when dealing with developing countries.

I think that this was because of Parliament's concern that we make a particular effort in the field of tropical diseases. We then had to choose a programme. Our own personal preference would be to include it in the 'developing countries' programme.

We are now involved in the preliminary work on Aids. We have no draft programme as yet. Although I cannot commit myself on behalf of my institution at this stage, I do believe that the Community will take some action.

Mr Schmid (S), rapporteur. — (DE) I should like to take advantage of my right to make a final remark, Mr President. Firstly I should like to say to Mr Seligman that he is of course right that the term 'energy' crops up nowhere in the report. However, this does not mean that appropriate research could not be carried out in the context of this programme, as I would like to explain to you by means of a very simple example. If you go to your bank you will not see the word 'holidays'. You will, however, see the word 'interest' and if you deposit enough money in your account you will get enough interest to finance your holidays. This is a similar case.

My second remark is addressed to Mr Davignon. I cannot entirely agree with you. The Commission may well have good reasons for choosing not to adopt this amendment and I can quite well imagine what these reasons are. We will not even be particularly offended if the Commission makes this choice. However, please do not tell this House that the matter was already completely covered since this is simply not the case, at least as far as factor VIII is concerned. There is perhaps a declaration of intention, but that is all.

As regards the tropical programme, I have good reason to hope that these matters will be dealt with in the context of this programme and not in the context of medicine. I will not go into this question now but would be pleased to explain my reasons in private. I think this would be in the interests of both the programme and the people involved in it, but I do not wish to go into details now.

Mr Davignon, Vice-President of the Commission. — (FR) If I were firmly opposed to the inclusion of this problem in the programme, I would have said so. I could also have said that sufficient headway has been made with the programme in discussions with the Council.

I pointed out that it did not seem to me preferable to do this. If you then decide to act as you intend to, I shall see what I can do. I did not say that I excluded

Davignon

it. I do not think it is a good idea, but that is what we are here to discuss. I do not claim to have a monopoly of good ideas!

Mrs Van Hemeldonck (S). — (NL) Mr President, may I tell Mr Davignon how sorry I am that he, like me, is suffering from a cold. I hope that it will not be long before biotechnology finds a remedy for that, too.

President. — I cannot say at the moment what programme the Commission has proposed for that purpose, and so we must now bring the debate to an end.

The debate is closed.

The vote will be taken at the next voting time.

14. JRC

President. — The next item is the report (Doc. 1-753/83) by Mr Linkohr, on behalf of the Committee on Energy, Research and Technology, on

the proposal from the Commission to the Council (Doc. 1-522/83 — COM(83) 327 final) for a decision adopting a research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community and for the European Economic Community (1984-87).

Mr Linkohr (S), rapporteur. — (DE) Mr President, ladies and gentlemen, I should like to make the point first of all that I had thought work on the next multi-annual programme for the Joint Research Centre would have been easier but it has turned out to be more difficult than we had originally expected — which is perhaps the fault of the rapporteur, although it may also be due to the intrinsic nature of the subject in hand. Nor do I have the impression that this report marks the end of the debate on the work of the Joint Research Centre but rather that we will have a good deal of work over the next few years if we are to direct the Joint Research Centre along the lines envisaged. I should like to say, nevertheless, that lengthy discussions in the committee with both the Commission and those working at and running the Joint Research Centre as well as with the staff committee has resulted in a broad consensus, and I should like to thank all those who were involved.

What approach has our committee adopted? We are in favour of the continuation and revitalization of the Joint Research Centre. The Joint Research Centre has its place in the Community. This is not a mere tradition: it has a genuine *raison d'être*. However, the justification for its existence must change with the times — it cannot simply continue in the terms of the

1950s or the 1960s. This, as I see it, is apparent from the history of this Joint Research Centre.

In the 1960s, work started on the development of a specifically European reactor. As we all know, this was broadly speaking a failure. Subsequently, in the 1970s, particularly in the light of the crisis in oil prices, attempts were made to step up energy research and to give pride of place to safety problems. Now in the 1980s and perhaps in the next decade too, the emphasis should be shifted from product development to, primarily, questions of safety and the environment, i.e. problems which basically have an international dimension.

This could be referred to as the third industrial revolution whereby our European culture is confronted with new questions regarding the relationship between man and machine and man and nature. We need new measurement procedures as well as standards if we are to fully realize the Community's internal market. The Commission and Parliament also need a certain amount of good sense if we are to achieve this, and it is a very good thing in this respect if we have a few knowledgeable people to advise us, which means that we need a European testing centre which is independent of the various national organizations. The Joint Research Centre must therefore, as I see it, also have room for chemistry, biology and fringe disciplines in addition to the various areas of physics in which we have already amassed a great deal of knowledge. I would very much like to see more priority given to these questions in the next phase of the Joint Research Centre. The Seveso scandal showed us that this is a real problem which we are powerless to cope with. I hope things will be different in future.

We also need cooperation with the universities, industry and the national research centres. We need more flexibility, less red tape and — in my own opinion and that of the committee — staff representation on the new Administrative Council which is to be introduced. Many of these aspects are contained in the Commission's proposal and I hope that new elements will be incorporated into this programme in the coming years — we will certainly keep an eye on developments.

I see that my time is running out, so I should merely like to make a brief remark concerning Amendment No 16 tabled by Mr Kellett-Bowman on behalf of the Committee on Budgets and myself. Since there have been certain differences of opinion on this point, I should like to make it clear that as far as I am concerned and certainly as far as the committee is concerned, it would be more sensible not to make this amendment, since — if I may say so — it would appear on reflection to be off beam, in that we would not be getting at the Council, which is what we really want to do, but at the Commission, which would tend

Linkohr

rather to be counter-productive in this case. It could also lead to an unintentional misunderstanding which would militate against the flexibility we wish to see. Thus I should like on my own behalf, and I am sure on behalf of the committee too, to withdraw this amendment, but I hope that it will nevertheless be reflected in the budgetary procedure and that it will be possible, via the budgetary procedure, to meet this demand for flexibility, for termination-of-service measures, recruitment and an increase in staff to 2 260. I should like to thank the vacuum — I can hardly talk about the plenum this evening — for its patience. At any rate, a vacuum also has its virtues.

Mr Adam (S). — Mr President, the Socialist Group gives a very enthusiastic welcome to the Linkohr report on the joint research programme 1984/87. I want first to congratulate the rapporteur on the diligence with which he has discharged his task. The report is based on many detailed visits to each of the research centres and on discussions with all the national Research Ministers. The Socialist Group and, I am sure, other Members of this Parliament would like to see these Ministers taking as close an interest in the work of the research centres as has the rapporteur.

The report is also based on close consultations between the Commission and the Committee on Energy and Research which followed the abandonment of the Super Sara project and demonstrates, Mr President, how effective these consultations can be. The group would stress that this report must not be taken in isolation. It has to be considered along with the framework programme already approved and the proposed new management structure yet to be considered by Parliament. Perhaps management is the most important of all, because unless we get that right, then there will be disasters similar to the Super Sara disaster in the future.

The proposed programme seeks to define the activities of the Joint Research Centre for the period 1983 to 1987 following the Super Sara failure. Two main aspects are proposed for the JRC activities: safety and protection of the environment and standardization. Within this, five action programmes are proposed: industrial technologies, fusion, fission, non-nuclear energy sources and environment. The cancellation or reduction of a number of current activities is also proposed. These include research into hydrogen production a number of activities for which the JRC lacks staff commensurate with the European scale and the abandonment of 20 % of the basic research on nuclear fuels.

Paragraph 5 of the rapporteur's explanatory statement sets out very convincingly the case for Community research and rightly emphasizes the need to define guidelines for the next 20 years. Research is most

successful where objectives are clear and work proceeds in an uninterrupted fashion. Lack of clarity in the past has resulted in the current criticism of the small numbers of patents and publications. The important breakthrough in this report is to extend the safety concept to cover environmental as well as industrial safety issues. There is no doubt that this will become increasingly important in the years ahead. There will be a gradual changeover in the work of the Joint Research Centres which will require staff changes, less bureaucracy and greater independence of action by the JRC within the guidelines laid down.

The Socialist Group welcomes the move into more general safety areas and away from the previous concentration on nuclear processes. The implementation of this programme will give the Joint Research Centres, and Ispra especially, a new identification for themselves and will open up more avenues where the interests of local government and the trade unions will be more actively involved. This will give a new identification to research in the Community as a whole. That is what has been so distressingly lacking in recent years.

Mr President, I have two comments to make on the amendments. Our group will oppose Mr Pedini's amendment, because we believe very strongly that elected representatives of the staff should sit on the Council of Administration. Without this provision we do not believe that the programme will be as successful as it would otherwise be. We will also oppose Amendment No 26 because we support the tritium programme. We believe that it can substantially enhance research on nuclear fusion and we believe that Ispra is an appropriate site for it.

Mr Pedini (PPE). — *(IT)* Mr President, ladies and gentlemen, I would really have liked to begin my speech by making a positive appraisal of the scientific potential of our European Economic Community, mentioning the efforts which have so far been made and the difficulties which have prevented us from achieving certain goals that should have been achieved. However, the time available is insufficient, although I would note that the efforts made by the Community with the Joint Research Centre are extremely valuable and should be further developed.

Although the presentation of the Joint Research Centre's four year programme provides us with an opportunity to finally unite our forces, as we have so often said was necessary in the past, and to correct the course which has so far been followed in spite of the many obstacles encountered in the contradictory wishes of the various governments, I am sorry to note that, perhaps, if we are not careful, we shall let the fine opportunity provided by this debate to obtain precise information concerning the future programme and its feasibility escape.

Pedini

Mr Linkohr's report, which we appreciate, could make it possible for the JRC to have a new lease of life since the layout of the programme contained in the Commission's proposal, mentioned by Mr Linkohr, provides the basis for more exacting work for our research workers and use this to advantage joint research.

The Committee on Energy, Research and Technology has therefore accepted the Commission's proposals, since it believes the appropriations and staff requested for the implementation of the research programme to be adequate. The Group of the European People's Party supports this programme and has tabled a few amendments designed to perfect it even more as regards direct actions.

I would like to say, Mr Adam, that as far as the presence of research workers in the Council is concerned, I have no objections. Nevertheless I believe that the issue should still be postponed, because there is a special report on this subject of which I have the honour of being the author, which will be discussed as soon as possible in committee.

However, in spite of this positive appraisal of the proposals made by the Commission I do not wish to hide my concern, and to a certain extent, amazement on reading Amendments Nos 15, 16 and 19. I am also pleased to note that Mr Linkohr has expressed reservations concerning Amendment No 16, and has disassociated himself from it, for which I thank him. It seems to me that these amendments basically harm the feasibility of the proposed programme. My group cannot support these amendments — although, I repeat we have noted what Mr Linkohr has had to say — since it believes that the measures they suggest would divest this programme of meaning. And I say 'divest', because they would basically create a shortage of manpower during the most important and delicate phase of the action.

By making a cut of 35 million ECU as proposed in Amendment No 15, the specific scientific appropriations, which amount to 192 million European units of account, as against 400 million assigned to staff, would be affected. Thus genuine investment would be cut by a third. Should this occur, we ask ourselves how the objectives proposed by the Commission can possibly be achieved.

Amendment No 16, which has been withdrawn by Mr Linkohr — although I have not been informed of the intentions of the second person behind the amendment — basically requires that the need for scientific know-how for the redirection of research activity be ignored, even in the new sector proposed by Mr Linkohr as you are well aware, that although we are entering new fields of research which are necessary for

safety in the more general sense of the word, the nuclear aspect of the Joint Research Centre, which is traditionally nuclear, should never be undermined.

It is obviously appropriate to speak of staff reductions but, Mr President, when there is both talk of staff reduction and, at the same time, a theoretical proposal for an increase in staff which however, cannot come about until staff reduction has been accomplished — and you know how much time is needed to bring about staff reductions — this really means, or at least I fear so, that it will be impossible to obtain the increase in staff which is absolutely indispensable if the action of the Joint Research Centre is to be expanded as it should be, not to mention nuclear action.

I would conclude, Mr President, by saying that the plan for 38 extra posts for the JRC should be kept, and we hope that everyone, including the Committee on Budgets, will do their best to achieve this. Thus the future of the JRC, towards which we have enormous responsibility because of what happened last year with the Super Sara project, can be assured. Thank you, Mr President.

Mr Seligman (ED). — Mr President, the 1984/87 JRC programme would have been very different if Super Sara had not been belatedly abandoned. In March the Council decided that the same level of resources and the same staff complement of 2 260 people should be maintained in the new programme. This decision was taken regardless of whether projects are available which are appropriate to the specialized scientists and equipment currently maintained at Ispra.

With this enormous gap that has developed in the JRC programme, the JRC and Mr Davignon himself, I think, are beating the bushes to find a suitable new project for Ispra. My message to JRC and to Ispra is: do not panic. Do not rush into the first project that comes along. Be selective. Do not clutch at straws. God has created a marvellous world in which we shall never reach the limits of discovery. Scope for research is infinite. The more we discover, the more new areas of research open up. Isaac Newton who discovered gravity with the help of a Golden Delicious apple, once went down to the beach at Brighton where there are a lot of pebbles and he picked up a pebble and said: 'This is how I feel about research. I have picked up one pebble, there are millions more to be picked up'. That is Isaac Newton — it shows how well read I am. Ispra must not rush into unsuitable research projects. It would be better to spend more time and resources surveying the scene and looking at such things as nuclear gasification of coal or, as Mr Linkohr said this evening, chemistry and biology, which is not their strong point at the moment.

Seligman

This applies particularly to the proposal for a tritium laboratory. Mr Adam, as usual, has misunderstood my amendment. I did not say we should not have a tritium laboratory; what I said was: 'What is it going to do?' It is vital that the tritium research programme and the equipment acquired for it should be designed to serve the immediate and future requirements of the Community fusion programme. It is no good building a theoretical tritium laboratory just to look at the fundamentals of tritium behaviour. We want something that is useful immediately in examining how metal reacts to tritium at high temperatures and information of that nature, so that we can design components that will stand up to the fusion, particularly at JET.

So that is the meaning of our amendment. We want an immediately useful laboratory and not a theoretical one.

You agree with that, Mr Pedini, do you? Thank you. I shall go on now.

We also ask for support for Mr Purvis' amendment which calls for greater dissemination and commercialization of JRC research results, because if the JRC can start paying for itself a bit, this will raise its reputation with the public and with the scientific world.

Finally, I suggest that the JRC works as closely as possible with the Council of Europe. This might give it a much wider catchment area of 21 nations for research projects. The Council of Europe has nothing like the JRC. It has no money anyhow. In particular, we should take account of the forthcoming Council of Europe Ministerial Conference on Research. As you know, President Mitterrand has proposed the creation of centres of excellence in Europe. These centres will be developed from the best national centres in each branch of science. For instance, the research into fish diseases in Stirling, which is my honourable friend's constituency, or near it, or the Tropical Medicine Centre in London. Maybe Ispra could become a centre of excellence for remote sensing by satellite of agricultural, mineral and marine areas. The Council of Europe, of course, want the European Scientific Foundation in Strasbourg to play a stronger role in this. But I think that Ispra could also become a centre of excellence, working with the Council of Europe and this new ministerial conference which President Mitterrand is proposing.

So, I would like to hear the Commissioner's reactions to these proposals.

Mr Ippolito (COM). — *(IT)* Mr President, ladies and gentlemen, the report and motion prepared by Mr Rolf Linkohr on a Commission proposal for a Council Decision, which advocates the adoption of a research

programme to be carried out in the four years from 1984 to 1987 at the Joint Centre establishments, meets more or less with our approval, although we have tabled a few amendments aimed at making the Commission's action more incisive.

In particular, we believe that joint research could be a sector in which there should especially be activities of far larger scope than present activities, but we are perfectly aware that until the Commission can acquire greater financial resources, which would be created by the famous 1% ceiling on VAT being lifted, as this Parliament has been requesting for years, and now as requested by the Commission, any action with larger implications would come up against insurmountable budget problems. It is for this reason that for the moment, no further requests can realistically be made until the Community has come to terms with the crisis which is not just economic, but is a crisis of political will on the part of the Council and the majority of the governments represented in the Council.

Having said this, ladies and gentlemen, I feel it necessary to go over a few important facts which many seem to have forgotten.

Italy has always fought for greater European integration, and not only in the field of research. Speaking of research, it should not be forgotten that as early as 1958 Italy, gave up its first nuclear centre, which it was in the process of setting up, to Euratom, an act for which I was partly responsible. This was the Ispra centre and, according to the plans of the time, it was to become the most important of the establishments associated with the Joint Centre and, in particular, was to be what was then described as an establishment with 'general terms of reference'.

However conversely, because of various serious mistakes which would take too long to list here, the activities of Ispra became increasingly curtailed. The general aspect has completely disappeared and Ispra is now languishing, with a staff of which a proportion is getting on in years and has become demoralized and, as Mr Pedini has just mentioned, is threatened with being reduced to becoming an ecological centre, after having been a nuclear centre. I will limit myself to recalling the last and most recent episode in this sad and incredible story, i.e. the abandoning of the Super Sara experiment which I have already mentioned to this House. The Commission tried to ascribe the responsibility for this to the Council, and the Council to the Commission. I have no hesitation in calling this an unseemly and ridiculous farce.

The Linkohr report cautiously attempts to restore a balance with reality, and we must give Mr Linkohr due credit for this; but this is not where the problem lies. The problem is that, apart from research activities

Ippolito

directly linked with defence, the 10 Member States of the EEC spend double the amount spent by Japan, and only 27 % less than the amount spent by the United States of America. Overall they spend 20 % of the world total, but of this 20 %, only 2 % is spent jointly by the Community. This is the crux of the matter, because this low percentage which, furthermore, makes a mammoth bureaucratic structure necessary, means that double the amount of men and resources are employed, and that there is dissipation of effort and a total lack of coordination.

I, who have the honour of addressing you here, and who have spent half of my life in research and, more especially, in managing research, do, however, believe that at least half the total of the research expenditure of the 10 Member States should, rather than could, be spent jointly, i.e. by the EEC, without the already high number of administrators employed being proportionally increased.

If Europe is to move towards greater integration and the type of European union which a large majority of us voted for last September, joint research should be one of the starting points. This proposal of the Commission to the Council does not therefore have the necessary emphasis of contents to achieve this goal. Thought should be given to a new phase, to substantial reorganization of research, to a European research policy and to revitalization such as that which can be provided by joint action. No appropriation of approximately 3 600 million European units of account in four years — which represents less than a thousand million per year — can be sufficient to set up and maintain any sort of research that could be termed Community research.

However, by supporting the Linkohr motion, and by tabling amendments for its improvement, we have remained faithful to the inadequate stance and viewpoint of present Community research, but I would point out that it is not by giving approval to the idea of a laboratory for tritium or by keeping open the vibrating table option or even the Ignitor project, which at the moment has no chance of being financed, that joint research can be launched, since first a radical modification of the very concept of joint research is needed and an initial increase of at least ten times of the slender appropriations provided by the Community budget.

(Applause from various quarters)

Mr Edward Kellett-Bowman (ED), *draftsman of an opinion of the Committee on Budgets*. — Mr President, I speak on behalf of the Committee on Budgets, for whom an opinion is being presented which is covered by several amendments to the Linkohr report.

