

Annex

Official Journal

of the

European Communities

No 1-274

English edition

Debates of the European Parliament

1981-1982 Session

Report of Proceedings

from 14 to 18 September 1981

Europe House, Strasbourg

Contents

Sitting of Monday, 14 September 1981	1
Resumption, p. 2 — Tribute, p. 2 — Parliamentary immunity, p. 3 — Order of business, p. 3 — Speaking time, p. 7 — Action taken by the Commission on the opinions of Parliament, p. 7 — European space policy, p. 9 — Question Time, p. 14 — Annex, p. 28	
Sitting of Tuesday, 15 September 1981	30
Minutes, p. 30 — Urgent procedure, p. 31 — Draft general budget 1982 — Draft amending budget No 1 for 1981, p. 31 — Employment in the Community, p. 56	
Sitting of Wednesday, 16 September 1981	97
Food aid to Poland, p. 99 — Relations between the EEC and the Gulf States, p. 101 — Economic trends in the Community, p. 117 — Customs union (1981 programme), p. 128 — Votes, p. 132 — Customs union (1981 programme) (continuation), p. 135 — Violation of human rights in Guatemala, p. 141 — Question Time, p. 145 — Annex, p. 162	
Sitting of Thursday, 17 September 1981	184
Community development policies, p. 186 — Legal expenses insurance, p. 195 — Social situation, p. 200 — Votes, p. 210 — British Nationality Bill, p. 223 — European space policy (continuation), p. 227 — European Foundation and European Centre for Vocational Training, p. 231 — Fishery resources, p. 234 — Release of goods for free circulation, p. 235 — Hydraulic and rope-operated excavators, p. 236 — Fisheries policy, p. 237 — Situation in the wine sector — Free movement of goods, p. 244 — South-East Asian refugees, p. 255 — Situation in El Salvador, p. 256	

(Continued overleaf)

NOTE TO READER

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

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

Contents (continued)

Sitting of Friday, 18 September 1981	261
Minutes (continuation), p. 262 — Votes, p. 263 — Hydraulic and rope-operated excavators (continuation), p. 265 — Customs territory of the Community, p. 267 — Appointment of four members of the Courts of Auditors, p. 277 — Concept of a public service in transport, p. 278 — Combined transport, p. 279 — Summertime, p. 284 — Education of the children of migrant workers, p. 286 — Exhibition on the contribution of the Community to the development of Europe, p. 293 — Adjournment, p. 299	

Resolutions adopted at sittings of 14 to 18 September 1981 appear in the Official Journal of the European Communities C 260 of 12. 10. 1981

SITTING OF MONDAY, 14 SEPTEMBER 1981

Contents

1. Resumption of the sitting	2		
2. Tribute			
Mr Vandewiele	2		
3. Parliamentary immunity			
Mr Pannella	3		
4. Order of business			
Mr Nyborg (Chairman of the Committee on the Rules of Procedure and Petitions); Sir James Scott-Hopkins; Mr Pannella; Mr Lange (Chairman of the Committee on Budgets); Mr von der Vring; Mr Fanton; Mr Nyborg; Mr Aigner (Chairman of the Committee on Budgetary Control); Lord Douro; Mr Andriessen (Commission); Sir James Scott-Hopkins; Mr Andriessen; Mrs Hammerich; Mr Nyborg; Mr Romualdi	3		
5. Speaking time			
Mr Pannella	7		
6. Action taken by the Commission on the opinions of Parliament			
Mr Andriessen (Commission); Mr Welsh; Mr Andriessen; Mr Johnson; Mr Andriessen; Mr Seefeld; Sir James Scott-Hopkins; Mr Andriessen; Mr Welsh; Mr Andriessen; Mr Albers; Mr Andriessen	7		
7. European space policy — Report by Mr Turcat (Committee on Energy and Research) (Doc 1-326/81):			
Mr Turcat, rapporteur	9		
Mr Hahn, draftsman of an opinion	11		
Mr Saby (S); Mr Herman (EPP); Mr Seligman (ED); Mr Davignon (Commission)	11		
8. Question time (Doc 1-459/81):			
Question No 1 by Mr Cousté: Location of industry:			
Mr Davignon (Commission); Mr Cousté; Mr Davignon; Mr Boyes; Mr Davignon; Mr Boyes; Mr Davignon	15		
Question No 2 by Mrs Ewing: The status of internal ferry services:			
Mr Narjes (Commission); Mrs Ewing; Mr Narjes; Mr Harris; Mr Narjes; Mr Blaney; Mr Narjes; Mr Fergusson; Mr Narjes	15		
Question No 3 by Mr Israel: Egyptian participation in the Euro-Arab Dialogue:			
Mr Davignon; Mr Israel; Mr Davignon; Mr Seligman; Mr Davignon; Mr Blumenfeld; Mr Davignon; Mr Pelikan; Mr Davignon	17		
Question No 4 by Mr Moreland: Commission portfolios:			
Mr Davignon; Mr Moreland; Mr Davignon; Mr Welsh; Mr Davignon; Mr Enright; Mr Davignon	18		
Question No 5 by Miss Quin: EEC apple market:			
Mr Narjes; Miss Quin; Mr Narjes; Mr C. Jackson; Mr Narjes; Mr C. Jackson	18		
Question No 6 by Mr Ansquer: Establishment of a permanent economic dialogue between Europe and the United States:			
Mr Davignon	19		
Question No 7 by Mrs Fourcade: More stringent quality controls for fruit and vegetables:			
Mr Richard (Commission); Mrs Fourcade; Mr Richard; Mr Welsh; Mr Richard	19		
Question No 8 by Mr Deleau: Joint action on interest rates:			
Mr Tugendhat (Commission); Mr Israel; Mr Tugendhat	20		
Question No 12 by Mr Habsburg: Supplies of food to Poland:			
Mr Davignon; Mr Habsburg; Mr Davignon; Mr Pelikan; Mr Davignon	20		
Question No 13 by Mr Calvez: Creation of a European energy bank:			
Mr Davignon; Mr Calvez; Mr Davignon	21		
Question No 15 by Mr Vié: Genetic engineering:			
Mr Davignon; Mr Vié; Mr Davignon	21		

Question No 16 by Mr Marshall: Discriminatory action by the Italian Government and the Italian State tobacco monopoly: Mr Andriessen (Commission); Mr Marshall; Mr Andriessen	22	Mr Giolitti; Mrs Castle; Mr Giolitti	24
Question No 17 by Mr von Wogau: Refund of VAT pursuant to 8th Council Directive: Mr Tugendhat; Mr von Wogau; Mr Tugendhat	23	Question No 23 by Mr Prag: Greek pasta prices: Mr Andriessen; Mr Prag; Mr Andriessen	24
Question No 18 by Mr Newton Dunn: Full recognition of qualifications of environmental health officers in the United Kingdom: Mr Richard; Mr Newton Dunn; Mr Richard; Mr Hord; Mr Richard	23	Question No 25 by Mr Patterson: Vote by Parliament: Mr Andriessen; Mr Patterson; Mr Andriessen; Mr van Aerssen; Mr Andriessen	25
Question No 19 by Mr Collins: Fresh poultry meat: Mr Giolitti (Commission); Mr Collins; Sir John Stewart-Clark; Mr Giolitti	23	Question No 26 by Mr Griffiths: Green currencies: Mr Tugendhat; Mr Griffiths; Mr Tugendhat; Mr Patterson; Mr Tugendhat; Mr Blaney; Mr Tugendhat	26
Question No 20 by Mrs Castle: Sale of subsidized milk:		Question No 27 by Mrs Squarcialupi: Developments in the Community's initiative in favour of the handicapped: Mr Richard; Mrs Squarcialupi; Mr Richard	27
		9. Annex	28

IN THE CHAIR: MRS VEIL

President

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

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 10 July 1981.¹

2. Tribute

President. — Ladies and gentlemen, since the July part-session two sad losses have occurred among the Belgian Members of the Christian-Democratic Group in Parliament.

Mr Verhaegen died on 25 August 1981 in Louvain. He was Mayor of Hulshout, his native town, Provincial Councillor of Antwerp and, since 1968, Senator. A Member of the former European Parliament from June 1973 to May 1974 and from 1977 onwards, he was elected to this Parliament in June 1979. As a member of the European People's Party he was particularly active in the Committee on Social Affairs and Employment.

¹ Minutes, see Minutes.

Mr Henkens died on 7 September 1981. A member of the Chamber of Deputies since 1985 he held important posts in the field of data processing in his own country. He was elected to the European Parliament in 1979 and was particularly active in the Committee on Youth, Culture, Education, Information and Sport and in the Consultative Assembly of the ACP-EEC Convention.

On your behalf I have sent my condolences to the families of our two deceased friends and to the Group of the European People's Party.

I also wish to offer my sincere condolences to his colleagues and friends and to ask them to send the condolences of the European Parliament as a whole to their families and to thank them for their contribution to this Parliament.

I invite the House to observe a minute's silence in their memory.

(The House stood in silence for one minute)

I call Mr Vandewiele.

Mr Vandewiele. — (NL) Madam President, I wish to express my gratitude for the many messages of condolence received by the families of our late Members. Messages of sympathy have come from all countries and political parties. I wanted to put on record to the Assembly our deep gratitude for this.¹

¹ Membership of Parliament, see Minutes.

3. *Parliamentary immunity*

President. — I have received from the competent Italian authorities requests to waive the parliamentary immunity of Mr Adonnino and Mr Pannella.

Pursuant to Rule 5(1) of the Rules of Procedure these requests have been referred to the appropriate committee.

I call Mr Pannella.

Mr Pannella. — (*IT*) Madam President, thank you for allowing me to explain briefly my reasons for hoping that this authorization for legal proceedings to be taken will be granted.

I wish to make one point clear at the outset, Madam President: a person who is non-violent has a duty, when he disagrees with the law, to contest that law by argument and to disobey. But he also has a duty to ask to be judged in the name of that same law so as to give a possibility for public opinion to become aware of the situation which is a prerequisite for any change in the law.

Madam President, I wish to state without ambiguity that I have infringed the laws of my country which I consider non-constitutional and incompatible with the democratic rights of our country: in particular, Madam President, I have infringed the law which claims to make it an obligation and a duty for every Italian citizen to cast his vote. We all know that the obligation rather than the right to vote is a characteristic of dictatorial countries only: it is in those countries that 99 percent turn-outs are achieved. The obligation to vote is an act of violence against our citizens.

Secondly, Madam President, I have violated statutory provisions which are medieval and fascist in nature. On the basis of those provisions there still exists a misdemeanour of libel — a kind of offence to the king — against the army, the government and other authorities. I believe that, in conformity with European civil law, Italy should repeal these shameful provisions and I am quite sure that if I am called to trial that will help to set in motion the necessary legal reform in our country. Thank you for allowing me to put my views to the House.¹

4. *Order of business*

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

At its meeting of 7 July 1981 the enlarged Bureau drew up the draft agenda which has been distributed

¹ See Minutes for: Petitions — Appropriations — Documents received — Authorization of reports — Application of Rules of Procedure.

(PE 74.193/rev.). At this morning's meeting with the chairmen of the political groups it was agreed to propose to the House the following amendments:

— Tuesday, 15 September 1981: inclusion in the social debate scheduled under items nos 185, 186 and 187, an oral question by Mrs Viehoff and others on behalf of the Socialist Group, to the Commission, on youth unemployment;

— Wednesday, 16 September: at the beginning of the sitting, Commission statement on emergency food aid to Poland. Inclusion in the debate on the Moreau report of an oral question by Mr de Ferranti and others to the Council on the importation of goods (item no 181).

Inclusion in the debate on the von Wogau report of two oral questions by Mr von Wogau and others one to the Council and one to the Commission, on the customs union (item no 167).

Postponement to a subsequent part-session of the Diligent report on the surveillance and protection of shipping routes for supplies of energy and strategic materials for the countries of the European Community (item no 190).

Replacement of this last report by the Van den Heuvel report on the violation of human rights in Guatemala (item no 191).

— Thursday, 17 September: inclusion, in view of the forthcoming ACP-EEC meeting, of the Michel report (Doc. 1-942/80) on Community development policy to replace the Van den Heuvel report.

At 12 noon the statement by the President-in-Office of the Council to wind up Tuesday's debate. After the statement one spokesman for each group will speak for a maximum of 5 minutes.

The Commission has requested that the Douro report on horticulture be withdrawn from the agenda (item no 193).

Postponement until the October part-session at the latest of the von Wogau and Deleau reports on proprietary medicinal products (items nos 194 and 195) to allow the Committee on the Environment to deliver its opinion.

Inclusion in the debate on the Fourcade report on customs territory of an oral question by Mr van Aerssen and others, to the Commission, on the third United Nations Conference on the Law of the Sea.

The Committee on Budgets had tabled a motion for a resolution with request for urgent debate, pursuant to Rule 57 of the Rules of Procedure, to wind up the debate on the presentation to Parliament of the 1982 draft budget.

President

Although this request has been tabled within the deadline laid down by the Rules, there is some doubt as to its admissibility within the budgetary procedure. Having discussed the matter this morning with the chairmen of the political groups I have decided to submit the question to the House.

Does Mr Nyborg wish to make a statement on the admissibility of this request for urgent debate either on behalf of the Committee on the Rules of Procedure and Petitions or in his own name since it was not possible to consult his committee this afternoon?

Mr Nyborg, chairman of the Committee on the Rules of Procedure and Petitions. — (DA) Madam President, unfortunately you did not manage to get hold of me and when I got through to you you had left. But I have had a look at this and I cannot take a decision on my own. In any case, the Committee on the Rules of Procedure and Petitions is to meet tomorrow at 3 p.m. and then we shall look at this matter along with other questions and let you have our views directly afterwards. I do not think I have anything better to suggest at the moment.

President. — Mr Nyborg I was not able to reach you when I received Mr Lange, chairman of the Committee on Budgets and it was not possible to put off the decision. I am very sorry.

I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — Madam President, if you are going to consult the Assembly there is not much point in my saying anything now.

I have no objection, of course, to having a motion for a resolution to wind up this particular debate. The only thing I would query is the method whereby it is being done. But if you are going to consult the House on this matter then it is much better that the House should pronounce on it, and that should be that.

But whilst I am on my feet, Madam, may I ask you one question? You have dealt with the agenda for Wednesday which includes Mr von Wogau's report, item 167. As you will remember, the deadline for amendments for that was put down for 7 July. Since then a lot has changed. Will it be possible to have amendments down by midday tomorrow? Would that be acceptable to you and the House?

President. — Sir James, I shall put forward proposals on the deadline for tabling amendments as soon as we have adopted the agenda.

I call Mr Pannella to speak on the question of the admissibility of the motion for a resolution by the Committee on Budgets.

Mr Pannella. — (FR) Madam President, if you have decided to put this matter to the House, there is little more for me to say. May I nevertheless ask you,

Madam President, not to place before the House the question of the admissibility of this text and procedure, but quite simply that of entering this subject on the agenda; quite frankly I believe that since we do not know the opinion of the Committee on the Rules of Procedure, it would be preferable to ask the Assembly whether it wishes to debate the matter. It may not be particularly appropriate to call for a majority decision on a matter of admissibility.

President. — The matter is in any event on the agenda since it concerns the budgetary debate. Today a difficulty of interpretation has arisen on which the Committee on the Rules of Procedure and Petitions has not been able to deliver an opinion.

It is therefore for us to decide.

I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — (DE) Madam President, ladies and gentlemen. Your comments have really made it superfluous for me to speak. I simply wanted to draw attention to one point on which I feel the Members of this House should reflect: the tabling of a motion to wind up the debate on the presentation of the budget is an exceptional procedure which is neither expressly provided for nor prohibited in our Rules of Procedure. We are therefore dealing with a new procedure and to that extent I consider it appropriate for you, Madam President, to ask the House whether we may proceed in this way. I believe that we shall then be able to draw the appropriate conclusions in respect of the content of our Rules of Procedure.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Madam President, I am not speaking to criticize but to put a request. With the best will in the world I found it impossible to follow your rapid presentation of the amendments to the agenda. May I ask you in future to proceed at that speed only when dealing with strictly formal matters. The fixing of the agenda and above all amendments to it concerns all Members of the House and they must be given an opportunity to raise objections.

President. — You are quite right. In future I shall read out more slowly the proposed amendments to the agenda.

I call Mr Fanton.

Mr Fanton. — (FR) Madam President, it is of course rather difficult to pronounce on a matter which the Committee on the Rules of Procedure and Petitions

Fanton

has not yet examined. However, I am rather concerned by the precedent which this procedure may create. The chairman of the Committee on Budgets has just made the same point. He said that this was an extraordinary procedure for which no provision is made in our rules. If we embark upon operations like this we may well seriously complicate the budgetary procedure.

I would add, although this is not a value judgement, that I cannot really understand the relevance of this motion for a resolution to the rest of the budgetary debate which is already complicated enough. If I have understood the matter rightly, we are to be asked to state our views without having time to reflect and outside the context of the Committee on Budgets, on a document which we have only just received. Obviously it was not entered on the agenda but I wonder whether we could not hold this decision over at least until tomorrow to give the political groups time to think and weigh up the future consequences of a procedure of this kind whose desirability I cannot understand at first sight. I can see many drawbacks but I would like the political groups to have an opportunity to discuss the matter before deciding.

President. — Nonetheless the political groups did have an opportunity of considering this matter this afternoon.

I should clearly have preferred to have had the opinion of the Committee on the Rules of Procedure and Petitions before putting the matter to the House, but we are required by the Rules to do so tomorrow morning.

However, the decision we take today will not prejudice the definitive interpretation of the Committee on the Rules of Procedure and Petitions which might in fact be quite different.

I call Mr Nyborg.

Mr Nyborg, chairman of the Committee on the Rules of Procedure and Petitions. — (DA) Madam President, now that we have got into a discussion, I must say that I am glad to hear you say what you have just said: that the plenary Assembly, which is of course the supreme authority of Parliament, can take a decision on this matter, but that it is nonetheless understood beforehand that it must be considered in the Committee on the Rules of Procedure and Petitions, which will then present a definitive opinion to the House on how this sort of thing should be dealt with in future. But since we have now landed ourselves in a rather awkward situation, I think that the solution you propose, Madam President, is the only correct way of resolving this and I might say that personally I agree with it, but of course I cannot speak for the committee. This is my personal opinion.

(Parliament decided that the motion for a resolution was admissible)

President. — I call Mr Aigner.

Mr Aigner. — (DE) Madam President, on behalf of my committee I wrote a letter to you asking for the report by Mr Irmer on the financial regulation for the 5th European Development Fund to be placed on our agenda this week. In this case both the Council and the Commission have disregarded Parliament's right to be consulted and we wish to make urgent representations to the Commission. I should therefore be grateful if you could meet this request by the Committee on Budgetary Control.

President. — We considered your committee's request at length this morning, but since we have a very full agenda we could see no possible way of retaining the report. There is already a danger that a number of reports will not be taken. We felt that it would be better to enter the Irmer report on the agenda for October rather than include it on the agenda for this month's part-session knowing that, because of the number of items for this part-session, it would not be taken.

I call Lord Duoro.

Lord Duoro. — Madam President, item no 193 on the agenda, the report in my name, has been withdrawn because the Commission has withdrawn its proposal to amend a Council regulation concerning the size of bulbs which can be purchased into intervention. I now understand that the Commission intends to make a similar proposal in such a way that it will not have to consult Parliament. If this is correct, I would ask the Commission now to give an undertaking that, if they intend to submit any similar proposal with similar effect, they will consult Parliament because I do believe there is an important matter of principle involved in this.

President. — Does the Commission wish to speak on this topic?

Mr Andriessen, Member of the Commission. — (NL) Madam President, I fail to understand the purport of the honourable Members's comments. As a matter of general principle, may I say that the Commission is naturally willing to discuss these matters with Parliament. I hope to have an opportunity to give a more specific reply to the question later on this evening.

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — I am not very satisfied with that answer from the Commission, Madam President. What they are doing is withdrawing a report and they are in point of fact trying to find another means

Scott-Hopkins

of doing so without consulting Parliament. What one needs is an absolute commitment from the Commission that they will come to the House with their new proposals on whatever they intend to do over bulbs. It may not be very important for those who are not dealing with bulbs, but for those who are it is important, and it is important in principle too. Moreover, being a Dutchman, Mr Andriessen, I am sure, will realize how important bulbs are. So will he please give the undertaking that he will come to Parliament and consult us on the changes the Commission wish to make?

(Applause from the European Democratic group)

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — *(NL)* Madam President, as a Dutchman I am obviously well acquainted with the importance of flowers in general and of Dutch flowers in particular. But that has little to do with the matter in hand. I have just said that I am not familiar with the merits of this case but I can hardly imagine that the Commission would try to avoid consulting Parliament in cases where such consultation is appropriate. We shall therefore consult Parliament.

President. — I call Mrs Hammerich.

Mrs Hammerich. — *(DA)* Madam President, it is very good to hear that the Diligent report has been removed from the agenda; but the reason I asked to speak is that we sent you a telegram in connection with the note which we received among our documents announcing that the Political Affairs Committee would be holding a meeting tomorrow, when it will be considering, among other things, the USA's recent decisions on defence, and that the resolution which the Political Affairs Committee adopts will be included on Wednesday's and Thursday's agendas in plenary sitting.

We protested because questions concerning defence and military affairs are not the business of this House and they are not the business of the EEC and nothing will make us believe they are. I therefore ask you what action you have taken on our telegram.

President. — During the month of August I received a letter from Mrs Castellina, who is also a member of the Group for the Technical Coordination and Defence of Independent Groups and Members, requesting an urgent meeting of Parliament to discuss the neutron bomb.

(Laughter)

In view of the content of the letter I decided not to convene an emergency meeting of Parliament during the summer but to forward the letter to the Political Affairs Committee. This committee will meet this afternoon or tomorrow to deliver its opinion on this and other matters. It is for the Political Affairs Committee to decide what action should be taken on Mrs Castellina's letter and on yours which was also forwarded to the committee. In any event the fact that the Diligent report has been withdrawn from the agenda means that there is no item concerning defence on the agenda of the present part-session.

I call Mr Nyborg.

Mr Nyborg. — *(DA)* Madam President, on behalf of the Group of European Progressive Democrats, I should like to draw your attention to the fact that a report by Mr Cousté is down on Thursday's agenda under item 204. We can be virtually certain that we shall not have time to deal with it, because there is so much else on Thursday's agenda. Therefore I should like to suggest on Mr Cousté's behalf that either we move it to another place on the week's agenda or hold it over till next part-session. The latter solution would be the simplest for you.

President. — This report will therefore be held over until the October part-session.

I call Mr Romualdi.

Mr Romualdi. — *(IT)* Madam President, as the agenda stands, I can see no opportunity for discussion in the plenary sitting of a matter which has given deep concern to public opinion in recent months and touches on the interests of two Member States, namely the problem of wine and the great argument between Italy and France.

We have no opportunity to put urgent questions but we have submitted a document and I should like to know whether it will be possible for this grave problem to be discussed during this part-session.

Madam President, since I have the floor, may I point out that I have taken note of the decision to refer to the Political Affairs Committee the whole issue of security; I too had written a letter to the chairman of the committee responsible to ask the President of Parliament to convene an extraordinary session in order to debate this important issue because I do not think that Parliament will have time at this part-session to discuss what is surely the fundamental issue today in European and world politics.

President. — Mr Romualdi I would ask you to comply with the procedure. We shall discuss the question of their admission tomorrow afternoon when the requests for urgent procedure will be considered.¹

5. *Speaking time*

President. — I propose to the House to adopt the allocation of speaking time set out in the draft agenda.

I call Mr Pannella.

Mr Pannella. — (FR) Madam President, I just wanted to point out that pursuant to Rule 65, our group will have only seven minutes on Thursday to speak on the sixteen items which appear on the agenda. That proves, Madam President, that you are using Rule 65 quite simply to abolish speaking time and not to regulate its allocation.

President. — Your protests have been noted.²

6. *Action taken by the Commission on the opinions of Parliament*

President. — The next item is the statement by the Commission on action taken on the opinions and resolutions of the European Parliament.³

I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Madam President, as my colleague, Mr Contogeorgis, has explained on several occasions in the past, the Commission has not yet been able to give a considered reaction to the resolution adopted by Parliament on 7 May 1981 on the subject of the weight and certain other characteristics of commercial vehicles. Parliament is well aware that the Commission's original proposal was preceded by several years careful study and consultations. The Commission felt that the proposal which was eventually placed before you deserved to be adopted because of its technical and economic content.

Nevertheless, the Commission decided to endorse Parliament's views on this matter. Therefore the text was amended on the basis of Article 149, second paragraph of the EEC Treaty; the document now provides for a maximum weight of 40 tonnes for a lorry with

five or more axles. A further amendment by Parliament to Article 7 was also endorsed.

The proposal now before you requires the Member States to inform the Commission in all cases where certain vehicles may not be permitted to use particular highways. As you know, the original provision only required the Member States to consult the Commission on this matter.

Madam President, the Commission has used this opportunity to incorporate certain amendments of a technical nature seeking, in particular, to limit damage to highways and bridges to the absolute minimum. These rules specifically define the axle load permitted for vehicles with two and three axles and thus correspond to a wish expressed by Parliament in its resolution of 7 May. The provisions in question were drawn up in consultation with experts from industry and the national governments including experts in the construction of bridges.

I have tried to make it clear that the Commission has given the fullest possible attention to these complex political, economic and technical problems. It can therefore now only hope that the Council will be able to act quickly once it receives our modified proposal. We believe that the proposal as it now stands is a good one for the immediate future. I shall therefore take this opportunity to express our thanks to Parliament, to its Rapporteur, Mr Carossino, and to the Members of the Committee on Transport for their contribution to this discussion.

Mr Welsh. — Madam President, I would call your and the Commission's attention to the urgent resolution that was passed at the last part-session of this Parliament on the distortion of the market in horticultural products. In that resolution, which I have most carefully studied, the Commission is specifically requested to make a statement on its response to this particular problem at the next part-session of the Parliament — viz., this one. I would recall to your mind, Madam President, that this was signed by over sixty Members of Parliament and was passed under the urgent procedure. Therefore, presumably, there are quite a lot of us who think it is rather important, and to have it dismissed in this cavalier way by one sentence in a printed handout amounts, I would respectfully submit, very nearly to contempt of the House.

I would like to ask the Commission two things: first of all, do they plan to make a statement on this matter at this part-session, as was requested, and if so, when? Secondly, do they realize that some of us here and an awful lot of people in our respective countries take this matter very seriously indeed? The disdain and arrogance with which the Commission treats the question does not, to put it frankly, say a great deal for the institution's respect for its duties under the Treaty.

¹ See Minutes for details of order of business.

² See Minutes for: *Speaking time — Deadline for tabling amendments.*

³ See Annex

Mr Andriessen, Member of the Commission. — (NL) Madam President, the Commission certainly has no intention of being arrogant or of disregarding the matter raised by the honourable Member which is giving great concern to the citizens of many constituencies in many Member States. At most there may be a difference of opinion about how best the Commission can follow up the observations made by Parliament. The Commission had intended to discuss this issue in committee and I hope that Parliament will agree to the Commission returning to the subject at an appropriate meeting of the Committee on Agriculture.

Mr Johnson. — We have rather moved on from Mr Andriessen's original statement about heavy lorries, but I simply wanted to say that, while being extremely grateful to hear that the Commission has been able to follow the advice of the Parliament and amend its proposal so that we are now talking of a maximum weight of 40 tonnes, I do hope he will, as soon as possible, give us amended proposal No 149 so that we can look at the detail of it. But, again, I thank him for his statement.

Mr Andriessen. — (NL) Madam President, I believe that it will be possible to inform Parliament of the actual text of the proposal at the latest in a fortnight.

Mr Seefeld. — (DE) Madam President, I asked to speak to thank Commissioner Andriessen for his statement. Ladies and gentlemen, after mature consideration the Commission has endorsed Parliament's proposal in this matter. We are most grateful for that. Mr Carossino, the Rapporteur, as well as the Committee on Transport and the plenary Assembly have tried to reach, in this highly complex matter, a compromise acceptable to members from all countries and all political groups. The way is now clear for a decision which has been overdue for many years and I should like to take this opportunity to thank you, Mr Commissioner, and the whole Commission while also appealing to the Council of Ministers to follow the Commission's example and endorse the solution found by the European Parliament. It will shortly have an opportunity to do so and I hope that the Council of Ministers will show the same lucidity as the Commission.

(Applause from various parts of the House)

Sir James Scott-Hopkins. — I do not want to be tedious, Madam President, but the reply to Mr Welsh from Mr Andriessen was really very strange indeed. What we asked of him in that particular resolution, when we debated it in July, was to deal with the situation whereby the Dutch Government are unlawfully assisting their horticulturists with energy subsidies. He

undertook to negotiate with the Dutch Government and to come back and report to this House about those negotiations. Are there any negotiations taking place now? Are there? It will not do to go back to the Committee on Agriculture. It is to this House that he has to report. What he said he would do, was to negotiate so that these illegal subsidies came to an end by the end of this year.

Now this has been going on for three solid years. For three years, Mr Andriessen, this has been your special concern at the Commission. Quite frankly, we do not want him to go back to the Committee on Agriculture for them to debate it, and then to come back to this House — it would take much too long. We hope that he will come straight to this House, obviously not now, but hopefully next month, and say what the results of these negotiations with the Dutch Government are. Anything less will not do.

(Applause from certain quarters of the European Democratic Group)

Mr Andriessen, Member of the Commission. — (NL) Madam President, I readily understand that Parliament does not wish to be satisfied with less. I see no reason why it should be. If Parliament asks here in plenary assembly for a statement by the Commission on the progress of the negotiations with the Netherlands Government, the Commission will naturally give that information to the Assembly. If Parliament prefers some other form of information, its wishes can equally well be met. However, I am unable to make a more detailed statement today on the results of the negotiations. As soon as the negotiations give results which can be made public, the Commission will inform Parliament.

Mr Welsh. — Madam President, I do not want to unduly prolong this matter but, frankly, the Commissioner has not really responded properly to my honourable friend's question. The fact is, if we wanted this to go to the Committee on Agriculture, we would have used a different procedure. The fact that we used the procedure that we did, means that we want an answer now. The Commission have not seen fit to give us an answer now. What we require at the very least is a solemn undertaking that this week — this week, not next month — the Commission will issue a proper statement saying where they have got to in their negotiations with the Dutch Government. And more importantly we want them to say when they expect to have a result from the Dutch Government, because after all, they have been discussing this since last November and it is time that they took us into their confidence to the extent of letting us know where they are now.

IN THE CHAIR: MR DANKERT

Vice-President

Mr Andriessen, Member of the Commission. — (NL) The only binding promise which I can give to Parliament is that I will inform it as soon as I have anything to say. I give that promise but you cannot expect me to promise to inform you of things which I am unable to communicate. To that extent I must unfortunately disappoint the honourable Member. However, as soon as there is something to tell you Parliament will be informed. I cannot and do not wish to say any more than that.

Mr Albers. — (NL) Mr President, I wish to comment on the remarks made in the document on the two resolutions concerning the automobile industry. The Commission's view is indicated, but there is a considerable lack of clarity in respect to the resolution tabled by me and adopted by a large majority in Parliament. In that resolution the European Parliament calls on the Commission to enter into contact with the European Federation of Metal Workers Unions in order to ascertain whether it is unavoidable for the Ford factory in Amsterdam to be closed. We are not concerned exclusively with the Ford plant in Amsterdam but also with Ford factories in other Member States.

The Commission believes that support can be given through the Social Fund although the possibilities are limited. It is now particularly important for talks to take place with the European Federation of Metal Workers Unions in order to determine what solutions can be found to the conflict which has arisen between a member union of that federation and one of the big multinationals in the automobile industry. I should like to hear from the Commissioner whether the Commission proposes to hold talks of that kind.

Mr Andriessen, Member of the Commission. — (NL) I readily understand the Honourable Member's concern over this matter. To my regret, I have to say that I cannot at present inform him of a decision by the Commission to arrange talks. This does not imply that the Commission is unwilling to do so; I cannot say either at this juncture whether the Commission is in fact ready to hold these discussions but I shall give a more detailed written answer to the honourable Member's written question as soon as possible.

7. *European space policy*

President. — The next item is the report by Mr Turcat, on behalf of the Committee on Energy and Research, on European space policy (Doc. 1-326/81).

I call the rapporteur.

Mr Turcat, rapporteur. — (FR) Mr President, ladies and gentlemen, on the resumption of our parliamentary work it gives me great pleasure to speak on a topic which introduces a note of optimism and a spirit of enterprise because what I have to say is that the whole field of space is open to us.

1981, as you all know, was an outstanding year for space. You will all remember the magnificent launch of the American space shuttle. The second launch on 9 October will include — and this is an interesting factor — a handling arm on the shuttle as the first step towards the introduction of robots into space. There is little need for me to remind you of the brilliant scientific achievement of the Voyager satellite which travelled through the rings of Saturn. Back here in Europe, we saw a perfectly successful launch of Ariane which, for the first time in the civilian sector simultaneously placed in orbit two operational satellites, Meteosat II and the Indian Apple satellite. In December a further European maritime telecommunications satellite, Marecs A, is to be launched, followed by the highly sophisticated Exosat satellite to study X-ray radiation.

I think we can all be well satisfied with this progress.

At all events, it is now clear that space has ceased to be the sole preserve of science: already telecommunications, meteorology, navigation and terrestrial observation have become areas for industrial and commercial activity. Moreover, space has ceased to be the monopoly of the two super-powers and Europe now has its own place as a partner (since there can be no question of breaking off our technological bridges and the Meteosat and Marecs satellites in particular are the subject of international cooperation) and also as a leading actor.

Our first concern at present goes to employment and although jobs in the space sector do not yet run into hundreds of thousands, there are already tens of thousands and the market is wide open; at my own estimate, some 250 satellites can be expected to be placed in orbit between now and 1995. The added value involved in this work is considerable and that in turn shows the high level of qualifications needed for employees in this sector. The spin-off is also considerable as in any high technology industry: the technical requirements involve great expenditure but the spin-off is valuable. Finally this industry has an immeasurable value as a leader and motivator.

One thing is certain: the space shuttle has completely transformed the situation and the report now before you calls for a far-reaching change: a change in the size and weight of the satellites placed in orbit, in the powerful 'service station' placed in orbit, in space robotry and in the near future space engineering which will open out vast new applications.

Turcat

In face of the space shuttle and its promise for the future does our own horizon appear bleak? No, our launcher is particularly well suited to geostationary orbits on which are placed the telecommunication satellites which will account for the lion's share of the space market between now and the end of the century. We are therefore well placed today and we shall be in five years time through the programmes of the European Space Agency and through national, bilateral and multinational programmes in cooperation with third countries in the sectors both of pure science and of applications.