To most people's minds, when we talk about JRC, of course, we mean Ispra. One must express sympathy

with the way Ispra has been treated by the Council in that the project of Super Sara has been cancelled. A great deal of uncertainty had been hanging over that project. I do not think the people at Ispra need worry too much so long as Mr Pedini remains their guardian angel, and I have every hope for the future of Ispra in that I do not think Mr Davignon believes in being associated with failure in any way. He has taken Ispra very much under his wing.

The report produced by Mr Linkohr for the Committee on Energy and Research is before the House and, in fact, came before the Committee on Energy and Research before they received the opinion from the Committee on Budgets. This was a matter of accommodating the Commission, who have the prospect of an Energy Research Council on the 26th of this month. The opinion therefore had to be put in the form of amendments to the Linkohr report, and I will give the views of the Committee on Budgets, all of which are covered by those amendments.

First of all, only someone with a very clear crystal ball could put down for a four-year programme the precise amounts in the budget. Therefore the Committee on Budgets say that the figures given in the proposal can only be indicative.

On the flexibility reserve, where 5 % was suggested in the proposal, there already is a leeway within the Research Centre budget whereby transfers of 7 % plus or minus either way can be made to give flexibility. The Committee on Budgets were not at all happy that there should be a 5 % reserve fund and put down an amendment to that effect. However, following negotiation with the rapporteur and the Commission, you will find that Amendment No 19 has been revised and I think Parliament should be happy if this reserve fund is put into Chapter 100, which means it will be unlocked. The Commission will put the proposal before the Committee on Energy and Research and before the Committee on Budgets.

The 'dead men's boots' syndrome has been causing trouble at Ispra for many years and we believe that the establishment should be relieved of old skills. We also believe there should be long-term exchange contracts with laboratories in the Member States. However, the real problem comes down to the starting point. The Committee on Budgets says it should be 2 222. There are 38 posts in the budget for 1984, and I have amended the Committee on Budgets' amendment in keeping with my discussions with Mr Linkohr, but he has seen fit to withdraw his signature from that amendment. I feel unable to do so in the absence of a meeting of the Committee on Budgets. It will be up to the House tomorrow, but I hope the Commission will be able to give us some indication of their views on the amendments which have been tabled.

Mr Eisma (NI) — *(NL)* Mr President, support for a good research programme is justified not only on its own account but also because of the need to develop a new policy within the EEC. The general idea of a joint research centre seems extremely important to us. About half of the research concerns nuclear fission and, of that, about 80 % is concerned with safety measures in one form or another. We would like the remaining 20 %, mainly research into fissile material and actinides, to be stopped and non-nuclear energy and environmental research to be expanded instead. Without a doubt more could be done about research into 'acid rain' and in connection with that, about climatic research.

We are pleased that the useful work of the high flux reactor in Petten can be continued for four more years, as stated in the report submitted by Mr Linkohr. However, we would appreciate a slightly more solid financial basis.

Mr Linkohr evidently set to work with great care, and we hope that the Commission will heed his remarks. We will gladly support the motion.

Mr Turner (ED). — Mr President, I wish to speak particularly on the question of the computer data-bank on nuclear power-station safety which exists, or rather is being set up, at Ispra. I have put down two amendments which my group supports — Nos 23 and 24. The reason why I have put them down is that there are a great many pressurized water nuclear reactors in existence now throughout the world and more being set up, and in many cases the components that make up the cooling system — the valves, the pipes, the supports, the pumps, etc. — are different from one station to another. There is not a sufficient collation of the information relating to each of these components, which in the past have been the cause of any failure of safety. My first amendment, No 23, which I hope the rapporteur will support, points out that the abnormal occurrence reporting system is at present behind schedule and is not fully operational and that the component event data bank, the operating unit status report and the generic reliability parameter data bank are only in the development stage.

In July when the Ispra employees came to give evidence to the Committee on Energy and Research, I asked questions about all of this, and I have since been very fully informed by them as to the present state of affairs. There are 11 employees on this project and there should have been 18. The whole thing should have been operational by 1983 and it will now, at best, be operational by 1985 or 1986. I believe that probably 18 people will be put on to this in the near future. I understand also that they believe, and it is generally believed from experience in American data-banks on the safety of nuclear reactors, that it is very

important, once one has the information collated into a computer system, to have a systematic analysis of the data so that one can make full use of it. I hope therefore that the Commission and Parliament will support my second amendment, No 24, which calls for a systematic analysis of the data and the necessary reallocation of funds and personnel to carry it out. In the American systems I understand that one might have 70 employees working on the collation and analysis of the information which has already been obtained. I do not suggest any particular figure, but this gives an idea of the importance of the work.

I am speaking in general, but it happens that in my constituency an enquiry has been going on for a long time as to a pressurized water reactor at Sizewell, and of course a lot of concern has been expressed in many quarters as to safety. Only a short time ago it was said in the press that the continuing problems are revealed in newly published documents from the National Institute Inspectorate, one of which deals with the components in the main cooling system — the very thing I have been talking about — linked to the pressure vessel, the heart of the proposed reactor, and that the Central Electricity Generating Board is unable to meet the requirements of the National Inspectorate in these respects. What I am saying is that we should rely upon the EEC to provide the information necessary for the safety of these reactors, so that one can put together the information received from French, German, American, British and Japanese sources and that we do not each rely only upon our own sources of information.

May I therefore ask the Commission to do all they can to support the speedy fulfilment of the programme for a data bank? I hope the rapporteur will support my amendments tomorrow and I hope the House will, in general too.

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, I would like first of all to thank Mr Linkohr who, on behalf of the Committee on Energy, Research and Technology has done a very thorough job at the right moment — and, it must be added in a very short space of time, as was necessary if Parliament's opinion was to be taken fully into consideration by both the Commission and the Council. Because, following the failure of the Super Sara project and whatever I do, I do not propose to argue with Mr Ippolito about this topic, which has already been discussed — we must adopt a very different policy for the Joint Research Centre from that which we followed during the years of uncertainty.

I think that the need for actual Community research centres is a moot point. And if we were to make decisions about this today, would they be the same? For, in the Member States, in the Community, and in the United States there is a trend towards decentralization rather than towards centralization. Perhaps we would

Davignon

have decided against Community centres and instead have opted for Community programmes implemented by Community researchers working in centres wherever they happened to be. This would have made for exchanges between laboratories which is something we have failed to achieve to date. However, if we believe — and obviously both we and the Parliament do — that we must foster interaction among research activities in the Community, then the Community research centres must be as good as the major research centres in each of the Member States and have objectives which are as clearly defined as theirs.

To achieve this — and this has upset our plans slightly — we have decided that the Joint Research Centre should now have a specific purpose and should not be an organization responsible for deciding what research should be taken up for the good of the Community. And I think that it should be concerned with areas in which the Community has a special role to play, because it is essential for there to be an objective structure which will provide the public with the security guarantee it needs. Of course I am inclined to think in common with Mr Ippolito, Mr Linkohr and others, that we need to do more and more quickly.

I think too that we must try and make a success of this, and to do this a number of decisions will have to be taken within the Joint Research Centre to ensure that its structure is properly geared to plans for its future development.

In the first place, it must have guaranteed resources. It is accordingly imperative for the Joint Research Centre to know that it is liable for a minimum of funds with which to achieve given objectives, and which it must use to the best possible purpose. It will have to be the Joint Research Centre and not the Commission which by virtue of the proposed administrative structure on which you are going to pass an opinion (a Board of Directors with scientific and administrative responsibilities), will have to achieve the best possible results in the field of research, knowing that there will always be an independent appraisal structure. I think that this is of fundamental importance.

Mr President, I should now like to comment on some of the amendments concerning the draft Decision on the programme. The Commission has no objection to the first 14 amendments, which comprise additional or useful information. I cannot so readily accept the amendments concerning the draft programme and I should like to begin with Amendment No 15 by the Committee on Budgets. There is unquestionably a misunderstanding. In its opinion this committee gives the impression that the Commission is insisting on an additional margin of flexibility of some 5% in the management of its programme, which the committee considers inordinate, given that we already have a

considerable margin of flexibility in our budgetary allocations which we can transfer from one programme to another. This is not the 5% we are asking for! What we said — as Mr Seligman and Mr Ippolito were saying earlier — was that if we draw up what is intended to be a realistic four-year programme, we cannot programme all the research to be undertaken in the four years within the first year. At the start of a programme there is some research which has not yet been defined in detail and this gives us scope to develop one type of action or investigation or another without having to undertake the irksome task of amending the programme proper. This is common sense and, in this respect, I can quite readily accept another amendment by Mr Kellett-Bowman.

However, I find it difficult to accept Amendment No 15, in which Mr Kellett-Bowman, speaking on behalf of the Committee on Budgets, deducts from the 700 million which we are asking for, the 35 million comprising this 5%.

For a start the 700 million cover the whole of the expenditure and we are only concerned with the scientific expenditure proper, which comprises the 100 or so million units of account for the actual scientific programme and not the whole of the Joint Research Centre's expenditure.

I accordingly cannot accept Amendment No 15, which reduces the approximate value of the programme from 700 to 665 million.

I can, however, accept Amendment No 19, which was tabled on behalf of the Committee on Budgets and which, assuming that the appropriation is 700 million, points out that, insofar as we have not yet made any proposals concerning the 5%, this would be put into Chapter 100. It is perfectly reasonable for it to be put into Chapter 100 and not entered in the budgetary lines until we have made the proposals. However, it is quite apparent that in 1987 we will have used up this 5% margin. I sincerely hope that the amendment — the spirit of which I accept — does not mean that automatically at the beginning of each financial year, we would have to put 5% of the specifically scientific credits in Chapter 100 and subsequently transfer them. I am accordingly agreeable that that part of the 5% of specifically scientific credits which has not yet been assigned to a specific programme be put in Chapter 100. So I agree to Amendment No 19.

And now to turn to the amendment concerning staffing. Obviously, having decided on a new approach, we will have to be in a position to recruit or exchange personnel as from 1 January 1984, in order to acquire the specialists we need to speed up our work along the lines defined by the Commission and approved by you.

Davignon

Equally obviously — and I am grateful to Parliament for backing us in this connection — if the Council does not at the same time agree to a mobility and rejuvenation programme, we will never turn the Joint Research Centre into the centre of excellence which Mr Seligman referred to just now. What we need to do (because the Council has blocked this for far too long), and what all research centres have to do at a given moment, is reshuffle the researchers and find people to pick up new pebbles on the beach, as Mr Seligman put it just now, quoting Newton.

I do not know if the quotation is correct but at all events I think it is appropriate.

I agree with the Committee on Budgets when it says that if we recruit a further 38 people without relieving the establishment of old skills, the attempt to rejuvenate the Joint Research Centre will not succeed. I will inform the Council on 26 October that the Parliament believes that unless the Council is prepared to countenance this, it will have no confidence in the Council's will to modernize the Joint Research Centre. The resolution puts the number of researchers at the Joint Research Centre at 2 222 and not at 2 260, as requested in the amendment, which is addressed to the Council and not to the Commission. If I were to accept it, I would be putting myself in a weak position *vis-à-vis* the Council. Unless the Ispra establishment is relieved of old skills, the modernization operation cannot succeed.

I agree with what Mr Linkohr was saying just now to the effect that in the 1984-85 budgets we must find some means of expressing the need to combine the 2 260 researchers and the reshuffle.

The remainder of the amendments which have been submitted to us pose no problems, Mr President. I am in favour of exchange contracts with laboratories in other countries.

I am of the opinion that the work on the vibrating table, Ignitor or the tritium laboratory, three types of activity where Community action is needed, should be prepared with the utmost care.

What was one of the problems with Super Sara? There was no consensus on research on the Super Sara operation. In the case of tritium, we must know what type of laboratory is needed at Ispra for fusion, and how Ispra will cooperate with the British, French and German programmes and any future programmes.

Where tritium is concerned, what is needed is a network of laboratories hinging on Ispra. Ispra must not be isolated from other centres and laboratories. The same applies with regard to Ignitor and the vibrating table. That is why we are going to ask the Council to acknowledge that these three activities are

in the interests of the whole Community and to arrange for them to be studied in detail and contracts entered into with third parties.

Although I have been somewhat long-winded, my closing remark is important: we must rise above failures and, moreover, learn our lesson from them. We have had failures, not merely with the Super Sara operation, but the total failure of a concept rooted in the Euratom Treaty. Can we draw a lesson from this and make an effort that is geared to our needs and our capabilities? I think that we have proposed a programme which is comprehensive and which, if a number of conditions apply, offers some prospect of making the Joint Research Centre into the sort of centre which the Community needs.

I think that we are on the right road. The venture will present us with further difficulties and delicate situations. I do not think that we have won through, but we have made the first step in a positive direction in establishing the requirements and laying down the terms. I should like to thank Parliament for backing the Commission in its efforts.

Mr Pedini (PPE). — *(IT)* Mr President, I feel obliged to say that after the statements made by Commissioner Davignon, the Group of the European People's Party will adapt its proposed amendments to the observations that have been made.

I would also like to be permitted to clarify, for the minutes — although I thank Mr Kellett-Bowman for his comments — that I do not at all consider myself to be Ispra's 'guardian angel'. I did not mention Ispra once in this speech. It is true that there is a Joint Research Centre, whose policy, as Mr Ippolito has said, met with no success because it was included in the Community's scientific policy which has not provided any positive results.

If you wish to call me 'the guardian angel of Ispra' go ahead, but be sure to remember that I was then Minister for Research, and also protected and supported the Culham Centre, because I believed, as I still do, in the importance of the venture. However, I am confident that once more, as for the Super Sara project, your wisdom and sense of balance will help us to find a solution for this delicate problem concerning the future of the Joint Research Centre.

IN THE CHAIR : MR VANDEWIELE

Vice-President

Mr Turner (ED). — Mr President, the Commissioner gave a full answer, but occasionally he said 'etcetera' when he was talking about programmes, and what I wanted to know was whether his hopeful remarks

Turner

about things which end with the word 'etcetera' included the ERDS, referred to in my Amendments Nos 23 and 24 — that is, the Data Bank for Nuclear Power-Station Safety — which are modest but important proposals.

Mr Davignon, Vice-President of the Commission. — (FR) I do not think we can go into detail about each of the programmes in the course of this debate, but we all wish to leave it to the Joint Research Centre to choose the means of achieving the objectives.

That being the case, we have been instructed by the OECD to work along the lines indicated in your amendments and that is what we are going to do.

In my reply I did not wish to concentrate on any particular technical aspect of any particular programme. If the amendments had posed any problem for me, I would have said so. It is up to Parliament to decide if it wishes to concentrate on any particular part of our programme.

President. — The debate is closed.

The vote will be taken at the next voting time.

15. Community forestry policy

President. — The next item is the report (Doc. 1-783/83) by Mr Gatto, on behalf of the Committee on Agriculture, on Community forestry policy.

Mr Gatto (S), rapporteur. — (IT) Mr President, ladies and gentlemen, there are many reasons why a Community forestry policy is important. In this discussion which is, of necessity, brief, we cannot assess them all analytically. I hope that you will all have been able to read the printed text of my report and, in particular, the annexes, which are all of great value and cover the various motions tabled by colleagues belonging to various political groups by Mr Maher on behalf of the Liberal and Democratic Group; by Mrs Theobald-Paoli, by Mr Kyrkos, by Mr Costanzo, Mr Kazazis, Mr Barbagli and others; by Mrs De March, Mr Bucchini, Mr Martin and others; and the two opinions drafted by Mr Blaney and Mr Mertens.

The most important aspect is an economic one. It is sufficient to look at a few figures; the Community imports approximately 60 % of its needs, at a cost of approximately 9 000 million ECU, which is second only to the cost of oil imports. Furthermore, by the year 2 000 this deficit should increase by 1 % net per year. The size of these imports places the Community in a very dangerous situation, because of the rise in prices, the fact that some markets can dry up and be blocked and because of the tendency on the part of non-member countries to increase exports of semi-pro-

cessed or finished products instead of raw timber, thereby depriving the Community of the added value of processing.

Other important aspects which should not be underestimated are those connected with social issues, employment, the environment, ecology, as well as the quality of life, recreation, leisure and tourism.

The forest plays an indispensable role in the preservation of nature and protection of the human environment against erosion by water and wind, flooding and landslides. Forests also improve climate, counteract atmospheric pollution and provide a habitat for wildlife as well as beautifying the countryside and so on.

These factors are of particular significance in the Mediterranean regions, where they are linked to the protection of the water table and of grazing lands which, when exploited indiscriminately, provide one of the main causes of deterioration and erosion of Mediterranean forests.

The ecological function of the forest is also of vital importance in non-Mediterranean countries where it acts in providing windbreaks, controlling sand dunes and draining the soil. Wood is a source of renewable energy. The problem of forestry resources for energy requirements is of grave concern to the Third World, while already in 1980 approximately 100 million people were suffering from shortages of wood, while forestry resources are now practically exhausted in the case of one thousand million people.

But although the situation in the Third World is precarious, the EEC is also looking increasingly to wood as a source of renewable energy as a result of the increasing costs and shortages of traditional energy sources.

There are at least five valid reasons to support an expansion of forestry policy:

- the inadequacy of Community production and the foreign trade deficit;
- the possibility of new jobs being created and of living standards being improved in depressed rural areas;
- the protection of the environment and the provision of recreational areas;
- energy problems;
- protection from forest fires, acid rain, pollution and tree diseases.

Although there are important valid reasons for the creation of a Community forestry policy, there are also many serious difficulties involved: the length of time needed for production, which by comparison with agriculture differs because of the length of the growth cycle, which takes no less than 10 years — and which in practice sometimes takes several decades; the diver-

Gatto

sity of ownership — both public and private — with highly fragmented private ownership; legal, administrative and fiscal obstacles.

It is obviously difficult — and certainly not advisable — for each Member State to impose compulsory measures on private owners. Each State can but provide incentives to encourage rational management of forests. Problems of a legal, administrative or fiscal nature prevent the expansion of an effective forestry policy in the Member States. Variations in legislation from one State to another and the absence of any harmonization at Community level create distortions of competition.

A dual plan of action is needed: within the individual Member States and in the Community as a whole. This is what we would hope for in this Parliamentary initiative. We hope that in this sector the Community and Member States are equal to the task at this crucial moment which is rich with possibilities.

(Applause)

Mr Vgenopoulos (S). — *(GR)* Mr President, Mr Gatto deserves to be congratulated on his very important report which took three years of work to complete and which involved many discussions in the Committee on Agriculture.

We agree with the general conclusions of the report and with the explanatory statement on Community forestry policy. As forestry development requires a long time span, a stable and coordinated forestry policy is essential. This is because it may take anything from 20 to 200 years for trees to mature. The exploitation of forests provides low returns in relation to the capital which the forest represents and accordingly no forestry policy can succeed unless the economic yield of the forest is ensured with the aid of proper management and protection of woodlands against disease, winds and above all fires.

Fires are the main scourge today, particularly in the Mediterranean regions. Each year fire destroys on average 110 000 hectares of Mediterranean forest, with major repercussions both on the economy and the environment. In Greece, for example, an average of 22 000 hectares were burnt each year until 1977. Indeed, from 1977 to 1981 this figure increased by 300 %. It is a fact that contemporary lifestyles have led to a major increase in man-made hazards: in particular, free public access to forests for recreational purposes has multiplied the fire hazards. In the international forestry conference held in Poland in 1981 it was pointed out that there was a general upward trend in fires throughout the world, particularly in arson. The participants stressed the need for full exploitation of the technological resources, fire-prevention training of the population and, generally, increased readiness to tackle the problem of fires.