However, I have found that no provision is being made by the appropriate bodies for the long term. The necessary steps are not being taken by the European Space Agency which is caught in the straight-jacket of its Council of all members and sees the long term as a period of 10 years — although in my view it is necessary to look to the more distant future — and pursues essentially technical activities. Its policy consists of seeing what can be done with 450 million EUA each year and that is no way of defining a policy. With the exception of a few groups of research workers, the industrial interests do not take account of the long term either because in reality the primary duty of an industrialist is to ensure that his current projects are a success. The governments are not making the necessary provision either because, regrettably enough, the last European Space Conference at ministerial level was held in 1977 and nothing much happened at it, as was the case with the 1973 Space Conference which founded the Space Agency. For all those years then we have been lacking a European policy.

It is also a fact that Europe is investing little in brain power and machinery: in broad terms, ten times less than the United States depending on whether you take account of military, classified and unclassified expenditure. The figure is somewhere between 6 and 12 or 13 times less. We are not spending much more than Japan: Japan does have a long-term plan and, let us make no mistake about it, is preparing for the future. Today a major practical project is the only way of giving a fresh incentive to our action in the space sector. The objection might be made that the budget for space and the Community budget are two separate areas since the space budget is covered by the European Space Agency which has a different membership from the European Community. However, the Community clearly cannot stand idly by in face of this vital challenge; the political strategy is a matter for our governments and the Community does have long-standing and new instruments, apart from its normal budget, to provide financial support.

Ladies and gentlemen, the purpose of this report is not to examine the applications in detail although we urge the Commission to place a corresponding study before us. The purpose is to ensure that we have the capacity for certain applications without which all discussion would be idle. If we do not take up the necessary

options in ten years time we shall be unable to make good the lack of new projects and we shall become a secondary force in economic, cultural and political terms.

What capacity should we then seek to develop? The capacity to be equal to the challenge of progress i. e. to construct large space stations and engage in a whole series of activities. It is no longer sufficient to launch meteorological or telecommunications satellites; we need structured activities in space.

What does this entail? Essentially two things. Firstly, a heavy launcher. The Ariane family is, it is true, in its early stages and the decision has already been taken to launch Ariane II and III to be followed later by Ariane IV. This is the first point on which an urgent decision must be taken since it will enable the payload of the original model to be doubled. Even that will not enable us to place sufficiently large space stations in orbit. We shall probably have to continue with the kind of equipment we already have since we are well placed for geostationary orbits, i.e. the type of rocket that we use at present. We have a very good launching centre. But to triple or quadruple the present payload of Ariane we need a heavy launcher.

The second point is a corollary of this: we need a programme to acquire the necessary technology to move on to the second phase of space engineering: space rendez-vous and link-ups. This implies automatic link-ups and feeder stations. In broad terms the energy available at present on our satellites must be increased ten times over; similarly, remote handling facilities and robotry must be introduced.

The view of the experts, which I share in this matter, is that rather than copying the manned flights by the United States and Soviet Union with a delay of 10, 20 or even 30 years, we would do better to use the European capability in robotry to develop automatic stations. We must also acquire the know-how needed for re-entry into the atmosphere and recovery.

That, ladies and gentlemen, is the broad project which I would ask you to adopt for the attention initially of our governments; it will necessarily entail structural reform but — as we in the aircraft industry well know — you need an engine before you can power a structure. This project will pave the way for applications that will have to be defined in detail but which could not even be envisaged without the launcher vehicle. The scope of these space applications is set out in further detail in the body of the report. The annexes to the report present, to the best of the rapporteur's ability, the present and future situation which is highly promising but if the future is not to be eclipsed we shall have to lengthen our view and our political telescopes. That has been the aim of your rapporteur.

President. — Mr Turcat, I believe this is the last time you will be speaking in this Chamber. The tourniquet also works in space.

(Laughter)

I wish to thank you for your contributions to our debates and to wish you every success for the future.

(Applause)

I call the Committee on Youth, Culture, Education, Information and Sport.

Mr Hahn, Joint Rapporteur. — *(DE)* Mr President, ladies and gentlemen, our committee has given detailed attention to the report by Mr Turcat on European space policy and considers that it contains excellent information on the present state of the art.

The committee supports the motion for a resolution since it calls for greater effort by the individual countries and the Community in the area of space research and also advocates a comprehensive, coherent and long term Community policy to ensure a European presence and influence in space. The report is particularly important because it highlights on a comprehensive and reasoned basis the importance of space research technology and policy while also pointing to the significance of this sector which has only been developed in our own generation for the future of mankind in general and for Europe in particular.

Particular value attaches to the indication that, through its existing research and technological programmes, Europe now has a good base to become an equal partner with the United States, the USSR and Japan. The report also stresses the need to counteract any fragmentation of our European effort and to bring about early coordination by the European Community. The Commission must take the initiative in encouraging all the parties concerned to intensify their efforts in this sector despite the present economic crisis.

Since a European space policy requires considerable effort and expenditure by the Member States of the European Community and European industry, it is vital to provide full information to the general public and appropriate background data for the politicians. The Commission must take the necessary steps in this area.

The observations made on satellite telecommunications in respect of which Mr Turcat gave us further details just now, are admittedly correct but, in our view, glossed over in the report. In particular the report fails to consider in sufficient detail the forthcoming revolution in television broadcasting by satellite. In this particular area technology is moving ahead by leaps and bounds so that new solutions are being

found at rapid intervals. Interest is being made known in all kinds of different quarters and plans are being presented which will lead to a complete restructuring of the media in Europe. In its planning for the future of the media, in particular television, the Commission should therefore take due account in good time of the possibility of using the European satellites. In good time means that the Commission must already develop the proposals in this direction now before European satellites are sent into orbit with European rockets.

The risk of fragmentation to which I referred just now is particularly apparent in the case of satellite transmission of television and radio broadcasts. Agreements were reached in respect of satellite transmissions at the Geneva Radio Conference in 1977 but an urgent reappraisal is necessary in the light of technological developments and the Community space strategy advocated in the report.

A European space policy must logically include a European policy for the media. While other areas of use are still reserved for the more distant future, the application of space technology to means of communication is a matter on which decisions can be taken right now. Appropriate proposals helping to promote the unification of Europe must be drawn up. The Committee on Youth, Culture, Education, Information and Sport therefore proposes that the following new paragraph should be added to the motion for a resolution:

'Calls upon the Commission to develop already at this stage proposals for the utilization of European satellites for the implementation of a media policy so that implementation can begin as soon as the technological problems have been solved and general utilization becomes possible.'

(Applause)

President. — I call the Socialist Group.

Mr Saby. — *(FR)* Mr President, in 1979 the Socialist Group approved the report by Mr Ripamonti on this selfsame subject and we should be most interested to know what action the Commission took on that report. Nevertheless we have given close and serious attention to this excellent report and to the resolution on European space policy.

In the time at my disposal I cannot analyse specific aspects such as space launchers or satellites to which reference has been made earlier or the scientific spin-off — in the area of the human sciences or exact sciences — of a European space policy. We are well aware of the exceptional importance which the coherent definition of such a policy will have in the next decade. Our aim should be to gain rapidly a position of world leadership in this sector. We therefore hope that the Council and Commission will take account of

Saby

the urgent nature of this resolution so that we can obtain full information on the potential of Europe in the space sector and turn to the examination of more specific reports. In conclusion, the Socialist Group will vote in favour of this resolution.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Herman. — (*FR*) Mr President, may I begin by congratulating Mr Turcat on his excellent report and expressing the deep regret felt by many Members of the Committee on Energy at the fact that he will soon be leaving us. Mr Turcat managed, in a very short space of time, to gain the esteem of his colleagues because of his excellent contributions, his European spirit and his sense of initiative. It is a matter of great regret to us that we are losing a member of his calibre.

Having said that, our group will approve and vote in favour of the Turcat report which broadly advocates the views held by our own group.

I should like now to make three brief remarks, the first of which concerns the role of the Commission. As Mr Turcat pointed out quite rightly, since the creation of the ESA the Commission and Council seem to have passed on to that institution responsibility for practically all problems affecting research and operations in space. Apart from the immediate tasks which the ESA is carrying out, apparently to the satisfaction of all concerned, there are no signs of a longer term policy. But it takes many years to carry through space programmes: the resources are limited and the choices that we have to make decisive.

At the level of European studies, it is high time for the Commission and Council to give their attention to this problem since we shall very soon have to make our choices as a function of various possible scenarios relating to space operations: should the emphasis be placed on manned orbiting vehicles or else on robots? That is a most important choice which will govern our action for a great many years and since Europe — unlike Russia or the United States — cannot afford to explore several different paths simultaneously, we must opt for the solution that is best suited to us. In this respect the report by Mr Turcat, if only implicitly, perhaps fails to place sufficient emphasis on possible cooperation with the United States. Spacelab is a good example of what we can do together. We are not always competing with each other in every sector and it should be possible to share certain activities. For example, it is quite clear that if we opt for manned vehicles with multi-purpose platforms, both Europe and the United States could find a role in different areas of specialization. But nothing is being done on these lines. I have looked into the matter and found that the ESA is carrying out certain studies but it is not receiving much encouragement from the Commission or Council.

May I now draw your attention to a specific problem which is not mentioned at all in the report — that of the European testing centre for space batteries. We have set up in The Netherlands a centre which cost a great deal of money and is functioning very well because it has carried out interesting research on these batteries which deserves to be continued. But I am told that its capabilities are greatly under used at present. Only 8 persons are working in this enormous and extremely expensive laboratory which has two large computers. That is far too few! I am told that the laboratory is working at 25 or 30% of its capacity. Since I read in Mr Turcat's report that we should specialize on the task of increasing the energy capacity of space vessels, would it not be possible to make more effective and profitable use of this research centre by increasing its staff — not by recruiting new personnel which would only increase the burden on the budget but by transferring staff from other divisions which, I am told, are overmanned. I hope that this suggestion will be looked into since it seems to me that we should optimize our financial and human resources as far as possible.

May I conclude with a suggestion: if the Member States, national parliaments and Europe in general are to take a greater interest in this adventure of space, would it not be appropriate for the European Parliament to organize a hearing to compare the experience acquired in the United States, Japan and Europe, and try to stimulate the interest of those responsible for this sector who are all today highly preoccupied by the economic crisis but tend to confine their attention to a horizon of a few years and disregard our long-term interests. As we all know, only long-term policies can enable us to emerge from short-term crises.

President. — I call the European Democratic Group.

Mr Seligman. — Mr President, I think the Parliament should be very grateful to Mr Calvez for putting forward this resolution and to Mr Turcat for his magnificent report. We politicians have failed to give the public a proper lead in space policy, and the poor attendance particularly by the Socialists at this debate is very significant. So much for Harold Wilson's 'white heat of technology'! It is our job to explain that space policy will be as important to every man as energy, transport, agriculture, or defence. Every country should have a Minister for Space; indeed Britain already has one.

Space activity in Europe is now moving into a much more commercial phase. But the European Space Agency is restricted to a declining budget in real terms. It is therefore vital that the European Community should get actively involved in space policy, especially as the ministerial council — as Mr Turcat has said — has not met since 1977.

Seligman

In paragraph 5 Mr Turcat urges the EEC Council of Ministers to call a European Space Conference. Before they do that, they should ask the Commission to report on the latest annual report of ESA, particularly with respect to the possibility of investment by the European Investment Bank and also how the EEC can best cooperate with the ESA. With the USA cutting down drastically on all NASA programmes, it is increasingly important for Europe to pick up the torch of space development. With every nation practising financial stringency, the key word must be cooperation in space and not competition between nations. We must coordinate programmes and not duplicate them if we are to keep up with the Russians who are launching a satellite every five days. That is why I have suggested that, before Europe goes ahead with a costly project of a heavy launcher, we must make sure that we are not just developing a type of launcher which already exists in Russia and America. Perhaps we would be better occupied in developing a mini space-shuttle. We must be sure that the heavy launcher fills a real gap. Mr Turcat has given the reason that the shuttle is no good for geostationary orbits. This may be a sufficient reason, but I doubt it.

My third point concerns the satellite power system. This generation is consuming energy much faster than we are finding it, so it would be quite wrong for us to give no attention to the possibility of harnessing the inexhaustible power of the sun. Europe is spending one billion a year on fast breeders and more than a hundred million on fusion; yet research into satellite power systems receives less than a hundred thousand dollars a year — and none of that from the EEC. In the USA, NASA has done some very thorough work on the feasibility of this. At the present state of science, the solar satellite power systems look very expensive — much too expensive: a satellite for one gigawatt would cover, I think, something like ten square kilometres. Well, that is very expensive and very wasteful; but science is moving fast and will undoubtedly discover cheaper and lighter satellite collectors in 30 years' time, when we really need this energy.

NASA has reported that they have not yet found any insurmountable environmental problems. So I suggest that the Commission take a direct interest in research and development in this long-term project which may well prove just as important as fusion.

President Reagan has stopped the NASA satellite power project — for budgetary reasons, I suppose — and the EEC should therefore, with the ESA, pick it up and aim to get a pilot project into space by the year 2000. Moreover, I think we should bring the oil companies into this: they have enough money for energy, and they are very interested in diversifying from oil.

I am afraid that my time is getting very short, but I must say that I very much regret that the French and

the Germans have gone their own way in broadcasting satellites. The British are sticking very much to the ESA and are developing the L-SAT and will continue to do so in other directions. The British Government has stated quite clearly that there is absolutely no doubt that joint action in space with the ESA is going to be much more economical than going it alone.

So I would like all the people involved in broadcasting to look at the more modern system of broadcasting. At the moment we are going into action on broadcasting television with the out-of-date SECAM and PAL codes, and there are much better systems available. If we could have a standard system for broadcasting in the Community and not different systems, we should eliminate a trade barrier developing in space.

Finally, I entirely support Mr Turcat in demanding that the Commission draw up proposals designed to stimulate political and financial decisions by Member States.

The Council of Industrial Ministers should coordinate their space policy before attending European Space Agency meetings, just as they do in other international meetings. I beg therefore to move my amendments.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, may I begin by stressing how much the Commission welcomes the decision of Parliament to take a political initiative of this breadth since I believe it was the intention of the Committee on Energy and Research, as indeed of the Assembly as a whole which will no doubt be approving this document, to indicate its determination.

For my part — and in saying this I am answering the question put in the report by Mr Turcat and taken up again by Mr Herman and Mr Seligman — I must say that there is uncertainty within the Community as to whether space policy is a matter for Community strategy or whether, on the contrary, programmes should be pursued according to the method followed up to now. There is a real ambiguity here. In the past, without a shadow of a doubt, the Member States and the Commission have maintained that the Space Agency existed and had a task to perform. Today, however, that agency is experiencing difficulties. Let us see to it that, in trying to make progress, we do not create a situation which might make it impossible for us to continue to do what we are doing at present.

I believe that the view of Parliament — which the Commission will share — is that we must escape from this ambiguity. It is impossible to develop a genuine research policy, a genuine energy policy and an effec-

Davignon

tive programme for electronics if the European Community fails to make use of the basic instruments available to it. Let me give you three examples; firstly, teledetection will come to play a vital role in the Member States since it enables their resources to be defined and monitored at one and the same time. Is it conceivable that those individual countries which have the technology of teledetection at their disposal should have fuller information than us about our present and future agricultural production in the context of the common agricultural policy? Is that conceivable? The answer of course is no.

Secondly, turning to the many developments in the area of telecommunications, is it conceivable that our capacity to export telecommunications technology — which still provides substantial revenue for the Member States — should be jeopardized simply because we do not have certain elements necessary for that technology? Is Europe's future role in telecommunications to be that of a supplier of sub-assemblies? The answer again is no.

Third example: can we design an effective strategy in this area without a political concept of the way in which our particular areas of expenditure are to be chosen? For all these reasons I am quite sure that the Commission will endorse the content of this resolution.

What does that imply? It means that in the context of the work which the Commission has undertaken within its own terms of reference, i.e. in the whole first section of our communication to the Council and Parliament, we shall have to define the strategic questions which will enable the Commission, with the support of Parliament, to determine the actual procedures to be chosen by the Member States. It is impossible to have a coherent system if national measures, bilateral measures and international action co-exist without a guiding thread enabling us to determine priorities. That is just impossible. I am not criticizing the various actions undertaken but unless they all fit into place round a basic concept, we shall only be scratching the surface of the problem. We cannot afford to do that. Without waiting for the deadline set in the resolution to be reached, the Commission will indicate its position when it comes to develop its industrial strategy for research and innovation.

I have a second observation to make on all the more practical points contained in the resolution. The Commission does not interpret these points as a preference in Parliament for one method rather than another but as a reflection of Parliament's determination to indicate to the Commission that it cannot afford to evade these issues. We agree on that. I do not think we should try to put the cart before the horse and make choices before determining which of them are most likely to succeed and which are fundamental to the implementation of the strategy that we need. In this connection, allow me to make a brief

comment for the benefit of Mr Seligman on his resolution concerning cooperation with the United States: we agreed to cooperation with the United States but if the negotiations with them are not brought to a successful conclusion we shall have to go it alone — if no suitable arrangements can be made with the USA — since this area is of strategic importance to development. I think that is the crux of the matter.

As to the matter of procedure, we shall have to define quite clearly in this strategic context the rôle of the Space Agency. That agency is necessary and exists; it involves cooperation going beyond cooperation at strictly Community level but we must of necessity define its appropriate role and there can be no question of the Community abandoning an instrument which is of such central importance to its development.

In this respect, and I come now to my conclusion, the Commission particularly appreciates the excellent work done by the Committee on Energy under the initiative of Mr Turcat. May I join all the other speakers in expressing my sincere gratitude to Mr Turcat and my regret that he is leaving us; I am quite sure that after devoting his energies to Europe, Mr Turcat will continue to give us his assistance in our work of information and decision-making in other sectors.

For its part, and this is something that I wanted to announce today in the plenary sitting of Parliament, the Commission has made a political choice: satellites and space can no longer be excluded from its general strategy. Parliament will help us in taking political decisions and developing our strategy and, more specifically, in effecting the necessary studies and analyses which you have asked us to complete.

Early next year then I shall be in a position to outline to the House our strategic views and initial implementing measures to ensure that the ambiguity which exists today is lifted — and lifted in favour of the Community.

President. — For reasons of time we shall have to hold over until Thursday the continuation of this debate and the consideration of the other reports scheduled for today.

8. Question time

President. — The next item is the first part of Question time: questions to the Commission (Doc. 1-459/81).

Question No 1 by Mr Cousté (H-129/81):

Can the Commission say whether it is true that the major Hong Kong textile group Yangtseklung Garment Manufacturing (YGM) is planning to locate a denim produc-

President

tion unit in Washington New Town in the United Kingdom; can it specify what this new undertaking will produce, whether its main market will be inside or outside the Community and how many jobs this will create?

Mr Davignon, Vice-President of the Commission. — (FR) The Commission is aware that this Hong-Kong based textile company is proposing to build a textile production facility in the United Kingdom. Its production target is ten million square metres per year and the plant is scheduled for a region with a particularly high unemployment rate — 12%; it would enable 300 jobs to be created. Some of the denim produced would be used to make jeans which should enable 300 further jobs to be created on the basis of the capacity of 800 000 units per annum. This company is proposing to market its production in the United Kingdom and to export to other Community countries.

Mr Cousté. — (FR) Before putting my supplementary question, may I thank Mr Davignon for confirming a fact which up to now has merely been reported in the newspapers. Quite clearly — and this is the purpose of my supplementary — this will give an example to other undertakings in other sectors wishing to gain a foothold on the territory of the Community with a view to operating throughout the EEC.

Mr Davignon. — (FR) That was Mr Cousté's own point of view. I accept it as such.

Mr Boyes. — I couldn't quite understand Mr Davignon's answer. The question was about Washington New Town, which is a town in the constituency that I represent in the north-east of the United Kingdom, but the interpretation coming over my headphones referred to the USA. Could Mr Davignon clarify that before I proceed?

Mr Davignon. — The place I was speaking about was, in fact, Washington New Town in the United Kingdom.

M. Boyes. — I just wanted to welcome Mr Davignon's statement that he would encourage this company to come to Washington New Town. In actual fact, I don't know why Mr Cousté asked the question, as I understand that there is nothing certain as yet about this particular matter, and I have been in touch today with the Washington New Town authorities. However, this town is in the area of highest unemployment in the United Kingdom and very close to Consett, about which Mr Davignon knows a great deal. In view of this fact I would ask the Commissioner for an assurance, even though he shook his head just now when I made my preliminary remarks.

Will he assure us that the Commission will continue, as he promised me it would at the end of the Consett debate, to give special consideration to the problems in that region of the United Kingdom, to encourage companies to come to the north-east of England and moreover to encourage them by making positive contributions from EEC funds?

Mr Davignon. — (FR) My answer to Mr Cousté did not refer to the Commission's own arguments relating to this investment project. The question was quite clear: 'Can the Commission say whether it is true that such and such a group is proposing ...' I answered in the affirmative and gave the information available to us. It is not up to the Commission to look after the establishment of industries based in third countries in any particular area of the Community.

As to Mr Boyes supplementary question, my answer is yes provided that it is a matter of developing industries which will make for stability and development. But when we are dealing with the textile sector we must consider in addition whether the proposed investment is to be made in a sector in which overcapacity already exists within the Community; in that case, instead of making for greater stability, the new jobs might create insecurity because the development of these undertakings would not be sufficient. However, the Community does have a broad strategy on this.

President. — Question No 2, by Mrs Ewing (H-170/81):

In view of the fundamental importance of internal ferry services to the peripheral regions of the Community (the Greek and Scottish islands in particular), and bearing in mind that these areas are under a constant threat of depopulation due to the excessive additional cost of all goods and services, does the Commission not agree that internal ferry services should be eligible for subsidies under the transport provisions (Title IV) of the Treaty?

Mr Narjes, Member of the Commission. — (DE) It is conceivable that, pursuant to Article 84(2) of the Treaty, the Council might unanimously decide to apply the provisions of Article 77 to certain aids in the transport sector for the ferry services referred to by the honourable Member. Until such a decision is taken, the Commission is of the opinion that the Member States could in principle grant subsidies for these transport services in so far as such subsidies do not interfere with trade between the Member States or fall within the exceptions listed in Article 92 of the Treaty.

Mr Ewing. — The Commission's answer has taken me somewhat by surprise, as it seems to be in total contradiction to the statement of 3 July made to me in writing, where they said they could not take initiatives for ferries 'because of the low impact on intra-

Ewing

Community transport as a whole'. So the Commissioner's answer now seems to be a lot better than the written answer of July.

Would the Commission not agree that, as the Community is pledged to aid peripheral areas where survival itself depends on ferries, any difficulties they may have found in regard to ferries have really been due to the fact that the Commission's attitude was laid down before the accession of the United Kingdom, Denmark, Ireland and Greece, and that since Greece and my own area have the greater number of these islands, I can, perhaps, take encouragement from the answer today and assume that my misgivings have been entirely misplaced?

Mr Narjes. — (DE) Perhaps my answer was wrongly interpreted and gave the honourable Member the impression that I said the opposite of what she had been told in writing. I can therefore only repeat what I have just said. My answer accords fully with the written reply given to her early in July.

My answer to her second question is as follows: the Commission has made it a rule to avoid taking the initiative in respect of local and regional transport. If a need for aid arises in such cases it is for the Member States to decide independently while respecting the Treaty provisions.

Mr Harris. — Perhaps the second reading of the answer is not quite as optimistic as the first. At any rate, does the Commission appreciate that the one thing all island communities have in common is that their problems are escalating, particularly with the constant rise in energy and transport costs? For example, could I draw his attention to the very worrying situation facing the Isles of Scilly, in my constituency? Will the Commissioner at long last look seriously at the recommendation made by this Parliament, or our predecessors, some years ago that there should be a road equivalent tariff, and if he cannot go all the way with an operating subsidy will he at least give an undertaking that the Commission will bear in mind the plight of all islands when drawing up other policies and looking at other forms of assistance?

Mr Narjes. — (DE) Certainly the Commission shares the concern of the inhabitants of these islands and regions in England, Scotland, Greece, Denmark or other countries — including my own. However, for a variety of reasons we have made it a rule, when a need for subsidies arises as in the present case, to leave it to the responsible national government to decide on matters pertaining to regional and local transport while respecting the Treaty provisions.

Mr Blaney. — I am afraid I did not gather great hope from what the Commissioner has said: perhaps the

translation, which in both cases did not quite seem to be the same, may be the cause. However, might I add my voice to those others raised here on behalf of our island communities and ask the Commissioner urgently to try and devise a scheme whereby the island peoples who still remain — they are getting fewer, and I do not blame them — get the encouragement that this Community can give and is required to give in the very early future? Otherwise there will not be much point in providing it, whatever it may be.

Mr Narjes. — (DE) Of course the Commission is aware of the regional problems faced by the islands. But let me now repeat my specific answer to the various questions: if the ultimate aim of these questions is to seek the introduction of a system of Community subsidies, let me say quite clearly that I cannot see from what funds such subsidies could be paid. Only national subsidies are possible and they must be provided from national resources in conformity with the provisions of the Treaty.

Mr Fergusson. — Many of us are in great difficulties over the question of what is and is not eligible for aid from the Regional Fund in particular. I personally have been very greatly encouraged by the Commission to suggest that applications concerning ferries should go ahead, and the suggestion has been made to me by the Commission that these applications would be most sympathetically reviewed. Regarding what the Commissioner was saying a moment ago, would he, in spite of the difficulties of translation, go into this and explain what he means by 'autonomously'? Does he simply mean that the Member States must pay for themselves when it comes to ferries and that there is no hope of any kind? What it really comes to is that the Commissioner is dealing in euphemisms.

Can we hope for any change in the future in the Commission's view of the status of ferries?

Mr Narjes. — (DE) Firstly, Article 92 defines the circumstances under which the Member States may act autonomously. In the transport sector, pursuant to Article 84(2) and Article 77 it is possible for European-wide standards to be laid down in respect of subsidies but there is no mention of the source of funding. If I have understood you rightly we both share the same concern: what is the use of rules, however finely worded, if we have nobody to foot the bill.

Given the present financial situation of the Community, I would be arousing false hopes if I gave you the impression that Community appropriations could be available for this purpose in the foreseeable future. To the extent that subsidies have to be paid for regional and local transport, the money can — at least in the foreseeable future — only come from the national budgets.

President. — Question No 3, by Mr Israel (H-235/81):

The ministerial Euro-Arab conference initially scheduled for July 1981 has been postponed until November 1981. Does the Commission intend to use this extra time to submit to the Council, in accordance with the wish expressed by the European Parliament in its resolution (Doc. 1-882/80) of 13 February 1981,¹ specific proposals that will enable Egypt to participate in the Euro-Arab dialogue?

Mr Davignon, Vice-President of the Commission. — (FR) The Euro-Arab dialogue is being pursued between two delegations: a Community delegation and an Arab delegation. Since there is a single delegation on either side, the representatives, regardless of their nationality, do not sit on it as representatives of a particular nationality or State. That being so, the composition of each delegation is naturally an internal matter for the delegation itself.

Mr Israel. — (FR) You seem to overlook the fact that this Parliament has adopted a resolution which was published in the *Official Journal* and called upon you in the Commission to put proposals to the Council to see to it that Egypt was associated with the Euro-Arab dialogue. That being so, your reply in no way meets our expectations. Do you intend to take any account whatever of a resolution adopted by this Parliament and calling upon you to make proposals to the Council to involve Egypt in the Euro-Arab dialogue?

Mr Davignon. — (FR) The Commission is well acquainted with the debates which lead up to the adoption of resolutions in Parliament; we study and take part in those debates to which we attach the greatest importance. In the course of the debate to which you refer, we pointed out that the structure of the Euro-Arab dialogue as approved by the Community on the one hand and the Arab States on the other, was such that there is no national representation. That is the fact of the matter. In such a complex area as this, the Commission has no intention of proposing a change in the structure of the Euro-Arab dialogue to turn it into a discussion between States on both sides. Of course, let me say this again, the Commission's view is that the dialogue will be all the more effective if all the parties which have a particular weight in the region are involved; nevertheless we cannot interfere in such delicate matters as this.

Moreover, and this position is shared by the Member States and the Commission, it is important to see to it that the points considered in the dialogue are made known to all the interested governments; this means that the Egyptian Government is kept fully informed of the progress of the discussions.

Mr Seligman. — Following the conclusion of the first Pan-Arab nuclear conference in Damascus in June on the use of nuclear power plants for the industrialization of Arab economies, will the Commission seek a mandate from the Council to negotiate a nuclear cooperation agreement with the Arab States and the Community, in line with Article 101 of the Euratom Treaty?

I am glad Mr Davignon is here to answer this question.

(Laughter)

Mr Davignon. — (FR) I am not sure that I share the pleasure of the author of that question. Having said that we are concerned with a different issue here. The initial question related to the Euro-Arab dialogue, i.e. to a specific procedure. Mr Seligman has now asked me whether, in the context of the Community's studies of the development of nuclear cooperation with third countries, it is proposing to develop that cooperation pursuant to the provisions of the Treaty. This implies that we would be embarking upon a discussion with a view to taking initiatives to develop our cooperation with third countries rather than reaching decisions of a Community nature. This is why it was particularly important for us to conclude the negotiations with Australia and Canada. We note that Community activity in the area of nuclear cooperation agreements has shown an upturn. The matters which we are currently considering include the development of our cooperation and the possibility of putting suitable proposals to the Council pursuant to the provisions of the Treaty: Parliament would have to adopt a position on those proposals.

Mr Blumenfeld. — (DE) Is the Commission aware that through the answer which it has just given to Parliament on the participation of Egypt in the Euro-Arab dialogue, it is in fact interpreting the political nature of this dialogue in the manner which the Arab delegation has always hoped for and which in my view is tantamount to meeting the wish of the Arab partners for Egypt to be excluded?

Mr Davignon. — (FR) The Commission follows the political aspect of all this very closely and that is why the Euro-Arab dialogue has its own special political nature: it is a political dialogue but it also covers matters that are primarily economic as was the desire of the European Community.

However, in accordance with the compromise decision reached within the Community and subsequently between the Community and the countries of the Arab League at Dublin in 1975 in order to launch this Euro-Arab dialogue, we have agreed not to raise a whole series of political questions; we also agreed that there would be only one delegation on each side and

¹ OJ C 50, 9 March 1981, p. 98.

Davignon

that these delegations would not be representative of individual States. It was the European countries who asked for that formula to be adopted.

It would be difficult for the Community to oppose at this stage a formula which it proposed itself.

Having said that, there is a problem over Egypt as we all know in the Community, in the Member States and in the world at large. That is why we are trying to deal with these issues with the greatest possible care. The concession has not been made now; it was made in respect of the very structure of the dialogue as far back as 1975. Mr Israel's question was more precise: he asked whether the Commission intended to take an initiative to call into question the structure of the dialogue? We answered that the Commission, having weighed up all the arguments, did not intend to move in that direction. We do not have the impression that the Egyptians are particularly critical of the Community's position on this.

Mr Pelikan. — (FR) I wish to put a question and make a suggestion. Since the situation is as Commissioner Davignon has just described it and since in my view we cannot hope for any change, i.e. representation of all the Arab countries, could we not, so as to avoid touching on a sensitive point, call these discussions a meeting between delegations from the European Community and the League of Arab countries, instead of referring to them as the Euro-Arab dialogue?

Mr Davignon. — (FR) The definition of the Dublin compromise is exactly that which Mr Pelikan has just given to us, but in our own jargon we call this meeting the Euro-Arab dialogue. That is a convenient expression which has now become accepted in journalistic usage but the dialogue in fact takes place between a delegation from the Community and a delegation from the Arab League, each side being free to determine the membership of its own delegation as it thinks fit.

President. — Question No 4 by Mr Moreland (H-237/81):

When does the Commission intend to review the division of portfolios between Commissioners including alterations in the holding of major portfolios?

Mr Davignon, Vice-President of the Commission. — (FR) As you can imagine, the answer to this question is perfectly simple: this matter rests within the sole competence of the Commission itself and the Commission has not scheduled any discussion of this point.

Mr Moreland. — Can I ask the Commissioner if he can give us an assurance that there has been no assur-

ance given to any Commissioner that he will retain his portfolio definitely until 1984 and that the allocation of Commission portfolios is in fact reviewable from time to time and not just at the end of a four-year period?

Mr Davignon. — (FR) As you know the Commission is a collegial body and its members assume specific responsibilities by virtue of a general agreement within the college, i.e. with the agreement of their colleagues. No assurance is given to anybody that he might have some kind of divine right to retain his particular functions. However, as I just said, the decision rests entirely with the college as a whole and, at present, we have no plans to reopen the discussion of this matter.

Mr Welsh. — Could the Commission perhaps shed some light on the practice that appears to be growing up that if a Commissioner is reappointed by his Member State's government, he apparently has first refusal on the portfolio he held before? Could we be told whether that is the view of the present Commission and if so whether this Commission in effect will bind its successors?

Mr Davignon. — (FR) During the Commission's discussions on this matter, it formally indicated that responsibility for the allocation of portfolios rested entirely with the Commission; it was decided that the fact of having held a particular portfolio previously or of being of the same nationality as the previous holder of the office could not in any way be decisive factors.

Mr Enright. — Is not collegiate responsibility an illusion when it is very well known that during the deliberations on posts of responsibility for this Commission one who shall be nameless, a female prime minister, interfered and ensured that her candidate got the full responsibilities of his post?

Mr Davignon. — (FR) In politics, as the honourable Member well knows, it is not the pressures to which we are exposed — and they form part of political life — that count but the way in which we respond to them.

As regards the Commission, I stated quite clearly that our responsibilities are collegial. The college as a whole wished to indicate its position on this and, to repeat my previous answer, it did not accept the concept of reserved areas.

President. — Question No 5, by Miss Quin (H-246/81):

What progress has the Commission made in reviewing the grading system for apples along the lines favoured by the European Parliament in its resolution of Friday 13 March 1981?

Mr Narjes, Member of the Commission. — (DE) The Commission is currently working on the harmonization of Community standards — including those applicable to apples — with the standards laid down by the OECD and the UN Economic Commission for Europe in Geneva. The Commission wishes as far as possible to avoid making any changes which do not accord with the standards of these two other organizations.

Miss Quin. — The European Parliament in its reports on apples did stress the desirability of maintaining a variety of apples for European consumers and called for modifications to the system of grading. I am a bit disappointed that nothing more seems to have been discussed.

Will the Commission submit to Parliament and to the Committee on Agriculture a report on the situation in the industry this year so that at least we have a chance to consider current developments?

Mr Narjes. — (DE) I am unfortunately not able to promise you with any certainty a report before the end of this year, but such a report will be issued in the foreseeable future as soon as the technical negotiations have progressed far enough for a general verdict to be reached on the harmonization of standards.

Mr C. Jackson. — The same resolution called for an examination of national aids in the apple industry to see whether they distorted competition and it further called for the publication of these findings and for the list of national aids to be made available more widely. What action, may I ask the Commissioner, has been taken regarding this examination of distortion of competition by national aids and has the Commission made the list of national aids available to institutions as called for in the report of the Parliament?

Mr Narjes. — (DE) This question relates to the grading system for apples and not to the follow-up on individual points contained in the March resolution.

I shall therefore confine myself to saying that the list of aids is being drawn up at present.

Mr C. Jackson. — I would like to register the point that I consider that an unsatisfactory reply by the Commission because this was a related issue.

President. — Question No 6, by Mr Ansquer (H-272/81):

Does the Commission not feel that it should propose a permanent economic dialogue between the United States and Europe in view of the recent sharp rise in interest rates?

Mr Davignon, Vice-President of the Commission. — (FR) I want to assure the honourable Member that the Commission aims to develop quasi-permanent consultations with our main partners since they determine conditions which most certainly affect us.

The problem here is not a lack of consultation but rather the fact that the results of those consultations have not been as we should have hoped. In the case of the specific problem of concern to us, the bilateral consultations between the Commission and the American Government and consultations within international bodies at the OECD, at the Ottawa meeting or at the International Monetary Fund due to open in the next few weeks, have not led to a solution of the kind which we should have liked to see.

President. — Question No 7 by Mrs Fourcade (H-273/81):

Does the Commission agree that an improvement in the quality of fresh fruit and vegetables would enable Community producers to obtain better prices on the market and that it should therefore step up its action in this field and introduce stricter quality controls?

Mr Richard, Member of the Commission. — The Commission agrees entirely with the honourable Member. It will on every appropriate occasion press the Member States who are responsible for the control of quality standards to ensure that control is carried out as strictly as possible. In its report on the mandate of 30 May 1980, the Commission stressed that product quality control should be carried out rigorously.

Mrs Fourcade. — (FR) I wish to put a supplementary question to the Commissioner. Does not our experience of this summer give added strength to the idea which we have always put forward, namely that a better guarantee must be provided for the incomes of fruit and vegetable growers by reforming the existing rules?

Mr Richard. — The question was really directed towards the quality control in standards of fruit. I really think the question of the income of producers is a different matter, and if the honourable Member would like to put a question down on it I have no doubt that the Commission would be prepared to answer.

Mr Welsh. — Would the Commission accept that it is not so much the level of quality standards which is concerning many of us as the enforcement thereof?

Does the Commission agree that the existing standards are not enforced even-handedly in every Member State, that this leads to considerable distortions of the market, and could they tell us what proposals they

Welsh

have to make sure that all the intervention authorities and all the other Community agencies which are exercised by Member States are in fact enforced in exactly the same way?

Mr Richard. — I would agree with the very first part of the honourable Member's supplementary. I am not sure whether I would agree with the conclusions that he drew from it that they necessarily flow from the first part of it. On the other hand I do accept of course that monitoring is important. It always has been a matter for Member States. However, as has been mentioned in its communication to the Council in connection with the Spanish accession negotiations, the Commission is looking at this and may be planning to institute some measure of Community monitoring.

So to that extent I think we can at least share the thrust of the honourable gentleman's question without necessarily agreeing with the details or the conclusions.

President. — Question No 8, by Mr Deleau (H-274/81):

Does the Commission intend to propose joint action at European level to force the United States to stop the international spiral of interest rates?

Mr Tugendhat, Vice-President of the Commission. — In all the Community forums and the other appropriate international forums in which it participates, the Commission has for several months continually drawn the attention of the competent authorities to the problems which United States monetary policy raises in Europe. The House is certainly aware of the Commission's position on these problems, because it was outlined by my friend and colleague, Mr Ortoli, in June during the debate on the resolution tabled jointly by Mr Ruffolo and Mr Bonaccini, which was concerned precisely with the subject of this question. It is this same position which the Commission maintained both at the European Council in Luxembourg and in various other Community bodies, especially in preparation for the Western Economic Summit in Ottawa.

Mr Israel. — (FR) Does the Commission feel that it has done everything possible to recommend the European countries not to follow the upwards spiral of interest rates in America and to concentrate instead on expanding their own economies and promoting employment by granting interest rates based on economic rather than on monetary considerations?

Mr Tugendhat. — The Commission believes that the conduct of economic policy requires the use of a number of instruments and that the weight to be placed on one rather than another at any given time

depends very much on the circumstances of the countries concerned. It is of the greatest possible importance to the Community to ensure that the steps taken in the various Member States are coordinated, in order that the interests of all may be helped and the interests of none harmed by what is done in any particular Member State. Coordination and a certain coherence are obviously very important in a Community context.

President. — In the absence of their authors, questions Nos 9, 10, 11 will receive a written reply.¹ Question No 12, by Mr Habsburg (H-310/81):

On 27 February 1981 I submitted a question² to the Commission concerning the role of Interagra in connection with supplies of food to Poland.

Surprisingly, this question has not yet received a reply even though no inquiries needed to be made outside the Community.

What is the Commission's response to the following questions:

(a) Why is no priority given to questions which can only be answered by the officials responsible?

(b) Is the Commission prepared to provide this answer at the next meeting of the Committee on Budgetary Control?

Mr Davignon, Vice-President of the Commission. — (FR) May I begin by presenting the Commission's apologies to the honourable Member: the answer given to his question of 12 June was not published in the *Official Journal* until 22 July which may perhaps explain his impatience. I shall now answer both his written and oral questions.

In the case of aid for Poland the Commission has followed its normal procedure, in other words it has issued calls for tender for agreed quantities in the Member States. The normal procedure then ensues. As the Commission has frequently had occasion to emphasize, to the extent that the necessary conditions are met, the confidentiality of commercial transactions must be maintained. The Commission cannot therefore give information on the operators engaged in particular contracts.

Mr Habsburg. — (FR) Is the Commissioner aware to what extent relations between Interagra and various European Community operations are today giving rise to suspicion; would it not be appropriate to hold a detailed enquiry into certain contacts maintained by Interagra.

¹ See annex of 16. 9. 1981.

² Written Question No 22/81 — Bulletin No 3. Former oral question without debate (0-11/81) converted into a question for question time.

Mr Davignon. — (FR) In the case of particularly delicate issues such as those arising in the management of the common agricultural policy, it is certainly important to eliminate any ambiguity which might denature the operations that the Commission and Council — in other words the Community — wish to promote.

If the Commission becomes aware of considerations of this kind — and the views of Parliament are important in helping it to assess these matters — it would carry out the necessary enquiries and additional investigations.

Mr Pelikan. — (FR) May I ask the Commissioner to explain the main factors responsible for the slowness in forwarding the aid? Is this a transport problem because it is said that the Polish Government is insisting on the use of its own resources to transport the aid, or is it a fact that, in respect of the two aid instalments decided in December and April, the Polish Government is having to make a down payment of close on 75 million dollars and cannot obtain the necessary credits? Would it not be possible to follow the example of France which granted aid in July without requesting this 15% down payment from the Poles?

Mr Davignon. — (FR) Clearly this question requires a long and delicate answer and the answer will not be identical for all products and at all times.

Was there a transport problem? No. Were there substantial delays? When we come to discuss the matter in greater detail in Committee, you will see that a first aid instalment was transported rapidly; a second instalment ran into greater delays firstly because — as is normal — it is probable that circumstances as regards local supplies changed. Certain harvests were better or will give a higher yield: it seems that there has been a good sugar crop in Poland so that an initial request for aid was not pursued by the Polish authorities themselves.

Thirdly there is an aspect which can only be determined as the commercial transactions progress — the Commission had made good offers to Poland by granting particularly favourable conditions. A minimal effort was called for in the shape of an initial payment towards financing. Difficulties arose here with the commercial contracts. We are not always able to determine the causes of these problems. In some cases the Polish authorities were able to obtain the same quantities from other countries which were willing to supply food to Poland. The Council has now set up a permanent working party to examine the various requests and, in some cases, adjustments have been made to ensure urgent shipment when the Polish position was confirmed. The Council still has this question on its agenda and we shall be able to give you further

information later on the progress of these operations. A standing committee has been set up to solve the problems whenever they arise and in cases where confirmed requests have been received from the Polish authorities.

President. — Question No 13 by Mr Calvez (H-167/81):

Would the Commission state whether it has been informed of and is acquainted with the content of the Italian Government's proposal to create a European Energy Bank should the World Bank's project fail to materialize?

Mr Davignon, Vice-President of the Commission. — (FR) The Commission has read a number of statements on this matter but the Italian Government has made no formal proposals.

Mr Calvez. — (FR) I wish to thank the Commissioner for his answer. Could he now say what the Commission's position is on the possible creation of a European Energy Bank not by a single Member State but by the Community as a whole since energy forms the basis of the Community's industrial policy?

Mr Davignon. — (FR) The Commission's position is as follows: firstly, as regards the financing of energy activities in the developing countries, the Commission favours the creation of a special instrument at the World Bank. As regards our own activities in the energy sector, given that the investment problem is central here, the Commission will, in the context of its report on the mandate, be presenting within the next few weeks a number of proposals on financing to the Council and Parliament with a view to acquiring a greater investment capacity and to stepping up the role of the Community as such. A single Member State cannot therefore act on its own.

President. — In the absence of its author, Question No 14 will receive a written reply.¹ Question No 15 by Mr Vié (H-233/81):

Can the Commission state why it is only concerning itself with the safety problems of workers involved in research on genetic engineering and whether it plans to set up a study on its recommendation designed to replace the draft directive of 1978 which has now been abandoned?

Mr Davignon, Vice-President of the Commission. — (FR) I wish to give the following answer to Mr Vié on this highly technical and delicate question. Given the state of scientific knowledge at the time, the

¹ See Annex of 16. 9. 1981

Davignon

Commission certainly felt that recombinant genetic work i.e. genetic engineering, might expose research staff in the laboratories and the population at large to serious risks.

That is why the Commission prepared the draft directive laying down the measures with which you are familiar in 1977. Since then studies and inquiries have shown that the initial fears were unjustified and the risk of contamination and infection by the products of genetic recombination appeared slight.

The Commission has therefore replaced its original draft directive by a new proposed recommendation calling upon the Member States to require compulsory registration of recombinant genetic work together with a list of the safety measures to be taken while each project is being implemented. These provisions are not merely intended to protect scientific workers but also to enable a permanent inventory to be kept of current work which is essential if the situation is to be continuously evaluated and infectious contamination, in the unlikely event of its actually occurring outside the place of production, being traced back to its origin.

Mr Vié. — (FR) I am grateful to Commissioner Davignon for the precision of his reply concerning the draft directive and the later recommendation, but he has not answered the first part of the question which sought to ascertain why the Commission was only taking account of the health and safety aspects which are of course extremely important.

However, genetic engineering also raises a number of ethical problems. Reference has been made to certain experiments in which financial interests seem to have become involved and, in ethical terms, this seems to create a number of extremely serious problems.

I am rather surprised that the Commission should be restricting its attention to safety, even though safety is of course very important. It seems to be trying to avoid extending the subject to the risks which experiments may create not only for the workers directly involved but also for mankind at large if certain minimum ethical rules are not respected. That was the real object of my question to Mr Davignon and he has not answered me on this point.

Mr Davignon. — (FR) I am grateful to Mr Vié for clarifying his question. It is true that we have concentrated, because this is the principal responsibility of the Commission, on the problems of recombinant genetic work in the industrial and agricultural sector. We have been active in that specific context. Mr Vié is right to broaden the issue to include the problem of medical ethics and the more general issue of the risk to mankind arising from manipulation of the genetic system of mammals.

That is a quite different question which involves not only problems of research but also the whole basic approach. But is it not preferable for matters of this kind to be dealt with in the Council of Europe so as to involve the largest possible number of European countries rather than confining ourselves to the European Community? That is why we have made a technical proposal for a specific regulation relating to the more technical, industrial aspect and we shall try to deal with the juridical and moral problem in the context of an organization in which all European countries sharing the same concept of human values are represented. If no results are obtained the problems would have to be dealt with again at Community level.

President. — Question No 16 by Mr Marshall (H-249/81):

What representations have been made to and by the Commission concerning the discrimination in Italy against cigarettes imported from other Community countries and would the Commission agree that such discrimination breaches the rules of the Community?

Mr Andriessen, Member of the Commission. — (NL) In Italy there is a production monopoly and a retail sales monopoly for manufactured tobacco; these are both monopolies within the meaning of Article 37 of the Treaty. In the context of the adaptation of national monopolies stipulated in Article 37, the Commission has found that certain discrimination against manufactured tobacco from other Member States continues to exist. The Commission has therefore initiated against Italy the procedure stipulated in Article 169 of the Treaty. The Commission received on 30 June last an answer from the Italian Government to our reasoned opinion. In the course of this month we shall decide whether to open proceedings in the Court of Justice.

The present state of the procedure was described in detail in the Commission's answer during the question No 358/81 by Mr Notenboom forwarded to Parliament last month. Apart from the problems dealt with in these particular proceedings, the Commission has also lodged a complaint in respect of cigarettes imported from other Member States. We are concerned with the sales costs which are invoiced by the administration of the monopoly for the distribution of its products in Italy. The relevant enquiries have not yet been completed but I expect that the outcome will be made known by the end of this month.

Mr Marshall. — May I say to the Commissioner that I find his answer quite unsatisfactory. It seems that the Commission is dawdling whilst the Italian Government does nothing. Is the Commissioner also aware that the Italian Government has still to comply with the second stage of tax harmonization in respect of

Marshall

tobacco? Would the Commissioner not agree that such action by the Italian Government makes nonsense of the concept of the common market, and that it is time that the Commission carried out its mandate to ensure that the common market was common and not uncommon?

Mr Andriessen. — (NL) It is for the very reasons mentioned by the honourable Member that the Commission has opened these proceedings. I have just explained the situation in detail to Parliament. Later this month the decision will be taken as to the continuation of the proceedings if the Commission reaches the conclusion in the light of its studies that irregularities are continuing. In other words, if the Italian Government fails to put forward satisfactory proposals which are compatible with the Treaty, the Commission will not hesitate to take the kind of action for which the honourable Member called just now.

President. — Question No 17 by Mr von Wogau (H-257/81):

Is the Commission aware that the refund of value-added tax provided for in the Eighth Council Directive on value-added tax has not been implemented in Italy in respect of 1980 on the grounds that the requisite provisions had not yet been enacted; what measures has it taken to ensure that the sums outstanding because of this failure to act will be refunded to the companies involved as soon as possible?

Mr Tugendhat, Vice-President of the Commission. — The Commission is aware that Italy has not yet adopted the necessary measures to implement the 8th VAT directive. It recently, therefore, commenced infringement proceedings against the Italian Republic under Article 169 of the EEC Treaty.

Mr von Wogau. — (DE) Does the Commission realize that the outstanding amounts are considerable for the parties immediately concerned, often small firms; no private individual could afford to be so overdue in his payments to a revenue office. Will the Commission do all in its power to ensure that the appropriate payments are made for 1981 and the arrears from 1980 settled?

Mr Tugendhat. — The honourable Member obviously would not expect me to comment on a case which is at the moment *sub judice*, but I paid careful attention to what he said.

President. — Question No 18, by Mr Newton Dunn (H-281/81):

In June, the Commission replied to my question¹ concerning qualifications for meat inspection by saying it would make a proposal to the Council 'in the near future'. Will the Commission please delay no longer and give a specific date when the proposal will be made?

Mr Richard, Member of the Commission. — I understand that this is a question which has been under consideration for some time. It is of particular interest to the United Kingdom, and is being considered by the Commission at this moment. I hope the proposal will be made in a few days.

Mr Newton Dunn. — In June, when I asked a similar question, I was told that the proposal would be presented in the near future. It has, therefore, taken three months to get us a little further on. Could we perhaps, interpret 'in a few days' specifically and have a guarantee from the Commissioner that before the beginning of the next plenary session, which is 30 days from now, we shall definitely have this proposal?

Mr Richard. — 'In a few days' means in a few days. It means neither more nor less. The honourable Member asked for guarantees, which because of the nature of the Commission's procedure — which he knows full well — it is quite impossible for me to give. On the other hand, I can only say to him what I said earlier: I hope — my fingers are as crossed as his are — that the proposal will be made in a few days.

Mr Hord. — Further to the Commissioner's last reply, could he please give this House his definition of 'a few'?

Mr Richard. — This kind of semantic philosophizing on an issue of great importance does not, I think, take the House very far. 'A few days' means exactly what it says.

President. — Question No 19, by Mr Collins (H-301/81):

Would the Commission state whether it is prepared to publish the detailed report of the findings of its study into the application of Directive 71/118 — fresh poultry meat — in Member States carried out in 1979/80, and would the Commission confirm that, as a result of the study, it intends to take action against a Member State under Article 169 of the EEC Treaty and if so would the Commission name the Member State concerned?

¹ H. 144/81, Debates 17. 8. 1981.

Mr Giolitti, Member of the Commission. — (IT) Following the Commission's enquiries, it forwarded to the Council in October 1980 a communication on the application of the directive relating to fresh poultry meat. Recently the Commission submitted a proposal for the amendment of that directive which will be discussed in Parliament. The Commission does not intend to publish any other documents on this specific matter.

May I add that pursuant to Article 169 of the Treaty, the Commission is taking action against the Italian authorities for failure to comply with the obligations deriving from the directive.

Mr Collins. — Thank you very much for that reply. I wonder, however, if the Commission would agree with me that government by rumour is always very bad and if it would further agree that, in order to avoid governing by rumour, it would be better for all concerned if the Commission were always as open and frank as they are occasionally in Question Time in this Chamber. That would obviate the need for the question.

Sir John Stewart-Clark. — I should just like to ask the Commission whether they can report any progress in ensuring that veterinary inspection is being properly carried out in a uniform manner throughout the Community?

Mr Giolitti. — (IT) The Commission will of course be able to give the information requested by the honourable Member at a later stage.

President. — Question No 20, by Mrs Castle (H-302/81):

Which Member States are taking advantage of the EEC subsidy for cheap school milk and what is the percentage take-up in each case?

Mr Giolitti, Member of the Commission. — (IT) All the Member States, with the exception of Greece, benefit from the Community programme for the distribution of school milk.

47 million pupils have the possibility of drinking a quarter of a litre of milk each day; this represents a theoretical maximum consumption of 2 100 million litres each year. In 1979-80 actual consumption stood at about 14% of this theoretical quantity but the distribution programme has been considerably improved since 1977-78 in which the programme was set up when the rate of utilization was barely 8%; there was thus an increase from the initial 8% to 14% in the following year.

Consumption by the individual Member States varies from 0 in Italy where the programme has hardly started to 28 and 26% respectively in Denmark and the United Kingdom, countries in which the programmes are already well under way. In particular much larger quantities of milk are now being distributed in Belgium, Germany and The Netherlands.

Mrs Castle. — Is it not a fact that only 5% of British schoolchildren are getting free or cheap milk at the present time, compared to 60% for schoolchildren in Denmark, because of the refusal of the British Government to take advantage of the EEC subsidy of nearly 9p per pint which would benefit the United Kingdom to the tune of 160 million? Is it or is it not true that the British Government has now negotiated with the Commission a slightly extended scheme in Britain, provided that the local authority there pays for it? Is the Commissioner aware that the local authorities, whose money has been cut back by the British Government, cannot afford to do this? Therefore, is the Commission prepared to allow non-government organizations such as dairies to pay the national subsidy of 2.2p per pint in order to reverse the tragic drop in milk consumption which has taken place in my country?

Mr Giolitti. — (IT) I shall certainly take account of the suggestion made by Mrs Castle. May I, however, repeat the indication which I gave just now, namely that the United Kingdom is immediately behind Denmark as the country with the highest rate of utilization of this aid measure.

President. — In the absence of their authors, Questions Nos 21 and 22 will receive written replies.¹

Question No 23, by Mr Prag (H-314/81):

The premium for durum wheat in the Community was fixed at a level high enough to provide substantial protection for growers in France and Italy, and now provides similar protection for growers in Greece.

Unfortunately, its high level also has the effect of making pasta production in other Community countries uncompetitive since it is based on imported durum wheat made expensive by the levy.

Will the Commission state what steps it intends to take to ensure that pasta production companies in other Community countries are not put out of business by imports of Greek pasta (using Greek-grown durum) at prices below those at which they obtain their raw material, durum semolina?

(1) See annex of 16. 9. 1981.

Mr Andriessen, Member of the Commission. — (NL) The premium for durum wheat is accorded on a hectare basis and this support has only a marginal influence on the market which is in fact regulated by the intervention price and the threshold price. In Greece the Community premium will only be granted from the 1981/82 marketing year and is lower in that country than in the other Member States. The aid has been set at 57·23 EUA per hectare for those Greek areas in which a similar national aid was granted prior to accession and at 17·04 EUA per hectare for the other Greek production areas. The Community level will not be reached until the end of the transitional period. The supply of Greek pasta products at low prices cannot therefore be attributed to an existing market regulation for durum wheat. The Commission's services are at present discussing these deliveries with the Greek Government.

Mr Prag. — The fact is that companies in the United Kingdom are facing competition from Greek pasta landed at prices below what they are paying for their raw material, which is durum semolina. Will the Commissioner see what actually is happening and let me know its findings and the sort of action it proposes to take? It is no use saying that these things are not happening. Companies are going out of business, and one of the largest happens to be going out of business in my own constituency. I would like to hear that the Commission is taking notice of these things, because it should not be possible to produce the finished product at a lower price than those companies are paying for their raw material.

Mr Andriessen. — (NL) As I said just now the Commission is currently discussing certain deliveries with the Greek Government in order to ascertain precisely what is happening. As soon as we have obtained the relevant information, we shall naturally be prepared to take such measures as may be necessary and to inform Parliament of those measures. Difficulties of this kind are constantly being experienced by the industry which processes durum wheat. These difficulties are partly attributable to the difference between the price of soft wheat and durum wheat. As a result of these differences, durum wheat is being replaced by soft wheat in the production of pasta.

President. — As a result of excessive pessimism on our part, Mr Seligman is not in the Chamber. His question is therefore held over until the next part-session.

Question No 25, by Mr Patterson (H-321/81):

Following the statement by Commissioner Andriessen on 9 July 1981 that the Commission will not necessarily use its powers under Article 149 of the EEC Treaty to

(a) withdraw a proposal rejected *in toto* by Parliament,

(b) amend a proposal in accordance with Parliament's amendments to it;

will the Commission state clearly under which circumstances it believes a vote by Parliament should be ignored, and why the Parliament should not then make use of Article 144 of the EEC Treaty?

Mr Andriessen, Member of the Commission. — (NL) During the debate on 9 July I explained that the Commission which is an independent institution with its own powers under the Treaties, cannot undertake to accept all amendments proposed by the European Parliament. The Commission must reach its decision in each specific instance after a careful examination of the amendments and taking account of all aspects of the relevant problem. Naturally the Parliament has the full powers of control over the Commission granted to it by Article 144 of the EEC Treaty.

Mr Patterson. — I listened very carefully to Commissioner Andriessen's statement of 9 July and what I am pressing him for now is some general rules on the circumstances under which Parliament's advice is to be disregarded. Earlier on today we discussed the report from the Commission, and there is a report by Mr Tuckman on the financial regulation, to which the Commission says it was not able to endorse a proposed amendment. Now it would be nice to know the reasons why the Commission takes that kind of position. Is it because it does not believe it can get it through Council, or is it for some internal reason? If the Commission would give us some fundamental rules as to where it thinks Parliament's opinion can be followed and where not, cooperation between us would be much closer and we might not, as my question hints, have to resort to Article 144 of the Treaty. Can Mr Andriessen give us some such rules?

Mr Andriessen. — (NL) It is obviously desirable for cooperation between the Parliament and the Commission to be such that Article 144 of the EEC Treaty will not need to be applied. In this respect I fully endorse the views of the honourable Member. However, at the present juncture it is something quite different to seek to impose a kind of general rule on the Commission determining its conduct in considering opinions and resolutions of Parliament. It seems to me that the position of the Commission will depend largely on the situation in each individual case which may in turn depend on the political reality in the Member States. The economic background to the implementation of a particular proposal may also be relevant here.

I do not consider it possible to lay down general directives on this. It seems to me that the agenda item at each part-session, i.e. the communication by the Commission on action taken on the opinions and resolutions of Parliament which is increasingly becoming

Andriessen

an occasion for the Commission to account seriously for its own actions, provides a good opportunity to call the Commission to account when it has felt obliged to depart from recommendations of Parliament and to ascertain whether it has been right in so doing. But I can give no general rule on this matter at present.

Mr van Aerssen. — (DE) Although the Commission cannot indicate a general rule at present, does it share the view that the right of initiative of the European Parliament can be strengthened under the existing Treaties, i.e. without amendment of the Treaties, and that such strengthening should be covered by the institutional agreements which the Parliament and Commission hope to conclude by the end of this year?

Mr Andriessen. — (NL) As I tried to explain during our major debate in July in Parliament, the Commission shares the view of the honourable Member that in many respects cooperation between Parliament and the Commission can be improved. The document which the Commission has promised to Parliament will be completed very shortly and will cover these aspects in full detail.

President. — Question No 26 by Mr Griffiths (H-326/81):

Does the Commission believe that a policy of common prices exists in the Community given the existence of 'green' currencies and the big difference in the price support for farmers in the north and south of the Community?

Mr Tugendhat, Vice-President of the Commission.

— The Commission considers that the system of common prices is in effective operation in the Community. The differences between green currency rates and commercial rates in certain Member States are substantially less than in recent years. There are no monetary compensatory amounts applicable to seven Member States. The positive monetary compensatory amounts for the Federal Republic of Germany and the United Kingdom are lower than in the recent past, and either by decisions of the Council or by the movement of currencies, are tending to diminish.

The Commission's proposals on support prices and the Council's decisions on these proposals are normally made in a package which takes full account of the relationship between the level of support for products principally produced in the north and the south of the Community. The amount of budgetary expenditure on a number of products important in the south of the Community is not unfavourably out of line with their percentage share of Community agriculture. There are problems of revenue in certain areas, particularly in the south of the Community, which the Community is

seeking to tackle, both through price support and through more concentrated structural measures.

Mr Griffiths. — Would Mr Tugendhat not agree that, despite the fact that the problem of MCAs has diminished over the last year, there is nevertheless a problem in having a package of prices agreed and Agricultural Ministers being able to go away and adjust their green prices accordingly, and that whatever he says about the south's receiving a *per capita* equal amount of money from the CAP, there is in fact a big imbalance, as has been shown in several studies done during the last year — for example, the one on the CAP in the Regions issued only a couple of months ago?

Mr Tugendhat. — I certainly agree that MCAs enormously complicate the operation of the common agricultural policy, and that, indeed, is why the Commission has consistently argued and worked for their reduction and eventual elimination.

The Commission is, of course, also very much aware of the problems of Mediterranean agriculture, and in connection with the mandate and the follow-up to it, is devoting a good deal of effort to trying to resolve some of these problems. As I said in my first answer, we believe that they should be tackled not only through price support but also through more concentrated structural measures; but, of course, the fact that there are these very great problems in the south does not mean that there are not sometimes difficulties about the budgetary cost of certain products produced there. One is trying to look at the totality of the problem.

Mr Patterson. — I am sure the Commissioner is aware that there is one part of the Community where the words 'north' and 'south' have a particular significance — namely, on the border between Northern Ireland and the Irish Republic. The existence of MCAs there has turned smuggling into a major industry. I was wondering if the Commissioner had any proposals to solve that particular situation.

Mr Tugendhat. — Problems arising from the border between the Republic of Ireland and Northern Ireland in terms of the movement of goods, quite apart from other difficulties, are of course extremely long-standing and very complicated. If MCAs did not exist and if the prices on the two sides of the frontier were identical, the particular problems of the movement of goods would, of course, be very much reduced. As I have said, the Commission has worked and striven for a very long time to bring about the end of MCAs and the honourable Member has produced an illustration to show how desirable that ending would be.

Mr Blaney. — It is not just MCAs only, as the Commissioner is probably aware. There are also the so-called, 'variable premiums' which merit a very great deal of study. It is very easy to find out what is wrong, but despite the fact that this has been pointed out publicly and privately, nothing has been done about it and havoc is being created in the industry on both sides of the border through the racketeering that has been going on for a considerable time. Could I draw the Commission's attention to this point?

Mr Tugendhat. — Mr Blaney's point that these problems are easier to analyse than to cure is certainly correct. However, the problem to which he particularly refers is a problem to which the Commission is indeed devoting a good deal of study.

President. — Question No 27, by Mrs Squarcialupi (H-327/81):

How will the Commission maintain contacts with interested parties and coordinate its own activities in the field now that it has done away with the duties of chief adviser with special responsibility for coordinating work for the handicapped which still figure in DG V's establishment plan, taking into account recent developments in the Community's initiative in favour of the handicapped and the need to fulfil its social and human obligations towards these citizens above all?

Mr Richard, Member of the Commission. — The Commission has *not* done away with the duties of chief adviser with special responsibility for coordinating work for the handicapped. These duties will continue to be entrusted to an official whose work will be exclusively in this field. It is the Commission's sole responsibility to adjust the structure of its own services, and it will do so especially when it believes that this will improve the effectiveness of the Commission's activities.

Mrs Squarcialupi. — (IT) I do not find the Commissioner's answer satisfactory. I should like to know why at this very time — after Parliament has adopted a resolution on the handicapped, a problem of which our societies are becoming increasingly aware — it has been felt appropriate to do away with the duties of

chief adviser responsible for activities in favour of the handicapped?

The Commissioner said that these duties would be entrusted to a different official: in other words the work which used to be done by one particular official will probably be assigned to another who has other things to do as well. I should like to know why this decision has been taken at the very time at which the problem of the handicapped is giving particular concern and efforts are being made in every area to pursue appropriate policies?

Mr Richard. — The Honourable Member obviously puts this question on the basis of the efficiency and efficacy of the Commission's operations this year in relation to the handicapped. I can only say to her that I do not agree with her. As the Commissioner responsible for this particular portfolio it falls to me, with the consent of my colleagues, to organize the work of the Commission in the way that I think best. I am sorry that she does not agree with the way in which I have been seeking to do so.

Further down the agenda, Mr President, Question No 32 asks for some comments by the Commission on the report of Parliament on the position of the handicapped. The written answer to that, which no doubt the honourable Member will see tomorrow, I think she will find rather long, and I hope that some of it will indeed satisfy her that the Commission is not being inactive in the course of this year. With regard, however, to the organization of the Commission's work itself, I am afraid I have to reiterate that it is the Commission's sole responsibility to adjust the structure of its own services, and it will do so especially where it believes that this will improve the effectiveness of its activities.

President. — The first part of Question time is closed.^{1,2}

(The sitting was closed at 8 p. m.)

¹ See annex of 16. 9. 1981.

² See Minutes for agenda for next sitting.

ANNEX

Commission action on opinions on its proposals delivered by the European Parliament at its July 1981 part-session

1. As agreed with the Bureau of Parliament, the Commission informs Members at the beginning of every part-session of the action it has taken on opinions delivered at the previous part-session in the context of parliamentary consultation.
2. At its July part-session the European Parliament delivered 10 opinions on Commission proposals in response to Council requests for consultation.
3. At the part-session 9 matters were discussed in connection with which Parliament delivered favourable opinions on or did not request formal amendment of the proposals listed below:
 - report by Miss Quin on the proposal for a regulation amending Regulation (EEC) No 1852/78 on an interim common measure for restructuring the inshore fishing industry (COM (81)77),
 - report by Mr Früh on the amendment to the Commission proposal for a regulation on monetary compensatory amounts (COM (80)43),
 - report by Mr Papaefstratiou on the proposal for a directive on the Community list of less-favoured agricultural areas within the meaning of Directive 75/268/EEC (Greece) (COM (81) 244),
 - report by Sir Henry Plumb on the proposals for a regulation concerning a special drainage scheme for less-favoured areas in the West of Ireland and for a decision on the amount of the interest rate subsidy provided for in Directive 72/159/EEC on the modernization of farms which is to be applied in Ireland (COM (81)285),
 - report by Mr Bocklet on the proposal for a regulation setting the amount of the aid for hops producers for the 1980 harvest (COM (81)234),
 - proposal for a directive amending Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat (COM (81)107),
 - proposals for a decision concerning the conclusion of the agreement in the form of letters establishing fishery arrangements between the EEC and the Kingdom of Sweden for 1981 and for a regulation laying down certain measures for the conservation and management of fishery resources to be applied to vessels flying the flag of Sweden (COM(81)228),
 - report by Mr Battersby on the proposal for a regulation laying down for 1981 certain measures for the conservation and management of fishery resources to be applied to vessels registered in the Faroe Islands (COM(81)202).

Parliament also adopted the following, using the no-report procedure:

- proposal for a regulation amending Regulation (EEC)No 435/80 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States and the overseas countries and territories (COM(81)160).
4. The European Parliament, in the
 - report by Mr Tuckman on the proposal for a financial regulation concerning the operation of the provisions of the agreement, in the form of an exchange of letters, between the EEC and the Portuguese Republic on pre-accession aid for Portugal (COM(81)127),

asked the Commission to amend its proposal under the second paragraph of Article 149 of the Treaty. The Commission was not however able to endorse the proposed amendment.

5. The Commission also expressed its views during discussions concerning it and took note of the European Parliament's opinions on the:
 - report by Mr Fischbach on a request for the lifting of parliamentary immunity,
 - report by Mr Zagari on the seat of the European Communities' institutions, particularly the European Parliament,
 - proposal for a resolution by Mr Abens and others on the setting up of an *ad hoc* committee to submit proposals on the present state and future development of the Community,

- report by Mr Hänsch on relations between the European Parliament and the Council of the Community,
- report by Mr Diligent on relations between the European Parliament and the Member States' Parliaments,
- report by Mrs Baduel Glorioso on relations between the European Parliament and the Economic and Social Committee,
- report by Mr Van Miert on the European Parliament's right of initiative and its role in Community legislative processes,
- report by Lady Elles on European political cooperation and the role of the European Parliament,
- proposal for a resolution by Mr Albers on the closure of the Ford works in Amsterdam,
- proposal for a resolution by Mr Bonaccini and others on the worsening situation in the car industry,
- proposal for a resolution by Mr Welsh and others on distortion in the market in horticultural products,
- proposal for a resolution by Mr Früh and others on implementation of the Council decisions on 1981/82 farm prices,
- proposal for a resolution by Mr Habsburg and others and Lady Elles and others on the prevention of terrorism,
- proposal for a resolution by Mr Lega on substantial amendments to the Staff Regulations,
- proposal for a resolution by Mr Loo and others on food aid for the most underprivileged communities in Morocco,
- report by Sir John Stewart-Clark on trade relations between the EEC and Japan,
- report by Mr Cohen on the communication on the United Nations conference on the least developed countries (Paris, 1-14 September 1981),
- report by Mr Kellet-Bowman on aspects of budget supervision in relation to the European schools.

6. The Commission took the opportunity to tell Parliament what aid it had granted disaster victims since the previous part-session.

Emergency food aid had been granted as follows:

2 304 tonnes of cereals for Yemen (PDR) via the World Food Programme,
 100 tonnes of skimmed-milk powder for Angolan refugees in Zambia,
 3 000 tonnes of skimmed-milk powder and 500 tonnes of butteroil for Afghan refugees in Pakistan,
 7 500 tonnes of cereals for the Kingdom of Morocco,
 5 000 tonnes of cereals for Niger,
 6 000 tonnes of cereals for Madagascar,
 2 000 tonnes of cereals for Mauritius,
 10 000 tonnes of cereals for the people of Kampuchea via the World Food Programme.