Mr President, apart from fires the forests — in particular in the Mediterranean region — suffer from infrastructural shortcomings. In particular there is a dearth of forest approach roads with the result that firefighting is difficult and in many cases impossible, thus facilitating the expansion of the fire to neighbouring areas. For this reason we believe that efforts should be concentrated in this direction, i.e. towards development of the infrastructure.

A further measure which I believe is essential for the correct exploitation of forestry resources is the creation of a forest cadaster. The ideas and proposals alone contained in the report under debate are not enough for a Community forestry policy: the political will is also essential. As we cannot know when the Council will take a decision in this field, it is essential from now on that the Community should undertake concrete measures in the context of special forestry development programmes.

Mr President, I believe that Regulation No 269 of 1979 concerning afforestation, the improvement of deteriorated forests, the construction of forest roads and fire protection in southern France and the Mezzogiorno should be extended to all regions of Greece.

Mr President, as we believe that the social and environmental value of forests is immense and perhaps even greater than can be estimated on the basis of wood production only, and as we agree on the need for correct management of woodlands in the context of a common forestry policy, we the Greek Socialists will vote in favour of Mr Gatto's motion for a resolution.

Mr Bocklet (PPE). — *(DE)* Mr President, ladies and gentlemen, we fundamentally support the aims set out in this report and should like to thank the rapporteur, Mr Gatto, for dealing so painstakingly with this subject.

As you know, wood is not covered by the EEC Treaty. The Community has no competency in the field of forestry which is a matter for the Member States. Thus, as matters stand from the legal point of view at present, there is no question of Community measures or financial considerations. Thus, the question is whether or not we want a common forestry policy and I think first of all we should settle two points. If we support the aims set out by Mr Gatto and the Committee, we must ask ourselves how we can achieve them. There are two options open to us. On the one hand, we can have an integrated Community policy or, on the other, individual activities and measures involving specific problems and areas. As I see it, the term 'common forestry policy' as used in this report refers not so much to a common organization of the market as joint support for certain measures which we all regard as necessary.

Bocklet

The differences in starting points of the various Member States and the very general objectives proposed by no means justify the development of a marketing arrangement. Particularly problematical is the establishment of a marketing arrangement for wood. If the marketing mechanism were to be, as it were, put out of commission by means of a marketing arrangement of this kind, this would cause the existing structures to become entrenched and inhibit any further development in forestry and the timber industry. We are already familiar with the difficulties arising from marketing arrangements for agricultural products and they hardly encourage us to support similar proposals for the timber sector. For this reason, I felt it would be far more sensible simply to support the individual points which we regard as particularly important and necessary.

For this reason, our group has proposed defining the term 'common forestry policy' to mean a coordinated joint approach to solving the existing problems — which is what we proposed. There are two main problems which Mr Gatto quite rightly mentioned in his report. On the one hand, there is reforestation, structural improvements and prevention of forest fires in the south of Europe and, on the other hand, there is the central issue of air pollution in Europe as a whole. Without an air-pollution policy — which would in itself help to prevent our forests dying off — any measure introduced to promote reforestation in the south will be basically useless. For this reason, it would, I think, be a good idea if we could give priority to these two aspects and consequently make concentrated use of the funds needed for these two measures rather than making other demands on them in the form of a marketing arrangement involving intervention and all sorts of other major expenses.

We should therefore like to make Mr Gatto's excellent report more precise on this one point and have accordingly tabled two amendments. I will, however, make no bones about the fact that our group is by no means unanimous on this point and that certain of my colleagues are in favour of a common organization of the market in timber. We were not able to solve this problem so I have put one opinion forward and another Member will present the other point of view.

Finally, I strongly urge you to support what the Commission has in the meantime proposed regarding reforestation and combating of forest fires in the south and counteracting air pollution in the interests of the survival of the forests in Europe as a whole, and I hope you will take heed of the major achievement which the Gatto report represents in that it has provided Parliament with a general direction and objective. With a view to coordination, we should now adopt this resolution in order to get things moving.

Mr Hutton (ED). — Mr President, in spite of the lateness of the hour this is a remarkably important subject. In a world complaining of the exhaustion of raw materials, here in Europe we have the ability to produce abundant quantities of a renewable resource and yet, as Mr Gatto pointed out, timber is going to be our biggest import bill by the end of the century. We are already seriously short of wood: it is a shortage which is rushing upon us, and we shall not be able to take panic measures to solve it. We are now using hardwoods which were planted last century. The softwoods which we are using were planted half a century ago. Already the timber industry in the traditional countries is slowing down because of a shortage of supplies, and there cannot be anybody who is unaware of the deep concern about what is happening to tropical forests, either from exploitation or from local depredation.

This may not be a particularly strong report — for example, Mr Gatto has not solved the fundamental problem that forestry means different things in different countries of the European Community — but it does represent an expression of Parliament's interest and concern in the subject.

To my slight embarrassment, Mr President, I find that I have tabled most of the amendments to this report. They are intended to strengthen the report in the eyes particularly of those people who are involved in forestry. One of those amendments asks for a prompt response from the Council and the Commission to the Parliament's views. But what do we find is already happening? On 2 June the Commission sent a communication to the Council on a Community action programme regarding forestry and forest-based industries — it bears the number COM(83) 222. It was sent to the Parliament for information only. It is a long, detailed document and contains a number of important proposals with budgetary implications. So far the Parliament has not been asked to give an opinion on this major policy step by the Commission, and I want strongly to support Mr Gatto's second paragraph regretting that the Parliament has been by-passed.

I am sorry that Mr Davignon, whose services largely prepared this report, is not here, but I am glad that Mr Giolitti, who signed the letter to the Council, is here, and I would like him to tell this Parliament this evening what is going on. Why does he think this House will just want this report for information? This report of Mr Gatto's is not the response to this programme, and I would like to have an assurance from the Commissioner to this House this evening that there is no intention on his part to avoid hearing Parliament's views on the action programme and that he will make certain that the Council is also very well aware of our anger over this treatment on this very important topic.

Mr M. Martin (COM). — (*FR*) Mr President, it is almost 10 years since the Commission submitted its initial proposals on forestry. The ensuing committees, resolutions and reports have never resulted in anything at Council level. This failure to take a decision can easily be explained by the complexity of the problems posed by forestry and forest-based industries, differing situations in the individual Member States and even conflicts of interests.

These contradictions, which are always sharp, make it difficult to implement a common integrated forestry policy. We are not in favour of this in any case because there is a danger that it would result in further restructuring and would jeopardize national forestry policies. Furthermore, Mr Gatto is obviously aware of this because he has — I am glad to say — discarded the proposal he tabled in his initial report.

This does not mean that there is nothing that can be done at Community level. Mr Gatto has pointed out some interesting avenues which could be explored and quite rightly points out that action could be taken immediately. This is what we feel too.

Forests play a threefold role, economic, social, and ecological. We consider that the overriding priorities are to exploit them, develop activities and jobs in the forestry and timber sectors and also reduce our trade deficit which, in our case at least, is becoming increasingly heavy. The measures which have been or are about to be adopted in our country can effectively be amplified and compared at Community level. The curb on timber imports which was imposed following the hurricanes in 1982, as requested by our colleague and friend, Pierre Pranchère, is a constructive move, but it is not sufficiently comprehensive and is a short-term emergency measure. It could be extended to advantage by increased protection against imports. Speaking for the French Communists and Allies. I can say that we are in favour of increased cooperation and the coordination of national forestry policies. However we cannot accept the rapporteur's proposals that national legislation be harmonized, particularly in the fiscal sphere, and that a European regional planning scheme be adopted. Improved protection of forestry is a good example of Community action supplementing the efforts made by the Member States. I shall close by saying that I also welcome the fact that the Commission has accepted the request from our group and proposed a specific regulation that is designed to reinforce measures to prevent and combat forest fires. I hope that this regulation will soon be adopted by the Council and that it will be implemented as from 1 January 1984, with adequate funding.

Mr Maher (L). — Mr President, I too would like to compliment Mr Gatto on his report, even though it was a long time in gestation. I am very glad that it has

finally come onto the floor of the House and I sincerely hope that the attendance tonight is not indicative of Parliament's attitude towards the whole question of forestry and the wood industries. If it is, then I am afraid that Mr Gatto must be very pessimistic about the future. However, I hope perhaps that the quality of the people present outweighs the lack of quantity, which we are missing tonight.

The whole question of afforestation is assuming a new importance. We know very well that the basic use for land in the European Community is for food production. We know that in Europe we have made an excellent success of that. In fact, we are so successful in agriculture that we have created problems for ourselves. Our success is almost an embarrassment, because we have surplus production. That is why I am absolutely astounded tonight that Mr Bocklet — and I am sorry that he has left the Chamber — should suggest that we could not use this same technical expertise in order to be successful in afforestation. Here is a product, as has been said before, in which we are seriously in deficit; we know also that wood is being consumed worldwide at double the rate at which it is being replaced. So it is not only that we have a deficit in the European Community. There is a growing deficit worldwide. In spite of the best efforts that we could make in the European Community to grow extra trees, I would be prepared to guarantee that the youngest person present tonight will not see a time when there will be a surplus of wood in the European Community. I think that is a fact which we should not overlook. That is why I think that we should use the same techniques as we have used in agriculture, which have been so successful, to give us all this extra production in relation to afforestation.

If we are to succeed, we can do so only by using the full force of the European Community, all our countries acting together. Take research, for instance, which we have discussed already tonight. Excellent speeches were made about the lack of coordination in the research field. We don't have coordination in research in relation to afforestation. We all have independent research programmes. Could we not put our heads together and see if we could do more about growing better varieties of trees, about treating the wood, about having better methods of using the wood, and so on? Here is an area where we need coordination.

We need coordination in relation to the importation of wood into the Community which sometimes creates problems for those trying to produce wood inside the Community and so on. We need a general overall approach, in my view, if we are going to be successful.

Furthermore, we have a natural resource in the availability of soil in regions of the Community that are

Maher

continuously being depopulated. People are moving from these outlying regions into the urban areas, where there is massive unemployment today. We could make better use of these resources in many of the regions of the Community by a tree-planting programme, by producing wood, by giving employment to hold the people back in these areas. Indeed, I hope, that those people who continuously condemn the agricultural policy because we are producing surpluses will now be prepared to support the concept of a united approach towards afforestation, so that we can produce the extra jobs, make good the deficit in wood and so help to improve the entire functioning of the European Community.

Perhaps also we should think more about the instruments that we should use. For instance, cooperatives could be established enabling farmers to plant more trees through their combined efforts, so as to try to improve the environment of the areas where they are living, give more employment, etc.

There is a whole set of proposals that could be put into effect provided there is a uniform approach on this question. I hope, Mr President, that the Commission will now make even greater progress. I agree with Mr Hutton that they ought to have consulted, us, but I do not think we should act like a dog in the manger. I want to see the Commission be more active in this field. But the real nigger in the woodpile is the Council. It is not the lack of proposals from the Commission, it is not the lack of interest by the Parliament, the real nigger in the woodpile is the Council who are not prepared to take the necessary European measures in order to get a forestry programme off the ground.

Mrs Anglade (DEP). — (FR) I was instructed by my group to make a few comments on Mr Gatto's report, with particular reference to Mediterranean forests. I think everything has been said and I will comply with your wishes by saying that we will approve this report.

Mr Eyraud (S). — (FR) Forests comprise a considerable part of the surface area of the Community, approximately 32 million hectares.

None the less there is a significant shortfall in the timber industry. Only 60 % of our requirements are covered, and the balance has to be imported in the form of pulp, furniture and sundry other finished products. This is paradoxical. Why is it? In my view, there are many reasons, and the first-class report drawn up by our colleague, Mr Gatto, provides a first-rate analysis of them.

Then there is a problem of structures: there are stark differences between publicly owned forests and what is in private hands. The latter is parcelled out — some-

times to a considerable degree — as is the case in France in the area I represent.

As is often the case, forests are predominantly located in mountainous areas and are accordingly extremely difficult to exploit. One has only to look at figures for comparative output to see this. In France, 14 million hectares of forest produce 29 million cubic metres; in Germany, 7 million hectares produce 27 million cubic metres, while in the United Kingdom, 2 million hectares produce 4 million cubic metres. Furthermore, some disadvantaged mountain areas, which I am well acquainted with, have a tendency to behave like developing countries. The result is that the raw material coming from the forest is not processed on the spot, but in other parts of the Community or even outside it, and it is then reimported at a later stage in the form of pulp or other manufactures. There accordingly seems to me to be a case for drawing up a series of common measures, something along the lines of the French 'forestry' plan. The primary aim of this plan should be to harmonize and coordinate resources with a view to developing and exploiting the Community's forestry reserves.

It would take too long to draw up a catalogue of measures, and I do not propose to do this but instead to pick out one or two of those which seem to me to be the most important, such as financial and tax inducements, the construction of roads through forests, the clearing of undergrowth, fire prevention, and the development of forest-based industries downstream of forests.

In the light of the experiences of the past few years, I also hope that some thought will be given to the financial resources needed to make good the periodic losses in forestry resulting from natural disasters, such as wind or snow storms, by using up the wood from damaged trees.

I would also like to point out that a Community 'Forestry' plan will be all the more necessary following the accession of Spain and Portugal. Timber is one of the few surplus products in these two countries, hence the need to improve the organization of the wood market in the enlarged Community.

Forests are undeniably a source of wealth and contribute towards the well-being of mankind and the animal kingdom. Over the last few decades, timber products have regrettably been replaced in many instances by substitutes which are harmful to the environment. I am referring to plastics.

It follows that we must apply ourselves to the task to protecting our forestry resources, securing their future and exploiting them in a rational and intelligent manner.

Mr Helms (PPE). — *(DE)* Mr President, I shall be glad to fall in with your wishes at this late hour and be brief, but I should nevertheless like to take up a number of remarks made by other Members and comment on certain basic issues.

I congratulate Mr Gatto on his excellent report and would be very pleased if, after we have taken the vote tomorrow in plenary, we were to have an outline for a European forestry policy which indicated to the Council in a helpful and practicable manner, what form we as directly elected Members of the European Parliament feel such a policy should take. The Treaty provides no basis for extensive forestry measures — or indeed any such measures at all — and this is perhaps also the reason why the work which has been done and the pilot projects which have been conducted so far have been on only a very modest scale and why the Council has come to no agreement at all concerning a common forestry policy and a joint approach.

Apart from the technical questions, we are primarily concerned about the difficult fundamental procedural and budgetary problems which really should be settled first. Unfortunately, these were not mentioned in the report but they deserve our attention nevertheless. We need a common forestry policy if only in view of the fact that the forests of the Community are increasingly at risk as a result of the effects of civilization — in particular atmospheric pollution and fires. I should like to thank the rapporteur, Mr Gatto, for supporting the amendments I proposed in the Committee on Agriculture and incorporating them in his report. As Mr Bocklet has already mentioned briefly, we were not entirely in agreement — let us be frank about this — on the basic question of what sort of forestry policy we want. You, Mr Gatto, are advocating, judging from your report, a maximalist approach in the form of a fully integrated common agricultural policy in the full sense of the term. This is something which we must discuss further. Obviously, forestry policy cannot merely be regarded as an aspect of agricultural or structural policy since — as various Members have already mentioned — raw-materials, environmental and regional considerations also come into it, as we have all described and jointly accepted in the report currently before us. These things are part and parcel of the question: I quite agree on that point.

A genuine integrated common forestry policy such as you propose would involve the Community having full competency in the matter and would necessitate an organization of the market and the establishment of a forestry and timber authority. This is something to which we must devote some consideration and discussion. As I see it, this would be fairly pointless and superfluous. This maximalist approach would, as

in the past — stand in the way of any further development or necessary agreement.

The report outlines the form a common forestry policy could take in practical terms and the various elements could be dealt with and implemented at least equally if not more effectively and certainly more cheaply and with less effort by the Member States on their own responsibility but with coordination at Community level. I have tabled two amendments along these lines which describe our concept of a forestry policy which would be coordinated at Community level but nevertheless retain the various elements on which we have agreed. I hope that you will support these amendments when we come to vote since it would be better if we were to assist the Council in its deliberations and decisions by passing a clear, constructive and realistic resolution, rather than making things difficult or delaying matters through vagueness and maximalist demands. Otherwise, I do not rule out the risk of indirectly encouraging the tendency for things to stagnate. What we need is decisive, firm and practical action and this realistic resolution provides us with an opportunity for this very thing. In the interests of the economies of all the Member States and with an eye to our responsibility to the future, therefore, I urge you very strongly once more to support this joint solution which I have outlined here. Strictly speaking we should also discuss budgetary and procedural questions. However, we must make the fundamental points quite clear so that there can be no room for dispute in the Council. I urge you to support my two amendments.

Mr Kaloyannis (PPE). — *(GR)* I too agree with what my colleagues have said and consider Mr Gatto's report to be extremely important and useful with a view to defining a forestry policy for the Community. The fact that there have been admittedly some delays in this policy is evidently due to financial constraints on the one hand — as there is a tendency to cut back expenditure in this field — and, on the other, to certain Member States' refusal to extend the Community's powers in this area because they have adopted a wrong approach to the problem. However, Mr Gatto's report — as it correctly presents the Community forestry situation — contains concrete proposals in the motion for a resolution with which I have no reason to disagree. However, bearing in mind the major economic difficulties involved in getting the Council to accept and implement all the proposals in Mr Gatto's report my opinion is that the measures should be ranked in order of importance, with urgent priority being devoted to the prevention of disasters, in particular in the Mediterranean region — where my country is — which for climatic reasons is particularly sensitive. I would like to underscore the following characteristic measures:

Koloyannis

Technical and statutory forestry conservation measures; reforestation schemes in regions which have suffered disasters for various reasons; measures to create forests in inhabited and uninhabited areas; finally, measures to prevent and contain fires caused by negligence and, above all, arson. I attach particular importance to the last measures because vast areas of woodland have been reduced to ashes in recent years and not only woodland but inhabited areas also were in jeopardy. By way of example I would again refer to Greece, where fires broke out during the summer and threatened settlements even in the vicinity of Athens — indeed, human lives were also endangered.

The Community budget should make a decisive contribution to these urgent measures. I believe that the economic cost will be outweighed by the benefits which will eventually emerge from the exploitation of forestry resources and the increase of employment in this sector, in which over six million people are employed even today.

Mr McCartin (PPE). — Mr President, I think it was Mr Maher who made reference to the numbers and the quality of the people who remained for this debate. He did not exactly say that it was not the people with wood in their heads who were here for this debate, but their heads do tend to become a little bit more 'woody' as the night goes on. Of course, that does not include you, Mr President, because you tend to sparkle up all the more as the night wears on and I hope you will not take the couple of minutes for that introductory remark from my speaking time, which is only three minutes.

I primarily agree with Mr Maher and congratulate him on raising the issue in the first place, because I know a part of the Community with which he too is familiar. Indeed it has occurred to me that the land of this continent of Europe seems to be able to produce food almost without limit — certainly in the context of the markets available at the price we produce it. Even in parts of this Community we are encouraging and supporting people in the production of things like milk of which we have a million tonnes in storage, and butter, and we do not give them any worthwhile assistance at all to produce something that is in short supply and great demand.