Decisions had been taken to grant *emergency financial aid*, as follows:

3 000 000 ECU for famine victims in Uganda,
 450 000 ECU for Angolan refugees in Zambia,
 200 000 ECU for Saint Vincent Island, which had suffered torrential rain,
 100 000 ECU for earthquake victims in Iran,
 250 000 ECU for flood victims in China.

SITTING OF TUESDAY, 15 SEPTEMBER 1981

Contents

1. <i>Approval of minutes</i> Mr Adonnino	30	4. <i>Employment in the Community — Reports, on behalf of the Committee on Social Affairs and Employment, by Mrs Salisch (Doc. 1-164/81), by Mr Ceravolo (Doc. 1-425/81), by Mr Calvez (Doc. 1-365/81) and oral question with debate by Mrs Viehoff and others, to the Commission (Doc. 1-475/81):</i> Mrs Salisch; Mr Ceravolo; Mr Calvez, rapporteurs	57
2. <i>Decision on urgency</i> Mr Spinelli	31	Mr Beumer, Mr Beazley, draftsmen of opinions Mrs Salisch; Mr Richard (Commission); Mr Rees (Council); Mr Didò (S); Mrs Cassanmagnago Cerretti (EPP); Mr Spencer (ED); Mr Bonaccini (COM); Mrs Nielsen (L); Mrs Ewing (EPD); Mrs Hammerich (CDI); Mrs Maij-Weggen; Mrs Hammerich; Mr Gondikas (NA); Mrs Viehoff; Mr Van der Gun; Mr Prag; Mr Frischmann; Mr Pininfarina; Mr Vandemeulebroucke; Mr Eisma; Mr Nyborg; Mrs Gredal; Mr Brok; Sir David Nicolson; Mrs Boserup; Mrs Pruvo; Mr Vié; Mr Markozanis; Mr Mibr; Mr Croux; Mr Møller; Mr Papaefstratiou; Mrs Charzat; Mr Kappos; Mr Almirante; Mr Vermimmen; Mr Paisley; Mr Linkobr; Mr Richard	62
3. <i>Presentation of the draft general budget for 1982 — Draft amending budget No 1 for 1981 — Report by Mr Adonnino (Committee on Budgets) (Doc. 1-465/81) and motion for a resolution by Mr Spinelli (Committee on Budgets) (Doc. 1-466/81):</i> Mr Rees (Council); Mr Tugendhat (Commission) Mr Adonnino, rapporteur Mr Spinelli Mr Van Minnen, draftsman of an opinion Mr Dankert (S); Mr Notenboom (EPP); Mr Balfour (ED); Mr Baillot (COM); Mr Rossi (L); Mr Konrad Schön; Mr Gouthier; Mrs Scrivener; Mr Ansquer; Mr Clément; Mr Lange (Chairman of the Committee on Budgets); Mr Rees; Mr Tugendhat	31 40 41 43 44		64

IN THE CHAIR: MR DE FERRANTI

Vice-President

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

1. *Approval of the minutes*

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

Are there any comments?

The minutes are approved.

I call Mr Adonnino.

Mr Adonnino. — (IT) Mr President, in the minutes of yesterday's sitting reference is made to a request to waive my parliamentary immunity.

I wish to make clear to my colleagues that the request is connected with an episode which concerns the

Adonnino

financial regulations applying to political parties in Italy. The problem is therefore a political one. I have no qualms about the legality and legitimacy of my action. The competent committee will be able to propose the most appropriate legal and political solution after having studied the case.¹

2. *Decision on urgency*

President. — We shall now vote on the request for urgent procedure on the motion for a resolution tabled by Mr Spinelli, on behalf of the Committee on Budgets, to wind up the debate on the presentation to Parliament of the 1982 draft budget drawn up by the Council (Doc. 1-466/81).

I call Mr Spinelli.

Mr Spinelli. — *(IT)* Mr President, I ask the Assembly to approve urgent procedure so that the debate on the Council's presentation of the budget may be combined with the debate on this resolution. Indeed this year the budget is so politically important that Parliament should already be able to give a clear indication of its will at this early stage.

(The request for urgent procedure was adopted)

President. — This item will be placed on today's agenda and taken jointly with the other budgetary items. The vote will be taken at 3 p.m. on Thursday.

3. *Presentation of the draft general budget for 1982 — Draft amending budget No 1 for 1981*

President. — The next item is the joint debate on

— the presentation by the Council of the European Communities of the draft general budget for 1982,

— the report (Doc. 1-465/81) by Mr Adonnino, on behalf of the Committee on Budgets, on draft amending budget No 1 for 1981, drawn up by the Council (Doc. 1-432/81).

— the motion for a resolution (Doc. 1-466/81) tabled by Mr Spinelli, on behalf of the Committee on Budgets, on the draft budget for 1982.

I call Mr Rees, whom I welcome to this House.

Mr Rees, President-in-Office of the Council. — Mr President, Members of the European Parliament, may I begin my contribution to this debate by presenting the apologies and regrets of my colleague Mr Nigel Lawson, who had hoped very much to be here in person as the one who presided over our debates on 23 and 24 July. As, however, the House may know, he has just assumed a new portfolio in the British Government and the demands of his new office have, to his great regret, compelled him to remain in London. My only claim to represent him on this occasion is that I sat as United Kingdom representative throughout the Council debates on 23 and 24 July. Though I cannot claim to share his experience in the budgetary field, I certainly share Mr Lawson's commitment to the cause of European unity and achieving the ideals of the Community.

(Applause)

Mr President, my main task today, therefore, is to present to the Parliament the draft budget for 1982 which was established by the Council on 27 July this year, but it is appropriate that I should turn first, if briefly, to the first draft amending budget for 1981 which the Council established on 23 July following discussions with a parliamentary delegation the previous day. I shall refer again to those discussions when I come to the 1982 budget: in their form they represented an innovation of the British Presidency which, I hope, has established a useful precedent.

I must say here that insofar as the 1981 amending budget is concerned, I was delighted that my colleagues were able to reach broad agreement with your delegation as to its contents. The achievement of such a harmonious agreement between representatives of our two institutions contrasts with the disagreements which — dare I say it? — have clouded relationships in the past. I would like to pay tribute to all those, especially in this House and in the Commission, who have helped bring it about, and it is my earnest hope that dealings between us will continue to be as harmonious as possible throughout the United Kingdom Presidency.

This draft amending budget should be seen primarily as a means of resolving the dispute which stems from the adoption of the second 1980 supplementary budget and the 1981 budget last December. I would remind the House that those Member States hitherto in dispute with the Commission have clearly stated that if this draft amending budget is adopted in its present form they will regard the dispute as settled, will regularize their payments to the Commission and will drop any legal action still pending.

The contents of the draft amending budget are exactly as they were proposed to your delegation on 22 July. The major feature is the reduction of 561 million ECU in the EAGGF (Guarantee), a reduction which has

¹ *Documents received — Membership of Parliament — Topical and urgent debate: see Minutes*

Rees

been made possible by world price and currency trends. I am sure that the House will welcome this development and indeed any further reduction that may prove possible in the light of later information.

The bulk of the money so released has been used to bolster areas of the budget where there would otherwise have been insufficient appropriations. These include in particular the Regional Fund, for which payment appropriations rise by 200 million ECU to a figure which is actually in excess of that suggested by the Parliament last November; food aid, which is increased by 100 million ECU; EAGGF (Guidance), which is increased by 50 million ECU; and aid to non-associates, for which payment appropriations are raised by 44 million ECU.

I am sure the House will welcome the substantial switch from obligatory to non-obligatory expenditure in these figures, which, of course, also raises the baseline from which the further increases in non-obligatory expenditure proposed in the 1982 draft budget are calculated. I hope therefore that you will follow the recommendation contained in Mr Adonnino's draft resolution, prepared on behalf of the Committee on Budgets, that this amending budget be adopted as it stands on Thursday.

I turn now, Mr President, to the more difficult matter of the draft budget for 1982. The House is, I think, well aware that the Council only succeeded in reaching agreement on the draft budget after extremely difficult negotiations lasting the whole of the day and night of 23 July and well into the small hours of the morning of 24 July. Indeed, positions on some key issues were so far apart and so strongly held that it was touch and go whether any draft budget would be established at all.

I trust there is no one here today who imagines that the Presidency of the Budget Council is a sinecure. Budget Councils, as Honourable Members will know from past experience, are never easy, but there were a number of special factors which made this one even more difficult than usual. In the first place, the Council was strongly influenced by the extremely difficult economic and financial situations prevailing in almost all Member States. In a number of countries, public-sector deficits have risen to levels which it has proved difficult to finance in non-inflationary ways. National governments are having to control public expenditure extremely stringently. At the time of the Budget Council, several governments were faced with the necessity of painful and politically difficult decisions in connection with their own national budgets for 1982. Indeed, that remains the case today. I note that the Commission themselves, in the preface to their preliminary draft budget, said:

The need for restraint in public expenditure at all levels of government continues. This is not the moment to place a greater burden than is strictly necessary upon the European taxpayer.

The Council shares this view and, in considering the Commission's proposals, was influenced by the belief that Finance Ministers would not be justified in allowing Community expenditure to roar ahead at a time of national stringency. I appreciate, of course, that this particular problem would lose much of its impact if what we were discussing was simply the transfer of specific areas of public expenditure from the national to the Community level with no overall increase in the total of public expenditure, but that would require important new policy initiatives which, whatever their merits, are certainly not the province of the Budget Council. The task of the Budget Council is to decide, in conjunction with the Parliament, how much additional expenditure can be afforded, given existing policies, and what form it should take.

In the second place, the Council was influenced on this occasion by its own support of a stringent control of agricultural expenditure. I recall in particular the resolution passed by this House on 6 November last year, stressing the need for control of agricultural expenditure. The Agricultural Council, for its part, declared, on 1 April this year, that the rate of increase of agricultural expenditure should remain close to, or, if possible, below, the rate of increase in the Community's own resources.

In the current difficult financial situation in particular, it is clear beyond doubt that tight control of agricultural expenditure is the key to finding the means to expand the Community's other policies.

(Laughter from the European Democratic Group)

It was very much with this in mind that the President decided that EAGGF (Guarantee) expenditure should not, as in all previous Budget Councils, be allowed to go through on the nod but should be subjected to the same scrutiny by the Council as any other item of expenditure. While there is no doubt that the Budget Council as a whole shares with the Parliament a common interest in the proper control of CAP expenditure, it must also be said that opinions within the Council, both on the provision for the EAGGF itself and on the role of the Budget Council in examining it, differed rather widely and that this part of the Council's business was not conducted without some difficulty.

In the third place, the Council was very conscious of the pressures for increased expenditure on those Community programmes most directly related to alleviating the human and social problems arising from the present recession and on promoting the structural adjustment necessary for economic recovery. Given the difficult overall financial situation, this obliged member governments to reflect on the cost-effectiveness of existing programmes and to assess their priorities for Community expenditure. These, then, were the principal pressures and constraints under which the

Rees

Council had to operate in arriving at eventual agreement on a draft budget for 1982.

There is, however, one important final point I should make by way of general introduction to the detailed figures. The House will, I know, be aware that the Council's draft budget is simply the first step in a long and complex budgetary process involving both our institutions. During this process, each of us seeks to influence the other and positions change as a result. The final outcome of this process has yet to be determined, and I trust that we shall not today behave like those theatre critics who judge a play after they have seen only the first act.

I turn now first to the global figures. In its preliminary draft budget, the Commission proposed increases in the 1981 budget, as rectified by the amending budget now before you, of the following order: about 15.5% in total commitments, about 17% in total payments, and, in the non-obligatory sector alone, almost 30% in commitments and 32.5% in payments. The maximum rate established by the Commission for non-obligatory payments was 14.5%, giving Parliament a possible margin of a further 7.25%.

These are, of course, big percentage increases, especially at a time when many of my colleagues at home are seeking zero or negative expenditure growth targets; the majority of the Council therefore felt obliged to scale down the Commission's proposals. The draft budget, as established by Council, contains appropriations of some 22800 million ECU for commitments and 21700 million ECU for payments. These sums — and I apologize for inflicting these statistics on the House — represent increases of 10.2% and 13.6% over the 1981 budget as amended by the draft rectifying budget. Rates of increase for compulsory expenditure are 11.75% for commitments and 13.5% for payments, while those for non-compulsory expenditure are respectively 4.25% and 14.5%.

Some people have criticized the decisions taken by the Budget Council on the grounds that non-compulsory expenditure was cut while compulsory expenditure was left untouched. In making this criticism, they are, of course, comparing the 1982 draft budget with the Commission's 1982 preliminary draft budget. It is, of course, one comparison that can be made, but I think it is equally valid at this stage to compare this year's Council draft with last year's Council draft; and if we do this, we see that payment appropriations in the compulsory sector have risen between the 1981 and 1982 draft budgets by 9.4%, but in the non-obligatory sector they have increased by no less than 36.4%. The EAGGF (Guarantee) took up 65.5% of the 1981 draft budget, while the 1982 draft figure is 64%. For the two major structural funds, the increase in commitments between the 1981 draft and the 1982 draft is just on 12%, while the increase in commitments in the obligatory sector is only 7.8%.

These figures show that there has been a considerable growth in the non-obligatory sector between the 1981 and 1982 draft budgets; but even if they are compared with the 1981 budget as amended, the Council is well aware that Parliament has a margin, which, if fully utilized, would imply overall increases in non-obligatory expenditure of 14.5% for commitments and 21.75% for payments. These, I venture to say, are not insignificant increases and they do, of course, imply increased provision in real terms, that is to say, over and above the going rate of inflation.

The House will also be aware that so far as payments are concerned, the draft budget for 1982 utilizes to the full the maximum rate of increase established by the Commission for non-obligatory expenditure. It may be argued that the Council might have gone further and established a new and higher maximum rate, but I cannot imagine there is any experienced budgetary expert in the House who would realistically have expected the Council to take that step at the first reading in July.

I turn now, Mr President, to the detailed content of the draft budget, dealing first with obligatory expenditure. As I have already mentioned, the United Kingdom Presidency was able to introduce a major innovation in budgetary procedure at this Budget Council. For the first time, EAGGF (Guarantee) expenditure was subjected to a detailed, line-by-line examination. This reflected the resolutions to which I have already referred and also recognition of the fact that in stringent financial circumstances priorities and cost-effectiveness have to be assessed across the board. The Council's discussion was based on careful consideration of the individual items on their merits, and none of my colleagues sought arbitrary cuts. The resulting debate lasted a good many hours. If the result was that ministers themselves spent less time on some of the other items of expenditure than on most previous occasions, it was, in our view, a price worth paying at this stage of the budgetary process in order to scrutinize this 70% of the budget more effectively.

Agreement was eventually reached on the basis that a sum of 310 million ECU should be transferred from the EAGGF (Guarantee) to the reserve chapter, Chapter 100. The collective judgment of the Council was that the Commission's estimates for a certain number of products, particularly cereals and dairy products, might be too high. This initiative is very similar to that taken by the Parliament in connection with last year's budget, and it now seems increasingly likely that the Commission did indeed make over-provision for EAGGF expenditure in its preliminary draft budget for 1982.

Amongst other areas of obligatory expenditure, the Council maintained food aid at its 1981 level and made the agreed provision in Chapter 53 in respect of supplementary measures in favour of the United Kingdom.

Rees

In the non-obligatory sector, the Council's decisions diverged more markedly from the Commission's proposals. The House will recall that the Commission proposed increases of 30% in commitments and 32.5% in payments. Few Finance Ministers were able to contemplate increases of this order in the present circumstances. Indeed, I can assure the House that achieving agreement on the figures in the draft budget now before you was no mean feat.

The Regional Fund benefits from a substantial increase in payment appropriations in 1982. These move to 950 million ECU from the 820 million ECU in 1981 proposed in the rectifying budget at present before you and the 620 million of the 1981 budget as originally adopted. Commitments for the Regional Fund rise much more modestly from 1 540 million ECU in 1981 to 1 600 million ECU in 1982.

The picture is similar in respect of the European Social Fund with a sizeable increase in payment appropriations and a more modest one for commitment appropriations. I fully realize the importance which the European Parliament attaches to the Social and Regional Funds, especially in the present difficult economic and employment situation, but I would point out that these figures represent the Council's opening bid in the negotiating process laid down by the Treaty. The Council of course had very much in mind Parliament's powers in respect of this expenditure. The Council is also aware that, because of a regrettable tendency of past years to vote commitment appropriations in excess of the readiness to vote the crucial payment appropriations needed to honour these commitments when the time came, Mr President, for the cheques to be cashed, as it were, it was essential that this year the commitment appropriations for these two very important Funds should rise by less than the rise in payment appropriations.

Let me also mention briefly one or two other areas of expenditure which I know to be of particular interest to Parliament. Payment appropriations for aid to non-associates increased by 61% in the draft 1982 budget over the 1981 provision. For research the draft budget provides for increases of 26% for commitments and 22% for payments. The Council has not yet reached agreement on new policies for industry and energy which are, as we know, also matters of special interest to Parliament. It is this fact, and this alone, which explains the reduction in commitments in these areas. Nevertheless, even though it does not make provision for policies yet to be agreed, the draft budget includes increases in payments of 19% for energy and 31% for industry. We can scarcely be accused, Mr President, of neglecting these important sectors.

Decisions taken by the Council in respect of staff both for the Commission and for other institutions, as well as those relating to general administrative expenditure were rightly, as I hope the House will accept, austere.

The increase is a little over 51% representing a reduction in real terms in the cost of Community administration. The feeling of my colleagues was that the Community taxpayer would not readily understand if, at a time of extreme budgetary stringency, the budgetary authorities failed to control bureaucratic expenditure with the utmost vigilance. This is a matter which I know had been exercising Parliament, and I would hope that we can reach agreement on the relevant provisions without much difficulty.

Mr President, I am conscious that in an exposé of this nature I can do no more than set out the main features of the 1982 draft budget, and some of the more important factors which I believe shaped the Council's decisions. In conclusion I would like to make two points of a more general nature. The first is that we are all keenly aware that this budget will be seen in the context of, and indeed is inevitably overshadowed by, the crucially important discussions currently under way on the long-term restructuring of the Community budget.

Indeed the Parliamentary delegation which met the Council on 22 July expressed the hope that the 1982 budget would actually implement decisions on the mandate of 30 May. I know that this subject has been discussed extensively by Parliament's Committee on Budgets and features in their draft resolution which you will very shortly be considering. Let me make it clear now, as I did to the Parliamentary delegation on 22 July, that the Council warmly welcomes the wish of the European Parliament to be fully involved in the vital debate on restructuring. As the House is well aware, the Commission has now presented its report on the 30 May mandate. It is the firm intention of the United Kingdom Presidency that the Council should consider it without delay with a view to the European Council reaching definite decisions this November. We look forward to receiving the detailed views of Parliament in good time for them to be taken fully into account. I hope therefore, Mr President, that the House will agree that no one, certainly not the United Kingdom Presidency, is dragging their feet in the matter of the mandate.

But so far as the relationship between restructuring and the 1982 budget is concerned, there is a problem which all of us have to face. Quite simply there is no way in which the Council could incorporate into its draft budget the financial consequences of decisions which have yet to be taken. The most that we can do is to ensure that the overall shape of the budget and the nature of this year's budgetary process is fully consistent with the spirit of restructuring, and I believe that the historians of the future will judge that this was in fact done. They will note the first ever scrutiny and discussion by the Budget Council of EAGGF Guarantee expenditure. I suspect that they will also be able to note that, at the end of the day and comparing like with like, the CAP accounted for a smaller proportion

Rees

of the total Community budget and non-obligatory expenditure a larger proportion than ever before.

Moreover, although I cannot speak for the Commission, it is fair to say that they have already indicated that as soon as the Council has taken decisions on the mandate, they for their part will make proposals to give budgetary effect to them. However, I feel bound to point out that, even if important decisions are taken in November, as I very much hope they will, it must inevitably take a little time for their effects to have a substantial impact on the Community budget. Indeed, the Commission said as much in its own report on the mandate. Parliament is absolutely right to focus our attention on this crucially important issue.

My final comment, Mr President, is this: the July Budget Council effectively spanned two days, as those of us involved will vividly recall. The internal Council negotiations were for the first time preceded by a full day given over to a meeting between the parliamentary delegation and the Council. Although I was, and indeed am, very conscious of the intense pressures on my colleagues in national capitals, we felt it right to ask them to allocate more time to the dialogue with the Parliament this year. I am glad to say that their response was entirely positive. As a result we were able to discuss not only the 1982 budget but a number of other important matters such as the inter-institutional dialogue. It is my belief, and I am assured that others present share it, that this innovation gave rise to one of the most wide-ranging, frank and useful exchanges of views on budgetary matters of its kind, which our two institutions have ever had.

It is of course not possible for me to commit future presidencies to follow this example. But I would like to express the wish that the spirit of cooperation engendered on 22 July will carry both Council and Parliament together through to December to the successful adoption of the 1982 Budget and the avoidance of yet another Community crisis from which neither of our two institutions nor the cause of Europe itself could possibly benefit.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — I too would like to say a word about Mr Nigel Lawson. We shall miss him in Community budgetary matters, of which he had become such a very considerable master, and I congratulate him on his new appointment and wish him well in his new responsibilities. I also have great pleasure in welcoming Mr Peter Rees to our deliberations, a Member of Parliament for the constituency of Dover, the traditional link between Britain and the Continent. He is perhaps well-fitted by background to act as a link or perhaps even in future a

bridge or a tunnel between the two arms of the budgetary authority, the Council and the Parliament.

(Laughter)

Mr President, as I think all of us who have been engaged in budgetary affairs in this House know only too well, our experience has demonstrated that the well-being of the Community is very much influenced by budgetary events. When these events are the subject of dispute or friction, progress in many non-budgetary matters is frustrated. The stage of the budget process starting today is therefore one of very considerable importance.

Although we are debating two distinct annual budgets strong links exist between them, as indeed Mr Rees has said, particularly because the success of the 1982 budget procedure will depend to a large extent on resolving conflicts relating to the second supplementary budget for 1980 and the 1981 budget. The Commission welcomes a political solution which now appears possible, for although we have been prepared to pursue the legal course, we feel that in the circumstances the political solution is the far more satisfactory alternative.

In his report, Mr President, Mr Adonnino has carefully analysed the draft budget adopted by the Council on 24 July. He has taken account of the cooperation between the two halves of the Budget Authority which was recently demonstrated, and concluded that the amending budget should be adopted by Parliament at its first reading. This conclusion is fully supported by the Commission.

The Commission likewise supports the position taken by the Committee on Budgets on the draft joint statement by the Community institutions on budgetary procedure and inter-institutional dialogue which clearly expresses the desire for there to be further improvement in inter-institutional cooperation. One reference point is now about to be established. Here I refer to paragraph 22 of Mr Adonnino's resolution, which the Commission believes will assist in facilitating subsequent budget procedure. The resolution goes on quite correctly to point out that more needs to be done. The Commission will do all within its powers to help to achieve this, both in the budget context and elsewhere, in particular during the forthcoming debate on inter-institutional relations scheduled for the October part-session.

There is one further point I should make, Mr President, before turning to the 1982 draft budget: this concerns the latest estimates for EAGGF (Guarantee) expenditure. The House will recall that when the preliminary draft rectifying budget was adopted in the spring the Commission indicated that initial conclusions could then be drawn concerning a certain reduction in EAGGF (Guarantee) expenditure but that the savings in the expenditure for 1981 could be more

Tugendhat

accurately assessed in the early autumn. This assessment is now virtually complete within the Commission's services and as I foreshadowed in last week's meeting of the Committee on Budgets further reductions in appropriations will be proposed by the Commission. Although this examination is not yet complete the position is sufficiently clear for me to be able to tell the House that a second rectification of the 1981 budget will be considered by the Commission tomorrow. One principal component will be a further reduction of EAGGF (Guarantee) appropriations by around 700 m ECU. But of course the net figure, which will be disposable for other purposes, will be considerably smaller because there has also been a reduction in own resource revenue arising from reduced agricultural levies.

This significant and unusual reduction in EAGGF (Guarantee) appropriations requires an explanation both in its own right and in order to avoid any risk of genuine misunderstanding or misinterpretation of its implications for the future. I would like, Mr President, to explain these points to the House in some detail because I think they are very important both in terms of the current budgetary procedure, and also in terms of future budgets.

First, there has been exceptional buoyancy, as Members will no doubt know, in world market prices for several important products, in particular cereals and dairy products.

Secondly, Community output of various agricultural products has not reached the levels that were predicted previously, and here I refer not only to those forecasts made many months ago, but also to those made just before the harvest began.

The combination of these two factors has been exploited by the Commission through the continued application of tight financial management. This translates into an additional saving of EAGGF (Guarantee) expenditure of around 5% to 6%, taking account of the current proposed amendment.

These savings must be seen in their proper context. They are to a very large extent the result of factors which we cannot expect to recur or to continue next year.

A major part has been played by the rise in the dollar against all European currencies, a rise that has been carried further than most experts, including those who advise governments, had believed possible earlier this year. Because the dollar has been so high the world price for many agricultural products has increased in terms of other currencies. This in turn has reduced restitution costs borne by the budget and of course, as I have already mentioned, the yield from agricultural levies. It has also increased the cost to Community farmers of certain imported cereal substitutes and

proteins, which in turn has tended to hold down these farmers's levels of production.

It would be a brave man, Mr President, who would commit himself to forecasting the level of the dollar next year, or even the level of US interest rates which does so much to determine it. But clearly we cannot assume that the dollar will maintain its present level when US interest rates begin to come down.

Another factor that has helped to maintain world prices at higher than expected levels is the weather. It has depressed yields both in the Soviet Union and in Western Europe. So far as Western Europe is concerned the changes have not been great in terms of the budget estimates. But their impact on expenditure has been relatively large. This is because most agricultural expenditure is a function not of overall production levels but of marginal, or surplus, amounts which are subject to Community-financed disposal measures. Just to give an example, a 1% increase in the output of milk increases the annual budget costs for dairy products by about 5%, or 200 m ECU. This year Community milk output seems likely to increase by less than 1% on last year, whereas on average since 1974 the annual increase has been almost three times this rate but with marked variations from year to year. Certainly the measures introduced in recent years to curb production increases have played some part but the weather has been much more important.

In most years, Mr President, when we save money on some commodities, we have to spend more on others. This time, however, only wine is costing more than we anticipated. Everything else is down.

Now as the House knows, Mr President, the weather is a very fickle friend. This year it has yielded agricultural savings. Next year as so often in the past it may just as easily lead to cost increases and the same of course applies to the dollar.

So although the Commission will continue to operate the CAP as economically as possible, I must caution the House, and indeed people outside this House, against making any assumptions about next year based on what happened this year. We should benefit from some limited after-effects of this year's favourable conjuncture but we cannot assume more than that. The need to press ahead with both the agricultural and non-agricultural aspects of budgetary restructuring remains as great as ever.

The budget authority will be informed at the earliest opportunity of the Commission's proposals on a second rectification of the 1981 budget. The proposal it makes on the use of surplus appropriations, taking into account the changes in the agricultural components of the budget as well as the adjustments in own resource revenue arising from VAT, will reflect the Commission's estimates both of needs and of constraints.

Tugendhat

In this way, and in the light of explanations I have just given concerning the reductions in EAGGF (Guarantee) expenditure, I feel the Commission has fulfilled the request made in paragraph 7 of Mr Adonnino's resolution, which invites the Commission speedily to inform the Parliament of all possible further economies in this expenditure in 1981.

Mr President, so much for the 1981 rectifying budget. I now turn to the draft budget for 1982.

This draft, established by the Council on 24 July, was prepared, as Mr Rees has already said, under rather difficult circumstances. Public expenditure in all our Member States is under severe constraint. The Community cannot expect to be an exception to this: it must not, however — and this is important — be called upon to bear so unfair a share of the constraint on public expenditure that the development of the Community is undermined. It also has to be acknowledged that there were wide divergences between Member States on priorities which did not make the task of the Presidency in obtaining an outcome to the Council at all easy — and Mr Rees has also referred to that. Nonetheless it was encouraging to see the Council take a more rational — if I might use that word — approach than has often been the case in the past over such important points as annuality and the relation between commitment and payment appropriations. Moreover, as the President stated, for the first time the Council thoroughly examined the EAGGF (Guarantee) payments. Given their importance in the entire budget, this obviously represents a positive step in the direction of sound budgetary practice.

So much, Mr President, for the difficult conditions under which the draft was prepared. In terms of its content it differs significantly in several important areas from the preliminary draft which I presented in some detail to this House in July. Cutbacks were made, particularly in structural expenditure, which in the Commission's view were not justified. The press widely reported the Commission's reaction to the decisions taken by the Council. I shall not rehearse them in detail now, but only recall a few main points briefly because in so doing I think we can help to facilitate the smooth functioning of the remaining stages of the 1982 budget procedure. That, of course, is the objective, I think, of all who are concerned in this procedure.

The Commission's first objection concerns the balance of the budget on the Council's draft. In its proposals the Commission has sought to meet the urgent priorities of the Community by appropriate increases in non-compulsory expenditure, notably in the Regional and Social Funds. The Council cut these proposed commitment appropriations to levels which do not even keep pace with the rate of inflation. Our second basic objection was that cuts in the appropriations proposed by the Commission were made without a discussion of their merits. Indeed, other than the

Regional and Social Funds there was no discussion at all among ministers of appropriations relating to areas of non-compulsory expenditure such as energy policy, industry and research. As I say, Mr President, we welcome the fact that there was a thorough discussion and examination, in which delegations of all Member States participated constructively, of the EAGGF estimates. But that can be no excuse for not considering the other important items to which I have just referred and I am glad to hear from the Presidency that they will be thoroughly examined in the subsequent stages of the budget. They certainly must be.

The Commission does not feel that a satisfactory budget can be established unless everything which we put forward is given the consideration which the policies themselves and the objective which they are designed to achieve merit. However, the first reading of the budget, as the President has said, is only one step on the road to the adoption, and the budget procedure is a long one. Little will be gained and perhaps much could be lost if the two halves of the budget authority do not now work together towards achieving what the Commission considers to be the highest priority, namely the adoption by the end of the year of the right budget for 1982 — and I emphasize, Mr President, the word 'right'. We want a budget adopted by the end of the year, but we also want a budget that fulfils the appropriate objectives of the Community to be adopted. It has to be the right budget and not just any old budget that should be adopted by the end of the year.

We therefore believe that all three institutions must now work together in order to achieve the necessary compromise. In so doing it will be necessary to recognize the real financial constraints which exist in the Member States and in particular in those countries whose governments are at this very moment putting to their national parliaments domestic budgets of considerable severity and austerity. But governments for their part must recognize that they also have obligations to the Community. These obligations imply provision of a budget capable of financing the Community's healthy development which will allow various sections of the Community's population, both agricultural and non-agricultural, to have a proper share of support flowing from the Community's financial resources.

The Commission continues to believe that it has put forward appropriate proposals in its preliminary draft budget. It considers that they are consistent with the needs of the Community and to a large extent coincide with the guidelines indicated by Parliaments, by the Council of Ministers and indeed by European Councils. On many points the institutions are in agreement on what is needed. Indeed this large area of agreement was apparent during the conciliation meeting which preceded the July meeting of the Budget Council, a conciliation meeting which was indeed a remarkably constructive one. I therefore think it appropriate for

Tugendhat

me to make a special plea to the Council to ensure that when it speaks through its Budget and Finance Ministers it acts in pursuit of the orientations of the Councils, the orientations which have been laid down by Councils in their various other formations and especially in the European Council. For example, in Maastricht having discussed fisheries and agriculture the European Council agreed that the development of other Community policies remains an urgent task if the Community's viability is to be assured in the longer term and if the goals of economic convergence are to be reached. People — in this House and the Commission but, of course, people in the Community at large — take note of such statements. They also take note when the same Council, the European Council, reaffirms its commitment to a meaningful social policy for the European Community. Many other similar examples could be quoted but it would be simply repetitious and enough has already been said to enable me to make my point. This is that the draft budget as it now stands with a 4.25% increase in commitment appropriations for non-compulsory expenditure is not consistent with these agreed objectives.

Therefore let us discuss and analyse our real differences and not just blindly hack away at, or conversely add to appropriations because a budget established in this way will not reflect either real needs or possibilities. In this context I hope each institution will remember and work in accordance with the joint statement concerning budget procedure contained in the amending budget for 1981 and to which I referred earlier.

The discussion and analysis which I hope will take place during the remaining stages of the 1982 budget procedure should cover all aspects of the budget. It is important that all figures are, as far as possible, realistic and here I include EAGGF Guarantee where this realism is particularly important given the weight of the EAGGF guarantee appropriations in the budget. A few minutes ago I outlined certain of the phenomena that are relevant to the determination of EAGGF guarantee appropriations both in this year's budget and for 1982. Work is now in hand in our services which will enable the Commission to take the necessary decisions for a rectifying letter to be submitted to the Budget Authority early in October. In this rectifying letter account will be taken of all appropriate factors, including the budget consequences in 1982 of the relevant phenomena which have given rise to the reductions in appropriation requirements for 1981. At this stage it is not possible to give a precise figure but it is anticipated that a reduction modest in percentage terms will be needed. This is mainly because of the after-effects of this year's favourable conjuncture. It is, as I have already emphasized, important to remember that no conclusions can be drawn for the longer term from this short-term favourable state of affairs.

Mr President, there is one other point that I should add which, although I have made it on several occasions previously, is worth repeating and which is, if I

may say so, particularly worth repeating after the speech of the President. This concerns increases expressed in percentage terms, and all increases to which he referred were, of course, expressed in percentage terms. Now, as this House knows, any new and developing policy starting from a small base is bound to require relatively large increases in appropriations in its initial years for its satisfactory development. Many Community policies such as the Regional Fund, the Social Fund and even more, of course, policies relating to research, energy and industry, and other matters as well, are in this initial phase. Therefore when analysing the increases by all means let us recognize that for some lines the percentage increases are large, but do not let us overlook the more important fact of growth in absolute terms. I think that if the President-in-Office had accompanied the percentage figures which he gave, and which sounded so large, with the absolute figures then the House, and those who subsequently read his speech, would have seen that in money terms what is being talked about is, of course, extremely modest.

I will illustrate this point, if I may, simply by drawing attention to the fact that the total increases proposed by the Commission for commitments for the Regional and Social Funds, research, energy and industry amount to less than 1 000 m ECU, or under 5% of the budget. Now this is a substantial sum of money but in absolute terms, when one thinks of the objectives which we are talking about, it is important to bear the scale of the operation in mind. I sometimes think that there ought to be a rule in this House — I remember Mr Arndt once saying something to that effect — that when people quote percentages in budgetary matters they ought also to quote the absolute figures and I think it would help to give a more realistic impression of the very early stage we are at in building up so very many of our Community policies.

Now, Mr President, late in October this Parliament will be deciding on the amendments and modifications it wishes to see incorporated in the draft budget established by the Council. For this month's part-session Mr Spinelli, the rapporteur, has prepared a resolution for debate and, as one would expect from such a knowledgeable and dedicated rapporteur as Mr Spinelli, this resolution makes several important points. It passes a judgement on the draft budget established by the Council which is essentially similar to the view that the Commission has taken. It calls for the overall level of appropriations to be brought back to at least that in the preliminary draft budget, a sentiment with which the Commission is in agreement, provided, of course, that the allocation of appropriations corresponds to real needs. It confirms and lists several urgent and priority objectives of budget reform in a manner which is in harmony with the Commission's views. It calls upon the Commission to forward a calendar of proposals flowing from the mandate

Tugendhat

which will enable Parliament to take account of the financial implications during the 1982 budget procedure.

Mr President, I want to conclude my speech by saying a few words concerning paragraph 4 of Mr Spinelli's motion for a resolution. I have already done so once before, but it is extremely important that the Commission should make its views known. The Commission sympathizes with the desire of the sponsors of this resolution, and no doubt of the whole Parliament, to make progress as fast as possible on the mandate. This desire is shared by the Commission, and no doubt the Council also shares in this sense of urgency. Let me say straight away therefore that the Commission agrees with the sentiment which evidently lies behind the terms of paragraph 4.

Before the summer break the President of the Commission said in this House that the Commission would be drawing up its own work timetable to follow on the report on the mandate which it has already sent to the Council. Before the holidays the Commission worked out, on a tentative basis, such a timetable which, on reflection, it has decided to abandon. That is not to say — and I want the House to be quite clear about this — that the Commission has abandoned a timetable for its work on the mandate. Quite the contrary. But if any Members of the House heard that the Commission had agreed on a timetable of which they are not informed, this is because it is no longer to be regarded as an accurate guide to the Commission's intentions.

Now let me say a word about the Commission's intentions. As the House knows, the Commission regards the various ideas contained in its report on the mandate as constituting a whole. The Commission does not believe that the report on the mandate should be picked apart by specialists. Rather, it must be taken as a whole. This implies that the more detailed proposals on which the Commission is now working must also be taken as a whole, both by the Commission as well as by Council and Parliament. The Commission is urgently engaged on this follow-up work and as soon as it is able to transmit to the other institutions — Council and Parliament — its concrete proposals, it will do so.

As I say, this will be as soon as possible. We do regard the task as both urgent and important. However, I cannot undertake that it will be in the course of October. It is simply not realistic to impose a deadline of 6 weeks from the date on which I am now speaking for the transmission of proposals of profound importance for the future of the whole Community. The proposals have to be not only right in themselves but right in relation to each other. That is not a simple task, and it would not be right, Mr President, to impose upon it the separate constraint of this year's budget procedure. Artificial deadlines would not result in work of the

quality and seriousness which the institutions are entitled to expect from the Commission.

I said at the outset of these remarks that we sympathize with the Parliament's sense of urgency over the mandate. This means that, as is not doubt Mr Spinelli's intention, the financial consequences of the mandate should begin to be felt in 1982. What I have just said in no way precludes that. As the House knows, the completion of the budgetary procedure and the adoption of the budget is not the last word. It is right and natural that during the course of execution appropriate changes should be made. The consequences of the mandate will undoubtedly be among these. During 1982 whenever an amendment to the budget seems appropriate, the Commission will make a proposal for the necessary rectification. It is a working hypothesis of the Commission that during its execution there will be changes to the 1982 budget flowing from the mandate — an ambition no doubt shared by the Council also, especially in the light of the remarks made by the President-in-Office.

Mr President, the decisions that lie in front of us flowing from the mandate are difficult and complex. They touch the foundations of the Community. At this turning point it will be essential to have cooperation and not conflict between the institutions. It would therefore be most unfortunate if at this juncture, when we should all be pulling together, the mandate were to become an unnecessary cause of conflict between us. I do not think that the present situation merits conflict. Certainly the Commission wishes to cooperate and will do all and more than all of its duty under the Treaty. I therefore hope that the House will be able either to drop paragraph 4 of the resolution or to modify its terms in a manner which promotes the cooperation between the institutions which the Commission, for its part, is seeking. Mr President, there is a lot of work to be done by both halves of the budgetary authority over the next few months. In order to enable a satisfactory budget to be adopted in a timely manner many compromises will have to be reached. It is the Commission's belief that compromises can be made without sacrificing vital Community interests or placing excessive burdens on Community taxpayers, provided a genuine willingness in exhibited by all concerned to analyse and discuss objectively the Community's budget needs and constraints.

On behalf of the Commission I would like to give Parliament the assurance that we and our services will do everything within our power to facilitate this progress. Mr President, let us hope that this year, for the first time for some years, we can go home for Christmas in the knowledge that a budget has been adopted and that it is a budget that matches up to the objectives and needs of the Community at the end of 1981.

President. — There is a request from the Committee on Social Affairs and Employment that its draftsman should be allowed to intervene in the debate. Under Rule 66 the President may allow the chairman or the rapporteur of committees to speak for a period of time to be decided by the President himself. Now clearly if all committees asked for their spokesmen to be allowed to intervene in the debate, it would seriously jeopardize Parliament's ability to get through its business for the day. However, as there has been only one request, I really cannot advise the House that it will cause difficulties if I call upon the draftsman to speak. As it could, however, be a matter of principle, I propose to ask the Bureau to give a ruling on the matter in case the same situation should arise again in the future.

I call the rapporteur.

Mr Adonnino, rapporteur — (IT) Mr President, once again this Assembly must decide upon the 1981 budget, this time as an amending budget. Normally amending budgets originate in new facts which have come to light during the financial year, or in precise data available at the end of the year which call for modifications in the budget.

It is necessary to note immediately that this amending budget is due also to an exceptional event. We all remember what happened when Parliament approved supplementary budget number 2 for the 1980 financial year, whose repercussions are felt in the 1981 budget. The conflicting positions of three Member States obliged the Commission to intervene.

The political importance of this amending budget derives from this very situation. As Commissioner Tugendhat has said, the approval of this budget will constitute a settlement. It should be added that the President-in-Office of the Council has written to confirm what was said by the representatives of the three countries during the conciliation procedure — that is, that if the amending budget is approved at the first reading, the grounds for protest will be eliminated.

The fact that the Commission presented the amending budget at this time when the definitive figures are not all yet available (for example, we do not yet have definitive information on the basis for assessing VAT, from which the contributions of Community countries can be calculated) raises both formal and substantive problems.

There are also some clarifications to be made concerning, for instance, certain appropriations which are considered cancelled but which Parliament could approve as carry-overs in its discharge phase. In this respect, and also from the point of view of timing, I believe that we should favourably receive Commissioner Tugendhat's announcement that amending

budget number 2 will follow amending budget number 1. The necessary clarifications can therefore be presented on that occasion even though, as has just been said, the calculation of the figures concerning the savings in the EAGGF Guarantee Section could be delayed.

I would remind you here that when this Parliament adopted the 1981 budget it expressed its position very clearly. In accepting the total amount of expenditure in the EAGGF Guarantee Section it said openly that if, indeed, savings had to be made, it was no less necessary for agricultural price adjustments to be covered by resources found within the budget itself. This was not said with the purpose of belittling agricultural policy, but rather in order to rationalize it in the areas of market management and surplus production.

Now, with this amending budget, it has been possible to confirm a reduction of 521 million ECUs in the EAGGF Guarantee Section. This reduction is largely due to the favourable development of the international price situation which made these considerable savings possible, but it is also in part the result of more accurate market management, especially in the field of refunds. This demonstrates that Parliament, when it expressed reservations of this nature before the 1981 budget was adopted and then approved by the Council, had judged correctly. We should continue in this direction.

As a result of the reductions, the EAGGF Guarantee Section, as a total budget entry, declines from 12 870 million to 12 349 million ECUs. In percentage terms the 1981 increase over 1980 — the year we always use for comparison — is reduced from 12% to 7.3%. This is therefore without doubt a favourable development.

Another positive element is that several sectors of expenditure whose claims to priority were indicated by Parliament itself are increased in this budget. It is of course necessary to decide how to make use of these savings. In this regard, if the reductions present no problems in the EAGGF Guarantee Section, where the Council proposes savings of 662.7 million ECUs as compared to the Commission's 598.97 proposal, (the difference is due to a better evaluation of the figures) the re-utilization of these savings deserves mention. In fact, the Commission had proposed, for the commitment appropriations, a utilization of 261.84 million, while the Council reduces it to 291.31; and for payment appropriations the Commission had proposed a utilization of 570.94 million, reduced by the Council to 464.41 million.

We must say immediately that this only partial utilization — in connection with the proposals of both Commission and Council, although the latter's was subsequently reduced — is meaningful in regard to commitment appropriations because of the fact that

Adonnino

now, towards the end of the financial year, it would be more difficult to provide for these commitments. It is also significant in view of Parliament's consistent desire to maintain a balance between commitment appropriations and payment appropriations. If this balance is effected through an increase in payment appropriations, it is clear that it would again be imperilled if commitment appropriations were increased. From this viewpoint, therefore, the proposed approach is acceptable.

It is true that the Council's proposal differs from that of the Commission in reducing appropriations for both the EAGGF Guidance Section and the RDF, as well as aid for non-associated developing countries. We must consider, however, that the amount agreed to by the Council is greater than that adopted by Parliament on the first reading — even though our satisfaction must be limited by the knowledge that there are, obviously, new needs to be faced. Moreover, the Council, in presenting the amending budget, committed itself to making other sums available if this should become necessary in the course of the financial year — albeit with the proviso that they be found within the budget itself. In the motion for a resolution of the Committee on Budgets we express the hope that, in case of need, such sums may also be found outside the budget.

Finally, as has been mentioned, it has been officially communicated to the President that the three countries which raised objections to the 1980 amending budget and to the 1981 budget would withdraw their objections if the budget should be adopted. Thus it becomes possible to formulate a solution to the controversy. With this political item, the position assumed by Parliament in the adoption of the 1980 amending budget would be consolidated, even though Parliament has naturally always been aware of the exceptional nature of this position. At the same time, payments from the three countries which suspended them would be resumed, and included with all the other budgetary consequences to be represented in amending budget number 2.

In conclusion, I wish to mention that the President-in-Office of the Council, in presenting this budget, has requested Parliament to join with the Commission in drawing up a common declaration on certain principles concerning the budget procedure: collaboration between institutions, the establishing of a calendar of procedure, respect for the annual character of the budget, and the rendering available of sums which can be truly utilized.

In the resolution we submit to the vote of the Assembly we have used the last two paragraphs to stress several aspects of the problem: firstly, we feel that the form of the common declaration, on this occasion, does not totally define the issue; we recall Parliament's positions; we propose an inter-institutional dialogue with our 4 May resolution, in order to solve all the

problems connected with the budget procedure. We hope therefore that the Council will respond in a positive manner, so that a common declaration to guide the future behaviour of all the institutions may be adopted at the close of such a dialogue.

In the light of the observations I have just made and which are all contained in the resolution presented by the Committee on Budgets, we recommend that Parliament approve the amending budget in order to obtain the legal, political, and financial results I have mentioned above.

President. — I call Mr Spinelli.

Mr Spinelli. — (*IT*) Mr President, I will offer no compliments and thanks either to the President-in-Office of the Council or to the Commission only because the lack of time forbids it. I will go straight to the matter at hand.

I speak on behalf of the Committee on Budgets, which has made a preliminary study of the budget presented by the Council: I will describe the results of this study, which are summarized in a resolution — not mine alone, but rather a production of the entire Committee. This resolution contains an evaluation of the draft presented by the Council, a suggestion to the Parliamentary committees concerning the amendments to be prepared in the coming weeks, and a final invitation to the Commission.

Concerning the draft budget presented by the Council, I will touch briefly on some questions regarding structure. The Council did not retain the column of commitment appropriations compiled by the Commission, and that is unfortunate, because it clarified the entire budget; it is now somewhat confused, owing to the insertion of commitments among the remarks on the right hand page. With a minimum of goodwill one could isolate and approve this section of the Regulation in a moment.

The second matter I wish to mention is the fact that since 1978 the Council has been saying that it is unable to modify the Financial Regulation so as to solve the problem of the budgetization of borrowing and lending operations.

The third question concerns the Council's opinion on the distinction between compulsory and other types of expenditure; such a distinction differs from that adopted by Parliament and by the Commission, and an agreement must be reached on this point. The Council itself asserts in its document that it has made its decision, but this is not a question that can be decided by one institution independently of the others.

On these three questions — the second and the third being vitally important — the Committee on Budgets

Spinelli

will make proposals when amendments are presented in order to attempt to arrive at a satisfactory solution.

I will now examine the dimensions of the budget, without however inflicting additional figures upon Parliament; on the one hand, everyone has them already, and, on the other, both the President-in-Office of the Council and Commissioner Tugendhat have mentioned them. However, in line with what Commissioner Tugendhat said about not limiting ourselves to speaking only of percentages, I wish to say that, comparing the Council's draft budget with the budget adopted and in force for 1981, we can make a rough grouping of three types of expenditure: in the first group we include the entire EAGGF Guarantee Section, the supplementary measures on behalf of the United Kingdom, and operating expenditure concerning the staff, that is, all expenditures which have certain permanent characteristics; in the second group we include what is left over for all other policies. It can be seen that, after more than twenty years of the existence of the Community, all the expenditures for guidance, restructuring, development and cooperation with developing countries are unchanged — from last year to this year — at 6 200 million for commitments; on the other hand, payments go from 4 700 million to 5 000 million: that is an increase of about 300 million. If we consider that in one case there is no increase, and that in the other the increase is less than 10%, we perceive that Community development has halted, or even regressed, in relation to the previous year. Looking at the policy of agricultural price supports and the policy on behalf of the UK, we see on the other hand that there are increases this year over last.

The Council adopted the following approach: in the one case, change nothing; in the other, make indiscriminate cuts. The President-in-Office of the Council himself, told us, although not at great length, that those cuts have been made. 300 million ECUs were transferred from the EAGGF to Chapter 100, but this in no way alters the amount earmarked for the agricultural policy, because at the moment of payment the sums must be returned from Chapter 100 to the EAGGF.

How should we judge this draft budget? Above all, it is obvious that the Council is telling us that the Community must stagnate; that it must, indeed, move backward. The Community is a body still in the process of becoming; we all feel the need for it, and know that its weakening will lead to a return of protectionism in all its forms, from the wine war to the chicken war, to import deposits. And it is at this dangerous moment that we are told that the Community is condemned to stagnation!

We all know that the situation is a difficult one and that it is also necessary to go forward with a plan of political unification; all this needs a solid economic base, and instead we are told that the Community

must stagnate because we are obliged to practise austerity. Obviously, austerity involves all of us and we all comprehend the need for it, but the most essential need is to reduce the expenditures which contribute towards increasing consumption, that is, the expenditures for price supports and the refunds to the UK. Expenditures which lead to increased investment, productivity, and research should be augmented, though moderately, insofar as it is possible, for they contribute to an increase in production and thereby reduce inflation. The Council is acting in precisely the opposite sense: the expenditures which can contribute towards inflation — although to a limited degree — are left untouched, and the others reduced.

In conclusion, it must be said that in presenting this budget the Council shows not the slightest trace of willingness to permit the Community to assume its own responsibilities. No such trace exists in any of the remarks; there is no more attention given to some policies than to others, there is no commitment to action. There is simply a hatchet, slashing the expenditures which should not have been tampered with and leaving untouched those which called for additional consideration. It may be — as everyone tells us — that at last the trends of the markets, and of the clouds, the vagaries of the weather and of the dollar oblige us to make some savings, and thus to take further action. But this means that the Community is henceforward entrusting its fate to the evolution of solar power and interest rates, renouncing the attempt to grasp an organic view of what ought to be its responsibilities.

Now Parliament cannot accept this concept of the Community and of its budget. What can we ourselves do? The idea of rejecting the budget, as was done two years ago, comes to mind. Such a rejection was appropriate two years ago, for Parliament had to underline the fact that its will must be taken into consideration. Rejection is, however, a weapon which is useless in cases like the present one, for today we are urging the Council, the other arm of the budget authority, to bear in mind that the Community should have an increased rhythm of expansion; we cannot therefore reject the budget, for that would be tantamount to being obliged to proceed by provisional twelfths, perhaps for the whole of next year, at a lower level. This, then, is something to be avoided.

The advice we intend to give to the parliamentary committees is to make an overall effort to return to the levels set down in the Commission's preliminary draft, at least in regard to expenditures. The amounts may vary slightly, but we must aim at these levels not because they are good in themselves, but because they represent the 1% of the VAT beyond which it is at present impossible to go. If we were to limit ourselves to this, we would have a better budget than the one presented by the Council, but it would still be inadequate. We can increase payments by 500 million ECUs, and commitments, where there were greater cuts, by a thousand million ECUs.

Spinelli

I am certain that the parliamentary committees will move of their own accord in this direction; however, since the absolute 1% VAT limit exists, and since it is reasonable to conserve a certain margin for future eventualities, we can go no farther than this. While acting in this manner, we should nevertheless be aware that we cannot go on year after year saying that we are in a transitional budgetary stage. A transitional budget going from immobility to immobility, or from one position to a slightly more backward one? We must insist that there be some sign in this budget of the many reforms needed for Community policies. Because this is necessary, it is therefore equally necessary that the first step be taken by the Commission. The President-in-Office of the Council himself has told us that it is in fact possible to envision a greater increase in Community expenditures with corresponding decreases in the expenditures of the Member States, but there is no proposal to this effect.

We must understand that it is for the Commission to make the proposals. For this reason, the fourth part of the resolution is an invitation to the Commission. We call upon it to consider not only the mandate it received from the Council, but also the appeals addressed to it from Parliament. Although some believe that this Parliament is only interested in spending a little more, it must be acknowledged that Parliament, in a series of debates and decisions, has on its own initiative adopted positions on what the Community's economic policy should be.

I will mention only the titles, so that we may have them well in mind. In March of 1981 we drew up a list of indications on the orientations to be embodied in this budget. Among other things, we urged that a procedure be followed for avoiding conflicts and reaching agreement from the beginning on the large financial masses, and this was ignored. In June of 1981, we voted one resolution on the future importance of the Community budget and in the same month we approved another on the restructuring of economic and monetary policies. In September 1980, we adopted a resolution on the fight against world hunger; in April 1980 we adopted one on the European Monetary System and on its consequences for economic policy. In June 1981 we adopted a resolution on the reform of the agricultural policy. On the subject of income, we adopted a resolution on own resources in May 1981, which restated the demands made in the Lange resolution of November 1979 on convergence.

These are the indications on economic policy that Parliament wants to see acted upon.

To the pressing appeal of these resolutions Commissioner Tugendhat has responded, so far, in an evasive, if not a frankly negative, manner. What we ask of the Commission is not to limit itself to that semblance of a programme adopted on 10 September — which consists solely of general policy debates and memoranda and is itself only part of the preliminary phase

— but rather to make an effort to present specific proposals for decisions, regulations, and directives as soon as possible.

The Commission has already lost precious time; in March we had already requested it to anticipate its response to the mandate, to explain to us the relationship between national and Community budgets, to present proposals of reform, an overall programme for structural policies, to present the proposal for raising the maximum VAT rate. These were the things we wanted put on paper. The Commission did absolutely nothing, and now we find ourselves faced with a draft budget which can be presented and defended only because it proposes nothing.

We ask nothing unreasonable. We do not ask that proposals be presented to us within the next four weeks, because you have wasted a year, and it is difficult to remedy that in a month. We do require you to give us a precise timetable stating when your proposals will be made, and to indicate their magnitude and why they are being made. By such action we will show that during the year 1982 there will be a determination to form a new policy, and one which will produce financial consequences. We will see to what degree it will be necessary to provide for this in the actual appropriations and to what degree in an amending budget.

All this is not impossible. It will be the sign of the end of vain discussion and the beginning of action; it will be the sign of the beginning of a new policy.

Mr Commissioners, this appeal which I believe Parliament will address to you by adopting this resolution is a considered appeal. We have meditated long concerning it, and we ask you therefore to be fully aware of its meaning and its implications.

President. — I call the Committee on Social Affairs and Employment.

Mr Van Minnen, draftsman. — (NL) Mr President, as regards the 1981 budget — on which I should like to make a few comments — we cannot just go off and leave things as they are. Let me begin by saying that the Committee on Social Affairs and Employment does not, of course, want to upset the 1981 budgetary agreement, which must have made so favourable an impression on the man in the street. But, it seems to us, a few comments are called for on at least two changes that struck us — unpleasantly so, because you tend not to discuss further anything with which you agree. From a budgetary point of view this is the way things may be, but as parliamentarians we must not, of course, resign ourselves to the situation.

My first comment concerns the projects aimed at combating poverty in the Community. Although we must, of course, take an interest in such projects

Van Minnen

outside the Community, those within the Community must not be allowed to disappear. Programmes must be developed to allow them to come to a proper end, and this will undoubtedly be done, but above all programmes for the launching of new projects must be established.

Secondly, I have something to say about what is surely one of the most important items in the budget, social aid in the steel sector. For this we entered the handsome sum of 112 million EUA in the budget in December 1980. And after that had been completely removed, the Commission managed to restore 50 million from national contributions. But if we understand the Commission correctly — and Commissioner Richard really ought to give us a little more information on this politically extremely interesting state of affairs — then the other 62 million EUA is to be restored as well.

But — and this is the question we have to ask — where is this money to come from? From national contributions too, or by trying out a Community regulation, which is what a majority of this Parliament, I believe, intended? That was what Parliament wanted. My question is then: has anything been decided yet? This ignores the fact, of course, that a decision is not the same as the submission of an appropriate proposal to this Parliament, which has yet to be done. I sincerely hope that we will at least have an explanation of this matter before Christmas. I am grateful to you, Mr President, for the opportunity you have given our committee to raise these few questions on a subject that is of such vital importance in the fight against unemployment in our Community.

President. — I call the Socialist Group.

Mr Dankert. — (NL) Mr President, first my apologies to the House and Commissioner Tugendhat for my absence from the Chamber: the Bureau has been trying to settle the question of the Quaestors' powers, and that too is always an interesting affair.

Being right and getting others to agree you are right is not always the same thing. Although this Parliament is very often right, it is very seldom agreed it is right, and in this respect I am very happy that, as regards supplementary budget No 2, we have managed to get others to agree that we are right. To summarize, we established that the payment appropriations for the social and regional policies were nowhere near enough to finance the commitment appropriations approved by the Council. We forced the issue in a not too respectable way, we can now calmly admit, by substantially increasing the payment appropriations for the social policy in a supplementary budget. We came into conflict with three Member States, one of which took us to court. There was a windfall from some item of agricultural expenditure, and the problem of the

payment appropriations can be settled just as Parliament has always wanted. All of a sudden, there is a link between commitments and payments after all. Mr President, I think this is important, because it indicates that the Council seems prepared to pursue a more appropriate budgetary policy than has been the case in the past. From the Council's statement I infer that it is even prepared to make supplementary appropriations available for items for which the payment appropriations have now been increased, if that should be necessary. Mr President, why did we have all this hostility and squabbling? For the simple reason that the Council itself refused to make this statement, and that ultimately resulted in conflict. I do not count myself among those who believe that Parliament has won a political victory in this way. I do not think that is the case. The policy has not changed, because it is still determined by the payment appropriations. The regional and social policies remain as bad as they already were. All that has happened is that there has been some improvement in the Community's budgetary policy, and it is a sad thing that conflict can break out over matters such as this.

Mr President, I feel the Commission can also learn a lesson from this solution. I should like to make that quite clear to Mr Tugendhat. I was rather annoyed last year when the Commission's estimates in the preliminary draft budget of the payment appropriations required were lower than it itself thought necessary, because it also made a political issue out of this, the payment appropriations being estimated at 300 to 400 million EUA less — I cannot remember the precise figure — than it itself thought would be needed. I feel the Commission must have the political courage to regard the payment appropriations not as a political issue but as a consequence of the political commitment appropriations, and perhaps there may even be an improvement in that. But, Mr President, the interesting thing about this supplementary budget is, of course, what has happened to agricultural spending, the reduction by some 500 million EUA it has been possible to make in this first adjustment of the 1980 budget.

And there is more to come, Commissioner Tugendhat said. I was rather surprised to hear the figure he quoted. After all, if I look at the latest official figures we have been given, the second quarterly review of agricultural spending and the trend in agricultural spending, I calculate that from the end of June expenditure in 1981 is 5% down on 1980. That should make a gross saving of 1 500 million. The Commissioner said 700 million. I have also looked at the figures for the end of August. They are not quite so good, but even then there is an overall gross saving of 1 700 million EUA less the 500 million we have already had. So I make it 1 200 million, compared with the Commission's 700 million. I appreciate that the Commission is, of course, anxious, after what happened in 1979, that it may find its calculations have been rather too modest at the end of the year for it to

Dankert

be able to present a fine picture to the outside world, but that was a question of supplementary budgets. I also feel that the Commission should not be too generous in its calculations, that it should not keep too much back for expenditure on agriculture, which it is already saying will in all likelihood not be spent.

I believe the figure of 700 million must be looked at once again and that we can get it up to around 1 000 million, if not higher. Of course, I cannot say precisely what amount will have to be obtained from the 1981 budget that has already been adopted. The Commission will be putting forward proposals next week. I hope they will be good proposals. I also hope that the Council will not take too long to submit a modified draft or we shall again be getting far too close to the end of the year and having to do everything in two weeks. I feel this modification of the budget must be examined carefully: dealing with this sort of thing at one reading must always be regarded as a last resort. This time the situation is somewhat different, but generally speaking, a thorough debate and two readings should be possible.

Mr President, what are we to do with this saving, Mr Tugendhat's 700 million less, of course, the adjustment to own resources, which reduces the net amount, or the 1 200 million I still have in my head, minus the adjustment? I think we would do well to consider carefully what kind of economies these are. Mr Tugendhat rightly warned us that we will not automatically have next year what we are getting now. This is the result of a cyclical phenomenon, which is largely determined by the world market. He is right, but I would like to recall a discussion we had in 1979 with the late Mr Gundelach about the problems connected with supplementary budget No 3 for 1979. He defended the massive increase in expenditure with the argument that it would enable the Commission to determine world market prices in the dairy sector and that this in itself justified such high spending. Mr President, the Commission can determine world market prices in certain sectors but in by no means all of them. That is obvious to me. This saving also has certain structural effects. The strength of the dollar also has a structural effect, because no expert assumes that we will fall back to the lower level of early last year, but will stay approximately where we are. I therefore believe that it will become clear in the coming months that various things may happen even in the 1982 budget. There may also be an adjustment in the short term to some extent and Mr Tugendhat may therefore be able to avert the danger he has just mentioned of Parliament, on the one hand, perhaps claiming there is nothing wrong with agriculture and deleting co-responsibility levies and such like from the budget and, on the other hand, saying that a great deal more can be saved here and there. I therefore believe that the Commission must be prepared in the coming weeks to give Parliament an accurate insight into the

causes, extent and so on of these developments in agricultural expenditure to prevent what Mr Tugendhat has just warned us about from coming true.

There is another factor. I have just said that some of the money is perhaps structural and we must see what we can do with this saving. I have the feeling that, after the Council's complaints about the difficult budgetary situation in the Member States, it would not be unreasonable to pass some of the economic surplus back to the Member States. I feel we must see if a few *ad hoc* actions are not needed, particularly in the area of food aid. And then there is Poland, for example, where financing using resources that have become available by chance might make it possible to pursue a better policy than in the past. But I say again: I think it is essential for Parliament and the Commission to join in discussions on exactly how this is to be fitted together.

Mr President, we also have to endorse a statement by the Council, with which the Commission has already associated itself. I have some objection to this: I find it rather petty, but I believe — and my group also believes — that through the solution found by Mr Adonnino in his resolution we can put up with this nonsense so that we may make a start on the 1982 budget.

Mr President, as Mr Spinelli has already said, there is once again absolutely no reason for Parliament to feel in any way satisfied with this draft budget. Through its President, the Council has again used the eternal excuse that the national Finance Ministers are in great difficulties, and that, I believe, is true. I have just promised them something from 1981, which may help, because I do feel there is no point in constantly making this comparison between national budgets and the European budget. I feel the Finance Ministers should be considering not only what they should put into this budget but also what happens to the money afterwards. It is quite possible that, since the European budget is not large enough, a great deal of the money is in fact wasted because there is no effective policy to pursue with it, thus creating a vicious circle: because we do not have a good regional policy, we do not need so much money for it. No, there must be more, but at the same time effective regional and social policies must be pursued. In this respect, this restructuring operation is, of course, vital if we are to tackle the eternal excuse that, as we have a poor policy, no resources are needed and vice versa. I see the President is wielding his gavel. I shall therefore conclude, and I shall do so rather more quickly than the Italian who spoke before me.

Mr President, I agree with Mr Spinelli that this Parliament has the task of seeing how far the 1982 budget can be restructured and that the Commission has a duty to give us a better insight into what it intends to do about a number of major relevant issues, especially regional and social issues, than it has done so far

Dankert

under its mandate. I therefore feel, and my group agrees with me, that Mr Spinelli's resolution can be fully endorsed in this respect. We have tabled one amendment, which states our position on the breach of the 1% barrier. On this point, the resolution is open to many interpretations, but we support it as a whole.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Notenboom. — (NL) Mr President, ladies and gentlemen, Mr Schön, who was and remains our spokesman for the year 1981, will be commenting on the amending budget for 1981. I shall confine myself to the budget for 1982, aware that we are not yet involved in the first round. We are simply making various comments on the occasion of the presentation of the budget. No more and no less. I should like to thank the Council for the substantial change in the way the consultations are held. It may be only a small step that has been taken, but it is an extremely important one.

There is a world of difference between a delegation from Parliament being allowed in for talks for a few hours before the Council takes its decisions and lengthy consultations a whole day beforehand, giving the members of the Council the whole night to think about what Parliament has said. We consider this listening to one another, having time for one another, to be vital, because talking to one another is far better than each side trying to get its way. I therefore thank the Presidency, and I should also like to express my satisfaction at the fact that you have kept the promises made by State Secretary Van der Mei in this respect in June of this year. We take note of this step forwards with gratitude. It will be a boon for the 1982 budget.

However, Mr Spinelli was quite right to say that in many areas this budget can only be regarded as a step backwards, a step backwards in the development of Europe. It presents a gloomy picture. It is something we can hardly accept, also we must admit that we have reached the 1% limit. It is therefore normal and right that the Spinelli resolution should once again say that this 1% limit cannot be upheld. We completely agree with him on this. We will wait and see how the amendment just announced reads, but we endorse the resolution in this respect too. We were saying as much years ago. Naturally, however, it cannot be done in 1982. A change in this will take years because it will have to be ratified, but for the very reason that ratification in ten parliaments will take time, we must keep hammering it home that the moment has come for steps to be taken to break through this barrier.

It is gratifying to see that the Council has adopted the same position as Parliament on the agricultural budget, on agricultural expenditure. The Council has now placed 310 million in the reserve of its own

accord. This is a sign that Parliament adopted the right approach in this question. I am grateful to the Council for agreeing to pursue this policy in the way Parliament proposes.

And now to the matter of economies. The Council need not waste much time explaining to me how necessary they are. We quite appreciate that the Finance Ministers have all kinds of problems to contend with.

My group does not share the view of those who say that a sharp increase in government spending and investments by the governments would make a tremendous contribution to the solution of the unemployment problem. No, I do not agree with that. It was a view that was fairly plain in what Mr Spinelli had to say. It may be the solution in a given economic situation in a given Member State, but it is not the solution that we advocate.

But we do say that expenditure at Community level can be more efficient and lower in a number of areas than the national expenditure of ten Member States.

If the President of the Council says yes, we of the Budget Council agree, but it is for the individual Councils, not the Budget Council, to decide then we say no. The Budget Council can indeed make a contribution, because the Budget Council has also had dealings with agriculture, and rightly so. It has rightly said: we are putting 310 million in the reserve. Why did it not say in this case: the Agricultural Council must do this? The Budget Council did it itself. And we congratulate the Budget Council on doing so. But the Budget Council can say with equal justification that the European Council feels high priority must be given to energy policy. Parliament agrees and therefore adopted the Commission's proposals on this aspect and incorporated them in the budget. But the Council has not done so. The Council has said: economize and economize again, and it has deleted these appropriations. The Council has thus blocked a European policy. And we shall not be able to rectify this mistake completely because of the small margin to which Mr Spinelli referred. We shall have to think what counteraction we can take in the first round to make it clear that in some areas at least it is better, more efficient to pursue a European policy than individual national policies of ten Member States. I therefore hope that Parliament will see fit during the first round not to add a little everywhere, but to concentrate on just a few areas, such as hunger in the world.

I would also say that the fact that we have to contend with the difficulty of the margin, that we do not really have enough resources, also has its beneficial side in that we are forced to consider carefully the efficiency of policy. In November, we have been told, a proposal for changes to the Regional Fund will be put forward. It is a pity it will not be appearing before November. But this should prompt us to consider carefully

Notenboom

whether every unit of account is being used efficiently or whether there are not, for example, frequent transfers from one coffer to another. The fact that we have little room for manoeuvre and cannot do a great deal and can do less about the quantity than we would like is therefore an additional reason for a careful study of the *quality* of the policy and the expenditure. We may be able to contribute something to this through our budgetary policy. This would also strengthen our Parliament in its dealings with the Member States when we want to ask them to raise the 1% limit. They will then ask us what we have done to reduce expenditure, to eliminate unnecessary, inefficient spending and to improve the quality of the financial policy. And we can then say that we have done something about this. Even though we have little room for manoeuvre with the budget in 1982, we do have a duty to bring about major improvements in quality.

My group decided last week to vote for the Spinelli resolution. For Mr Tugendhat's benefit, I should like to stress that it is certainly not the intention of my group to steer a collision course, as I said when the preliminary draft budget was presented. We are being strict, we want to make progress, we want improvements, we have criticisms to make, but we do not want a dispute with the Commission over this issue — not even on paragraph 4 of the Spinelli resolution.

IN THE CHAIR: MR ROGERS

Vice-President

President — I call the European Democratic Group.

Mr Balfour. — Mr President, as to the 1981 draft amending budget, we welcome the opportunity of laying the ghost of December 1980 to rest. As to the newest round of EAGGF savings, I shall have something to say a little later on.

The Council's statement this morning and its presentation of the draft budget for 1982 could not have been an easy task. It is as though the President-in-Office were a referee at a football match where the teams are in the middle of the field, the terraces are filled and the players in the field are expecting the referee to place in the centre of the pitch a full-sized football. Much has been expected of the players, there has been considerable criticism in the past of the lack of goals from both sides, and the referee comes to the middle of the pitch and instead of a football, he places a marble. The terraces are screaming: they want goals. We must now score goals and move across the pitch with a mere marble. But the President-in-Office, in his speech, chose an analogy from bridge. He talked about this

effort of the Council's as the opening bid. The Council admit that they expect Parliament to use all its powers, to use its margin, to make the necessary increases in subsequent bids. And he asks us not to judge the draft budget too soon. He said it was like a play, and it is unfair to judge a play after the first act. That is fine; but the snag is that the Council has already announced that the substance of the rest of the play must be written on half a page. It is like saying, that is the end of Act I but it's lights out in five minutes' time.