The region I come from is much more suited to the production of timber than it is to that of milk. Therefore, we are inclined to ask ourselves how the Community can be so blind as not to recognize this and in so doing pursue policies that make much more sense.

I always see forestry — and I do not like this tendency — separated entirely from the question of agriculture. I think they should go together. I think

forestry is an alternative use for land in an area where we have land to spare, and rich land at that. It can provide for our needs and it can solve many of our problems.

I would like to see it undertaken at Community level, as against regional or national level, since in the areas where afforestation is most needed and where the potential for production is greatest, the money is not there to develop this resource. I would like to see it developed.

On the other hand, in some regions there has been conflict as the population has been replaced by vast expanses of forest. We would not like to see that happening. We would like the population that exists in those regions to be accommodated in a new environment. Development of afforestation would give them, in their own lifetime — even if they were not able to harvest the crop they had planted — a return for the development of the forest, the cultivation of it and the investment they made.

In addition, I would like to see those people able to get the same sort of return from the production of timber as they are able to get from the alternative crops they produce.

The great variety of problems and questions raised by this matter of afforestation comes to my mind when I hear Members from Southern Europe raising the whole question of forest fires and the dangers of fires. In my area there is no problem at all, because the Good Lord generously sprinkles those forests with rain almost every day and there is no question of our having fires. But we like to go down to their sunny forests to take a holiday, just as we like to see them coming to our soft, green forests on vacation. That is another use to which afforestation can be put.

This is a subject we would like to go on discussing, but I think enough has been said, and I wish to thank you for your generosity in allowing me a few seconds over the time.

(Applause)

Mr Giolitti, Member of the Commission. — *(IT)* Mr President, ladies and gentlemen, I should first of all like, on behalf of the Commission, to add my praise of Mr Gatto to that expressed by all the speakers so far for his excellent report. This report, like previous ones which have just been mentioned by Mr Gatto, bear witness to the very lively interest repeatedly shown by the European Parliament in problems connected with forests. The Commission is grateful to Parliament for having always supported its efforts to lay down a proper Community forestry policy.

Giolitti

It welcomes this new motion. Nevertheless, until a genuine Community forestry policy has been drawn up, the Council has also decided, on a proposal from the Commission, to put into effect several special actions. By issuing favourable opinions, the Parliament has helped to advance this policy which really includes two types of action :

- actions specifically connected with forests, such as forestry development in some areas of the *Midi* in France and of the *Mezzogiorno* in Italy. The budget appropriation of an extra 25 % (46 million ECU), passed by the Council for this action, demonstrates its importance and success ;
- forestry actions which are integrated into agricultural programmes for regional development such as those planned for Western Ireland, the Western Isles of Scotland and the French department of Lozère. The most recent of these integrated forestry actions involves some Greek regions and will soon be extended to the whole of Greece : the Council has to examine a proposal, concerning this issue.

In spite of their effectiveness, these mainly agricultural forestry actions are inadequate for Community needs. The Commission has therefore recently proposed other specific or general actions for the forestry and wood sector. In a communication to the Council the Commission submitted a programme of Community action for forestry and forest-based industries, as well as a proposal for a resolution on the objectives and guidelines of Community policy actions in forestry and in forest-based industries. Here I should like to point out that if the consultation of Parliament has not been explicitly mentioned in the 'having regard to' section of this proposal, the mistake was made inadvertently and was certainly not intentional. The Commission will make sure to draw the Council's attention to this point, so that the issue can be laid before Parliament.

The Commission has also set up a consultative committee for Community policy in forestry and forest-based industries, where representatives of the main economic sectors involved can meet — the forestry sector is particularly involved — so as to discuss the problems which concern them, especially those connected with the supply and demand of wood products in the Community.

Another Commission proposal, which is specifically concerned with forestry, provides an adequate response to the concern expressed by Parliament. It deals with the protection of forests against fire and acid rain ; these two phenomena are disastrous for forests and the Community must do everything in its power to protect forests from them.

The Mediterranean integrated programme recently proposed by the Commission to the Council, on which the Parliament has been consulted, contain an important chapter on forestry problems, and recom-

mend an appropriation of 425 million ECU for actions in this sector.

In its very recent proposals for a structural policy in agriculture, the Commission has dedicated more space to forestry actions than in the past, providing for, amongst other things measures concerning forestry for farms, as well as measures for the improvement of the conditions for processing and marketing forestry products.

These actions are in line with the recommendations set out in the report submitted to Parliament. They all form part of a single strategy, whose fundamental long-term objective is the expansion of European forests, so that they can satisfy the basic Community requirements, both from the point of view of wood production, the Community deficit for which is cause for concern, and from the point of view of the other functions performed by the forest (economic, ecological and social functions).

The Commission does not intend to confine itself to the actions and proposals mentioned above, but wishes to make further progress and, if possible, intensify its efforts to reach the goal that has been set. It is therefore, encouraged by the motion which is about to be adopted and will certainly refer back to it when drawing up future proposals.

Finally, Mr President, I would on behalf of the Commission, like to refer to the amendment which has been presented and illustrated in this discussion by Mr Helms. The Commission believes it to be inconceivable that Community action should limit itself solely to coordination. Some actions concerning forestry count on direct intervention from the Community itself in, for example, less-favoured regions. On the other hand the Community has, so far, supported many such direct actions, such as reafforestation in Mediterranean regions and agricultural development in certain Greek regions.

These forestry actions which are currently being carried out could not have been initiated solely by coordinating national forestry policies. These direct incentive actions, together with the coordination action which the Commission is developing together with the forestry authorities of the Member States, comprise the embryo of the future forestry policy of the Community.

(Applause)

Mr Purvis (ED). — The Commissioner mentioned two major disasters for forests — acid rain and fire. There is one other that affects the northern part of Europe particularly badly on peaty and wet soils, and that is windblow. Every 20 years it can be guaranteed that there is going to be a hurricane. Could he please include, in consideration for these special aids and helps and research into how to avoid it, the problem of windblow ?

Mr Giolitti, Member of the Commission. — (IT) Mr President, obviously the Commission, in emphasizing forest fires and acid rain, considers them to be disasters of primary concern, but does not consider them to the exclusion of other types of damage. Obviously other types of damage can affect forests, such as those just mentioned by our colleague, and they have also been taken into account in this launching of the Community forestry policy which I mentioned in my speech.

President. — The debate is closed.

The vote will be taken at the next voting time.

16. *Transport in the peripheral regions*

President. — The next item is the report (Doc. 1-755/83) by Mr Cardia, on behalf of the Committee on Transport, on transport problems in the peripheral regions of the European Community.

Mr Cardia (COM), rapporteur. — (IT) Mr President, since it is getting late, I must, out of consideration for my colleagues renounce the oral presentation of the text — which is longer than usual being 110 pages long — in which I and the Committee on Transport have tried to provide a comprehensive reply to the aspirations and frustrations concerning transport felt by island peripheral regions as well as other peripheral regions of the Community. I believe, as do many of my colleagues, that transport problems represent one of the most serious obstacles to economic, social and cultural development in these areas and regions.

However, I must thank Mr Purvis for having made this initiative report possible with his own motion which raised these problems back in 1981, and I should also like to thank not only those of you who would like to make a speech in these few remaining minutes, but also those who have worked to improve this report and wish to honour it in this House with their vote.

Finally I should be grateful if Mr Purvis, Mr O'Donnell and Mrs Ewing would be so kind as to keep the amendments which add something to the text, but to withdraw — they could perhaps think on it tonight — those which replace or delete the text. These amendments do not contain much more than the text approved by the Committee on Transport. Some references and wording which have perhaps been given too much emphasis or which are too specific could disturb the balance which the rapporteur had been at pains to obtain and which obtained the almost unanimous support of the Committee on Transport.

(Applause)

Mr Klinkenborg (S). — (DE) Mr President, I should like first of all to thank, on behalf of my group, Mr Cardia who has surely made a name for himself by presenting this report which is the fruit of considerable work, preparation and discussion in the Committee on Transport. This report is, in my view, one of the most important ever to have been discussed in this House, concerning as it does the balance of this Community, and I very much deplore the fact that such an important report should come up for debate at such a late hour and with so few Members present. It has long been one of the aims of the Socialists to fight against centralization in the Community.

Our aim cannot be to establish centres but rather to have an equalizing effect, and the major political task facing us is to bring about comparable living conditions in the regions and in the central areas. Every time there is an economic crisis, the less-privileged regions must bear the brunt. During an economic crisis things go downhill amazingly quickly but take much longer to pick up again than in the central areas, which means that every crisis simply adds to the disadvantages already existing in the regions. It is depressing to read in this report that the 25 least developed regions of the Community are all peripheral regions which suffer for being out of the way.

As regards transport policy, these disadvantages and structural weaknesses affect both passenger and goods transport and have many unfortunate consequences, such as higher production and transport costs, delays in passenger and goods transport, bottlenecks in the availability of transport and an inferior quality of life for the persons living in these regions. It is a vicious circle, since these shortcomings inevitably result in a constant migration of people away from these areas, which in turn leads to permanent deterioration of the situation. The deficient transport infrastructure, bad coordination of the various modes of transport, the fact that the transport links between the centres and the peripheral regions are only sporadic and, in many cases, the total lack of links between one peripheral region and another, all go together to form a state of emergency as regards transport policy which is completely out of keeping with the objective set out in the Treaty of Rome of harmonious development of economic life throughout the Community as a whole.

However, transport and transport policy must, since it is they that provide the links, be one of the main pillars for the further development of the Community and here there is an enormous gap, which means we must be prepared to develop specific aids with a view to eliminating this disparity. Let us make it quite clear: this is primarily a matter for the national governments, since it is they who are responsible for attending to the interests of the populations of the regions. It is first and foremost the national governments which are called upon to eliminate this

Klinkenberg

disparity, since there are less privileged peripheral areas from a purely national viewpoint too — this is not a specifically European problem.

Consequently, the first priority is to be found in the national context and this is why it is stated clearly in paragraph 18, following a proposal by the Socialist Group, that as long as the present constraints on the Community budget and the current restrictions on the common transport policy persist, the Member States will inevitably have to bear the financial burden for direct, far-reaching and fast-working action. This does not mean, of course, that the Community should not shoulder part of this burden in the future. The Members of the Committee on Transport, regardless of their party, have long been calling for the establishment of a European fund for the financing of transport infrastructure. A quantitative and qualitative improvement in the transport links should enhance the viability of these areas and their populations, and transport as a public service occupies a predominant position in this respect.

Naturally, account must be taken of the principles of competition and economic viability, but people should not be allowed to suffer for the sake of these abstract principles. Clearly, transport policy must in this connection be viewed very much in the context of the regional development objectives of the various governments and for this reason we call once more for close coordination of the various Community financial aid measures, such as the Regional and Social Funds, as well as the transport infrastructure fund which we have been calling for for so long. In the forthcoming elections we as Parliament will have to provide the people living in these peripheral regions with an answer to the question of whether we intend to go on ignoring them and their problems or whether we acknowledge our responsibility in this respect.

We as Socialists will endeavour to ensure that, as far as we can, we do not merely pay lip service to this responsibility. We congratulate Mr Cardia on the excellent work he has done, we intend to support his report and we call on all those Members who have tabled amendments to take another good look at the report before proposing unnecessary changes. We intend to reject these amendments.

Mr O'Donnell (PPE). — Mr President, I would like to congratulate Mr Cardia very sincerely on his most comprehensive and well-documented report, a report which deals with one of the most serious problems confronting this Community at the present time.

One of the most significant facts to emerge from the Cardia report is that the 25 regions of the Community with the lowest growth rates are all situated on the periphery of the Community, with Ireland, Greece

and southern Italy having the most disadvantaged regions of all. The primary characteristic of these regions is their distance from the main focal points of economic activity, and the most obvious consequence of this remoteness is their comparative poverty. There is absolutely no doubt at all — and indeed the Cardia report clearly brings this point out — that within this Community there is a very high degree of correlation between a region's geographic location and its economic prosperity. Accessibility is an important determinant of regional economic prosperity while, on the other hand, remoteness and peripherality are serious impediments to growth and development.

If we in this Community are serious in our concern to eliminate regional disparities and to promote economic convergence, then it is absolutely essential that positive action be taken to improve the accessibility of the peripheral regions and thereby promote their integration with the central regions of this Community. This can only be done by means of a massive investment in the provision of the most efficient and economical transport systems both within the peripheral regions themselves and between the peripheral regions and the central regions. This must be a top priority of a genuine Community transport policy.

As I said, Ireland, Greece and southern Italy have the most peripheral and poorest regions in this Community. Ireland is a typical example of a peripheral region which suffers severely from the handicap of remoteness and distance. For example, the average access time by road transport from Ireland to the centre of the Community is 29.8 hours, compared with 4.8 hours for Germany, 5.7 hours for Belgium and 7 hours for the Netherlands. Then, of course, in the case of Ireland — and this applies also to Greece and southern Italy — our internal transport infrastructure is very poor by European standards. Fuel and other transport costs are considerably higher than the average for the Community. In Ireland also, as indeed in the other peripheral regions, the accessibility factor operates to the detriment of the more remote areas, for example, the western regions of Ireland.

The economy of my country is vitally dependent on exports. 86% of our exports are sold in this Community. All these factors place Irish exporting firms at an enormous disadvantage *vis-à-vis* their counterparts in the central regions.

I believe that the Cardia report forms the basis for the formulation of a dynamic new Community transport policy which, if implemented, could transform the economies of the peripheral regions of this Community. Such a policy would also contribute greatly towards the achievement of one of the fundamental objectives of the Treaty of Rome, namely, the economic convergence and closer integration of all the Member States.

O'Donnell

Some of my colleagues will have had the opportunity of visiting an art exhibition in the IPE building this week, which was put on by representatives from Tory Island on the north coast of Donegal. This is a small community of 150 people which has been depopulated rapidly over recent years, and the very survival of this small island community depends on the provision of an all-weather ferry boat at a cost of billions, relatively speaking, in relation to the Community budget. There is also the problem of Rathlin Island off the coast of Antrim. These are two communities whose very survival now depends on the provision of an all-weather ferry boat. That is why, in one of the amendments I have tabled, I have made reference to the urgent need for the financing of mobile transport infrastructure in relation to the islands off Ireland and in Greece as well.

Mr Purvis (ED). — Mr President, I will be very quick. I just wanted to thank Mr Cardia very much for responding to my resolution that was tabled back in 1981. I know it has taken time, but from what is in the report I can see why it took all that time and I do thank him very much for the care and attention he has given to this subject.

I am probably one of the few people in this place who actually suffer from the effects of a peripheral problem in living and trying to work and do business on one of the Hebridean islands of Scotland. That, Mr Klinkenborg, is why I have put in my three amendments. I do not think that you quite appreciate, coming as you do from the German golden triangle, what the problems are in these remote islands.

First of all I would like to thank the Commission and the Community in general for all that it has done for the western islands — the new piers for the ferry to Iona and the other parts of the western isles we appreciate greatly, they have helped a lot. But there is still an enormous amount to do, and that is why in my Amendment No 6 I ask for a concerted programme over a period of years to deal with problems like Tory Island and Rathlin Island and all the other problems we have. It needs to be planned together between the Community and the Member States concerned.

Mr Cardia, my Amendment No 4 does change your paragraph 16 a bit. The only reason is that frankly the wording, in English at least, does not really mean very much. It talks about 'virtual distances' — that does not mean terribly much — and 'special parameters'. What I am trying to do is call a spade a spade and say that some sort of road equivalent tariff has to be introduced or be available without contravening the competition rules of the Community, i.e. that subsidies can be available in such situations. So I would beg you to approve that particular amendment. It is to clarify and be more specific.

Lastly, my Amendment No 5 is to deal with the problems that the social conditions attached to tacho-

graphs and other questions such as drivers' hours create for remote areas where it does take a long time for a truck to get from A to B. Really the inflexibility of some of these regulations does make life very difficult for those trying to run a commercial enterprise. I would ask the whole House to support that amendment so as to put a little bit of flexibility into the approach to these regulations that the Community has imposed on us.

Mr Carossino (COM). — *(IT)* Mr President, I should like in the minute available to express our sincere appreciation for the thorough and exhaustive work presented to us by Mr Cardia after long and thorough preparatory work.

In our opinion this report represents, as has already been said, an important stage in the development of a modern transport policy by the Community, because it deals in a completely new and original way with issues which have already formed the centre of discussions in the past. As I have said, it deals with them in a different way: it calls for solidarity, without becoming too aid orientated. It asks for and deals with the specific issues of the peripheral regions, without setting them against the requirements of the other central regions of the Community. Indeed it is promoting a comprehensive strategy for actions in the field of tariff, legislative and organizational harmonization which could really help to make the Community transport policy take off in a really modern form.

It is obviously not possible to develop these ideas and concepts in one minute. I only hope that the European Parliament will share this opinion and will support this report and that the report can form the basis for a profitable transport policy to the peripheral regions of the Community.

Mr Pearce (ED). — Mr President, I have not had the chance to say good evening to you, so may I say good evening now?

I just wanted to clear up a misunderstanding that might arise from what Mr O'Donnell said. He was talking about Tory Island as being a depopulated zone. If this was in any way referring to the Tory benches here, I would like to explain that most of us are attending our party conference in Blackpool and that this is no way in disrespect of the rights of Tory and Rathlin in that sense of the word. I hope you will accept that explanation.

(Laughter)

President. — We shall continue the debate tomorrow.

*(The sitting was closed at 12 midnight)*¹

¹ For the agenda for the next sitting, see the 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 the Minutes.

MOTIONS FOR RESOLUTIONS 'TURKEY'

- LIBERAL AND DEMOCRATIC GROUP (DOC. 1-814/83)
- DE LA MALENE (DOC. 1-822/83)
- VON HASSEL (DOC. 1-829/83)
- FELERMAIER (DOC. 1-831/83)
- FANTI (DOC. 1-839/83)

REPLACED BY AMENDMENT No 1, WHICH WAS ADOPTED

* * *

MOTIONS FOR RESOLUTIONS 'ARGENTINA'

- FANTI (DOC. 1-838/83)
- PEDINI (DOC. 1-840/83)

REPLACED BY AMENDMENT No 1, WHICH WAS ADOPTED

* * *

MOTIONS FOR RESOLUTIONS 'HUMAN RIGHTS'

- DUPORT (DOC. 1-832/83): ADOPTED
- GLINNE (DOC. 1-833/83): ADOPTED
- THEOBALD-PAOLI (DOC. 1-835/83): ADOPTED

* * *

AIGNER MOTION FOR A RESOLUTION (DOC. 1-828/83 'CHRISTMAS BUTTER'): ADOPTED

* * *

**PROVAN MOTION FOR A RESOLUTION (DOC. 1-799/83 'FISHERIES'):
ADOPTED**

* * *

**WAGNER MOTION FOR A RESOLUTION (DOC. 1-834/83 'STEEL
INDUSTRY'): ADOPTED**

* * *

**SALISCH REPORT (DOC. 1-754/83 'EMPLOYMENT FOR YOUNG PEOPLE'):
ADOPTED**

The rapporteur was :

- IN FAVOUR of Amendment Nos 3 and 10 to 19 ;
- AGAINST Amendments Nos 1, 2 and 4 to 9.