Certain elements of this joint debate require further analysis.

First, let me make some comments on the EAGGF savings in 1981. The Commission has the unenviable task at the beginning of each year of thinking up what is going to happen to the weather and what is going to happen to the exchanges. Of course they cannot be expected to get it right each year. They can certainly not be expected to make savings each year, even though they can be forgiven for a certain element of padding. My questions on the new round of savings of 700 million units of account are these: How much are we going to hand back to the Member States and how much are we going to put into non-agricultural expenditure? What will be the effect on the maximum rate? What will be the effect on Parliament's margin of manoeuvre? In 1981 we have certainly been lucky, but we must thank the dollar's strength and we must thank the weather for that: we might just as easily be unlucky in 1982. The President-in-Office said the 1982 draft budget was fully consistent with the spirit of restructuring; but what will happen if the dollar drops? What will happen if the weather enables higher yields in the world markets to bring prices down, when a 1% increase in milk, as Mr Tugendhat said earlier today, costs the European budget more than half of the payment appropriations on research and development at European level? What will happen to the spirit of restructuring then, if the Council of Ministers of Agriculture in the spring decides to bash up the commitments in that section? We are certainly sad that there was no overall and substantial cut in the obligatory section. A transfer to reserves of a tiny sum may be a new departure, but it does not impress the Parliament, which has had its favourite lines so ruthlessly cut. To reduce a 13 600 million section by a transfer of 400 million does not compare with the hacking of a 4 500 million section by 1 200 million. The Commissioner spoke this morning of the highest priority before the budgetary authority, that of adopting a budget by the end of the year and adopting the right budget; but he begged the question: he spoke of compromises being necessary. There are, however, many people in this House who believe that it is already impossible to arrive at a right budget. So I fear it is once again up to Parliament to salvage what it can from the battered and bruised remains of its beloved non-obligatory sections. What are the reasons, or rather what are the excuses, which the Council gives for this treatment, for these hurtful cuts? Public-

Balfour

expenditure discipline at the Member State level, and yet, as the Commissioner reminded the Council this morning correctly, they owe the Community certain obligations too.

Much is expected of the European Community and of its institutions. What we say to the Council of Ministers is: give us the means, give us the tools, because without them we are lost! It is not a question of comparing percentage increases at home with those in Brussels: a percentage increase of 50% in a vastly insufficient figure is only a marginally less vastly insufficient figure. We do not ask for any additional taxation; we want a transfer of resources from the national exchequers to the European. We accept that this cannot happen before certain restructuring reforms have been brought into effect, and for these we are prepared to wait only a little longer. These transfers may not take place before the Commission has shown that expenditure at Community level is more cost-effective than at the national level, and for this proof we are still waiting.

Finally, let me turn the rapporteur's motion for a resolution. We have voted for its urgent treatment and we supported it in committee. We have in our group's name one tiny amendment to paragraph 1 and another in my name to paragraph 4. We recognize that the Commission cannot possibly perform the task expected of it by the resolution by the end of October. Maybe it will be Parliament's wish to try and impose that calendar discipline: we do not think it is possible. But, like Mr Spinelli, we want the financial consequences of restructuring to be felt already in 1982, and we shall be able to do this by means of the usual rectifying procedures.

President. — I call the Communist and Allies Group.

Mr Baillot. — (FR) Mr President, in our discussions this morning we have but one object in view: to examine the 1982 draft budget established by the Council on the basis of proposals drawn up by the Commission, which we debated in July.

More so than even the Commission's preliminary draft budget, the Council's proposals reflect the austerity and stringency that characterize the budgets of some of the Member States of the Community.

This year, EAGGF Guarantee appropriations are being cut again, with 433 million ECU transferred to reserve. Even so, this cut is not as great as it would have been had the representatives of the United Kingdom and Germany been able to prevail over the rest of the Council.

This is just further evidence of the threat that hangs over the common agricultural policy which, while needing some adjustments, is our only common policy,

and the implementation of the mandate of 30 May could make the threat a reality if we were ever to relax our vigilance.

The crisis is hitting the Community hard. The number of jobless continues to rise rapidly, the economy is running out of steam and production, depending on the country, is either stagnating or falling. Millions of European families are suffering hardship and even poverty. Unemployment and inflation are eroding their purchasing power.

At the Luxembourg Summit, before the summer recess, the President of the French Republic proposed that the Community should launch an imaginative policy to deal with unemployment and create new jobs, particularly for young people, while continuing with the fight against inflation. To achieve these objectives, which we regard as essential, bold measures would need to be taken to stimulate domestic consumption. It would be necessary to develop production in the vital industrial and energy sectors, severely weakened by the disastrous policy of redeployment practised by the multinationals in the pursuit of ever higher profits. It would be necessary to bring in effective measures to counter cut-throat competition from the United States and Japan, which should be quite intolerable to the champions of a market economy. The Community would need to be protected from the dangers resulting from the extremely high American interest rates, which discourage investment.

The Council's draft budget, which reflects the difficulty of reaching compromises between Member States with conflicting interests, represents in many cases a significant scaling down of the expenditure proposals contained in the Commission's preliminary draft budget, particularly in relation to research, energy and industry.

The argument used by the Council, that it is not possible to make provision for common structural policies that have yet to be agreed, seems logical enough on the surface. But are we honestly expected to believe that the Council and Commission do not have it in their power to lay such policies down jointly and make financial provision for them? It is no doubt true that, as things stand at present, we have probably reached the ceiling on resources, since the VAT rate of 1% cannot be exceeded without the necessary agreement. But, as we have already pointed out before, the Commission could find substantial resources if it rigidly enforced the principle of Community preference, both as regards, for instance, customs duties and taxes on oleaginous products, and also as regards protecting European prices through the tariff policy.

Moreover, it is impossible to ignore the significant proportion of the budget which, again this year, is accounted for by the United Kingdom in the form of a reduction in its contribution. This comes to 1 600

Bailot

million ECU, or 10 000 million French francs, and represents almost 7% of all payment and commitment appropriations.

(The President called on the speaker to conclude)

In looking closely at the Council's budget, one has to keep an eye on what still remains to be done so that the Community can truly be at the service of the people of Europe.

Before I finish, I should like to say a word about draft amending budget No 1. In our view, the essential positive aspect of this budget is that it offers a solution to the conflict which arose at the end of last year following the refusal by France, Germany and Belgium to accept the chicanery resorted to by Parliament in connection with the 1981 budget and which we were quick to condemn at the time.

President. — I call the Liberal and Democratic Group.

Mr Rossi. — *(FR)* Mr President, may I say right away that my group is delighted that this amending budget for 1981 may, with luck, be adopted at the first reading and so end the dispute between Parliament and certain Member States.

I should also like you to know how favourably impressed I was by the conciliation meeting held in July between a delegation from Parliament, of which it was my privilege to be a member, and the Council. For the first time, I must say, there was a genuine dialogue between the two sides rather than, as has too often been the case, a monologue on our part in which we once more repeated our demands without always even receiving a reply.

To deal very quickly with the actual content itself of this draft amending budget, I will say that the Community's agricultural sector has made a highly significant contribution, since the appropriations for the EAGGF Guarantee Section have been reduced by 521 million units of account. I believe, incidentally, that it would be altogether too easy to put this reduction down simply to favourable world price and currency trends. In response to pressure from Parliament, important savings were achieved in administrative expenditure, which is something that should have been mentioned.

As regards increases in appropriations in this amending budget, may I say that the Council has today tangible proof of the need to make really substantial appropriations available in good time to certain sectors of non-compulsory expenditure.

As the rapporteur, Mr Adonnino, quite rightly pointed out, the Commission must be in a position to respond without delay to requests for payment, and I have in

mind, of course, in particular the Regional Fund. Is it not significant that in the case of certain items in the amending budget we are simply reinstating appropriations that had been asked for at the beginning of the 1981 budgetary procedure both by Parliament and the Commission? Without wishing to rake up the past, I feel that the position adopted by my group, which wanted to concentrate attention on the 1981 budget by rejecting the last-minute increase in the 1980 budget, has now been vindicated.

To conclude, Mr President, I would say that we endorse the draft joint declaration by the institutions in regard to budgetary procedure, subject, of course, to the adoption of paragraph 22 of the resolution tabled by the Committee on Budgets, under the terms of which the inter-institutional dialogue must now be pursued with full regard to the demands repeatedly put forward by our Parliament.

President. — I call Mr Konrad Schön.

Mr Konrad Schön. — *(DE)* Mr President, ladies and gentlemen, my group has asked me to comment briefly on the amending budget for 1981. I should explain that, despite some objections, we shall approve this budget at the first reading, and I should like to emphasize, Commissioner Tugendhat, that we base our views in particular on the report drawn up by Mr Adonnino on behalf of the Committee on Budgets.

I am also able to tell the Council that the same goes for the joint statement by the institutions on the budgetary procedure. We have long called for an open dialogue on budgetary developments. We are not inclined to provoke unnecessary disputes, but we must appeal to the Council — this also applies to 1982 — to take part in the dialogue with an open mind and to be prepared to work towards a common stance with Parliament. If this had been done last year during the deliberations on the second supplementary budget for 1980, the dispute we had would not have arisen. Some of my colleagues feel, however, that we should agree to the political compromise on the amending budget for 1981 because three Member States, including my own country, would be prepared to pay up. But some feel, as has been said, that Parliament's powers during the budgetary procedure should perhaps have been legally clarified.

I will conclude with a comment on the 50 million EUA for social measures in the steel industry. Despite our warnings, the Council has not observed the saying that 'he gives twice who gives quickly'. I must ask again what is happening to this 50 million EUA. We endorse this expenditure for the sake of those concerned in the steel industry, but are there any programmes, Mr Tugendhat, are there any projects, are these funds being disbursed rapidly in the interests of those affected?

Schön

I do not consider it a good thing, and it must not be allowed to catch on, for national contributions to be made for specific purposes rather than for a genuine Community policy, which is different in qualitative terms, and is what we were calling for when we wanted to transfer the 110 million EUA from the general Community budget to the ECSC operational budget.

We would therefore warn — and I do so on behalf of my group as a whole — against ever again trying to support institutions with the aid of national contributions along the lines of a Community policy.

President. — I call Mr Gouthier.

Mr Gouthier. — *(IT)* Mr President, ladies and gentlemen, the Italian Communist and Allies Group fully agrees with the analysis of the Council's draft budget presented by Mr Spinelli. What lies behind the Council's presentation of this budget in a time of serious economic and financial crisis like the present is quite clear: the notion that it is necessary to apply also to the Community budget certain restrictive or 'monetarist' policies which manifest themselves in budget cuts and in so-called financial austerity.

This is not the place to make a judgment on the recourse to such policies, policies which have become fashionable in so many countries both in Europe and beyond. It should be pointed out that in a large country like France these 'monetarist' policies are being contested and alternatives are being sought. I believe it is necessary to underline two points here: first, it would be an error to think that the Council alone supports policies of financial austerity and efficiency in Community programmes. Parliament, it must be stressed, is second to none in supporting strict financial control and efficiency checks for the various Community policies. As Mr Spinelli mentioned, Parliament has laboured long on these matters, whether it be a question of an increase in own resources or of the specific nature of initiatives and new policies to be undertaken.

In connection with the effects of excessively restrictive policies, it should be pointed out that an indiscriminate parallel between national budgetary requirements and Community ones is, to the best of our belief, an error. National budgets have been fixed by long historical tradition. The EEC budget is still flexible because the Community itself is flexible, and because Community policies are limited. The basic policies, such as those for energy and industry are only in the fledgling stage; one basic policy, that on transport, is virtually non-existent.

Certain things do exist, however, and become ever more pressing: real needs, objective factors of continental scope, especially in the field of energy. The

EEC either responds to these needs negatively or not at all. This is the essential point: the negative responses which appear in the Council's draft budget will result in negative consequences, not only for the individual policies but for the general political situation as well. We cannot remain immobile in building the Community. Such an attitude means a general political weakening of the Community, at the very moment when Europe is obliged to play a decisive role for the preservation of peace and for a policy of world co-operation and progress.

For this reason the Committee on Budgets acted rightly in putting the problem of responsibility at the core of the matter in the most concrete terms. We understand that at present the Council is exerting strong pressure on the Commission, trying to compel it to become a sort of secretariat in its service. On the contrary, the Commission should now enter fully into its proper role and develop it in an independent spirit, able to make proposals and to pursue political initiatives.

In listening to Commissioner Tugendhat, we were brought to realize that we were right in denouncing the Commission's response to the mandate as evasive. We are told that more time is needed, that the terms in paragraph 4 of the motion for a resolution presented by the Committee on Budgets are too restrictive. The Commission, however, had plenty of time to make proposals, to find solutions to the most pressing problems. This is the political issue now at hand.

The complicated procedures of inter-institutional relationships can find positive outlets only if the Commission can assume the duties laid down for it in the Treaties and perform them fully on the political level.

President. — I call Mrs Scrivener.

Mrs Scrivener. — *(FR)* Mr President, in my speech I wish to concentrate on the 1982 draft budget and without more ado I will come to the point.

This draft budget does not come up to our expectations and once again we are disappointed. True, there is evidence of a serious attempt to come to grips with the problem of agricultural spending. Without doubt the 433 million ECU taken from the EAGGF Guarantee Section and transferred to Chapter 100 will encourage those responsible to exercise better control over the utilization of appropriations in this sector. We endorse this initiative because it has been accompanied by a detailed breakdown showing where appropriations are being allocated, whereas last year, at the time of the vote on the 1981 budget, we were against the kind of global reserve that was ultimately adopted because it seemed to us too much like an attack on the common agricultural policy.

Scrivener

On the other hand, we hold the very gravest reservations concerning the level of appropriations for non-compulsory expenditure and we should like to see a rather more responsible and consistent approach for, after all, whom are they trying to fool?

To make it simple, I will break the process down into three phases. Firstly, the Community governments never miss any opportunity to repeat that we must go ahead with the construction of Europe, that we must consolidate what the Community has achieved. The citizens of Europe are widely informed about these declarations, which touch upon matters of deep concern to them.

Then we have the second phase: When the time comes to give substance to these sentiments, to put genuine common policies into practice, we suddenly find that the majority of the Member States' representatives on the Council have lost interest and no significant appropriations are allocated in the Community budget. This time the general public is kept largely in ignorance of the facts.

Now, in the last phase, there is no longer any difficulty in deciding where the responsibility lies, in plain language where to put the blame for any failures by the state. It is Europe and Europe alone that will be accused of being incapable of responding to the needs of our time, even though it may never have been given the means with which to do so. Needless to say, the citizens of Europe will be made fully aware of these serious difficulties.

We shall deal in greater depth with the various budget sectors during the debate at the first reading. I am however bound to say right away that we fully endorse the position of the Committee on Budgets, which believes that it is necessary to guarantee at least the overall level of payment appropriations provided for in the preliminary draft budget. We wish to give emphasis not only to regional and social policies but also to policies relating to energy, industry and research.

The 1982 budget should in fact already embody at least the rudiments of a new structure, if that is all one can reasonably expect initially. It is obvious that the present economic situation imposes budgetary stringency not just at national level but also at Community level. Nevertheless we ought not to forget that Community policies have to be made more effective than their counterparts at national level, and the cost of these policies, whilst of course swelling the Community budget, comes off the national budgets.

Mr President, that is all I have to say on behalf of the Liberal and Democratic Group on the subject of the 1982 draft budget.

I shall end by adding that we shall be voting for the motion for a resolution put down by the Committee on Budgets.

President. — I call Mr Ansquer.

Mr Ansquer. — (*FR*) Mr President, Mr President-in-Office of the Council. My speech is going to fall into two parts. The first will consist of a statement on behalf of the Group of European Progressive Democrats and the second will consist of a statement on behalf of the Committee on Budgets on the subject of the budgets of Parliament and the other institutions.

In speaking on behalf of the European Progressive Democrats I am going to touch very briefly on three subjects. The first is Mr Spinelli's resolution, which is actually something of a novelty at this stage of the budgetary procedure. I believe, in fact, that the present procedure could be seen as not being strictly in accordance with the Treaties, and specifically Article 203 or the documents annexed thereto, which lay down very precise rules for the budgetary procedure. Now, as any jurist would tell you, a specific rule of law has precedence over a general rule of law. Whilst it is true that the texts make no provision for tabling a motion for a resolution at the precise moment when the Council is introducing the budget, the rule which says that anything that is not prohibited is allowed is in this case reversed. In the case of specific rules of procedure anything that is not expressly allowed is disallowed. The strict conventions applying to the budgetary procedure leave no room for any other interpretation. Mr Spinelli's motion was therefore inadmissible and I find it disturbing that we should be in the habit of putting our Parliament above the law. However, what is done is done.

As regards the substance, the resolution expresses a number of wishes, as for example in paragraph 4, which concerns the timetable for implementing the mandate of 30 May. But in reality it has nothing very important to offer. If anything, it tends to commit Parliament in advance by stating that the overall level of payment appropriations must be no lower than the level provided for in the preliminary draft budget. May I say that it is for the other arm of the budgetary authority to adopt a position in the course of the budgetary procedure.

As regards the draft budget submitted by the Council, and this is my second point, I have just one or two observations that I want to make.

What we wish to avoid, as the chairman of the Committee on Budgets, Mr Lange, said, is scattering our resources, we wish to avoid, to use his own words, the 'policy of the watering-can'.

Secondly, I believe, Mr President-in-Office of the Council, that we have as soon as possible to think in terms of lifting the ceiling on VAT in order to give the Community access to additional resources. Such a move would necessarily take time and it is therefore urgent that we proceed with it now to give all the national parliaments time to consider it.

Ansquer

As regards agriculture, we should not like this sector to be the Cinderella of the Community. I will say no more than that. We should therefore take care not to allow farm incomes to continue falling in real terms.

So far as other sectors of the Community economy are concerned, we note that the appropriations for the Regional Fund have been reduced, which is of course compensated for by an increase in the amending budget.

Social policy, too, has fallen victim to the Council's austerity measures, despite the general belief that the Community should be pursuing a particularly vigorous programme in the social sphere.

The third and final subject I wanted to touch upon is the 1981 amending budget. Our group approves the draft budget, with the exception of the budget heading relating to the distillation of wine, to which our group is proposing a modification.

That, Mr President, is all I have to say on behalf of our group in connection with the 1982 budget and the 1981 amending budget. I should simply like to add that, as far as we are concerned, the budget is no more than a means to an end, and that it is the expression of a certain number of measures and political wills. We should do well to bear in mind, however, that if the budget is an indispensable means of bringing together the countries of the Community and, more especially, a means of revitalizing our economies, then the measures we take must not be economic measures, for a Community of shopkeepers could ultimately lead to the destruction of the Community itself. We have therefore to come up with new policies, new measures, drawing inspiration in particular from the cultures of our individual countries in order that our Western civilization can preserve all its rich variety and continue to spread its influence abroad.

I come now, Mr President, to the second part of my speech, which will be devoted to reporting, on behalf of the Committee on Budgets, our views on the budget of Parliament in the first place and then on the budgets of the other institutions.

The first observation of a general nature that we have to make is an important one, since we find that the increases in appropriations in respect of institutions other than the Commission remain far below the rate of increase in non-compulsory expenditure.

Moreover, the policy of austerity advocated by the Council has resulted in a significant reduction in the estimates submitted by the various institutions, with the exception of the appropriations for Parliament. Thus, taking into account the cuts made by the Council, the increases in appropriations for the other institutions range from 5 to 9%, which is below the rate of inflation.

I will now say a few brief words, Mr President, about the preliminary draft budgets. Generally speaking, the presentation is far from clear and the remarks which feature on the right-hand page of the budget are on the whole vague and in no case give any explanation for the increases over the previous year. I have already remarked on this before — and I am speaking here about the control by the chairman of the Committee on Budgets and by my colleagues on the Committee — with the aim of getting greater budget clarity. We are pressing for this even more strongly this year. Unless we have fully adequate remarks we cannot carry out a satisfactory evaluation of the various budgets. The Council must therefore, rather than cutting down, actually enlarge upon the remarks contained in the explanatory memoranda forwarded to the Commission by the individual institutions when the preliminary draft budget is being drawn up. That is all I have to say about the presentation of the budget documents.

I should like to point out, particularly to the Council, that we are keeping a certain number of options open. The first is to hold discussions with representatives of the other institutions, namely the Court of Auditors, Court of Justice and the Economic and Social Committee, with a view to the possibility of introducing amendments in the course of the budgetary procedure.

We have moreover indicated to the Council that we are considering, in relation to Parliament's budget, undertaking an even more rigorous scrutiny of every article, but especially those where year after year appropriations have not been fully utilized.

Finally, as I intimated during the conciliation meeting, we are considering entering a budget heading to cover certain expenditure, and particularly in anticipation of a Statute for Members of the European Parliament, we are proposing to enter an appropriation to cover expenditure arising from injury to or death of any Member of our Parliament.

Mr President, those are the general and specific observations I wanted to make concerning the budgets of the other institutions.

We welcome the spirit of cooperation that has emerged during this stage of the budgetary procedure and especially the favourable atmosphere at the conciliation meeting in Brussels. I am sure that we all hope that this will continue, so that we may be able to arrive at positive decisions which will enable not only the staff but also the Members of Parliament and representatives of all our institutions to work in the best possible conditions.

President. — I call Mr Clément.

Mr Clément. — (FR) Mr President, I rise to speak on behalf of my group on a point which concerns the French overseas departments.

Under Item 42.35 of the draft budget submitted to Parliament we find an entry of 1.5 million ECU in respect of a Council decision dated 30 June which provides for an agricultural development programme in the French overseas departments, with the EAGGF contributing 85 million ECU to be spent over five years.

In other words, there is a discrepancy between the intentions notified by the Council in its decision of 30 June and the budget entry submitted to us today.

Our group will be putting forward relevant proposals when the time comes, but it feels obliged here and now to protest in the strongest possible terms at the failure of the Council to abide by its decision and the lack of vigilance on the part of the French Government in failing to secure the necessary funds.

May I say in conclusion, Mr President, that we should not like the populations concerned to be left with the impression that the Council decision of 30 June is no more than a facade behind which neither the Community nor France have any intention of building anything at all.

IN THE CHAIR: Mr Møller

Vice-President

President. — I call the Committee on Budgets.

Mr Lange, chairman of the Committee on Budgets. — (DE) Mr President, Mr President of the Council, ladies and gentlemen, when presenting the draft budget for 1982 and amending budget No 1 for 1981 this morning, the President-in-Office of the Council said that the budgetary authority has a certain responsibility for financial policy and so for overall policy.

It should be added that Parliament has repeatedly referred to this responsibility for overall policy and specifically for financial and budgetary policy. If these words of the President-in-Office of the Council are to have any meaning, we can expect to see the Council accepting its responsibility for financial policy in contrast to its attitude in the past, because the financial straits we are now in are basically attributable to the

not very responsible attitude toward financial policy adopted by the Council, in accepting everything presented to it by the individual Councils.

I cannot therefore accept, Mr President of the Council, the eternal excuse that you are not the Agricultural Council or the Energy Council and so on. This is an internal problem, one that has arisen in the Council, and a way of avoiding such disputes should be sought within the Council. The Budget Council should adopt the same approach towards the other Councils as Parliament's Committee on Budgets, which receives requests from the other committees and in this context demonstrates its financial responsibility in the proposals it makes to Parliament as a whole. It seems to me that this time a step was taken in this direction before Parliament started its prompting, with the transfer of certain amounts from the Guarantee Section of the EAGGF to the reserve chapter. I should like to add at this stage that in view of our financial responsibility we of the European Parliament regard the *compulsory* expenditure this time in exactly the same way as last year and that we shall be submitting appropriate amendments to the Council at the first reading, just as the Council will undoubtedly be looking very closely at non-compulsory expenditure and submitting appropriate proposals to us for the second reading.

The reason why I refer to this financial responsibility of the Council once again is that it seems to me that there is a direct line linking it with the mandate the Commission received from the Council last year. What we do not like in this connection is the passage of time. 30 May was nine months before the end of 1980, but the Commission was not seen to do anything in this period to execute the mandate. It just kept repeating: 'We have only been in office since 1 January and will now have to work accordingly'. We are passing through a general phase of development in the Community, and this is also leaving a very distinct mark on this budget. This budget, which, as some speakers from the various groups have again said, ought, in the opinion of us all, to be a reflection of Community policy, must, of course, take account of the restructuring needed in various areas of policy, from the agricultural policy and the regional policy to the social policy and the policy on development and cooperation with the countries of the Third and Fourth Worlds. This prompts, firstly, an appeal to the Council to think a little more quickly than it seems prepared about the necessary shaping of the Community and its policy tomorrow and the day after and, secondly, an appeal to the Commission, which is also made in the resolution, to speed things up a little, because we are convinced, Mr Tugendhat and Mr President of the Council, that the 1982 budget must indicate the course to be followed in the future.

We cannot accept that the Council and the Member States should go on muddling through and pretending that things can go on as they are without prejudicing

Lange

the development of the Member States, because a Community that is not developing properly will not give the Member States the support they basically need.

That is why, Mr President of the Council, the Member States must pull themselves together in the Council on the various issues, and serious thought must be given to the tasks the Community is to perform in the future — I have referred to a number of areas — the tasks the Member States alone are to perform — on the whole, we would take the Treaties, including Article 39, which concerns agricultural policy, as our basis in this respect — and the tasks the Member States and the Community can perform together. The 1982 budget must give us some idea of this.

Hence our urgent appeal to the Commission to formulate its ideas rather more clearly, so that we can do something about this during the budgetary procedure. I cannot accept in this context that this would overly restrict the Commission in the development of its ideas. No one wants that. Nor can I accept, however, that the Budget Council should on the one hand talk about Community — financial and budgetary and therefore general political — responsibility and on the other hand say that it is not this or that Council. As the budgetary procedure continues — and I hope that under the Presidency of the United Kingdom we shall be able to have intensive discussions — the Council too should do some thinking about reshaping the budget. The rapporteur and various Members have commented on this, and I do not need to repeat what they have said. I should merely like to point out, as I did during the sitting on 10 July, that generally speaking we are only prepared to enter in the budget appropriations which we know can be used effectively and not for some showpiece or other.

Those who refer to the annuality of the budget must, of course, realize that this annuality is reflected in the items of expenditure, or payment appropriations, included in the budget and that the commitment appropriations are really a forecast of what is to come. There is therefore a greater need than ever for complete clarity on the political intentions.

Something else ought to be done to this end, Mr President of the Council: there is in the Community the instrument known as financial forecasting, admittedly for only three years hence, although Parliament did once propose it should be changed to five-year forecasting. These financial forecasts should really provide the additional basis for shaping the budget over the year and the framework within which appropriate commitment appropriations can be fixed. We of Parliament — and I believe the same is true of the Council and Commission — must take a very careful look at the situation as regards commitment appropriations, because we should not fix all our appropriations in the form of future-oriented commitment

appropriations from a given starting point in development seen from today. We must retain financial freedom of movement, regardless of the fact that, after all the questions relating to the restructuring — or whatever we want to call it — of the budget and policy have been answered, we must discuss the position with regard to the financing of the Community's political plans with its own resources. But this cannot be planned so far ahead, as certain world market developments in agricultural production in 1981 and 1980, for example, have shown. So we must always retain the necessary financial freedom of movement, and we must not plan away all the resources.

All this will form the subject of the Council's and Parliament's joint consultations and conciliation meetings and also of the deliberations of the Committee on Budgets. I am counting in this connection on effective cooperation and assistance from the Commission, although it must realize that we of Parliament wish to be constantly informed of any steps taken by the Commission in any direction as the budgetary procedure and the conciliation meetings continue, so that there can be an open discussion between the three institutions to ensure the development of the Community in the interests of our peoples.

President. — I call the Council:

Mr Rees, President-in-Office of the Council. — Mr President, I am glad to have this opportunity to make a brief reply to the interesting debate we have had this morning. I am particularly grateful to the participants for their thoughtful response to my presentation of the 1982 draft budget.

I have, as of course the House would expect, taken careful note of the many points of view, including the robust intervention by Mr Spinelli. While recognizing his dedication to the European ideal and sharing with him a sense of the need for positive progress, I would venture to remind him that one of the more successful of Roman generals was, as I recall from my classical education, Quintus Fabius Cunctator. I would also like to say to Mr Lange, to whose distinguished contribution I naturally listened with interest, that I am quite sure that there will be no delay in the Council in making progress on the mandate of 30 May.

Now, as I said at an earlier stage in the debate, Mr President, the 1982 procedure is underway and the debate will, of course, continue both here and in exchanges between Parliament and Council. I am particularly glad that the innovations introduced by the United Kingdom presidency have received such a warm welcome here this morning. I hope that they can be developed in the years to come and that together our two great institutions, with of course the Commission, will advance towards the achievement of the aims which at heart we all share. Meanwhile, I am encour-

Rees

aged by the confident expectation that this House will adopt the 1981 amending budget this week and I look forward to the adoption by the end of the year of the right budget for 1982.

(Applause)

President. — I call the Commission.

Mr Tugendhat *Vice-President of the Commission.*

— Mr President I, too, would like to reply very briefly to some of the speeches. I should, perhaps, begin by addressing one or two remarks to Mr Spinelli, both in view of the fact that he is the rapporteur and also that he covered a very great deal of ground. I will, however, confine myself to his points about resolutions and in particular his resolution of today.

I cannot resist pointing out — and I know he will take this comment in the spirit in which it is meant — that although Parliament has indeed passed a great many resolutions, many of which say the most admirable things, Parliament's own subsequent performance is not always entirely consistent. We have, for instance, been given very clear marching orders on the agricultural front, but unfortunately they instruct us to go in both directions. First of all Parliament votes for a lower proportion of the Community budget to be spent on agriculture. Then it goes and votes for much larger increases in the costs of agricultural support than the Commission, in fact, had recommended. I know that he is as aware of these points as I am.

So far as his particular resolution dealing with 30 May is concerned, we do share — and I made this quite clear in my original intervention — very much the view that this is an urgent matter. It is certainly a matter on which we are anxious to see progress made as rapidly and as effectively as possible. Of course, rapidity and effectiveness are not always the same thing. As I said in my speech, we do attach the greatest possible importance to ensuring that we bring forward the right proposals and that we bring forward a balanced package of proposals. That, I think, is absolutely vital if the right decisions are to be made.

I listened very carefully to the references by Mr Notenboom and Mr Dankert to this particular resolution, and I noted that although they expressed the intention of their groups to support Mr Spinelli's resolution, they also emphasized their desire for this not to become a point of conflict with the Commission. I am glad that they share my view, if I understood them correctly, that this should not be a point of conflict. As I have said, we certainly intend to bring forward our proposals as effectively and rapidly as possible, and I explained in my speech how they can, in fact, be incorporated into the 1982 budget. I will not repeat all that I said, but I explained that and I emphasized *our* desire to see something of that sort done.

Mr van Minnen and Mr Schön both asked what would happen to the money which is being saved from agriculture; so did Mr Balfour. Mr van Minnen and Mr Schön expressed a very clear view about the need to do something for the social measures for steel, and I listened to what they said with a good deal of agreement. I said that the Commission has yet to decide on this matter. We will, in fact, begin to do so tomorrow. We shall shortly be bringing forward a proposal, and I believe that it ought to meet — I certainly hope that it does — with the approval of those two speakers and the many other people in all parts of the House who attach importance to that particular measure.

Mr Dankert made a very interesting contribution in which he suggested that the agricultural savings would be rather greater than I has suggested. He seemed to think that I was being over-cautious, but it is perhaps right that Budget Commissioners, like others concerned with budgets, should from time to time err on the side of caution. I think that he erred on the other side and I would like to point out why. It is very important, even though he is not actually present at this moment, that what I say should be read in conjunction with what he said and should appear in the record. He suggested that the saving could be something in the order of 12 hundred million ECU, whereas I thought it would be something in the order of 7 hundred million. We should not be too dogmatic about figures, but let me make the following points.

First of all, the first half of the year is generally less costly than the second half of the year. One can go back over the record to see that. In addition, on this occasion there have been a number of very special factors which have had a bearing on the first half of the expenditure pattern. There have been the slow payments in Greece, arising from the fact that Greece is a new member of the Community and that its bureaucracy had still not fully run itself in on this front. Then, of course, there has been the civil servants' strike in the United Kingdom, which has played havoc with a variety of activities in the United Kingdom, including the payment of EAGGF money. There has been a similar problem in Italy as well. Those are some of the special factors.

Furthermore, I was saying that some commodities are likely to cost more in the second half of the year than the first. I will not give a great list of them, but I would like to draw your attention in particular to sugar. In the first half of the year there was a levy on sugar, whereas now in the second half of the year there are refunds. It shows how things can move from one side to the other. This means that the position in the second half of the year is going to be rather different from the first half. That is borne out, in fact, by the advance for October which is of the order of 1150 million ECUs, whereas the average for the first nine months was 880. So, Mr President, I do hope that the House will read the figures which I have laid before it in conjunction with those of Mr Dankert. That

Tugendhat

explains why I took a more cautious view of the potentialities than he did.

Mr President, I listened with particular interest to Mr Lange's summing up at the end, and I can assure him that we are fully aware that Parliament in general and the Committee on Budgets in particular will be keeping our progress on the Mandate under very close surveillance. I hope that he listened with equal care to the points I made, both about the seriousness with which we take the work and our desire to bring forward our proposals as quickly as possible and in a manner which will facilitate the speediest and most effective decisions.

President. — The debate is closed.

I thank the President-in-Office of the Council for his statement.

The motion for resolutions will be put to the vote at 3 p.m. on Thursday.

4. *Employment in the Community*

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

- the report by Mrs Salisch, drawn up on behalf of the Committee on Social Affairs and Employment, on the repercussions of energy problems and technological developments on the level of employment in the Community (Doc 1-164/81);
- the report by Mr Ceravolo, drawn up on behalf of the Committee on Social Affairs and Employment, on employment and the adaptation of working time (Doc 1-425/81);
- the report by Mr Calvez, drawn up on behalf of the Committee on Social Affairs and Employment, on a Community employment policy (Doc 1-365/81);
- the oral question with debate by Mrs Viehoff and others, on behalf of the Socialist Group, to the Commission on youth unemployment (Doc 1-475/81):

Subject: Youth Unemployment

There is a far greater proportion of young people among the unemployed than there is in the total workforce, and it is generally accepted that the causes of youth unemployment are in many ways different from those of general unemployment. Therefore, while long-term improvements in the employment situation are essential to provide the necessary jobs for all unemployed, wide-ranging accompanying measures are required to ensure that young people are in a position to avail themselves of any opportunities offered. It is thus necessary to have an accurate picture of what the position is, and how successful measures undertaken to date, have been.

1. Will the Commission give an assessment of the situation relating to the unemployment of young people in the Community giving the latest statistics, with the trends over the last decade, broken down into categories male/female, age groups: official school leaving age to 19, and 19-25, level of qualification, migrant workers, for the whole Community and for each Member State, including those who have never worked?
2. Is the Commission satisfied that its analysis of, causes of, and remedies for youth unemployment given in its various documents — particularly 'Youth Employment'¹, has been valid, in view of the fact that the situation has shown no improvement?
3. Will it report on the various measures and projects towards combating unemployment undertaken at Community level, and in conjunction with the Member States, with statistical information, and give an honest appraisal of their impact, for
 - the Social Fund, in particular giving details of the number of jobs created under the measures adopted in 1978;
 - the Recommendation on vocational preparation of young people²;
 - transition from education to working life;
 - linked work and training?
4. Can the Commission outline how the situation of young women differs from the general problem, both as to causes and remedies; what action it has proposed or undertaken, and its impact to date; and possible future developments; and what additional possibilities are at the Commission's disposal arising from the Directive on Equal Treatment (76/207/EEC)³?
5. What is the most recent situation relating to unemployment among young migrants, and what measures has the Commission in mind to counteract their particularly acute employment problems, arising from their social and cultural position in society; to what extent can extra measures in their favour be based on the Directive on the education of migrant workers' children⁴?
6. In relation to the young handicapped, will the Commission outline what efforts have been made both at Community and national level, and with what success, towards ensuring that they also can have access to the necessary training and job possibilities, so that they too can participate as equals in their society?
7. Finally, can the Commission say what impact it expects the proposals of its most recent document on employment policy⁵ to have on youth employment, and what, if any, other measures it envisages in the area of labour market policy towards more appropriate, job creation?

I call Mrs Salisch.

¹ Supplement 4/77, Bulletin EC

² OJ No L 180/77

³ OJ No L 39/76

⁴ OJ No L 199/77

⁵ COM(81) 154

Mrs Salisch, rapporteur. — (DE) Mr President, ladies and gentlemen, microelectronics, energy and jobs, these are the subjects on which I submit to you my report on behalf of the Committee on Social Affairs and Employment. In the present debate on the employment situation in the European Community the report is a rational attempt — and I hope a successful one — at a less emotional discussion of the reorganization of work and the reduction of working hours that is so urgently needed.

There cannot be the slightest doubt that the long-term protection of employment and the creation of new jobs is directly connected with the introduction of microelectronics and energy supplies.

I therefore feel it is inexcusably reckless, not to say culpably misguided, to believe that all that is needed to solve the employment problem in Europe is a revival of economic growth, in the hope that this will automatically eliminate the problem of unemployment as well.

I do not share this view at all. In fact, I believe — and this opinion is also reflected in the explanatory statement in my report, over which I took a great deal of trouble — that microelectronics must be used sensibly and the right sources of energy introduced if we are to succeed in actually solving the employment problem and if we want to prevent the explosion of the social gunpowder that is inherent in both microelectronics and the use of certain sources of energy.

The dramatic development of the number of unemployed in the European Community is evident from the following: when I began writing my report in the summer of 1980, there were still fewer than 7 million out of work. Even that was far too many, but today we have 9 million unemployed — and the figure is still rising — and I would even go so far as to claim that the real figure is over 10 million, because we must not forget that Greece is not included in the official statistics on unemployment. What else has to happen, Mr President, ladies and gentlemen, before we take the step we are able to take and bring about an immediate reduction in working hours or at least recommend that the Member States of the European Community take steps along these lines? On behalf of my group, I can say even now that we shall be calling for the 35-hour week in the Ceravolo report.

This is not the first time, ladies and gentlemen, that Parliament has discussed microelectronics. I would remind you that we talked about a new industrial policy and a new impulse in the debate on the Leonardi report.

As I said then, I am not given to euphoria over technology, because I believe here in Europe we are going to have difficulty with it anyway. Microelectronics happen to be the product of the American space industry and of military research. We Europeans are very

largely licensees. I very much doubt whether there will be any major change in this situation in the future. We will undoubtedly have opportunities in the software sector, but I am not quite sure that the programme we envisage will be as successful as we would like. I am all the more doubtful when I see how half-heartedly the Council approaches such requests from the Commission and Parliament, because if I am not mistaken in my understanding of the Council's draft budget, it has even gone so far as to cut this microelectronics programme radically.

As I have said, I tend to be sceptical, but we do not need to argue about this. We discussed these problems at length in committee. What is important, very important, on the other hand, is how we programme the use of microelectronics. I do not believe that microelectronics will lead to the desired level of employment in the short or even the medium term, because I believe that for a long time to come microelectronics will eliminate jobs, the reason being that advances in process innovation are being made far more quickly than in product innovation.

Taking this rational criterion, therefore, we must assume that the introduction of microelectronics will continue to create acute, serious employment problems for a long time to come. Aware of its responsibility in this specific area, the Committee on Social Affairs and Employment has decided to recommend to Parliament that the workers concerned should have an appropriate say in the introduction of microelectronics. In other words, the committee feels the introduction of microelectronics should be subject to social requirements.

I should like to refer to a further point which seems extremely important to me in connection with the improved increased use of microelectronics, namely the whole of the education and training sector. Even today the Community is very badly equipped when it comes to providing evidence of properly trained people to cope with this new technology. I am therefore afraid that there will be further exacerbation of the regional disparities in the European Community, which means that the education potential in the traditionally 'better educated' regions will continue to be greater in the future and that regions that even today are neglected will continue to occupy the bottom rung of the ladder.

This may result in serious social conflict. We should at last understand that it is five minutes to midnight and that we have a duty during the deliberations on the budget to reshape the Social Fund. But if the Commission is not able to, present us with an appropriate programme by the time the budgetary debates take place, we reserve the right to insert a suitable amount in the reserve chapter at least, so as to ensure that European workers and those still in training have a chance to find out what these new technologies are all about. But here again we can but criticize the fact that

Salisch

the Council has very arbitrarily deleted the modest figures entered by the Commission. I find that extremely reprehensible.

I should also like to say a few words on the question of which source of energy will bring us most jobs, a question we have frequently discussed in this Parliament. There can be no denying that, taking the European energy sector as a whole, there is no detailed concept. What do we in fact want? So far, it seems to me, no answer has yet been given to this question. Of course, it was not the task of the Committee on Social Affairs and Employment to develop a European energy policy. Our task was to find out which sources of energy can safeguard most jobs.

In Europe we have probably been geared more closely to uranium technology than anything else. Let me say this: even though it may have been believed for many years that uranium technology will create the most jobs, that it thus has a stabilizing effect on employment, this is not in fact true. I believe that foremost amongst our demands must be the development of practical and resolute energy conservation programmes in all the countries of the European Community. This will result in the creation of jobs and is a reasonable plan of action. I believe that it also represents a course of practical action, and that, it seems to me, is important in all our discussions.

I also believe that we must do something about long-distance heating. It is gradually being accepted that this is undoubtedly a way of preventing some environmental pollution. But it is also one way of creating new jobs. I am in any case in favour of decentralized energy supplies. I find it very worrying that we should still be dependent on the large-scale technological organization of energy supplies in Europe. This ties up a tremendous amount of capital, it results in losses during transportation, it undoubtedly leads to the formation of monopolies, and I can well imagine that energy supplies from many different sources is more likely to create jobs.

I would ask you not to scorn these ideas, but to give them some thought. To be honest, we are really showing how incompetent we are if we in Europe believe that we are incapable of developing a wide range of sources of energy and of then using them at low cost.

This brings me to what are known as the soft energies. The advocates of the soft energies have always been greeted with a knowing smile and still are to some extent. But it now appears to have been generally grasped that very much greater benefits are to be derived from the investment of appropriate funds in further research into the soft energies. The European Community should certainly do more about solar energy in particular. Admittedly, we have pilot projects, but I feel we should be more active and resolute in this area. Hence my question: is it really practical to introduce nuclear technology into countries

which are most certainly capable of deriving far greater benefit from solar energy? I believe we should consider this question carefully, and I also believe that the Commission should put forward programmes on the subject. I would even go so far as to claim that it would be a good idea to consider whether parts of European agriculture at least could not be restructured so as to make its contribution to energy supplies as well. That may sound a little utopian, but it may well, I feel, prompt research in a worthwhile area.

Mr President, ladies and gentlemen, our joint deliberations in the Committee on Social Affairs and Employment on microelectronics and energy supplies revealed that what seems very positive on the one hand, namely industrial innovation in the European Community based on microelectronics, is creating a very considerable social burden for our Community on the other hand. It has also been found that the source of energy that has pointed the way, as it were, in the past — uranium technology — is today the cause of major problems and is undoubtedly not the source of energy that creates the most jobs. In this connection, I would also remind you of the problems that will arise if we do not make any progress in the matter of waste disposal. If we back this source of energy too heavily, it is to be feared that we will find ourselves down a road from which there is no return.

Like my committee, I therefore advocate making more funds available for research into all the alternatives we have in the energy sector, including our own reserves of coal, to ensure that, having become less dependent on oil, we do not become dependent on another source of energy and so really put jobs at risk.

To this extent, our report undoubtedly follows a different line from that adopted in opinions delivered by this Parliament in the past. But we are all aware of our responsibility to safeguard employment in Europe. I therefore feel that Members should shed their ideological blinkers and vote for the 35-hour week.

President. — I call Mr Ceravolo.

Mr Ceravolo, rapporteur. — (I) Mr President, ladies and gentlemen, the restructuring of working time in its dual aspect of flexibility and reduction has always been one of the most important chapters in the history of the workers' movement for progress. The question takes on added significance today in the face of the current crisis, a crisis characterized by largescale processes of economic, social, and cultural transformation and by an unprecedented phenomenon of mass unemployment. It was dealt with as such by the former Commission, together with the social partners. Unfortunately, the negotiations have made no progress even though the European trade unions made the reduction of working time a primary objective, and even though one Community government, that of France, made the

Ceravolo

reduction of the work week to 35 hours one of the key points in its social programme.

If it is true that the restructuring of working time can play a very important role in the management of the crisis, the European Parliament must for its part, as a political body, be able to transcend a viewpoint too restricted to the specific. It must put the issue in its proper perspective and provoke a decisive step forward. In furtherance of this aim, the question of the close linkage between the restructuring of working time, the operation of the labour markets, the processes of technological reorganization, and the industrial and productive order must be dealt with. If seen apart from these factors the problem lends itself to facile and erroneous interpretations and to the influence of ideological prejudices. It is true that the reduction of working time is a part of the worker's permanent aspiration towards the improvement of living and working conditions, the lightening of man's burden, and an increased amount of time available daily for recreation, study, family and social life, civil and political commitments. It is not merely a subjective and partisan claim, for social and cultural progress is extremely important. Nor is it, as is often heard, the sign of a weakened commitment to work. The desire to work less in terms of a legal or contractual schedule and in qualitatively different conditions is strongly influenced by the processes of transformation in the productive order and consequently by the overall organization of work and social life.

The restructuring of the schedule is thus at once the cause and effect of the acceleration of these processes. One has only to mention, for example, professional requalification. There is today a spreading conviction that this is becoming a basic factor not only in the quality of employment but in employment itself in the strictest sense: such requalification should be oriented towards a professionalism based on a high level of scientific and technological as well as humanistic culture, but the time for its acquisition can only be excluded from the time officially dedicated to work, notwithstanding its functional ties with such work.

We now find ourselves confronted with a normal process of modernization of the structures of production determined not only by the energy crisis but also by the new international division of labour and the development of technological revolutions, especially in the field of micro-electronics. This is destined to persist over a long period and to have a historical significance. The process is characterized to an ever increasing degree by high levels of productivity and by labour savings, by a profound upheaval of the entire system of production, of social customs, of work organization, of professional and occupational distribution, and by a high degree of mobility. We have already begun this process, and its positive and negative aspects combine in a form which is as yet uncontrolled and chaotic. The factor which today should cause us the most anxiety is that labour saving, as connected

with the current process of reorganization, results in unemployment which increases month by month and which in some cases has reached alarming proportions. Most predictions indicate that present unemployment levels will rise in the coming months, and that in any case they are destined to persist over a long period of time. This is a new phenomenon; unemployment today has totally new structural characteristics. We are witnessing a phenomenon of gradual accumulation, in the face of which the old social policies serve only to soften the most traumatic aspects. The most significant and disturbing element in the present situation is the widespread fear that not even an economic upswing with high growth levels — difficult enough to accomplish in the coming years — would be capable of absorbing so much unemployment, and this because such an upswing would be based on a profound reorganization of the biggest sectors, once the cornerstones of mass employment: the automobile industry, steel, construction, etc., and this itself would at first have the effect of freeing manpower, as it does now.

It appears ever more certain that the prospects for new employment are nearly all to be found downstream from the present traditional sectors, that is, in new spin-off sectors of production, in the services of commercial distribution and technical assistance, in the development of the productive service sector, and in the creation of new public and private services. We are, therefore, going through a very difficult transitional phase, which will severely test the political, economic, and social structures of our Community. On the one hand, there is the need to proceed rapidly with the technological reorganization of the system of production in order to assure its competitive ability on the international markets, to establish the basis for a new economic development and to create new jobs. On the other hand, there is an increasing backlog of unemployment, loaded with social and political tension and a legitimate cause of anxiety for all workers. On one side, an appeal for mobility and flexibility; on the other, an unyielding desire to defend one's own job.

Many of us believe that this technological reorganization will finally end in overall economic progress without an unemployment deficit; however, we can none of us deceive ourselves into believing that this dynamic equilibrium can be reached by a short and easy path. For this reason we must intervene immediately to prevent the existing contradictions between positive and negative aspects from becoming explosive and acting as a brake on the process itself, exacting much higher costs on the economic, social and political level than those usually estimated for the immediate future — costs to the companies, on whose behalf a parallel policy of compensation and incentives must in any case be applied.

What we must now strive to prevent is the penalization of workers through these transformations; a mobility not from one job to another but, as often occurs, from a job to permanent unemployment, is to be avoided.

Ceravolo

This is why the reduction of working time constitutes, for the coming years, a necessary and correct response. It corresponds to legitimate aspirations toward progress, and it is a means to achieve a better distribution of work; it satisfies the requirement of making the mechanism of occupational and professional readjustment more flexible, and permits the use of the advantages of greater productivity not only for the benefit of the employed, through salaries, but also for the benefit of the unemployed, thus avoiding dangerous social rifts. We are convinced that such a measure cannot in itself constitute a total solution to the problem. Other economic policies are also needed to create additional jobs. But our measure would certainly make it possible to reduce the present unemployment levels and to compensate for eventual additional unemployment.

The motion for a resolution meets the objection of environmental costs and the dangers of distortions in competition between one country and another by adopting as its own the guidelines set down by the outgoing Commission, calling for a general Community directive to ensure a gradual process of reduction in working time, to take place over a definite period of years and through various means, but to be synchronized in all parts of the Community. The concrete realization of all this is left to contractual agreement between the social partners or to the governments, according to the specific conditions of each country and each sector, so that it may take place in a secure framework of overall economic stimulation and preservation of international competitive ability.

In order to neutralize possible negative effects at the company level we believe that public authorities should be ready to intervene with adequate means, beginning with the various uses of the enormous burden of debt which permanent mass unemployment shifts onto the governments.

Ladies and gentlemen, unemployment is the most serious challenge the Community must face in the 1980's. The European Parliament must provide a broad social response addressed to the young, who are aware of the immense technological and productive potential, the great wealth and the great waste; to the young who view their futures with anxiety — many even with despair. If we wish to emerge from this crisis with a stronger democracy, the agreement of the workers is indispensable; they must be called upon to become the protagonists of this transformation. Such a consensus would be denied if Community policy as a whole is not clearly and coherently oriented towards satisfying the basic right to work.

(Applause)

President. — I call Mr Calvez.

Mr Calvez, rapporteur. — (F) Mr President, in placing on the agenda for this sitting three reports dealing with employment, the European Parliament has shown its determination to halt the continuing decline in the employment situation in the countries of the European Community. Our debate today has a particular urgency for, with 8 700 000 unemployed — the figure of 10 million has also been quoted — all the ten Member States of the Community owe it to themselves to find a prompt solution to the problem of unemployment. And I am disappointed not to see a greater number of Members in this House for a debate of such importance. I can only conclude that their constituencies are not affected by unemployment . . .

In the absence of a voluntarist policy for combating unemployment there is a considerable danger not only of our Parliament's political credibility melting away like snow in the sun but also of seeing the cost of unemployment soaring beyond what the national budgets of our ten countries can stand.

If the success of an effective European policy to combat inflation depends on improved cooperation between the Member States and the various Community institutions, it equally depends on a return to a healthy economy, which in turn requires willing and close cooperation between governments, employers' organizations and trade unions. This is the only way we will secure the support necessary to be able to create jobs for those who can and, equally, want to work.

Improved cooperation between Member States and the Community institutions has been proved to be all the more essential, moreover, by the finding of the Joint Council of Economic and Finance Ministers and Employment and Social Affairs Ministers, which recognized that the Member States would not find a solution to the crisis through their present policies. Moreover, the uncertainty that is hanging over the money and foreign exchange markets and also the gravity of the structural problems are additional factors preventing rapid economic recovery.

Turning now to the fundamental problem itself and the question of employment policy, I propose to discuss two major areas where action is needed.

Firstly, our measures to combat unemployment would be that much more effective if we were able to straighten out the language and terminology. There are in

Calvez

this Parliament former officials of trade union organizations. I have sat alongside them at meetings of the Standing Committee on Employment and at tripartite conferences which brought face to face representatives of government, employers and workers. The results of these discussions have not been as fruitful as we had every right to hope they would be since in ten years regional disparities have become more pronounced. The demonstrations of goodwill by the parties concerned were not enough to create jobs, any more than the simplistic remedies trotted out in electioneering speeches. What is needed today is a very clear and precise diagnosis of the employment situation. We in the Member States have to speak the same language, distinguish between a job-seeker and an unemployed person in receipt of benefit, we need to have access to statistics showing the true scale of the problem and giving better information on the numbers of job vacancies and job applicants by skill or profession. In order to be able to draw up a coherent strategy on employment in the Community we have to have national employment services equipped with up-to-date technical aids and working closely together.

Is it true that there are over one million unfilled vacancies in the countries of the Community? If the answer is yes, what is being done, by way of whatever vocational training may be necessary, to steer the unemployed towards these vacancies?

Today, several hundred thousand jobs are in danger. Experts at the Commission, who for several months have been subjecting the steel sector to a minute examination, undertaking by undertaking, have come to the conclusion that 150 000 jobs are going to have to go over the next four to five years. Other sectors are in similar difficulties, since restructuring necessarily entails loss of jobs.

In the light of this situation we have to decide upon a series of concerted measures to prevent a further rise in unemployment, which could place an impossible strain on the social fabric of our societies.

Secondly, we need to be imaginative in our approach to the problem, because our measures to improve job opportunities cannot be allowed to exceed their severely limited budget allocation, which in turn is due to the need to keep a tight rein on other parameters of economic policy, such as the fight against inflation.

The resolution I am putting down on behalf of the Committee on Social Affairs and Employment does not offer any magic solution. No such solution exists. What we are faced with here is an economic and sociological problem to which there is no complete and satisfactory solution, because in these critical times we have to take into consideration not just the economic situation of our respective countries but also the economic situation in the world as a whole.

Having said that, there are a number of policies which, taken together, could lead us towards an improved level of employment. For there is a very close relationship between unemployment and economic policy; this relationship is expressed in paragraph 11 of our motion for a resolution. It is of course no secret that there are differences of opinion among us on how to bring about an economic recovery, several options being open, each with its own special problems and risks. We could boost production or we could boost consumption or we could do it through monetary and credit policy. But it is not possible to do all three at the same time and expect to correct the credit situation, encourage job-creating investment and protect the purchasing power of our citizens. More effective Community action, which means, among other things, abandoning the policy of everyone for himself and introducing measures designed to translate the will of our Parliament into positive action to combat unemployment, concerted action by the Ten and a willingness to work together in shaping a policy on employment. That is the course we have to adopt. Council, Commission and Parliament must over the coming months concentrate their attention on this great social objective, which is, moreover, an important feature of the Commission's Fifth Medium-Term Economic Policy Programme. We have in fact found that there is a great deal in common between some of the solutions proposed by the Commission and those contained in our motion for a resolution. It is very easy to talk about fighting inflation and improving growth. It is something we fervently hope for, but achieving it is not so easy.

A major imperative is to promote Community investment. A common industrial policy must be carefully laid down. We often have occasion to mention Japan in this House. Japan invests 32 % of its gross national product, the European Economic Community only 21 %. We have not contented ourselves with merely painting a picture of the employment situation, we have also put together a package of proposals which follow an orientation that has the consensus of the majority of Members in this Parliament.

Let me give you a few examples.

The European Parliament has expressed its support for a Community energy-saving policy. We are on the right road, but we are not moving fast enough. Let us not forget that investment in energy-saving schemes also creates jobs. Perhaps the Commission could tell us how many jobs have been created in the Member States during the course of last year as a result of such schemes.

There are a number of factors which limit the growth of industrial production, and among these are taxes and social security contributions which, given the lack of harmonization on a number of points relating to direct and indirect fiscal and parafiscal charges, require common guidelines.

Calvez

Would it not be appropriate to reduce also the obstacles standing in the way of the realization of a single market?

Equality of opportunity in employment should not be just an empty phrase; it is disturbing for young people to find themselves in the dole queue as soon as they reach school-leaving age. The increased provision and adaptation of existing vocational training facilities should be stimulated by our concern to prepare young people to meet the real needs of the economy.

Let me, in conclusion, say a few words about the need to reorganize our industrial structures and encourage the growth of new industries by recognizing the importance of research and development. It is surely by encouraging investment and promoting exports that we are going to improve the situation of our industries and thus create new jobs. Nor should we neglect the service sector and let us join together in an effort to stamp out moonlighting. The Member States are faced with an immense task in trying to resolve the problem of youth unemployment, to allow women access to the world of work and to improve the balance of supply and demand on the labour market. And I hope that Parliament will support the proposal by Mr Ceravolo to establish regional observers in the Member States in consultation with the social partners, whose support is also vital to the success of our action. This is no time to be faint-hearted, this is no time for lies or excuses. Before we take decisions concerning the future of the Community's energy policy, let us remember that in France the nuclear energy sector provides direct employment to 150 000 and indirect employment to another 700 000. These figures were recently quoted by our former colleague, Jacques Delors, now Minister for Economic Affairs and Finance. Let us not neglect this sector, which has a great influence on industrial policy and it, too, creates new jobs. I ask you to beware of swelling the number of jobless by seeking to change an energy policy on which a good many of our fellow citizens are pinning their hopes.

(Applause)

President. — I call the Committee on Economic and Monetary Affairs.

Mr Beumer, draftsman of an opinion. — *(NL)* Mr President, the opinion of the Committee on Economic and Monetary Affairs describes the present high average level of unemployment as socially unacceptable, and this at a time when the prospects for employment, taking the most optimistic assumptions, must still be described as unfavourable. This means, and the Commission says as much in its fifth report, that we cannot allow things to run their natural course: we must intervene. This is also the conclusion drawn by the Committee on Economic and Monetary Affairs, which also agrees that there must be a change in work-

ing hours, referred to in the Commission's fifth report as a priority task. The Committee on Economic and Monetary Affairs paid particular attention to the general economic conditions that should be borne in mind to ensure that our efforts are as sound and therefore as effective as possible. To begin with, we find that the room for manoeuvre is, of course, limited, that it is, for example, related to productivity, that shortening working hours is no substitute for the creation of jobs and that the outcome should be that there is at least as much work for more people. It is important that we keep the trend in costs under control and ensure that the average level of output is not affected and inflation is not allowed to continue. It cannot be ignored that the EEC as such has very limited economic autonomy, which means that we must take our external competitive position into account. It is difficult, Mr President, to make generally valid statements on the consequences of the adaptation of working hours for such macroeconomic quantities as production, productivity and employment. It is clear that operating time has a particularly important role to play in this, since a proportionally smaller reduction in operating time than in working hours would limit the adverse effects on production. The deliberations of the Committee on Economic and Monetary Affairs have therefore concentrated on determining the relationship between the repercussions a reduction in working hours may have on production capacity, production and productivity per worker and the increased employment opportunities that may be achieved.

Of the conclusions we reached I should like to refer to two in particular. Firstly, the importance of increasing shift work was stressed, where possible accompanied by a reduction in the hours worked, since this may counter the negative effects of shorter working hours. This could be linked to greater humanization of working conditions, which is essential, and might also alleviate the problems connected with incomes distribution.

A second important point in view of the nature and development of the labour supply and the nature of work preferences is the encouragement of part-time work. The logical conclusions must therefore be drawn. This means the goal must be some system of social security and taxation which does not penalize part-time employment, and the creation of promotion opportunities.

Thirdly, part-time work should be more closely linked to study and training opportunities for young people. In this respect, young people could be involved far more than they are now. We agree with the Commission that it must be possible for every young person in the Community either to work or to be trained with the prospect of a job.

It is obviously important — this is my third comment — to create better conditions for the development of the microprocessor industry, particularly by taking

Beumer

steps to encourage the adoption of the required scale. The absence of these conditions and in fact the absence of an internal market are, I feel, partly to blame for the fact that in the space of ten years the EEC has ceased to be a net exporter and become a major net importer. A counter-trend and countermeasures are needed here. The manufacture and use of microprocessors may result in considerable increases in productivity, which might also be used to adapt working time.

Mr President, we have also considered the institutional aspects, because without purposeful cooperation at European level between the institutions and between the two sides of industry a Community employment policy will not get off the ground and convergence will be difficult. There is therefore a need for a social consensus at European level, as the Commission also says. We therefore expect the Council and the Commission to take steps to eliminate the present impasse.

Finally, we advocate in our report a framework agreement between the Community and the social partners, for example on an annual reduction in working hours with a certain acceleration of the process, account being taken, of course, of the social partners' own powers at national level and of sectoral differences.

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

IN THE CHAIR: MR GONELLA

Vice-President

President. — I call the Committee on Energy and Research.

Mr Bezley, draftsman of an opinion. — Mr President, my duty is to present my committee's opinion on the two resolutions concerning the relation between energy consumption, technology and employment which gave rise to the own-initiative report by Mrs Salisch on this subject. The present resolution, as compared with the original one, restricts the area of technological development to microprocessors. This, I consider, is unnecessarily limiting, but it does not change the nature of the problem.

I would also mention that the opinion I presented was unanimously supported by the Committee on Energy and Research with one abstention only and no contrary votes. The views expressed by every member of the committee from all parties are incorporated in the recommendations. The reason for this was that I believe our committee became extremely interested in

tracing the relationship between energy consumption, technology and employment. It restricted its responsibility, however, to drawing the attention of the Committee on Social Affairs and Employment to the analysis it had made of this relationship, with recommendations intended to help the committee in its consideration of the subject.

We noted that the original resolution suggested that public hearings of experts might be held, and we suggested that the Commission be asked to make a synopsis of the conclusions reached in the many studies which have been made on these subjects in the past. We regret that neither of these suggestions appear to have been followed up, and particularly regret that no mention is made of the important Saint-Geours report on energy, to which my committee drew attention. This, I believe, has led to a partial and faulty analysis of the complex relationships involved.

On energy consumption, I believe that the Salisch report correctly distinguishes three elements in the mechanisms involved in the relationship:

- 1) that OPEC low-volume, high-price policies have caused supply shortages, whereby enterprises, and consequently workers, have inadequate energy supplies with which to work;
- 2) that the same OPEC policies have accelerated general inflation, thereby reducing demand in employment as income rose slower than prices; and
- 3) that capital which might have been used for new investment and development is being tied up in financing the higher working capital needed to pay for dearer oil.

Nevertheless, I would observe that, firstly, the energy crisis, however much it has been clearly precipitated and exacerbated by OPEC, is a recognition of the fact that the world's oil reserves will be largely depleted by the beginning of the 21st century. Thus, the industrial world's dependence on oil must inevitably be changed and corrective measures must be taken to develop new energy sources and new energy carriers. The energy crisis has therefore forced the world to face up to the inevitable solution and the need to accelerate joint policies to conserve oil and energy in general and develop new energy sources in particular. The consequences on employment levels, if this crisis had occurred later, might have been even more severe and possibly long lasting.

Secondly, this is not, however, the essence of the mechanisms involved. Higher oil prices have cut demand and hence employment by transferring purchasing power from the modern industrial nations, experienced in creating goods and thus wealth, to largely underdeveloped countries, often with small populations and a non-industrial society which cannot spend its earnings from oil. Hence the serious problem of the non-circulation of petrodollars.

Beazley

The essence of the problem is that the financial system on which the modern world rests has been most seriously distorted and disturbed, whereby the economic and industrial systems have been badly damaged, with serious consequences to employment and social policy.

However, the diversion of funds to working capital is a consequence of the way inflation militates against new investment. This should not be confused with the problem of financing imports rather than domestic output. Inflation, furthermore, harms investment by increasing the risk of new projects and the difficulty of sustaining profitability as employees seek to sustain their standards of living.

Thirdly, the energy section of the Salisch report does not take sufficient account of the cost of energy as well as the volume of its consumption, which my report dealt with under Section 15. In the short term, the importance of reducing the dependence on imported oil is therefore strategic rather than economic.

Fourthly, we must also take into account the expenditure and length of time necessary to develop new indigenous forms of energy-carriers, especially those from renewable sources. The capital-and-revenue costs of such forms are high and the time required for their achievement is long, and I fear that Mrs Salisch has neglected this point in the emphasis she has put upon renewable energy sources. In consequence, the Committee on Energy and Research believes that:

- 1) the relationship between energy consumption and economic growth must be changed from its present ratio of 1:1 to 0.7:1,
- 2) energy conservation is the first priority; however, the reduction in energy consumption on its own will increase unemployment, and the important point is the cost-effective use of energy;
- 3) the Committee on Energy and Research must continue to draw this House's attention to the fact that nuclear energy is the sole alternative source of energy at present available and it is the cheapest form of energy (this point is dealt with in Section 5 of our opinion and is relevant to paragraphs 4 and 5 of Mrs Salisch's resolution);
- 4) finally, what is important to employment is maintaining the competitiveness of the Community's economy, and this must be borne in mind when choosing energy sources and carriers and means of relieving unemployment.

As regards technology, I believe that the Salisch report takes the most pessimistic short-term view of the situation, of the need for economic and social change arising from technical development. My committee's opinion pointed out that the history of man's progress has been the search for a better understanding of natural laws and their application to the improvement of man's lot. In the past, technology has mainly been

used to reduce man's dependence on 'muscle-power', and many people fear that modern high technology, and microprocessors in particular, for the first time will reduce man's dependence on his intelligence. People also fear that this type of technological change is the one to which society cannot adjust itself. This, I believe, is incorrect. Such people do not consider the positive effects of technological change and the need of society to adjust itself to it in a positive sense. I do not think that modern technology differs from previous technologies which produced the agricultural and industrial revolutions. The effects on the economy and the consequent requirements of society to adjust itself to them will be the same with modern technology. In consequence, work-sharing only provides a solution if it can be employed with a reduction of unit costs and an increase in productivity and hence in world competitiveness. All studies that I have read and my own industrial experience and that of our committee members tell us that this has not been the case in the past. Today man is better housed, better fed, has better health and better opportunities for enjoying his leisure than he has ever before experienced. The average worker's home incorporates much more advanced types of high technology than were employed in the most modern factory 10 years ago. Any trade-offs between economic growth and work-sharing, if at all possible, must be taken in the long-term time-scale. Meanwhile, society must look at modern technology positively as the one way of overcoming the problems of energy costs, cartels and restrictive practices of all types. Those affected by the time lapse between the application of new technology and the growth of the economy must be assisted by all necessary social measures, which colleagues in this House and in my group on the Committee on Social Affairs and Employment will, I am sure, clearly indicate.

In conclusion, I must regret that time does not permit me to speak of my committee's analysis of the effect of the energy crisis and the impact of modern technology on the Third World. I believe that our opinion provided some useful guidelines and noted the differences between this case and that of the Western developed world and the European Community. I trust that this debate will not concentrate solely on discussing internal Community affairs, because those of the Third World will have a considerable bearing on our own future, on the development of new energy sources and the use of technology, and on export and employment opportunities for the Community using new technologies and applying itself positively to the energy crisis.

President. — I call Mrs Salisch.

Mrs Salisch. — (DE) Mr President, I note that the Council is not represented during this debate. I have conflicting information on the presence and participation of the Council during this debate.

Salisch

May I ask the President to inform the House when the Council can be expected to reply in what is an extremely important debate for the European Community?

President. — I can assure the honourable Member that everything possible will be done to comply with her legitimate request and we shall ask for Council representatives to be present.

I call the Commission.

Mr Richard, Member of the Commission. — Mr President, the Commission at least is represented, even if there are others absent this afternoon.

(Laughter)

I hope that the House will think it helpful if I intervene at this relatively early stage of the debate to give a general picture of the Commission's thinking and its approach to this problem of unemployment.

I am very pleased indeed that the Parliament has chosen to stage a major debate on the unemployment problem. I am encouraged by the manner in which this has been done. Europe, and indeed the world, is faced by a complex set of employment problems to which there is no simplistic answer. The fact that you have grouped together major reports and resolutions on technology and energy, on working time and on overall employment and labour market policy, together with two important oral questions, indicates that Parliament at least appreciates the relationships between the various issues and recognizes that there are no singular solutions. We must approach the problems on a broad front and we must develop a comprehensive response.

It is becoming increasingly clear that the over-riding problem in the 1980's will be that of unemployment and the need to find ways to create more jobs, and this, Mr President, against the unfavourable external background of oil price rises, international monetary instability and the changing international pattern of labour and as a result in the face of the financial problems of governments. The way in which unemployment has risen in the past three years is appalling. We have moved from some 6 million unemployed in 1978 to almost 9 million at the present time, and it is still rising. Already in Britain alone the figure is fast approaching 3 million, and the latest figures we have for the Community as a whole showed a staggering increase in unemployment of over 400 000 in one month. We are consistently failing to create enough jobs. Let me give the House just one figure. Since 1975 the rate of increase in the labour force has been almost two and a half times greater than the increase in available employment.

Not only, Mr President, have the numbers of unemployed increased alarmingly, but the composition of the unemployed has also altered. The worst hit sections of society have been the young, women and workers over fifty, and this is likely to be a persistent feature of employment patterns unless a major improvement in the overall situation takes place. For most workers over fifty who are at present unemployed, there is the real risk of their never being able to find work again. For large numbers of young people who become unemployed immediately on leaving school, the prospect of gaining work experience and training, in order to equip them to obtain skilled employment when job opportunities do improve, is remote. Equally the pattern of employment for women demonstrates that when they can obtain employment, it tends to be relatively low-paid and unskilled and they are liable to be among the first to be thrown out of work at the onset of a recession. All this is bound to place immense strains on the social fabric of our societies and, in the end, could even threaten the roots of our democratic systems.