Explanations of vote

Mrs Nielsen (L). — (DA) Perhaps I was a little slow during the vote but I think this is a very important matter. We are all very much concerned about creating jobs for the many young people who unfortunately these days have no real chance of finding work — not just a temporary job but long-term employment. Thus this is a very serious subject, and for this reason we are endeavouring to find something which has a real future in it, and what bothers me when we look at the text adopted is that it is further evidence that some people believe the theory that you can create employment for young people — and long-term employment at that — by artificially creating jobs, primarily in the public sector. Unfortunately, this is not the way of solving the problem, since what we really need to do — not only for young persons but for the unemployed in general — is to create jobs in the productive sector. We must bring about healthy undertakings which are really capable of producing saleable goods so that we can become competitive on the world market. This is an economic policy which will be in the interests of us all and primarily the many young people who are currently out of work. If people continue with this lack of imagination as regards creating new jobs and persist in their wish to distribute the existing work over the entire potential working population — in a word, by reducing working hours — we will be missing everything we need for a better future for us all.

Mr President, I am sorry, but the small majority present has voted democratically in favour of something which I cannot personally go along with.

Mr Kallias (PPE), in writing. — (GR) I will vote in favour of the motion for a resolution contained in the Salisch report, but I believe that the problem of unemployment in general and of young people in particular is a very fundamental one and must be tackled using short-term, medium-term and long-term measures. These measures should be proposed by a multipartite committee consisting of representatives of both sides of industry, sociologists, economists, technical experts and politicians.

Mr Lalor (DEP), in writing. — The reason why the Group of European Progressive Democrats is opposed to the Salish report is straightforward.

Our vote expresses our utmost dissatisfaction with the Commission for its presentation to us of inadequate and irresponsible proposals aimed at overcoming what is the most critical problem in the Community.

We feel a 'no' vote is the only adequate means available to us.

With young people representing 43 % of the total unemployed it is time the Commission stopped paying 'lip-service' to young people and proposed real measures to resolve the problem.

We say 'no' because the response is too little.

We say 'no' because the proposals do not measure up to the task facing us.

We say 'no' because these proposals are a cul-de-sac.

We say 'no' because there has been no adequate response to the problems of unemployed women.

We say 'no' because the basic need to promote economic recovery is ignored.

We say 'no' because after so many years the Commission has not grasped the extent of the crisis.

We say 'no' because the Commission recommends unremunerated voluntary work, when what young people want is paid employment or at least relevant training.

Finally we say 'no' because exchanging one group of young people for another group merely juggles unemployment figures, leads to frustration and does nothing to instil confidence in young people that we are serious about our business.

SITTING OF FRIDAY 14 OCTOBER 1983

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IN THE CHAIR: MR DANKERT

President

*(The sitting was opened at 9 a.m.)*¹

1. *Votes*²

PROPOSALS FROM THE COMMISSION (Doc. 1-172/83 — COM(83) 480 final) TO THE COUNCIL FOR

- I. a Council regulation amending Regulation No 136/66/EEC on the establishment of a common organization of the market in oils and fats and Regulation (EEC) No 2958/82 laying down special measures in respect of olive oil producer organizations for the 1982/83 marketing year;

¹ Approval of minutes — Documents received — Petitions — Verification of credentials — Membership of committees — see Minutes of the sitting.

² See Annex.

- II. a council regulation laying down special measures in respect of olive oil (procedure without report)¹.

Mr Gautier (S). — *(DE)* Before we vote on these two proposals for regulations, I should like to ask you to tell us precisely what we shall be voting on. While it was being discussed in the Committee on Agriculture, we only agreed on urgent procedure for the amendment of Regulation No 136/66, whereas this is Regulation No 2958/1982 which refers to Article 2 where the date was changed to remove any uncertainty regarding its implementation. The agenda before us gives the impression that we are voting on something more, namely what is listed under No II on the agenda, a Council regulation on special measures for olive oil. I do not think that we should vote on this today since we have not given our opinion on it in the Committee on Agriculture. The Committee on Agriculture insists on drawing up a report since the topic is not all that simple.

¹ Procedure without report: for all the other votes see Minutes.

Mr Vgenopoulos (S). — (GR) Mr Gautier is right, Mr President. We are actually voting only on paragraph 2 of Article 1 which transfers the date from November 1973 to November 1974. A report has not been drawn up on the rest of the Commission's proposal and therefore it remains to be debated by the Committee on Agriculture.

*(Parliament approved proposal for a regulation I)
Proposal for a regulation II*

Mr Gautier (S). — (DE) This regulation does not have a number since it refers to Commission document, COM(83) 480/final, which is a composite proposal, and in my view we cannot vote on this part. Neither the Commission nor the Council have asked for urgent procedure, nor has a report been drawn up.

President. — I do not have any number for this regulation.

Mr Gautier (S). — (DE) That is why I indicated the number. It is COM(83) 480/final. I do not know what number Parliament has assigned to it. The only document I have is this yellow one from the Commission.

President. — We shall now proceed to vote.

Mr Gautier (S). — (DE) We cannot vote on it since it is not on the agenda. On Tuesday morning we only agreed urgent procedure for the first part, i.e. No I, i.e. Regulation No 2958/1982. Only the first part was put on the agenda, the second part is not on the agenda.

President. — Has the Council asked for Parliament's opinion on both parts?

Mr Gautier (S). — (DE) I have no idea what the Council has written, but it has not requested urgent procedure. We shall be consulted on that. The Committee on Agriculture has decided to draw up a report on this matter. There are still more Regulations in this thick document. We have only said, in the interests of avoiding legal uncertainties, that the date, 1 November should be replaced by another date since there would otherwise be a legal loophole where time was concerned. It is not that I do not appreciate the issue, but while I see the need for urgency on this part, I do not see any reason for it on the rest. Moreover, it has not been requested.

President. — I think that the Commission representatives would agree with that. We shall not put the rest to the vote.

I propose that Proposal for a Regulation II be referred back to the Committee on Agriculture.

(Parliament approved referral)

Mr Edward Kellett-Bowman (ED). — Mr President, we have to take on trust many of these items

which you lay before us for speedy treatment. When there is a doubt about any item, I think that you should not allow it to get on the agenda. I think you should cause an enquiry to be carried out as to how this item II did get onto the agenda this morning.

SECOND GATTO REPORT (Doc. 1-783/83 — COMMUNITY FORESTRY POLICY)

6th indent of the preamble — Amendment No 23

Mr Gatto (S), rapporteur. — (IT) Mr President, in my capacity of rapporteur I should like to state in advance my position on the amendments tabled.

I would begin by saying that this report has already been before the committee on two occasions and this is therefore the second time it is presented in the Chamber. If the rapporteur is always bound to respect the deliberations of the committee, in whose name his report stands, in the present case he is doubly bound by the way that committee votes; and this is why, in expressing my opinion on the amendments, I cannot now go directly against the will demonstrated by the committee. Therefore, on all the amendments which appear to the rapporteur to affect the substance, he will declare himself against.

In particular, I have to express an unfavourable opinion on the two amendments by Mr Helms and Mr Mertens since they were twice rejected in committee.

As regards the amendments tabled by Mr Hutton, which number 21 altogether, I have to say that they do not fit into the logic of this report especially as, if we had concluded the voting at the previous part-session, those amendments would not have been tabled. The rapporteur must, therefore, offer his own understanding of the committee's possible intention. However, I shall accept such amendments as seem to me to improve the wording of the text and to facilitate the intelligibility and clarity of the resolution. As for the others, I shall be obliged to declare myself against. Please accept my regrets.

IN THE CHAIR : MR ESTGEN

Vice-President

Recital N — Amendment No 10

Mr Gatto (S), rapporteur. — (IT) Mr President, I would be favourable to this amendment by Mr Hutton provided that he agrees to add after: 'Such as the fragmentation of forest ownership' the phrase: 'and the low return on investments'.

Mr Hutton (ED). — Mr President, I don't think that the figures would show that there is a real low return on forestry investment. Therefore, with regret, I don't think that it would be proper for me to agree to Mr Gatto's suggestion.

Preamble to paragraph 3 — Amendment No 1

Mr Hutton (ED). — Mr President, we are shortly going to come to Amendment No 1. I don't think that there is any linguistic problem, but I wondered if I could seek the guidance of Mr Bocklet or Mr Helms as to precisely what this amendment means. It would certainly help my group to vote.

Does it mean full coordination of everything in forestry or coordination of those parts of a forestry policy which are best coordinated? Unfortunately, the wording in English is not absolutely clear, and I wondered if Mr Bocklet might be able to clarify that for our group.

Mr Bocklet (PPE). — (DE) The title of this resolution is 'Common Forestry Policy'. Since that might lead to the conclusion that it can only be implemented in integrated form, this amendment has been tabled to make it clear that it can be implemented in a coordinated way, i.e. that, if necessary, both parts can be carried out side by side.

I ask that the amendment be adopted.

Mr Gatto (S), rapporteur. — (IT) Mr President, I see that discussion is now being reopened on a point I thought had been clarified after numerous debates and various votes.

In my capacity of rapporteur — and thus with the agreement of the committee — I have amended paragraph 2, precisely with a view to removing from the resolution the implications of an arbitrary choice and in such a way that the two types of action — coordinated action and integrated action — might be possible. So much so that, last night, in the course of the debate, a speaker — Mr Martin, as I recall — recognized that the solution put forward by the rapporteur had removed any doubt and uncertainty.

To insist on this amendment now, when the committee has already twice rejected it by an overwhelming majority, would be to create uncertainty. If accepted, it would strengthen an argument which would weaken the message we should like to get across to the Commission and Council; if rejected, it might unbalance the resolution, in various ways which I do not think was the intention of Mr Helms, Mr Mertens and Mr Bocklet, and therefore I urge its withdrawal.

Whatever happens, I must confirm that I shall be voting against both this amendment and the following one.

President. — Mr Bocklet and Mr Helms, we have heard the rapporteur. He has asked you to withdraw the amendment. What is your position on that?

Mr Helms (PPE). — (DE) Mr President, yesterday evening Mr Gatto stated as rapporteur that, in his view — and he indicated this by nodding his head — his motion called for a fully integrated forestry policy with organization of the marketing forestry, lumber and foreign trade. That is beyond us. I feel that a coordinated forestry policy comprising the items we have described here can be implemented. The other is not feasible. I therefore ask that my amendment be adopted.

2. Deadline for tabling amendments

Mrs Van de Heuvel (S). — (NL) Mr President, I hope that you will permit me to draw the attention of the House, by means of a point of order, to a problem with which the Socialist Group found itself faced as soon as the agenda for the coming week was announced. As usual, the draft agenda fixed the deadline for tabling amendments at 12 noon on Thursday. However, our group does not meet until 3 p.m. on Thursday, and thus we are going to be in difficulties if this deadline is maintained. I should like to ask you therefore if you would have Parliament decide to extend this deadline until 7 p.m. on Thursday. Then we could at least table our amendments in good time. There is a precedent for this; on previous occasions we have dealt with the situation in this way. I think that it will not give rise to any problems. The reason I am making this request at this point is that otherwise the groups might very well not all be here together in the House and would not know that the deadline had been changed.

President. — I can already tell you that 12 reports have been entered on the agenda for the next part-session, as well as the budget reports. About 600 amendments have already been tabled to the budget reports alone, but we can expect at least 100 further amendments from the Committee on Budgets.

Our technical services have thus got their hands full and are indeed already in some difficulty. That is why it is essential to see to it that Thursday, 20 October remains the deadline for tabling amendments to all the reports.

In the meantime, however, I would propose to the House that the deadline for tabling amendments to the various reports, with the exception of the budget reports, should be put back to 8 p.m. on Thursday.

Are there any objections?

That is agreed.

3. Information technologies (ESPRIT)

President. — The next item is the report (Doc. 1-750/83) by Mr Veronesi, on behalf of the Committee on Energy, Research and Technology, on the

proposal from the Commission to the Council (Doc. 1-466/83 — COM(83) 258 final) for a decision adopting the first European Strategic Programme for Research and Development in Information Technologies (ESPRIT).

Mr Veronesi (COM), rapporteur. — (IT) Mr President, I would simply refer the House to the working document. However, since I have the floor, I should like to say that I am in favour of the five amendments that have been tabled.

Mrs Desouches (S), draftsman of the opinion of the Committee on Economic and Monetary Affairs. — (FR) The Committee on Economic and Monetary Affairs was asked so late to deliver an opinion on this report that it was unable to carry out the work it would have liked to do. Once more I have to protest at this practice.

In its opinion, my committee offers some thoughts for reflection on this first programme. First of all, it is, because of its aims, of essential importance in our view. The weakness of the EEC's position in the sector of information technology (IT) is well known: this very week, when we received a parliamentary delegation from the People's Republic of China, we were reminded how far Europe had fallen behind the United States and Japan in this field. I should therefore like to make a number of observations.

First, as regards the choice of sectors, it seems to me particularly important to study, as proposed in the document, advanced information processing (AIP) and to create the industrial plant needed for the transition from the data-processing system to that of processing information, which is the key to the new generation of computers. On the other hand, with regard to the very large-scale integrated circuit (VLSI), we should bear in mind that research is already under way under the American programme for very high speed integrated circuits (VHSIC). Is this not already another phase?

Another important point seems to me to be the coordination of research and development programmes within the Community, a joint standards policy. The importance of this policy has already been pointed out, and the Commission should keep the Parliament informed of all specific problems arising in connection with standards.

It also seems essential that we should move on from the stage of carrying out basic research to that of industrially producing commercially viable products,

bearing in mind that exploiting the results of the ESPRIT programme on a purely national scale will not do and that the market has to be opened up.

I have three requests to make. The first concerns information. In particular, we need more detailed information on the firms participating in these programmes, on the effects of competition in this sector and on the treatment of multinational firms based outside the Community.

We should not, perhaps, forget that there is such a thing as industrial espionage. Consequently, it would be desirable for the Commission to consider precise guidelines on the participation of small and medium-scale enterprises and industries and on the entitlement of firms that have not participated in a particular project to proceed to its industrial exploitation.

The Committee on Economic and Monetary Affairs would also welcome regular information on progress made with the ESPRIT programme. We regard a permanent dialogue with the Commission as a necessity, and we would ask the Commission to submit an annual report on the results obtained to the parliamentary committees concerned.

My second request concerns the protection of the individual. Every step forward in data-processing brings with it a danger of the abuse of card indexes and of encroachments upon personal liberty. Progress in the processing and optical transmission of information — there is already talk of 'smart' integrated interceptors — will make it increasingly easy to record information unbeknown to the person concerned.

I am forced to the conclusion that the EEC cannot push forward, as it is doing, research and development in the field of data-processing without seriously considering a directive on the protection of the individual, and in this connection I would remind you of the oral question put down by Mr Sieglerschmidt and Mr Glinne.

Finally, the foreseeable course of development in these techniques will confront us — it may well be, very soon — with a need for considerable changes, both qualitative and quantitative, in the structure of employment, bringing with them profound disturbances in our way of living, our place of work, the need to travel, etc.

I have already said that we seem to be remarkably passive in the face of such prospects that we make no effort to prepare ourselves. Once more we may find ourselves confronted with difficult problems, revolutionary social changes, which will be all the harder to cope with because we have made no attempt to prepare for them.

I say yes to technological research and development, but I also say that we must look ahead and be prepared for the social changes that will result.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) There is a document from the committee, Annex II to the Veronesi report, opinion of the Committee on Budgets. I would ask Mr Veronesi to regard this as the position of the Committee on Budgets. Although we are in favour of it in principle we have indicated reservations on a number of points which we shall discuss in the context of the budgetary procedure.

One question still remains: What position has the Commission adopted with a view to carrying out the relevant research? We have our own experience of centralized research, particularly in the joint research centres. Moreover we feel — and this is not typical either from a budgetary policy or budgetary law point of view — that certain possibilities must be left open for the scientists as well. We are for it in principle, but at the same time we must ensure that the ESPRIT project — and this is again a matter of financial policy — does not mean that all other research projects have to go to the wall because of the high cost in terms of finance.

Mr Markopoulos (S). — (GR) Mr President, it is a known fact that information technology is one of the fastest growing technological sectors there is. However, a study of the data relating to this sector reveals an almost disheartening picture of the Community's position as compared with its economic competitors. Simple reference to the gap which separates the Community from the United States and Japan would be pointless.

We believe it is right therefore that the Veronesi report recommends approval of the Commission's proposal for a decision and calls for implementation of the five-year ESPRIT programme. I do not think I need to go into the technical content of the report, because its scientific completeness leaves no margin for doubt about the necessity of this programme and its contribution to the technological development of Europe in a sector which is so crucial to its future.

I would like, however, to express some views about the execution and management of this programme. I do agree absolutely with the six selected sectors of the ESPRIT programme and with the criteria for selecting projects on the basis of technical excellence, scientific and administrative feasibility and Community-wide participation. However, I must comment that all these criteria leave little scope for participation by those companies and research institutes which have not yet moved up to a significantly high level of scientific and technological research. This creates certain doubts, of course, as regards the best utilization of the scientific manpower in the Community, something which is essential for the carrying through of the programme as an entirety and for the technological and scientific development of the less developed Member States, which should also be one of our objectives.

On the other hand we must recognize as positive the splitting up of projects for implementation in large strategic programmes to make them part of smaller scale programmes, from which it seems quite clear that the small and medium-size undertakings of the Community will benefit. On this point we would simply wish to stress the need for a degree of flexibility in the time scale for submitting applications, so that all the companies and research institutes which are interested may take part regardless of former participation in the first ESPRIT pilot programme.

We would also wish to stress the importance, in order that the results of the programme can be turned to proper advantage, of ensuring full dissemination of the knowledge and techniques acquired for use by all interested parties, irrespective of whether or not they have participated in the programme.

In winding up, Mr President, I would like to stress in particular that any of these projects that aim to bring about new social situations in the operation of large units, whether in industry or the public services thus naturally affecting the jobs of large numbers of workers, should not be implemented without the knowledge of the workers specifically involved. We believe that full consultation and agreement with them on the steps necessary in any such development is an essential condition for its success and for bringing the Community smoothly into a position where it can hope to realize the best objectives of this programme.

I congratulate Mr Veronesi on the report he has given us, and on behalf of the Socialist Group I recommend its adoption.

Mr Purvis (ED). — Mr President, it is exactly one year ago, in October 1982, that we debated and passed a resolution in this House on the original preparatory phase. That is why Mr Veronesi feels that he does not need to go into great detail at this point, as Parliament's position is quite clear. This has been reaffirmed in committee and throughout all the processes. My group is in favour and will support Mr Veronesi's report. I am glad to see that he is adding to it one or two amendments that we have tabled.

However, I do not think it would go amiss at this point to reiterate for the public at large and the Member States in particular the grave and, as Mr Veronesi calls it, alarming position in which we find ourselves in world terms. We are lagging miles behind the United States and Japan in the development of our information technology industries, the industries which will provide the jobs for the immediate and longer term future. It appears that our Ministers are all aware of this. They keep reiterating it, and yet even in the budget they have moved some of the funds back into Chapter 100 so that we have to put it back onto the line. We are told they are going to make a final

Purvis

decision on 4 November. Are they? I hope so. But we at least are going to put our money where our mouth is.

I, therefore, ask Mr Lange, who is representing the Committee on Budgets here, that his committee go along with the Committee on Energy and Research's amendments on this aspect of transferring money back onto the line.

Further to the observations in his short speech about not getting involved in centralized and bureaucratic organizations, I think that ESPRIT is a new example of how we can proceed with research. The encouraging thing is the full cooperation of industry in this programme. Industry has been fully involved with it; they are participating; they are paying half the money and this augurs well for the future.

The other concern we have is that Member States will feel that they cannot rely on Community research in this area so that they must go and do their own thing as well. That is why we have tabled an amendment to the effect that there must be stricter coordination between what the Member States and the Community are doing. The two programmes — or the 10 or 11 programmes — should be complementary, and we should not be wasting money on overlapping programmes.

We also agree with Mr Linkohr's amendment that we should make use of the FAST programme which gives us a picture of the long-term requirements that are coming forward. It is all very well to have these programmes which cost money and take people's time, but if we do not pay attention to what they come up with, what is the point? So we support him there. There are other non-budgetary aspects which are going to hit us, and we must take them seriously. The whole question of standards: the 10 different PTTs we have in Europe with their different standards and their different charging policies, etc. The Commission and the Member States must grasp that nettle firmly and make sure that we work towards European standards that can become quite readily world standards, both in the Third World and even elsewhere in the developed world.

Lastly, we make a plea for better dissemination of what comes out of the ESPRIT programme. It will be readily available around the Community to industry and ultimately, thereby, to the people of the Community and to promote jobs. We will support wholeheartedly the ESPRIT programme and keep a weather eye on its progress for the next year or two. Our committee will be following it assiduously at every turn.

Mr Lange (S), *chairman of the Committee on Budgets*. — (DE) Mr Purvis, I have already given my admonitions on the high cost of this project and we shall check very carefully what is really necessary for

each individual item, taking into account the limited funds available and the criterion that other research projects should not be deprived of funds. Finally — and this is addressed to the Commission — we have to check carefully that the request for staff in the proposal is not excessive.

Mr Richard, *Member of the Commission*. — May I start off immediately by assuring Mr Lange, since he has raised the point, that we would agree with him totally on at least two points. One is that as far as the programme generally is concerned, the Commission is very conscious of the fact that the ESPRIT programme should not exclude other research. Secondly, as regards the Commission's demand — if that is the right way of putting it — for proper resources and staffing to do this job, of course it should be scrutinized and the Commission is perfectly prepared that it should be scrutinized. We are, frankly, quite convinced that what we are asking for is reasonable and sensible.

May I also deal with one or two other points raised in the debate, Mr President, at this stage. As far as Mr Purvis is concerned, I agree with him very much about the dangers of overlapping and the necessity of avoiding it. I think he is absolutely right. As far as standards are concerned, we agree with him about standards of telecommunications. Indeed, we intend bringing this matter up at Athens at the summit for precisely the reasons that he gave.

The point made by Mr Markopoulos is again a point which the Commission takes. It is very necessary to associate smaller countries with these large-scale coordinated research programmes. It would be very unfortunate indeed if the result of greater European coordination and cooperation in research was that the smaller members of the Community felt themselves excluded from the general line of scientific inquiry and scientific investigation. So, we would take that point as well.

Now, Mr President, priority was given to ESPRIT by the Stuttgart Council in its declaration of 18 June. Indeed, it cited the ESPRIT programme as an exemplary action on which negotiations should be completed as soon as possible. This has been followed up, if I may say so, in an exemplary way by Parliament in Mr Veronesi's report. Less satisfactory, however, as Parliament knows, was the decision of the July Budget Council which, although it only reduced the budgeted payments appropriation for the programme in 1984 from 48 to 45 m units of account, failed to take any decision on the Commission's request for staff without which the programme will not be able to get underway, as we had planned, at the beginning of 1984.

The Council also slashed the commitment appropriations from 253 m units of account to 90 m units of account. The effect of this is really somewhat

Richard

unhealthy. It has been to leave all the European firms, research institutes and universities, who were planning to participate in the main programme, in the position of being able to plan their resources now only one or two years, instead of three, four, five years, ahead. While on the face of it that may not seem such a drastic imposition in what is essentially a strategic and long-term competitive research programme, the inability to plan over a period of time, if one is engaging in that research, is a considerable inhibition. My colleagues in the Commission, and indeed I, sincerely hope that the support of the whole Parliament will be added to that of the Committee on Economic and Monetary Affairs in reinstating the cuts at the earliest opportunity.

We hope, too, that the October Research Ministers Council will approve the programme. We are grateful to you, Mr President, and to the Bureau of Parliament for having agreed to accommodate ESPRIT on the agenda today at rather short notice. As matters stand, the Committee on Energy and Research has recommended reinstatement of the budget cuts. Since the amount concerned had been carefully worked out — and this is, I think, in answer to another point made in this debate — by panels of senior research staff drawn from a wide cross-section of industry, as well as from the more traditional sources of advice to the Commission such as research institutes and universities, I think Parliament can be certain that this money will be well spent.

May I just give one example of the sort of issue that we have to deal with? In a recent study carried out by Japanese consultants, it was estimated that integrated circuit production — and this is perhaps the key to the whole of the information technology industry — would fall for Europe from 21 % of the world total in 1978 to a projected 15 % of the world total in 1986, while for Japan it is estimated to rise from 24 % in 1978 to 35 % in 1986. So, if those extrapolations on estimates and projections are right, then in fact the world situation and Europe's position in it is moving in the wrong direction. As far as we are concerned in the Commission, Mr President, this trend has to stop. Otherwise our dependence on our competitors to supply us with the goods which we need to compete with them will be altogether far too much.

As we say in our paper, 4 million jobs may depend on information technology's related performance in the Community. If the market in the Community for these products had developed at the same rate as that in the United States and in Japan, supplying this additional demand could have provided perhaps 2 million more jobs. As the Commissioner directly responsible for employment and social affairs, I am bound to say that that is a consideration which weighs heavily with me. A similar number of jobs are at risk in the future if the Community industry does not improve its

competitiveness by applying information technology as effectively as it is being done by its competitors worldwide.

The Commission has tackled one side — the push side, if I can call it that — of the supply and demand situation with ESPRIT and with the multi-annual programme on informatics. We will be hoping to complement these programmes in the future on the other side — the pull side — with actions designed to stimulate demand in many customer areas, particularly telecommunications and education, and perhaps in other areas of the tertiary sector. On behalf of the Commission may I also assure Parliament that we are conscious of the necessity, and indeed desirous, of keeping Parliament fully informed on all these matters as they progress.

Mr Moreland (ED). — I wonder if I could just ask the Commission to clarify one point. Did I understand the Commissioner to say that we have, in effect, a situation in which the Research Council is saying one thing and agreeing to one thing, while the Budget Council is not saying the same thing because it is not giving the money to carry out what the Research Council is actually agreeing to? In other words, the Research Ministers and the Finance Ministers need to have their heads banged together.

Mr Richard, Member of the Commission. — Mr President, I wonder if I might just answer Mr Moreland. I think that perhaps one could have phrased a description of the situation more felicitously and tactfully, but in essence he is right.

(Laughter)

President. — The debate is closed.

Vote ¹

4. *Transport in the peripheral regions* (continuation)

President. — The next item is the continuation of the debate on the report (Doc. 1-755/83) by Mr Cardia.²

Mr Maher (L) — Mr President, I can be extremely brief, because we have already had a lengthy debate at a late hour last night with some very useful contributions indeed. I do not want to repeat what my fellow Irishman, Mr O'Donnell, has already said very adequately in his contribution to the debate.

However, I do just want to make one or two points. Mr Cardia has presented us with a very comprehensive document on an important subject, for which I think we should be grateful to him. While it does not affect great numbers of people, nevertheless it is exceedingly

¹ See Annex.

² See Debates of 13 October 1983.

Maher

important for regions that are continuously under threat. As life becomes more sophisticated in our Community, the gap seems to widen between the comforts of life available to those who live in the central regions and those available to people who live in the far distant places, whether in islands, peninsulas, mountain regions or wherever.

My attention is drawn to the principle enunciated by Mr Cardia when he says that action to improve transport services to and peripheral regions should not be considered as privileges to be granted to these regions, but as a precondition for establishing real conditions of competition between the different regions of the Community. Like all principles, it is basically sound, *but* — and I think this is an important *but* — within that principle we must recognize that it would be extremely difficult in the foreseeable future to imagine how some of these regions could, without a fairly massive transfer of resources, provide themselves with the kind of facilities which would ensure that people would be attracted to live on in those regions in the short, medium or long term.

Of course, the question of transportation has become a major factor in human life today — we all use it greatly whether by air, sea or land — and transportation in and out of these regions is a cardinal point in terms of whether people remain there or not. It is exceedingly important that we recognize that there must be a reasonably adequate transport service — I say reasonably adequate because, of course, we have to watch the economic factors as well. I accept that. However, unless transport is reasonably adequate, whatever else we may do in those regions about establishing economic activity will lose much of its impact.

I am sure, Mr President, that you must find it very difficult to grasp this problem living in a country where there are no peripheral regions. A country like Ireland has islands around the coast and long peninsulas stretching out into the sea where people are isolated psychologically and physically and otherwise. Those of us who live in the better regions must be prepared to grant them some assistance. It may be on a temporary basis to get economic activity up to an acceptable level. However, we will also have to accept that there are some regions where that could never work. If we are to keep these latter areas open, then we must be prepared to support them in the long term as well. Unless that is done, we can say goodbye to some of these areas and they will go back to the jungle.

Mrs Ewing (DEP). — Mr President, may I thank Mr Cardia most sincerely from my heart for all the thoughtful things contained in his report, for the way he has tackled very difficult problems and for trying to improve the lot of people who do live in the kind

of peripheral places that Mr Maher has described so well.

My own area, the North and West of Scotland, the Highlands and Islands, includes 80 inhabited islands. Some of these are distinctly under threat of evacuation. We have no island in my area without public transport, but to coincide with this excellent report by Mr Cardia we had an exhibition downstairs — some of you, I think, have had the courtesy to go and see it — about an island off the west coast of Ireland, called Tory Island, which has 150 Irish-speaking people and no public transport. (It has a good name, I am told by Mr Moreland. Well, we have our opinions on that, it does not mean quite the same thing.) At any rate, here is an island that does not really want to be bolstered up economically because its people believe in self-help. They have no harbour, no ferry and fishing boats can only fish for three months of the year. That is the kind of reality of the situation we have here in peripheries, and I could instance it from other examples, but I have chosen not to give you a Scottish example this time but to give you an Irish one. We could also give you Greek examples of islands with very grave problems. They have tourism in the summer time, but some of these islands in Greece also have the same situation as Tory Island off Donegal.

I wonder, therefore, if I could ask Mr Cardia to look with favour on the amendments in the name of Mr Purvis, Mr O'Donnell and myself. They all, roughly speaking, aim at just spelling out a few extra problems. They are not in any way critical of Mr Cardia's report but supplementary to it. For example, there is a plea for flexibility in drivers' hours. This Parliament, indeed, passed a resolution in my name at one time calling for flexibility in drivers' hours in these very far away places. It would have helped many parts of the Community. It was passed in this Parliament but has not been taken on board. I think that is a great pity. So Mr Purvis and I both call for flexibility.

I point out in Amendment No 9 that there is no reason, surely, to restrict research into new aircraft of the larger type alone when you have a situation with small grassy landing strips. It is small aircraft we need for that. This is said in the hope that Mr Cardia will accept my Amendment No 9 standing in my name.

The other amendments in my name, i.e. Nos 8, 10 and 11, are really all intended to highlight the kind of problem I mentioned in connection with Tory Island. The right to public transport, surely, should be recognized in this Community. Some form of public transport surely is the right of everybody living in the European Economic Community. For certain places a ferry boat should surely be regarded as an infrastructure.

With these few remarks I would once again thank Mr Cardia most warmly.

Mr Habsburg (PPE). — *(DE)* Mr President, I have read Mr Cardia's report, which is really a very profound study, with great admiration. However, I must say to him quite openly that one aspect has, perhaps deliberately, been excluded — I do not know one way or another since I am not a member of the Committee on Transport — which concerns certain, what I would call, psychological or political marginal areas, of which we have examples in Germany. We should not forget the enormous importance for the inhabitants of zonal border areas which are the areas where political tensions are most clearly visible and which today pose exactly the same problems which Mrs Ewing described in the islands which she represents. These areas have serious transport problems since artificial borders have been drawn in places where they do not belong and are further aggravated by the fact that more and more people wish to leave these zonal border areas and in fact do move away. There is also a tendency towards decay which is perhaps not so marked in Germany because of the generally higher standard of living. Nonetheless, it is not correct to compare conditions in Germany with those in Greece or southern Italy.

We must compare the different situations inside Germany, where conditions are totally different. When talking about these zonal and marginal areas one should not forget or exclude those which are particularly hard hit. Indeed, an inner-European transport plan should give particular attention to these regions, otherwise they will die since they are growing economically weaker and are experiencing extreme difficulty even from the point of view of trade policy. These frontiers which we have in Germany are not real frontiers. They are walls. At least within the Community or between the Community and other democratic countries, these frontiers are gradually being dismantled, but this is not the case in Germany. I therefore ask the House, when considering this question further, to take account of the psychological and peripheral areas.

Mr Giolitti, Member of the Commission. — *(IT)* Mr President, ladies and gentlemen, I should like first of all, on behalf of the Commission, to congratulate the rapporteur on the document he has drawn up, which represents a profound analysis of the whole range of problems that prevent the peripheral regions from benefiting fully from the advantages of an economic Community moving towards integration.

It will not surprise you to learn that, while I thoroughly agree with the aims of the report, I feel that certain points of the resolution call for deeper consideration. For its part, the Commission is prepared to make its own contribution towards the desired end. I do not think it is necessary to set up a special working party. All the discussions that have taken place within the Commission pertaining to

regional policy and transport have demonstrated, on the one hand, that political responsibilities within the Institution are clearly defined and, on the other hand, that coordinating mechanisms are functioning satisfactorily. Furthermore, you yourselves have criticized the excessive number of working parties and committees. This does not mean, of course — as your resolution suggests — that the present policy should not be modified.

The Cardia report includes two ideas of great importance: first, the Community's efforts must be directed principally towards developing the infrastructure of the peripheral regions so as to reduce their geographical disadvantages; second, in the functioning of the economic mechanisms which determine the conditions of transport, regional correctives must be introduced. In such matters, the notion of public service obligation assumes central importance.

On the first point, I can assure you that the Commission is very conscious of its own role. In a Community where the final decision on the amount of resources and direct responsibility for the effective implementation of projects rests with the Commission, the latter's efforts undoubtedly lie in the sphere of pure political action and the means of persuasion. In this connection I would suggest that Parliament read attentively a recent proposal for a regulation for financial support in the context of a five-year programme for transport infrastructure.

The aim of this regulation is to strike a balance between efforts to eliminate unacceptable bottlenecks on the main transport routes and to bring the peripheral regions closer to the centre of the Community. It does not conceal the fact that intense efforts will be needed to convince the Council of the need for such a balance.

On the question of modifications to operating norms, the problem is more complex. A search for balance between, on the one hand, the objective set and the effective functioning of transport markets and, on the other hand, a greater integration of the disadvantaged regions is for us one of the most delicate tasks to be accomplished.

I should like at this point to mention a fundamental rule which we have observed for more than 30 years.

Any measure involving departures from the norm must be planned in such a way as not to render any situation of imbalance permanent. Thus it should seek to eliminate the geographical obstacle, that is to say the best corrective will always be such that, in the medium term, it becomes superfluous.

These then are a few of the Commission's thoughts and feelings in the light of this important and interesting report. I very much hope that we shall soon have another opportunity to deal in depth with one or other of the points in the extensive programme

Giolitti

covered in the report by Mr Cardia on which I congratulate him, once again, on behalf of the Commission.

Mr Cardia (COM), rapporteur. — (IT) There is just one point on which I should like to reassure Commissioner Giolitti. The suggestion that a special working group be set up specifically for the purpose of studying these Commission proposals was turned down already at the committee stage. The bit about the working group was withdrawn; in committee we confined ourselves to deciding to entrust the study of these proposals to the Commission. I do not know why this part of the working document has not been expunged. However, it must be regarded as having been thrown out.

President. — The debate is closed.

*Vote¹**Paragraph 16 — Amendment No 4*

Mr Cardia (COM), rapporteur. — (IT) I am in favour provided that the amendment is regarded as something to be added on to the original text; otherwise I am against.

Mr Purvis (ED). — I discussed this with Mr Cardia earlier. The reason why it was meant to replace the original text was that I did not understand the English version of the original, but he explains to me that this 'virtual distance' means something very special in Italy — notional distances, or some other idea which does not exist in my part of the world. I should be prepared to accept it as an addition if he could subsequently explain to us all what he means by 'virtual distance'.

President. — Mr Purvis, is it a condition that you have this explanation?

Mr Purvis (ED). — I just think he would like to do that.

Mr Cardia (COM), rapporteur. — (IT) In some Community countries the tariffs in force for certain sea routes are determined by reference not to a real distance but to a 'virtual distance', as we call it. For instance, instead of 200 or 300 kilometers a figure of 100 kilometers will be agreed upon. In Italy we have this kind of solution.

As far as the translation of the text is concerned, the only thing that matters after all is that we should have a correct wording. However, what is most important to me is that you should change your amendment from something replacing to something additional. If you were to do that, we would be left with a mere problem of technical coordination.

Paragraph 18 — Amendment No 11

Mr Cardia (COM), rapporteur. — (IT) Mr President, I would be curious to know why Mrs Ewing is so anxious to have a uniform fare system when a strongly differentiated fare system would seem more desirable in the cases that she has in mind. I cannot see what advantage our islands would derive from this so-called uniform fare.

Everything else that she asks for is to be found in various places in the text of the resolution. I would ask her therefore to forego this idea of a uniform fare system and to make her amendment an addition.

President. — Mrs Ewing, what have you to say to that?

Mrs Ewing (DEP). — Mr President, I think there must be a translation problem here, because it is certainly not a uniform fare system I am mentioning. In the English text it is 'road equivalent tariff' — a principle passed by this Parliament on two occasions, and it is not the same thing as saying it is a uniform system. It is a recognized principle. It must be something in the translation.

Mr Cardia (COM), rapporteur. — (IT) Yes, what I have in my Italian text of the amendment is the wording 'introduction of a uniform fare system'. However, the honourable lady herself acknowledges that there is a mistake here. This should be taken into account and the phrase should be replaced by the wording that we have now arrived at. However, if the paragraph is regarded as an addition and not as a replacement, I would be in favour of it, subject to this correction being made.

President. — Mrs Ewing has indicated that she agrees to its being an addition.

Mr Purvis (ED). — I am utterly confused by this exchange. If I read it correctly, the original document talks of advocating a uniform fare system, so Mr Cardia, the rapporteur, is advocating that. He is now saying he does not want it, and he does not like Mrs Ewing's suggestion of a road equivalent tariff which he now *calls* a uniform fare system. So I am afraid I am utterly confused as to which way round the two of them want this. Frankly, I would be inclined towards the road equivalent tariff rather than the uniform fare system.

President. — Mr Purvis, perhaps you are right, but we ought to have clarified this in the debate and not now while we are voting.

After paragraph 19 — Amendment No 6

Mr Cardia (COM), rapporteur. — (IT) Mr President, I would be against this amendment. I should like to ask Mr Purvis to withdraw it, because it makes too

¹ See Annex.

Cardia

many concessions to the Commission. On transport matters we are rather an intransigent lot, even going so far as to call the Council of Ministers before the courts. However, even the Commission does not get the same kid glove treatment from us as Mr Purvis would seem inclined to give it. I would invite him therefore to withdraw this amendment. If he nonetheless wishes to maintain it, I am against it for the reasons I have given.

Mr Purvis (ED). — I do not deny that there is a lot more to be done, but we should not be looking gift horses in the mouth. The fact is that we have had considerable benefit from the Community in certain parts of the remoter areas of the Community I cited a few examples last night — piers, landing strips, etc. We want to encourage the Commission and the Council to get on and do more. That is why I would say to them: thank you for what you have done, but it is not nearly enough, so please get on and get your act together and produce a whole lot more for the future.

I think that is a perfectly reasonable approach and quite consistent with Mr Cardia's general ideas.

5. Carriers

President. — The next item is the report (Doc. 1-759/83) by Mr Moreland, on behalf of the Committee on Transport, on

the proposal from the Commission to the Council (Doc. 1-1168/82 — COM(82) 816 final) for a directive on the conditions under which non-resident carriers may operate certain national transport services within a Member State.

Mr Moreland (ED) rapporteur. — Mr President, Parliament has in various resolutions expressed its view that its ultimate objective is to ensure that the road haulage legislation should be primarily Community rather than national, thereby allowing road hauliers to operate anywhere in the Community. There are, of course, two halves to this objective. The first is to ensure movement without a national barrier for the carriage of goods across the boundaries of Member States. The second is to allow road hauliers to operate in any Member State. Most of the proposals before this Parliament are related to the first half of this objective.

The Commission proposal we are discussing today stretches into the second part. The essence of the proposal is to allow a road haulier to take goods to another Member State and there to collect goods and effectuate delivery within that second Member State. This is normally referred to technically as cabotage. The Committee on Transport entirely supports this. Indeed, Article 75 (1) of the Treaty states that the Council should lay down 'the conditions under which non-resident carriers may operate transport services within a Member State'. It was supposed to have done

that by the second stage of the development of the Treaty. Given the emphasis that Parliament has placed on implementing the Treaty in the context of the court action with the Council, it would clearly be inconsistent to resist the Commission's proposal.

However, there are reasons for supporting this proposal other than the legal ones. They are listed in paragraph 2 of this resolution. I would stress in particular the advantage gained by reducing the number of empty vehicles on the road, which add up to about 40 % of international journeys. This means, in other words, a lorry going out loaded but coming back empty. The committee approaches this, however, in a slightly different manner to the Commission. Firstly, we see no reason for excluding own-account transport from the proposal. Secondly, the permitted operation should not necessarily be confined to the return leg of a journey. There may well be instances where a haulier setting out to collect an inbound load may not have an export load available. He may, however, be able to operate more efficiently by collecting an outbound cabotage load on his way to his pick-up point. Consequently we have proposed that cabotage on the outward journey should be allowed as an alternative.

More importantly, we prefer an alternative to the Commission's proposal for allowing two cabotage operations. We prefer to see a timetable established, starting with one cabotage operation and leading ultimately to liberalization. Liberalization must, however, be compatible with harmonization. This, I recognize, is a dangerous statement. The Community is full of statements like 'I will agree to this, if that is done'. It is an old political excuse, used continually by many Member States. I certainly regard it as spurious when it comes to international road haulage journeys across Member States. However, I think there is some justification for taking it into account when we move, as I said earlier, into the second half of our original objective of operating in domestic markets, where you will have some conditions of unfair competition

Therefore, what we are proposing is that there should be a timetable related to the liberalization of the quota, the establishment of the law on weights and dimensions of lorries and, most importantly in this context, on tax. I hope that Parliament will support this. As I said at the beginning, it is in the Treaty which was, after all, established some 26 years ago. It has not yet been implemented, and it is about time it was. We recognize the difficulties, but the Council must act.

Mrs von Alemann (L). — (DE) Mr President, I should like to thank Mr Moreland not only for his excellent report but also for what he said when introducing it. It is indeed very difficult to decide what we should do now and how we can transform the treaties which, as he correctly pointed out, were signed 26 years ago.

von Alemann

Despite my reservation — and I state this at the outset — against the introduction of this arrangement, i.e. liberalization without simultaneous harmonization, it was difficult for me as a member of the Committee on Transport to speak against it once our committee has convinced the House of the possibility of instituting proceedings against the Council because of its failure to act on transport policy and we must, obviously, be consistent in our deliberations.

What form could such liberalization combined with simultaneous harmonization take? Like the Commission, Mr Moreland bases the proposal on the need to rationalize road haulage. A reduction in the number of empty vehicles on the road is an essential element in improving the productivity of road haulage between the Member States. One can only approve this goal. The more rational use of vehicles and the corresponding improvement in productivity are in fact necessary and are measures which will have the full support of the Liberal and Democratic Group. Unfortunately, as I already mentioned, there is a catch: preconditions for approving measures of this sort have still to be created if we are to avoid disrupting the transport market.

I am referring to the conditions which are always mentioned when it is a question of increasing the Community quota. Without a prior assimilation of the conditions of competition in the technical, taxation and social areas it will be impossible to attain these goals although they are justified in principle.

Therefore, on behalf of my group, I must finally point out that any easing of the restrictions on cabotage for Community road haulage depends on the harmonization, in particular, of size and weight, transport infrastructure costs, social provisions and road haulage tariffs.

These serious reservations notwithstanding we shall, with a view to ultimately achieving transport policy in the Community, vote for the proposal as put forward by Mr Moreland.

Mr Habsburg (PPE). — (DE) Mr President, on behalf of the European People's Party in particular, I should like to thank Mr Moreland for his exceptionally well-balanced and excellent work, which we approve, particularly because of its realism. In fact we have a vital interest in making further savings in fuel and the report points out clearly appropriate ways and means of achieving this, with of course the provisional already mentioned by Mrs von Alemann, that real progress be made in the approximation of cabotage.

In this connection, I should like to point to a problem which falls somewhat outside Mr Moreland's report but which is all too often overlooked, namely the approximation of conditions of competition. We still lack — and this is something which is not limited to transport, but goes beyond it — the conditions for offsetting the dumping practices of, in parti-

cular, State trading countries *vis-à-vis* our economy which adversely is affecting transport in particular. I believe that in addition to establishing equilibrium within the Community and between Community undertakings, we also need to establish it *vis-à-vis* those which act from the outside. This is a situation which we shall probably have to deal with more closely in the future since the pressure from dumping practices from the East is continually increasing, I therefore hope that the Commission will deal seriously with this question and put forward appropriate proposals in the near future. These remarks notwithstanding, which are by way of footnote, as it were, I should like to thank Mr Moreland for his work.

Mr Giolitti, Member of the Commission. — (IT) Mr President, ladies and gentlemen, the Commission has considered with great interest and, I must say also, with considerable satisfaction the report submitted by the Committee on Transport of this Parliament.

I note that the report goes along with our proposal in supporting the principle of the liberalization of cabotage and also approves of the arguments advanced in its favour. It also sees eye to eye with our proposal in maintaining that this liberalization must be accompanied by certain restrictions on those who will benefit from it. We must, however, acknowledge that there are still certain differences of opinion, mainly concerning the restrictions to be imposed on those who will benefit from this liberalization.

I should like to explain our position with regard to the amendments that have been tabled. Amendments Nos 1, 2 and 3 seek to extend very considerably the scope of the proposal for authorizing cabotage, so as to take in outward journeys and own-account journeys made by transport undertakings. I would concede that an extension of this kind may very well be provided for and is technically feasible, even if there is the danger that it would be much more difficult to control than the types of liberalization proposed by the Commission.

Nevertheless, because of its innovatory nature and the far-reaching consequences that it may have, the idea of liberalizing cabotage is running into serious opposition not only at the national but also at the sectoral level, and it is therefore essential to proceed with caution. The Commission is convinced that its proposal is as much as can be accepted at the present time, taking all the factors in the situation into account. It is obvious therefore that, for the reasons I have just given, the Commission cannot accept the first three amendments tabled.

Amendments Nos 4 and 5 suggest that the liberalization of cabotage should be carried out in stages and envisages its gradual progression from one authorized cabotage operation to four. This is an interesting idea, and we would probably be able to take it on board quite easily.

Giolitti

Consultations with representatives of both social partners engaged in the haulage trade have shown that to envisage authorization of three or four cabotage operations at the present time was something completely hypothetical, in view of the restrictions laid down by the directive and also taking into account the organization and structure of the markets.

On the other hand, to make the first stage nothing more than the liberalization of one single cabotage operation would have meant a further useless restriction. We have proposed the liberalization of a maximum of two cabotage operations, and we wish to maintain this position. On the other hand, we can accept Amendment No 6 without any reservations whatsoever.

President. — The debate is closed.

Vote¹

After the vote on all the amendments

Mr Moreland (ED), rapporteur. — Mr President, I think that it is at this point in time that I should, pursuant to our Rules of Procedure, ask the Commission if it accepts our amendments — it has said that it does not — and then propose that the matter be referred back to the committee. Am I correct in saying that? I am?

President. — Yes.

Mr Moreland (ED), rapporteur. — I have been asked by one or two Members if I would propose referral back to committee, but I am reluctant to do so for the simple reason of the court action. We do not wish to give any impression of delaying anything that is coming before the Council shortly. Nevertheless, I would say to the Commission that I think that it rather exaggerates the liberalization involved in the first three amendments. I think that it underestimates the political difficulties of getting cabotage established at all unless you have something like the later stages of my amendments.

Therefore, I say to the House that I will make the proposal if it wishes, but I would prefer not to.

After the vote on the proposal for a directive

Mr Purvis (ED). — Do I understand that Mr Moreland is asking the House to decide whether or not we now proceed to voting on the motion for a resolution and whether or not we refer this back to committee? Is that what I understand him to be saying?

Mr Moreland (ED), rapporteur. — Mr President, the Rules of Procedure lay down that it is for the rapporteur or the chairman of the committee to make the proposal, and not anyone else, I do not propose to

make that proposal. If I had significant indications of pressure to do so, I would. I do not think I have, and I will not do so.

President. — That was the way I understood it.

6. Decision relating to a contribution to the ECSC out of the budget of the Communities

President. — The next item is the report (Doc. 1-789/83) by Mr Konrad Schön, on behalf of the Committee on Budgets, on the

proposal from the Commission to the Council (Doc. 1-259/83 — COM(83) 158 final) for a decision relating to a contribution to the European Coal and Steel Community out of the general budget of the Communities.

Mr Konrad Schön (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, this proposal from the Commission to the Council concerns the second social programme for the solution of social problems in the European Coal and Steel Community, particularly in the steel sector. The Commission estimates that about 330 m ECU will be needed for this purpose, but I should like to explain here, on behalf of the Committee on Budgets, that at the end of the day the final amount will be determined within the framework of the budgetary procedure in the next budget debate.

The European Coal and Steel Community does, of course, have its own operational budget, but this has been exhausted. That is why we feel that the resources that are needed should be transferred to the ECSC from the general budget of the European Communities. In this connection it should be noted that this social programme is of particular interest in that it contains a number of new elements. These include income support arrangements for steelworkers who have opted for early retirement and cannot be re-employed, as well as financial support for temporary short-time work, which must precede the planned structural measures. They also include transitional financial aids for a reduction in working time, aids for the redeployment of former steelworkers, aid for the creation of temporary work and financial support for the establishment of bodies to carry out a forward-looking management of the labour market.

On the question of these measures, the Committee on Budgets has taken on board the demands made in this House and fully supports them, since it also felt that the financial resources of the Regional and Social Funds, as well as all the other possible financing instruments of the European Communities, should be coordinated by the Commission to a greater extent than heretofore and pooled for more effective use. We are waiting for the Commission to draw up the relevant proposals.

¹ See Annex.

Schön

We also ask — and in this we are supporting the resolutions adopted by Parliament on the initiative of the Committee on Budgets — that greater credits and favourable interest rates should be made more readily available than has been the case up to now. We feel that support measures of this kind can help to avert the danger that the entire burden of the steel crisis will fall upon the shoulders of the European worker. What we are talking about here therefore is not the typical measures envisaged in the ECSC Treaty but an entirely new kind of deployment of all the European Community financing instruments available.

I should like to say just one word on the procedural aspect, in other words, on the legal basis. The Committee on Budgets goes out of its way to support once again Parliament's view that when the budget has been established, that is enough and there is no further need to look for a legal basis. The Commission should take its courage in its hands and go along with Parliament on this point, so that the regions that are being ravaged by the crisis are not subjected to any unnecessary distress by further loss of time. In this matter time really is money. In this area the old adage is often true that if we act quickly, we act twice.

We feel that the Council does not need any further legal basis, but that the budgetary legislation is sufficient for the purpose. I would ask the Commission to allow itself at long last to be guided by Parliament's views on this matter. Finally, my report was adopted unanimously in the Committee on Budgets. I would ask this House, in view of the urgency of the matter, to vote in favour of the report and the motion for a resolution.

(Applause)

IN THE CHAIR: MR PFLIMLIN

Vice-President

Mr Estgen (PPE). — *(FR)* I begin by congratulating Mr Schön on his report and on what he has just said. Even if there were more of us here today, the measures proposed would certainly not be contested; but in view of the gravity of the situation in the steel industry, we must not, as Mr Schön has already said, waste our time on involved technical and legal procedures.

The whole justification of the European Community lies in the principle of cooperation, coordination and solidarity. It owes its origin to a strategy designed to obviate conflicts among the Member States in the sectors of coal and steel. In the meantime, this Community has happily developed from a purely economic to a truly human community, and at a time such as the present when it faces tremendous economic challenges we must not forget that these challenges are compounded with others, equally tremendous, of a social nature.

The European Council decided at Stuttgart on a large-scale campaign to relaunch the Community; but such a project, if the man-in-the-street is not keenly aware of it in his daily life, in his day-to-day worries and preoccupations, will be nothing but a dead letter. On 14 September last, this Parliament adopted a very detailed resolution on the subject of European Union, which must, of course, be founded on the principle of civic and political rights but also on the development of its citizens' economic and social rights.

Developing a social policy means in the end arriving at a policy which caters equally for the reduction and prevention of regional imbalances. In fact, there are already regions of our Community that are in distress — I may mention the case of Luxembourg — and once this distress assumes national proportions disaster is only just round the corner.

We often adopt measures — and rightly so — to deal with natural disasters that hit one or another region of the Community, but natural disasters are short-lived and can be made good within a short space of time. The disaster that has now hit the Grand Duchy more than other regions, by virtue of its largely monolithic industrial structure, will not pass by so quickly, despite the tremendous efforts made by the people of Luxembourg to counter the effects of poverty and social unrest. It is only just and fair that such a national effort, which takes the form of social measures, investment plans and recycling programmes, should be recognized and reinforced by aid from the Community.

Such preliminary measures as those I have just mentioned in connection with Luxembourg must in any case be required as a condition, everywhere in the Community, for applying Community measures, since they constitute a guarantee that any aid granted will be properly used. The measures recommend in the report (income subsidies for workers forced into early retirement, transitional financial aid to achieve a definitive reduction in working-time, aid to promote the reintegration of former steel-workers, creation of temporary employment) are all indispensable, but we must above all include in this programme measures to combat, in this very sector of the steel industry, youth unemployment (specific professional training) and also measures to aid small and medium-sized undertakings associated with this sector and forming an essential part of the socio-economic structure of steel-producing regions.

We must realize that the crisis in the steel sector cannot be overcome by draconian or radical measures alone. It is a painful but inevitable fact: we need the courage to look the facts in the face, but we must also summon up the generosity and feeling of solidarity to establish accompanying social measures, more particularly income subsidies.

Estgen

Obviously, we must never lose sight of the most important and fundamental aim of any national or Community policy concerning the steel industry, which is to reestablish in this sector a labour market which is forward-looking.

Mr Gauthier (DEP). — *(FR)* We are greatly indebted to Mr Schön for the excellent report he has presented to us. He has not only underlined the need for a policy of social support to complete the measures for restructuring the steel industry as laid down in the Commission's second social programme, but above all he has proposed the most appropriate budgetary procedure for ensuring that the funds required to finance this programme shall be available as soon as possible.

This second social programme in support of the steel industry is indeed necessary, for it is the very basis of what is needed if workers are to be successfully transferred to other employment — that is to say, a policy of support. This programme cannot but have our full support: the large-scale restructuring of the steel industry — because the loss of 150 000 jobs is planned between now and the end of 1986 — can only succeed if at the same time the workers affected are found new employment under economic and social conditions that are acceptable.

The size of the programme laid down — 330 m ECU until 1986 — would seem to correspond, at least to some extent, to the size of the problem. The operational budgets of the ECSC would in fact be increased each year by almost one-third. Moreover, as we see from the aid to promote the reintegration of former steel workers and the financial support to set up forward-looking labour-market management bodies, the measures proposed, which go beyond those contained in the first social programme, give evidence of a political will and a degree of imagination which have sometimes been wanting among those faced with the urgency of the crisis at Community level. The crisis is so fundamental, particularly in mono-industrial regions such as Lorraine or Wallonia, that any delay is intolerable. We must therefore put a stop to the dilatory manoeuvres of the Council, which for some years has been opposing the transfer to the ECSC of funds appropriated to the EEC budget. Consequently, we fully agree with the rapporteur and the Committee on Budgets on the need to make provision for the necessary appropriations in the general budget for 1984.

In view of the scale of the problem of converting the steel industry, a social programme — even though it be more far-reaching and more practical, as this one is — is still not enough. We must mobilize all the financial means at the Community's disposal — the Regional Fund, the Social Fund, the new Community

instrument, as proposed in paragraph 8 of the resolution — for the purpose of implementing integrated regional development measures. Thus, what the Community has to aim for and achieve is an all-embracing policy for organizing and promoting the restructuring of this industry.

All these measures to aid the steel industry must, however, be pursued with the European steel market in mind. The revival of this market relieves to some extent the pressure on conversion and on compensatory measures, and therefore the prospects after 30 January 1984, when the system established under Article 58 of the ECSC Treaty is due to expire, are of fundamental importance. To us it seems necessary to extend the system to 1986, and we ask the Parliament and the Commission to support this view. Any subsequently adopted system should, however, avoid the distortions that were to be observed in the years 1980-83 and enabled certain Member States, during this period, to improve their own position at others' expense.

I should like to ask the Commission whether it envisages taking Community measures in reaction to the protectionist attitude of the United States. Restructuring, conversion and support of the market are equally indispensable, and the future of the European steel industry depends upon the successful outcome of these policies taken together and not on a cumulative series of isolated actions.

Mr Richard, Member of the Commission. — Mr President, may I start off by thanking Mr Schön for this report and also those people who have participated in this debate. From our point of view it has been useful and helpful.

I am bound to say I find myself in great agreement with the thrust of many of the contributions that have been made. There are one or two points upon which the Commission would regrettably find itself differing, but nevertheless, in terms of the general weight of opinion and the general direction in which Parliament is moving, I do not think there is any problem at all.

I fear I will have to decline the invitation which was extended to me by the last speaker to comment on what will be the new steel regime after the present regime comes to an end. Indeed, much as I would like it, I think that this is not entirely the right occasion, Mr President, for a detailed discussion on the Community's attitude towards United States steel policy. That has been discussed on a number of occasions in the past and no doubt will be discussed on a number of occasions in the future again.

What I want to concentrate on are the measures that are provided for in the new social measures which the Commission is proposing and also the budgetary posi-

Richard

tion. It is not the first time, by any means, that the social part of Community steel policy has been debated in this House. Can I, right at the outset, say that the Commission is totally committed to the principle that if one is going to restructure the European steel industry, it is absolutely essential that social measures run complementary with the industrial and restructuring ones. Otherwise we would be asking that particular industry to bear an even greater, and perhaps an even unfairer, share of the difficulties of the recession than we already have in the past.

Therefore the measures which are provided for in this scheme are additional to the range of benefits traditionally financed through Article 56 (2) (b) of the ECSC Treaty, which generally cover income support arrangements for the unemployed or reemployed, retraining for alternative employment and travel and transfer allowances for those required to move in search of a new job. As in the 1981 social *volet*, the new scheme includes the promotion of early retirement measures and assistance with short-time working arrangements in an effort to reduce the supply of labour in areas where it is already heavily in surplus.

I do not propose to go into the scheme in any detail, but I would just like to say a few words about two aspects of the matter. First, may I say something about selective recruitment premiums. In our proposal this accounts for more than one-third of the estimated costs of the support scheme. It is true that recruitment or employment premiums have always been a controversial subject among economists, particularly when they are conceived principally as job creation aids. We hope that the use of a recruitment premium for ex-steelworkers may have some job creation effect, perhaps making the marginal, but crucial, difference between a new investment project which gets off the ground and an investment project which does not get off the ground.

However, the Commission's main purpose for this aid is slightly different. What we will do is to target the aid so that it is available only where ex-steelworkers are recruited and it is designed to offset the disadvantages which experience has shown such workers suffer from in the labour market. Since its aim is to overcome the initial problems of steelworkers changing jobs, we see it as a temporary aid, and the Commission has therefore proposed that it should be paid degressively over two years. The proposal that the aid should be payable for recruitment in publicly financed temporary work schemes is much in the same vein; indeed it is based upon the same principles. The objective is to get steelworkers moving back into the labour market. It is to launch them in new occupations and to try and offer them some safeguard against really long-term unemployment.

Mr President, may I say a word about the other new aspect of these proposals. The other principal innova-

tion concerns jobs which are saved or created — I fear it is more likely to be the former than the latter — through adjustments in working time. Now the House will be aware of the Commission's desire for this subject to be discussed, in a wider context and of the draft recommendation which it recently put forward on the reorganization of working time. I hope the Commission's proposals in this general field will continue to find a positive response here in Parliament. As regards the steel industry in particular, there is some scope for adjustment. With a continuous process requiring four shifts in many cases, working time could still be shortened through variations in the combinations of shifts with a corresponding increase in manning levels. We are not advocating this as a principle, but simply encouraging adjustments wherever room can be found for them and wherever they can be made and shown to have a positive effect on employment. We have deliberately not been too specific, since this in an area in which the two sides of industry are themselves innovating, and innovating hard. Working time is quite definitively now becoming an increasingly common feature in collective bargaining. We want the aid to be an incentive and not a constraint, and therefore we do not want to be too specific and too rigid in advocating conditions in which it should be implemented and applied.

Indeed, we believe that it would in general terms be a mistake if we adopted too specific or prescriptive an approach for any of the measures put forward in this new support scheme. Inevitably, Member States will have their own views as to which aid they think is more appropriate for their own particular circumstances. It is right that, in close cooperation with the two sides of industry, solutions should be sought which are best suited to the national and regional context.

Turning now to the budgetary aspects of the matter, Mr President, I must tell the House that neither the re-conversion loans under Article 56 (2) (a), which are so important for the regeneration of the regions concerned, nor the traditional re-adaptation aid scheme which the Commission already promotes for the steel sector, nor these new social measures can be financed properly from existing ECSC resources unless additional resources can be found for these new proposals made by the Commission. The ECSC budget is already under very considerable pressure. The Commission is unlikely to propose an increase in the levy at a time when the industry concerned is actually fighting for its very survival. We have estimated that to continue to support early retirement schemes and to finance the innovations I have outlined, roughly 330 million units of account in additional funding will be needed over the next three financial years.

Richard

May I say too that our estimate is not based on prior discussions with the Member States, though initial reactions indicate that we have certainly not over-estimated the potential costs. With the Commission's decisions of late June, the extent and the timing of national restructuring plans should now be sufficiently well-defined for the Member States to be able to firm up their programmes for accompanying social measures.

Now the question inevitably arises : where is the additional money going to come from ?

As far as that is concerned, we maintain the approach which we adopted during the social *volet* discussions and which was eventually accepted by the budget authorities, namely, to provide funds in the EEC budget and then to transfer them to the ECSC budget — this is where I think there may be some difference between us — by means of a decision on the basis of Article 235 of the EEC Treaty.

I have noted Parliament's view, expressed before and indeed expressed again this morning, that a decision by the two arms of the budgetary authority in the course of the budgetary procedure constitutes a sufficient legal basis for the transfer of funds. I wish that I was in a position to get up in the House and say that the Commission accepted that view. I am sure the House will appreciate that if that was the position, it would be infinitely easier for the Commission in trying to get this 330 m units of account. I wish I could say that but, unfortunately, I can't. I am afraid that the Commission is not yet persuaded that it would be justified in departing from its view that an Article 235 decision is a necessary prerequisite for a transfer to take place.

Equally, however, I hope it will not have escaped honourable Members' attention that the Commission has taken care, in Article 2 of the proposed decision,

to leave it to the budgetary authority to determine year by year the amount of the general budget contribution. We have asked for a transfer of 110 m units of account from 1984, and the Commission hopes that Parliament will provide this sum.

Thus, while there continues to be some difference on the requirement for a particular legal instrument, I hope that, nevertheless, we can all agree on the urgency of making rapid progress towards implementing the proposed scheme. It is a vital part, as we see it, of the Community's response to the needs of a group of workers who have without doubt borne a disproportionate burden during the present economic crisis. It is an equally vital part of the efforts being made to return the steel industry to health and thereby safeguard the livelihood of those who depend on it. I commend the proposals to the House therefore and hope that it will vote the means to put them into practice.

President. — The debate is closed.

*Vote*¹

7. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.²

(The sitting was closed at 12.25 p.m.)

¹ See Annex.

² Motions for resolutions entered in the register (Rule 49) — Forwarding of resolutions adopted during the sitting — 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.

**PROPOSALS FROM THE COMMISSION (Doc. 1-632/83 — COM(83) 417 final)
TO THE COUNCIL**

**for a directive concerning the Community list of less favoured farming areas within the meaning of Directive 75/266/EEC (UK) (Procedure without report)¹:
ADOPTED**

Explanation of vote

Miss Brookes (ED), in writing. — This proposal from the Commission of the European Communities to the Council of Ministers for a directive concerning the list of less favoured farming areas within the meaning of Directive 75/268/EEC (UK) is vital to the agricultural industry in Wales.

This proposal from the Commission is referred to as 'the Marginal Land issue', which we in Wales have been working and fighting for during the past six years.

This extension of the less favoured areas would remove a certain amount of the unfairness that exists at the moment as between 'grant-aided' and 'non-grant-aided' farming lines and would bring an overall balance to the agricultural areas.

The acceptance of this proposal from the Commission of the European Communities to the Council would give a much needed incentive to stem the continued drift of young people to the cities and therefore would give financial encouragement to stem rural depopulation.

Farming is now our leading industry in Wales, and a great number of allied industries and small businesses are dependent on the family farm which is our agricultural unit in the principality.

I ask, yes, demand, that the Members of this European Parliament give full support to this proposal from the EEC Commission to the Council, so that the principle of the extension of the less-favoured areas be established and accepted by this European Parliament.

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**NYBORG REPORT (Doc. 1-779/83 — ROLL-OVER PROTECTION
STRUCTURES): ADOPTED**

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¹ Procedure without report : for all the other votes see Minutes.

**NYBORG REPORT (Doc. 1-780/83 — AGRICULTURAL TRACTORS):
ADOPTED**

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**HAHN MOTION FOR A RESOLUTION (Doc. 1-837/83 — DIRECT
ELECTIONS IN 1984): ADOPTED**

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**SQUARCIALUPI REPORT (Doc. 1-770/83 — COSMETIC PRODUCTS):
ADOPTED**

The rapporteur was :

- IN FAVOUR OF Amendments Nos 1 to 3, 7, 8 and 10 to 12;
- AGAINST Amendments Nos 4 to 6 and 13.

Explanation of vote

Mrs Seibel-Emmerling (S). — (DE) My group will vote for this proposal for a directive. In doing so, however, it regrets that this House has not adopted the provisions on expiry date that are so badly needed by the consumer. The reason we are so disappointed is that this is a real blow to consumers' rights in the European Community. We would make an urgent appeal to the House to rid itself of this anti-consumer mentality when future decisions come to be taken on matters of consumer protection.

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**SQUARCIALUPI REPORT (Doc. 1-458/83 — EXPORT OF DANGEROUS
SUBSTANCES): ADOPTED**

The rapporteur was :

- IN FAVOUR OF Amendments Nos 1 to 3;
- AGAINST Amendments Nos 4 and 5.

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**SÄLZER REPORT (Doc. 1-752/83 — SCIENCE AND TECHNOLOGY):
ADOPTED**

Mr Purvis, deputizing for the rapporteur, was :

- IN FAVOUR OF all the amendments.

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**SCHMID REPORT (Doc. 1-751/83 — BIOMOLECULAR ENGINEERING):
ADOPTED**

Mr Linkohr, deputizing for the rapporteur, was :

- IN FAVOUR OF Amendment No 1;
- AGAINST Amendment No 2.

Explanation of vote

Mr Adam (S), in writing. — I am voting for this report because it is extremely important to follow up the initial programme started in 1982. We must stimulate work on biotechnology in the fields where rivals have gained a substantial lead. The capacity of the Community to compete in key areas related to the manufacture of improved agricultural and bio-industrial products can only be assured if basic discoveries in modern biology are exploited.

The extension of the programme to all industrial areas illustrates the urgency.

We hear many references to the 1984 European elections. These elections are mainly about what Europe will be like at the turn of the century. Either it will be an advanced technological society or it will be nothing. Success in becoming an advanced technological society depends crucially on the implementations of programmes such as this.

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LINKOHR REPORT (Doc. 1-753/83 — JRC): ADOPTED

The rapporteur was :

- IN FAVOUR OF Amendments Nos 1, 5, 8 to 13, 17 to 21, 23 to 25 and 27 ;
- AGAINST Amendments Nos 2, 4, 6, 7, 14 to 16/rev., 22 and 26.

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SECOND GATTO REPORT (Doc. 1-783/83 — COMMUNITY FORESTRY POLICY): ADOPTED

The rapporteur was :

- IN FAVOUR OF Amendments Nos 3, 7, 8, 11 to 13, 18, to 23 ;
- AGAINST Amendments Nos 1, 2, 4 to 6, 9, 10 and 15 to 17.

Explanations of vote

Ms Quin (S). — I shall reluctantly vote against this report despite the hard work done by Mr Gatto because I am not convinced that a common forestry policy is needed and I fear that in my own country it would already strengthen a very powerful lobby.

The experience of forestry in my own country is that it has been an expensive way to create jobs but a very quick way to ruin the countryside. The report seems to assume that forestry is automatically good for the environment and for tourism, but ugly plantations of boring evergreens where previously there was attractive heather-covered moorland can have the opposite effect and actually drive tourists away.

I am not even convinced that the timber arguments are so powerful. We could make the whole of the EEC have a landscape which looks like Finland and still be importing timber which happens to grow faster in other parts of the world.

So for these reasons, and many others which I have not got time to give, I shall vote against the report.

Mr Bocklet (PPE). — (DE) I am giving this explanation of vote in my own name and on my own behalf. Already yesterday evening I explained that I am opposed to a market organization for timber for the reason that it only means more bureaucracy and further costs and that the very nature of the case makes it unnecessary anyway. If I vote for the report notwithstanding, then it is only because it calls for joint action on the part of the Community to combat the destruction of our forests and the pollution of our atmosphere. I should like to make it quite clear that it is from this point of view that I am casting my vote in favour. If we do not succeed in averting this danger which threatens all of us, the very foundations of our existence will be undermined.

Mr Seligman (ED). — In the absence of Mr Moreland, I would like to express my appreciation of Ms Quin for admiring Mr Moreland when covered with heather — he has gone out to get some heather to cover himself.

I would like to express my admiration for the Members of our group who are here today instead of being in Blackpool. On the other hand I would like to express my disgust at the way they voted on paragraph 7, which I am glad Parliament was consistent on — the need for more expenditure on biomass from forestry. We took a decision this morning on the Schmid report on biomass, we took another decision a year ago on biomass and for my group to vote against it this morning is most inconsistent and reprehensible.

Mr Purvis (ED). — Mine is a very brief point. I thought that on behalf of the forestry industry we should thank the European Parliament for the way it has supported that industry this week. Our 23 amendments, have, I believe, consumed 150 000 sheets of paper in this debate and that will be of inestimable value to the forestry industry this year.

Mr Adam (S), in writing. — I am strongly in support of this report and hope that its passage by a large majority will result in the speedy implementation of a comprehensive forestry policy in the Community backed by Community funds for investment.

Not only is such a policy important in order to reduce the import of wood products but it is essential if unemployment is to be tackled successfully in remote rural areas.

The number of jobs created may not be large, but there are many villages in the area I represent which were either built solely for forestry purposes or are heavily dependent on forestry. The report calls for a comprehensive policy which must be taken to include tourist-related activities and also support for wood-based craft industries.

For these reasons I am convinced that many upland areas in the Community will benefit from the implementation of this report.

Mrs Pery (S), in writing — (FR) It is the wish of the rapporteur that the EEC will draw up a comprehensive common timber and forestry policy covering all aspects of the problem and its ecological, economic, social and cultural implications.

As you know, the Community is heavily dependent on foreign suppliers for its timber, which stands in second place — after oil — in our list of imported raw materials. The EEC only covers 40 % of its needs.

France, though it has a wealth of forests covering one-quarter of its total territory, is running a trade deficit in the timber sector of some 15 000 million francs. We have our own timber and yet we purchase foreign timber at lower prices (e.g. Portuguese timber). We also buy finished articles, particularly furniture — these too at more competitive prices. We have to modernise our sawmills and restore the competitiveness of our undertakings, but our main priority must remain the production of pulp and paper. This is also the case in my own region — Aquitaine, where forestry has been in decline since 1974. It is the foremost forestry region in France and indeed in Europe (1 million hectares) including the Landes with its famous Maritime pine. Between 1975 and 1980 Aquitaine saw a loss of 5 000 jobs in the forestry sector out of an existing total of 30 000.

Useful projects are being developed in my region, but there must be a genuine forestry policy coordinated at all levels — regional, national and Community — if we are to keep our forestry alive and reduce our dependence on external suppliers. I therefore give my full support to the report by Mr Gatto.

Mrs Theobald-Paoli (S), in writing. — (FR) I unreservedly approve the excellent report by our colleague Mr Gatto.

Theobald-Paoli

I have been fighting too long for our precious forest heritage not to be satisfied with his proposals.

The implementation of a genuine forestry policy for the Community should allow of :

- conservationist action ;
- the preservation of a natural resource that is beautiful, but also indispensable to our environment,
- vital economic activity ;
- improvement of external trade and greater independence for the Community ; let us not forget that, after oil, timber is our most expensive import.

In the matter of the internal organization of the Community, a forestry policy might represent a new means of protection, on the fringes of the common agricultural policy, environment and research, a bridge between the CAP and other sectors.

Concerning conservation, subsequent to the debate on the oral question I put to you last April, you were kind enough, Commissioner, to notify me on 1 June of the future tabling of a draft regulation on protection against forest fires and acid rain, backed up by a budget of 100 million ECUs.

As regards the development of timber production in the EEC, you have prepared a plan on the Community scale.

But it may be a long time before it is implemented.

My country, France, has already within a matter of months taken strong and effective action on the internal level : creation of a Secretariat of State for Forestry, timber plans, increased resources to combat forest fires, a report by Senator Vidal on forest fires.

The Community, for its part, has only just begun to make arrangements at the level of the Ten.

As a European parliamentarian, I should like to know the Commission's precise timetable for the implementation of urgent conservationist and economic action, and how it intends to tackle the problem of forestry policy to be carried out within the context of the Council's agro-budgetary debate.

To expedite the European deliberations, I have tabled several amendments to the draft budget for 1984 : they increase appropriations for European forestry plans and, most important, call for a Community system to compensate for the loss of property in forest fires.

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VERONESI REPORT (Doc. 1-750/83 — INFORMATION TECHNOLOGIES (ESPRIT)) : ADOPTED

The rapporteur was :

- IN FAVOUR OF all the amendments.

* * *

CARDIA REPORT (Doc. 1-755/83 — TRANSPORT IN THE PERIPHERAL REGIONS): ADOPTED

The rapporteur was ;

- IN FAVOUR OF Amendments Nos 1, 4, 7, 10 and 11 ;
- AGAINST Amendments Nos 3, 5, 6, 8 and 9.

Explanation of vote

Mrs Péry (S), *in writing* — (FR) Transport affords a fairly good reflection of economic life. The underdevelopment of transport infrastructures affects the poorer regions of Europe, which are often the peripheral regions. The enlargement of the Community is going to accentuate the problems of the present-day peripheral regions, which are in danger of being reduced in the near future to a no-man's land. The Community cannot intend to step up economic relations with the Iberian peninsula without having some thought for the fate of the peoples of the regions to which I refer, and consequently without providing for the necessary transport infrastructures. The French Socialists are in favour of crossing the 1% VAT threshold in order to create new own resources, but only on condition that this serves to launch policies. One of those new policies should be transport policy, since it creates employment.

My region, the Basque country, is particularly concerned. I am thinking in particular of the plan to improve the transport links between Bayonne and Calais. That this would benefit the Community is acknowledged on all sides, but it remains a dead letter for lack of finance.

I am thinking also of the plan to link Paris and Bordeaux by a high-speed train. This plan will be carried out by the French National Railway Company and the French Government and will help to break down the isolation of the entire south-west of Europe. For this reason it should be helped from Community funds.

If the peripheral regions are not to remain less developed than the central regions, the distances involved must be cut by modern and rapid transport. Road traffic infrastructures are, of course, essential, but a certain priority ought to be given to public transport : the airport infrastructures that are so badly needed by remote regions, the railroad infrastructures that are so economical in terms of space and energy, and also port infrastructures, because peripheral regions are generally also coastal regions.

I shall vote therefore for this report in the hope that the proposals contained in it will very soon form an integral part of that common transport policy that this House calls for so insistently.

* * *

MORELAND REPORT (Doc. 1-759/83 — CARRIERS): ADOPTED

The rapporteur was :

- IN FAVOUR OF all the amendments.

* * *

KONRAD SCHÖN REPORT (Doc. 1-789/83 — DECISION RELATING TO A CONTRIBUTION TO THE ECSC OUT OF THE BUDGET OF THE COMMUNITIES): ADOPTED

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