Europe needs a major change of direction to reflect these concerns. During the 1970s, after a period of 25 years of rapid economic growth, it could be argued that the over-riding problem was inflation. Indeed, in some European countries there was a period when it looked as though they could drift into hyperinflation. Inflation is still with us and still acts as one of the major obstacles to employment recovery, but we can no longer afford to neglect other objectives in the fight against inflation or await the defeat of inflation before tackling unemployment. We must strike a new equilibrium in our economic and social policies. The emphasis now must be on creating new jobs.

I would like to explain the type of strategy that the Commission is developing, and on which it is seeking the support of the Council and the social partners. That approach is in line with much that is expressed in the reports and resolutions on the agenda today, and I look forward to our being able to draw on your political support in order to convince the Member States of the Community of the need for major new and concerted initiatives at European level.

The Commission considers that the unemployment problem needs a broad approach. It was for that reason that we persuaded the Council to hold a joint meeting of both Economic and Financial Affairs Ministers and Employment and Social Affairs Ministers in June, and that the Commission was represented there not only by myself but by my colleagues Mr Ortoli and Mr Davignon. That meeting was a considerable success in a number of ways.

Firstly, it was the first time that the two sets of Ministers directly involved in fighting the unemployment problem, had met at European level in order to discuss

Richard

and debate the different policy objectives and constraints. That, in itself, was an achievement and a step forward.

Secondly, the debate enabled the ground to be cleared on some basic questions. The Joint Council sought to bury the false and costly idea that inflation can only be cured by increasing unemployment. There is now only one Community government which still persists in that view, and — who knows? — that is not likely to be the case for much longer.

Equally important, it was clear at the Joint Council that most Ministers recognised that we will not get out of this recession with present policies. If we persist in squeezing our economies along present lines we will end up with less output, less investment, less employment and — ultimately — not less inflation, but *more*, as our fragile wage bargaining systems collapse under the strain of attempting to share more fairly the massive suffering brought about by the present recession.

Some reflationary action by governments is needed if we are to get on the road to recovery though I accept we cannot rely solely on a traditional Keynesian type of deflation. It should be selective, it should be moderate, it should be careful, and in this context, may I say the Commission has noted with interest and approval the agreement that was reached in London last week between Mrs Thatcher and President Mitterand about the building of a tunnel under the Channel.

(Applause from certain quarters of the European Democratic Group)

Nor indeed can individual Member States act alone — there must be collective Community action. Structural problems must also be dealt with simultaneously.

At the Joint Council, the French Ministers took the lead with their commitments to increase Governments spending in order to stimulate activity in the economy, and President Mitterand has repeated this since. In my view, it is vital to ensure that this effort is supported in other countries within the framework of a concerted Community action and in conjunction with the full range of supporting structural policies.

We have been practising deflation when, in reality, the Community is suffering a structural crisis. We are too big in the declining activities — agriculture and the traditional manufacturing industries — and too small in the growth sectors. Agricultural employment is now down to 8% but it is still double the level of the United States and we in Europe still cling to industries such as steel and shipbuilding where there is massive, world-wide, excess capacity. We need to shift our activities much more rapidly into areas like energy and energy-saving, into the new information technology

based activities — whether products or services — and into those vast areas of employment potential in the service sector.

All this must be done in an equitable way. We need to strengthen social solidarity not weaken it. The burdens of the recession, and they are considerable, have to be properly shared, and we should stop putting social achievements at risk just at the point when they are most needed. We must tackle problems like 'black work' which are socially divisive — but no-one should be misled into thinking that it lessens the problems faced by the unemployed to any major extent.

So, Mr President, the Commission concludes that positive measures have to be taken, and I should like here to outline a few of the issues we are exploring and the possible policy initiatives we are thinking about. Firstly, we need to diversify and adapt anti-inflation policies in ways which can best assist economic recovery. We in Europe cannot afford to be inhibited any longer by dogmatic views, based on somewhat fragile theories, about the causes and cures of inflation. We must be prepared to explore all possible avenues in tackling inflation.

Secondly, we need to develop new areas of employment in the energy and technology sectors and we also need to give special attention to the process of small-scale employment creation and to the potential contribution that different types of small enterprises, including co-operatives, can make in creating jobs, particularly through the exploitation of local economic potential. Job creation must become the over-riding objective, and the one on which our achievements will be judged in the coming years.

Thirdly, we need to examine present methods of financing and organising social security and other forms of social protection in order to identify methods which could provide a similar degree of protection to employees without discouraging employers from recruiting.

Fourthly, we need a much more coherent analysis of the impact of public expenditure on employment and on economic growth, quite simply so that we can extract the maximum benefit from each Franc, Mark, Pound or unit of account of public money in terms of the creation of viable, lasting employment.

Fifthly, the adaptation of working time should be promoted, the questions of part-time work, temporary work and early retirement, educational leave, and a reduction of overtime should be urgently considered. The scope for a flexible reduction of annual working time and the reduction of overtime working has to be further explored.

Six, we need an integrated programme of education, training and work opportunities for all young people

Richard

for a period after completing compulsory education. Education and training policies generally should be designed to equip the whole population with a basic understanding of the new technologies.

Seven, the traditional tools of labour market policy — job placement and guidance — need to be strengthened and adapted so as to ensure forward planning at the level of local labour markets, with the capacity to anticipate and respond to changes in the pattern of the supply and demand for jobs, and to try and avoid job 'mismatch'.

Now the Commission, Mr President, has been active in all these areas. Two major papers have been produced on new technology — one on the industrial policy aspects, and another on the employment consequences. A further document is scheduled in the autumn on education, training and working conditions and the new technologies.

On working time we have obtained the Council Resolution from the Joint Council, we are submitting proposals on part-time work, temporary work and flexible retirement. We are also pursuing discussions with the social partners on the reduction of annual working time and the limitation of overtime working.

A Council Resolution was also obtained on labour market policy which in turn has led to a number of initiatives at Community and at national level.

We are currently in the process of preparing ideas on how to create new jobs including the role of co-operatives. In this respect, I might add that in its report on the 30th of May Mandate, the Commission took the position in relation to the Social Fund that, henceforth, priority should be given to job creation. The Commission hopes to be in a position to present firm proposals on this by the middle of November.

Finally, we are creating working groups now to examine in detail ideas for tackling inflation and for dealing with the problems of financing social security systems.

These are some of the elements of the policy that is needed but they cannot be isolated actions. A concerted approach is needed with the primary objective of moving forward simultaneously in a number of areas in order to ensure a recovery in employment. The Joint Council demonstrated that the political will for this now seems to exist, in at least some of the Member States.

Governments must now, I think, be encouraged to take steps to build on the initiatives launched at the Joint Council and to take the necessary concrete actions and I am glad to see that the need for such actions is equally recognised and supported in the reports, the resolutions and the questions which we have before us today.

I would, therefore, like now, for a few moments, to make a few specific observations on the documents. Mrs Salisch's report on energy and technology sets out a broad view of their impact and their relationship to employment. As regards energy, we could not fully accept all the criticisms implied by the resolution, although it is fair to say, as my colleague Mr Davignon has done on a number of occasions, that the investment effort falls far short of that which could be achieved. In this respect, the Commission will be bringing forward new proposals for action in the Autumn. As far as technology is concerned, we broadly agree with the position set out. As I have said, we have already presented two documents on this and will next month be discussing with the two sides of industry some of the broader social educational and training aspects including — these are extremely important — the difficult issues of the right to information, consultation and negotiation, including questions of agreements governing the introduction of new technologies into the workplace. We very much welcome the Parliament's general support for the work that we have been and are doing. We take note of your comments regarding the Social Fund guidelines. We welcome the proposal that the Fund should have more money to support technology adaptation.

With regard to Mr Ceravolo's report on working time, I would again welcome your support for the work we have pursued over the past 3 or 4 years. I share the view that some reduction in annual working time, especially in overtime hours, and greater flexibility in working time arrangements, could create more employment opportunities, and give greater job satisfaction. We will continue to pursue our work in this field, and the Commission will be putting proposals to the Council on the question of flexible retirement and part-time work in the coming months. In addition, I have taken up contacts again with the Presidents of the two sides of industry at European level with a view to a recommencement of the earlier discussion on annual working time and overtime, but as the Parliament will appreciate, we cannot force governments to take action nor could we oblige the social partners to negotiate but we are, however, making every effort in those directions.

If I can turn to the report by Mr Calvez, he has taken a wide-ranging view of the overall employment situation and the specific measures that can be taken to overcome obstacles and improve the balance of supply and demand on the labour market. The report and the resolution stress the role of national employment services and the need to ensure co-operation and mutual support at European level. In this respect we have made some progress although I recognise that more could be done. In particular, we need a stronger commitment on behalf of the Member States. As regards the proposal for a permanent labour market observatory, I welcome the initiative but I feel that this is not the only solution. Many of the activities are indeed already being undertaken either by the

Richard

Commission service or in satellite organisations such as the Vocational Training Centre at Berlin. There are some advantages in concentrating activities in one place but there are also some disadvantages in over-centralization and the problem is also one of resources. I will, however, look further into these possibilities.

Before concluding my remarks this afternoon, Mr President, I would like to say a few words about youth unemployment particularly. With well over 3 million young people already unemployed in the Community, and many millions more knowing that the same fate awaits them, this Community is destroying its future. We have already seen some of the results of this. The two oral questions tabled today reflect the deep and desperate concern of us all to find some hope and some prospect of a decent future for our young people. We should not be misled by figures showing that youth unemployment as a proportion of adult unemployment is actually decreasing. It is quite clear that unemployment among young people is still increasing, whilst adult unemployment has now also begun to catch up.

As I said a little earlier on young people are still amongst those most severely affected by the wider problems of economic recession and everything we can do along the lines I have already suggested will also benefit young people. But for those young people moving into the labour market after the end of compulsory schooling, I believe we should not be panicked into creating more and more *ad hoc* schemes as a temporary palliative to disguise the real nature of unemployment among 16 and 17 year olds.

We must move towards a longer term strategy in which *all* young people receive an adequate social and professional preparation for adult life. A 'social guarantee' as it is called in Scandinavian countries, a guarantee not of any kind of unskilled paid job but of a flexible range of learning opportunities where young people themselves can gradually take responsibility for their lives and careers and develop the enormous capacity which I believe they have to make a creative contribution to our societies.

The most difficult challenge before us in attempting to stimulate a new and more active strategy on unemployment is to ensure not only a high degree of consensus and co-operation among the social partners and policy makers, (although heaven knows, that is difficult enough and important enough) but it is also to enable all those who are now pushed to the fringes of society to feel that they also have a contribution to make to economic recovery and, indeed, that the Community as a whole, and the Member States, are prepared to see that they do it.

President. — I call the Council.

Mr Rees, President-in-Office of the Council. — Mr President, I hope it will not be inappropriate if I intervene briefly at this stage, since when I was unfortunately out of the Chamber I understand a point of order was raised by Mrs Salisch. Let me reassure her that the Council have taken very careful note of the report of the committee of which she is rapporteur. Let me reassure her and the House that a United Kingdom Minister hopes to be in a position to reply to the debate and to the points raised in the report on Thursday. Let me also reassure her and the House of the deep concern of the Council, and particularly the United Kingdom Government, regarding the issues raised in the report and in this debate, a concern which is evidenced by the presence — intermittent, maybe — of myself and of my colleagues Mr Michael Jopling, who is Parliamentary Secretary to the Treasury, Lord Denham, who is Captain of the Gentlemen at Arms, and Mr Ian Gow, who is Parliamentary Private Secretary to the Prime Minister. I hope, therefore, that this will reassure the House of the seriousness with which the Council views this debate and the various reports on which it is based.

(Applause from the European Democratic Group)

President. — I call the Socialist Group.

Mr Dido. — *(IT)* Mr President, in all the studies made on the future of employment in the countries of the Community one fact becomes clear: that is, that mass unemployment, which has already risen to a level of 9 million jobless, equalling 8% of the active population, is destined to continue to increase in the years to come. Commissioner Richard's speech confirmed this.

I do not think it is necessary to go more deeply into what has already been said in the relevant reports now under discussion in the Assembly.

The crisis in the type of economic development which arose in the post-war years, the entrance of the developing countries into the international market, the conflicts between industrialized countries in the area of competitive ability, and the effects of the new technological revolution — micro-electronics — are all so many phenomena which are provoking a vast process of restructuring and industrial conversion in our countries. The great increase in productivity in respect to production leads to growing savings of manpower in all productive sectors, including the service sector.

These tendencies mean that for many years we will be obliged to live with a high unemployment rate. Governments spend enormous sums to finance non-work, especially for women and young people, through various types of non-productive subsidies, which, everything else aside, contribute towards making inflation more severe. This is a situation we find intolerable. For us Socialists and, I believe, for

Dido

many of you as well, work is not merely a means of obtaining income; it is also a way of participating in social life. Those who do not work are excluded, alienated, driven to desperation and a prey to every kind of social and political deviation. This is the ground where terrorism and fascism have flourished — as our own history teaches us — and found the means to support their monstrous activities.

We are well aware that the economy must be stimulated through the encouragement and guidance of investments, and we are fighting for this against the monetarist and neo-liberalist policies. This economic impetus must be given through the reduction and redistribution of working time, which in turn can be accomplished by making use of the increases in productivity.

However, even if we are able to implement such a policy within a short time, the effects on employment in the traditional sectors of the labour market will only be felt over the long term, and the spontaneous mechanisms of the market itself will not succeed in solving the problem.

We cannot resign ourselves to thinking of growing unemployment as a kind of natural occurrence, an unavoidable fate. We would then be contributing to the dissolution of our own societies.

This is why we believe that, in the new conditions of the economy, the State must be the one to assume direct responsibility for guaranteeing full employment, and it must go beyond the traditional aid mechanisms based on non-productive subsidies. A way must be found to go from the financing of non-work to the financing of productive activities. These activities should be sought both in the traditional labour markets and in new sectors, particularly those of collective consumption and various forms of social action.

The proposal which we present, along with our oral question, to the Community Institutions and to the governments of the Member States, that of formulating a plan of European guaranteed work, stems from these considerations. Such a plan would be coordinated by the Commission and financed by the European Social Fund, adequately reinforced; its purpose would be to accomplish a rapid and drastic reduction in unemployment by means of exceptional modes of intervention.

Appropriate means of action must be created — whether they are called employment agencies or employment services is not important — which involve the responsibility and the collaboration of public authorities and of social groups. Large numbers of workers must be directed into temporary jobs, and, simultaneously, into professional training activities, on the basis of specific programmes addressed to the various social groups involved: young people, women, work-

ers affected by restructuring, returning emigrants, the handicapped.

The financial means will be provided by the sums currently spent in aid and non-productive subsidies, by the added contribution derived from tax revenues and by an enlarged Social Fund. We are at the beginning: experiments have been made, and will continue to be made, in the various regions of the different countries and on the European level; these will help us to solve the technical aspects of the problem of means.

The real question we are raising here is a political one. The European Parliament must present once again, and as forcefully as possible, the theme of full employment as the central theme from which all decisions regarding economic policy should derive, including the necessary fight against inflation.

In our oral question we presented and illustrated our proposal. On the basis of the debate and of what Commissioner Richard has just told us in his fine speech, we plan to reserve our presentation of a specific motion for a resolution for the next session. We do this also because we believe that the Community Institutions themselves, beginning with the Commission, should do much more in view of the seriousness of the problem, and that above all we must be able to call upon the governments to assume their responsibilities in order to set limits to this very grave problem.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mrs Cassanmagnago Cerretti. — (*IT*) Mr President, ladies and gentlemen, Mr Commissioner, I have listened with pleasure to the speeches of Mrs Salisch, Mr Ceravolo and Mr Calvez, and above all to the synthesis provided by the Commissioner.

Allow me to put forward some observations, with reference also to the motion for a resolution which we have tabled and which will be debated by urgent procedure on Thursday evening.

The relationship between development, technology, productivity, and employment is now suffering from serious imbalances. The energy crisis which erupted in the mid-seventies did much to produce these distortions, and since that time we have witnessed some fundamental changes which are at the root of our problems.

The first is the change in the trend of development — or better, the collapse of development. The employment situation is also extremely serious: 9 million unemployed, of which about 5 million are men and 4 million women. The moment is therefore characterized on the one hand by a slow-down in economic

Cerretti

growth, and on the other by tensions on the job market due to an excess of manpower supply. We are thus confronted with an enormous problem of change, some of whose aspects will persist unaltered while others take on new forms.

We are already aware that the number of people entering the job market will remain high until the mid 80's, and that it will then start to decline, perhaps to drop dramatically in the 90's. Future productivity and economic growth are still uncertain, for they are determined by external variables. We have entered upon a decade of tumultuous technological revolution; the recent Japanese challenge to economic stability is operating dramatically on the market.

The problem of battling unemployment will therefore be even more difficult than in the past, precisely because we cannot solve it by slowing down on productivity.

I believe that all of us feel the malaise which is beginning to grip the Community, and I think that it is our political duty to identify as effectively as possible the means of intervention which must be used to turn the situation around. Two elements characterize this malaise: one is the 'real' factor —, persistent unemployment rates may result in protectionist measures on a national, regional, or sectorial level, thus threatening the unity of the European Community. The other is a monetary factor, since the considerable differences in inflation rates provoke disruptive tensions within the EMS, and this makes urgently necessary a closer coordination among the Ten on the economic level and consequently a more incisive political cooperation.

I hope that the Council will propose some action to this effect.

There are however other aspects to the malaise affecting the EEC. I refer to the deficits of the trade and payments balances, which have never been so high, to the rapid rise in prices, to the increasing public debt, and to the ever more noticeable loss of competitive ability with respect to the U.S. and Japan, which are showing themselves more adaptable to change than the EEC.

Of the various solutions, Community-related ones are the most likely to succeed in overcoming the economic crisis and the related social problems. I am referring to the many financial EEC instruments little used so far: the European Investment Bank, the European Social Fund, the European Regional Development Fund and the so-called 'Ortoli facility' created in the past to recycle petrodollars. To this we must add all the national aids granted by Member States, which are fully compatible with Community instruments. The snowballing effects of investments on the structural and infrastructural level of social services will certainly have a considerable effect on the mobilization of resources and the creation of new jobs.

The Group of the European People's Party, meeting at Naples, has asserted that economic and social policies must become ever more interdependent, because the social and human choices made by national communities increasingly depend on, and are affected by, the economic factor.

Our Group is aware of the repercussions that telematics will have on the job market and believes that the parliamentary resolutions meant to influence the Member States' social policies must have — both on the level of cultural debate and on that of economic and political commitment — an immediate effect on the working programmes and on the distribution of social funds. Our Group also feels that it must examine the various problems carefully so as to discover common principles and a common interpretation for certain key concepts — the family, participation, the shape of present-day and future society — found in the Ceravolo report.

The European People's Party calls attention to the fact that today's generations, above all the young, give the concept of work a different meaning: they ask for a new quality of life within which job-related activities have a specific function. There is a particular need to stress that priority actions for social policy must be carried out in several directions and in a coherent manner so as to find timely and adequate solutions to the problems of jobs and professional training, of investments and social security, of financial instruments and of the participation of all social forces.

We are aware that all social forces, representing workers and employers, are called to participate in the process of economic and social growth in Community countries; we also believe, however, that for the first time Commission and European Parliament must adopt, through the practical realization of these three resolutions, a new, inverted perspective. It is necessary to formulate a vast economic programme avoiding individualistic attitudes. Only then shall we be able to go forward without being tempted by inflation-producing measures.

President. — I call the European Democratic Group.

Mr Spencer. — Mr President, once again we are discussing the unemployed, only now the total of the unemployed has reached 9 million. I detect, if I may say so, a tendency to be inoculated, almost mesmerized, by the inexorable way in which the unemployed figure has gone on rising over the two and a half years we have been here as a Parliament. So may I suggest a new and more personal way of looking at those statistics for every Member of this Chamber? If every Member of this Chamber assumed an equal responsibility, not for solving the problem of unemployment but merely for returning it to the level at which it was

Spencer

on the day of our election we should each be engaged in trying to find 8 000 new jobs for our constituents.

Now to state that fact is not to understand the figures. How exactly did Europe get itself into this position? Well if you want analysis I can recommend either the product of my own group's working party on employment, which is published today, or I can recommend — at least personally — the extremely good analysis at the beginning of my colleague's, Mr Ceravolo's report. But if I had to identify two key words, I think they would be recession and population. The sad truth is that we have more people seeking work at the very moment when there are fewer jobs for them.

So first of all recession. What can the Community do to mitigate the recession? We make, after all, proud boasts about being the biggest economy in the world, about being the largest trading block, and if any one can take action to reverse the recession one might hope that the members of the European Community acting together could do so.

In this context the most important employment debates that we have in Parliament are those which actually go under the title of trade and industry. When we are talking about textiles or cars or agriculture we are actually talking about jobs. So if you want to go to the heart of the recession, you need to talk about trade, and I hope those who attend this session will also be here tomorrow morning to hear the Wiczorek-Zeul discussion. Because if you actually want to reduce the dole queues in Liverpool — I see that the Member for Liverpool is here — the way to do it is by negotiations in the Gulf, by recycling OPEC oil, by an attempt to go to the heart of the recession which currently grips Europe. That is a field where the Community's competent and where no one Member State acting by itself can hope to have sufficient influence. Yet at this particular moment people in my own country are talking about taking Britain out of the Community — most recently the Trades Union Congress — oblivious apparently to the effect on inward investment or on the employment in export-related industries which would make the price of Britain leaving the Community the loss of literally hundreds of thousands of jobs. So first of all let us get some of the world's monetary operations sorted out.

Secondly, when we talk about trade and industry we are really debating what kind of jobs Europeans will be doing in the 1990s. Nowhere is this more important than in the area of high technology and micro-electronics. Anyone who looks at the kind of skills, the kind of areas, in which Europe is competitive, must realise that Europe's future lies in wholeheartedly embracing micro-electronics and the new developments in that field. I very much regret that Mrs Salisch, despite all our debates in the Committee on Social Affairs and Employment, is still engaged in that sterile debate about whether the new technology will create more jobs than it destroys.

Ladies and gentlemen, there is only one way to create really massive unemployment in this Community of ours and that is to refuse to accept the new technology and to be swamped by our competitors.

(Applause)

So cooperation in the field of micro-electronics is a second important area for the Commission if they really wish to have a practical impact on employment and on jobs in Europe.

Now to turn to the population side. The figures of registered unemployed are technically a residual — they are the difference between those seeking jobs and the jobs available. The figures themselves need to be improved if we are really to understand what is going on, and I commend to Members the excellent Calvez report. Behind those figures we can all discern the iron collar in which the demographics of Europe place us at the moment — more children leaving school every year, fewer people retiring, more women seeking to work. The result is an ever larger workforce in Europe until 1985 at least.

So far I have been talking about employment policies, but when we turn to the Ceravolo report and the whole question of work sharing, we are talking about what one might refer to as unemployment policies. And here there is always a danger, I feel, that one may lapse into merely being palliative. One can be so mesmerised by the figures that one feels that anything that reduces these figures somehow is improving the situation.

To me, simplistic worksharing is a delusion if it means increasing the labour costs of companies and pricing ourselves out of world markets.

Having said that, I accept that work sharing, in its more sophisticated form as a long-term goal, makes eminently good sense, because work is central to the whole ethos of our civilisation. I do not need to lecture my Socialist or Christian Democrat friends on the importance of what is known as the Protestant work ethic in the early stages of getting capitalism going. That ethic still exists. If you ask a European to define himself, he starts by describing what job he does. Europe and jobs are intimately connected. Europe cannot afford to slide into the 1990s with its population split between those who are privileged to have work and a large group who are permanently doomed not to have work and to be supported by the rest. So as a long-term goal, work-sharing is essential.

On behalf of my group I have put down a series of amendments to the Ceravolo report which attempt to reconcile this problem of the short and the long term and to enable us as a Community to make progress towards the long-term goal, to take the Council with us on specific projects and not to have the whole package rejected because of an over-ambitious attempt at

Spencer

the beginning. I congratulate Commissioner Richard on some of his new thoughts. I trust, however, that he will follow them up by leaving some of his predecessor's more *dirigiste* work-sharing schemes to moulder quietly in a pigeonhole. We would not, of course, expect him to withdraw them, but he might just fail to notice them.

So to sum up then, if you want to talk about employment you can either concentrate on the figures or you can look towards all those areas of Parliament's activities which actually involve employment, jobs, real trade. You can, if you like, go along Mr Dido's road and make a promise to your 8 000 constituents for whom you will remember at the beginning you were trying to find replacement jobs. You can go to them and say, 'we guarantee you employment'. That sadly would be a fiction, just as all such promises are fiction. Alternatively you can turn to them and say, 'we will make the whole of the European Community work. We will try, by reducing barriers and extending world trade, to give you jobs that are real jobs and that will ensure a future for yourselves and your children'. I have no doubt, Mr President, which set of policies I opt for.

President. — I call the Communist and Allies Group.

Mr Bonaccini. — (IT) Mr President, ladies and gentlemen, this is not the first time that our Assembly has dealt with these problems, nor is it the first time that the Community, in the broadest sense of the term, has taken up the question, whether in tripartite meetings or on other occasions. The results, however, have never been happy.

The data are well known: the three rapporteurs have effectively summed up the situation and the contributions of other colleagues enable me to dispense with repetition. It is, however, the first time that we have the impression that our Parliament, as Mrs Cassanmagnago has stated, is in a position to make an effective and decisive contribution toward the correct solution. And if it is true that the solution of this most difficult of problems can now be approached from the right perspective we can only rejoice, and welcome the three reports. Clearly each one of us could contest some point or other, but this would be a mistake. We must take cognizance of a general feeling which is worth preserving, and I call on all my colleagues to let themselves be guided by this feeling. It is the same feeling which appears in the proposals and in the political commitments of our national trade unions and in the resolutions of the European Confederation of Trade Unions, the same which inspires the struggle, the demonstrations, and the political debate which have characterized, and continue to characterize, the political life of our countries.

A positive response to this would be an act of great merit for our Parliament, and our Group urges all sections of the Assembly to make such action possible. I agree with Commissioner Richard — whom I would also like to congratulate on his speech — that we must change policies: Europe must find another direction. Let us acknowledge that the problem has been approached with a great deal of cynicism; it had been assumed that unemployment would lead to a revitalization of our economies, whereas, as the Commissioner has clearly stated, this approach will destroy our future, Europe's future, the future of our nations and of our societies.

As we know, in political economy all this goes under the name of the exaggerated, exacerbated monetaristic policies we have often discussed. The situation entails responsibilities which have not been clarified here. I would simply like to remind you of the fact that, for instance, even a great opportunity such as the Ottawa summit has turned into a disappointment because of the weakness shown by the Member States. It must be acknowledged that, at least according to reports, the European Economic Community, which for the first time participated as such, has not made any significant contribution in the direction outlined above.

We have spoken of a change in economic direction, and it is necessary to proceed with clarity of purpose. The three resolutions call on the Member States, and thus on the Council of Ministers, to reach a decision regarding a problem it has often faced and has as many times failed to deal with. We want to lend our support to the Commission, and I congratulate Commissioner Richard once again for the words he has just spoken here. We only hope that words will be followed by facts and by actual accomplishments in this field and in others.

I agree with all the points made so far, but there are two which require absolute priority: the first concerns the need to concentrate all our resources in favour of a policy of development and not of recession; the second is that we must face up to our responsibilities with greater determination. We have often invited the Commission to take action on this matter. This is why our resolutions speak of a directive — and a directive it must be — and of a general framework, of a general perspective of adaptation, but also of a reduction of working time. Collective bargaining must be encouraged in the various countries, safeguarding the autonomy of the social partners and guaranteeing the study of specific situations so as to arrive at the solutions which are the most obvious, necessary, and relevant for each particular case.

A third point which the Commission ought to examine is that of a better balance between job supply and demand, for the job market, as we are all aware, is suffering from serious discrepancies in this respect. They are partly due to insufficient guidance or action on the part of the Commission in its field of compet-

Bonaccini

ence. I am referring in particular to the organization of the job market: obviously I am in favour of a reorganized job market at the national level, but also of a job market on the European level, otherwise it would be very difficult indeed to resolve the issues reintroduced by Mr Dido and, on which I believe we have the agreement of Mr Spencer as well. I am also referring to the question of professional training. While it is true that the problem of balancing job supply and demand is not a first priority, it is clear that even if we cannot each supply the 8 000 jobs for which Mr Spencer's quip makes us responsible, we can contribute to the solution of other intolerably anachronistic problems by dealing with it.

With this debate our Community has the wonderful opportunity to make a critical evaluation of what has not been done, as far as both political and social policies are concerned. Let me remind you once more of the recent past, and of the financing of the restructuring of the steel industry, which dragged on and on. This is why we hope that Parliament may approve and support with the longest possible majority the new initiatives which could possibly bring about a radical modification of the policies of the Community in the economic and social fields.

President. — I call the Liberal and Democratic Group.

Mrs Tove Nielsen. — (DA) Mr President, when we held a one-day debate in January 1980 on the employment situation in the Community, we were all united in deploring the fact that there were at that time over 6 million registered unemployed. But today, almost two years later, we find that the number of registered unemployed is now around 9 million and that means 8.1% of the active civilian population. This is a matter of grave concern and we cannot simply go on deploring it, we must try to do something about it, for another disturbing factor is that half of all these unemployed are young people under 25 years of age and, moreover, women make up a very large proportion, both among the young unemployed and other age groups.

We have spent a considerable time in the Committee on Social Affairs and Employment considering the three reports and, obviously, if one has three reports all dealing with more or less the same subject, since they all refer to employment, there is bound to be a certain overlap and, at worst, even perhaps some contradictions. This is why we in the Liberal and Democratic Group asked to have a full plenary debate. We wanted to draw all these threads together and we are very grateful to the other groups for supporting our request. For our part as Liberals we wish to emphasize that the serious level of unemployment is inextricably bound up with the economic problems

facing the Member States at present. One can say the same thing in another way: we cannot hope to overcome the enormous problem of unemployment unless we get some lasting order into the Member States' economic policies. It is a matter of urgent necessity that inflation should be brought under control and it is a matter of urgent necessity that our undertakings in the Community should become competitive, far more competitive than they are at present, so that their earning capacity improves, for that after all is how they can help to increase investment and get more people into jobs, apart from, of course, protecting those who are already employed. We therefore need to create far more jobs. This means, too, getting order into the economy and good conditions for our undertakings. I think it is very sad to see some of the authors of the reports presenting a very pessimistic view, practically giving up in face of this situation and letting things take their course instead of rising to the challenge. If we fail to take up the challenge we can expect to be discussing an even worse situation in one-and-a-half to two years' time, perhaps only 6 months' time, having done nothing in the meantime. The problems are not insoluble, but the situation requires that we think along other lines than we have been used to doing and, most important of all, that we then act.

In the summary of the European Council meeting of 29-30 June this year the European Council expressed its firm conviction that by the pursuit of coordinated flexible policies, maintained over a sufficient length of time, the Community would be able to overcome the present social and economic difficulties and return to a situation of economic growth, stability and satisfactory levels of employment. In particular it stressed that the problem of mass unemployment, which is a major preoccupation for all the Member States, should not be approached in any spirit of fatalism. This is what we Liberals particularly wish to emphasize. It is absolutely essential that our Member States set themselves the aim of achieving new economic growth and stability and that no effort is spared in ensuring the success of this undertaking. Adopting a defeatist attitude, simply taking note of what is happening and being too afraid to do anything about it ourselves, not attempting to come to grips with the great challenge of new technology, will continue to reinforce the trend which began with the first oil crisis in 1973.

It is extremely important for us to decide what kind of a society we want, because the solution depends on that decision. Do we want a growth society? Do we want a nil-growth society? Do any of us really want a negative-growth society? It is far more important to answer this question and act accordingly than merely to observe a series of facts and take note of them. We Liberals want a society with economic growth. Such a society can provide both more employment and more welfare and social security.

This period of rising unemployment has been dominated precisely by a lamentable economic policy under

Nielsen

which undertakings have been burdened on the one hand by extra costs and duties by the State and, on the other, by large pay increases, which is perfectly normal at a time when there is also a great deal of uncertainty about the future, so it has not been possible to invest as much as is desirable and undertakings have been unable to produce enough to make them sufficiently competitive on the world market. We must also make our European undertakings capable of competing with undertakings elsewhere in the world and therefore the conditions under which they operate must be improved and costs held down, so we can increase production and employment and reduce inflation.

Instead of this we have the Socialists' call for a reduction in working time. Let me say straight away: a reduction in working time is not a general panacea for unemployment. We know, for one thing, that there is still a paradoxical situation, in which many vacant posts cannot be filled because there are not enough people with the right qualifications to do the work and it is, of course, a major task of employment policy to ensure that vacant jobs are filled as easily and quickly as possible by qualified people.

I do not wish to use my speaking time to comment on the report drawn up by my group colleague, Mr Calvez, but may say that I thoroughly agree with what is said there clearly and explicitly and without all the usual fine words and rhetoric. But I should like to take this opportunity to express my utter amazement and disappointment at the way in which Mrs Salisch, as the rapporteur for one of the reports, exceeded her mandate just now. What Mrs Salisch said is not to be and cannot be regarded as representing the views of the Committee on Social Affairs and Employment. What she said are exclusively her own socialist views. They do not correspond to what the rest of us in the committee believe. And when Mrs Salisch refers to the explanatory statement, I must point out that we did not discuss the explanatory statement at all. This again presents a one-sided socialist attitude, which Mrs Salisch and those from her own group may support but which does not represent the view of all of us in the House. To make the truth of the matter absolutely plain, let me say that Mrs Salisch' report was adopted in Committee with 15 members present, of whom 8 abstained from voting and, if I add that all of us here in Parliament who do not share the socialist view were unable to vote, then it must be clear who acutally voted for it. But I am glad about the outcome of the work in the Committee on Energy, because it shows a different attitude, so let us make it clear with our final vote here that Parliament does not, as we know, have a Socialist majority.

But let me return to the call for reduction in working time. How is this to be squared with the wish in all the Member States for an improvement in material living standards? We still have a great deal to do before those social groups which are falling behind attain a

better standard of living. This is a matter of solidarity which we hear so much talked about but see rather less done about. Although we hear and read that a reduction in working time should not lead to higher costs, we know perfectly well that those who support the idea of shorter working hours are presuming that it would mean a reduction in incomes. We also know that people are calling for better working conditions, better living conditions, and that even the very slow and gradual attainment of these objectives presupposes considerable economic growth. This needs to be borne in mind and that is why it is so utterly incomprehensible and positively illogical for the Socialists to proffer nothing better than a feeble attempt to win acceptance for a low-growth society or even a nil-growth society by advocating a sharing of the available employment.

That seems to me like giving in to the difficulties. We, on the other hand, say: we are very keen to shape the society which we live in and which future generations will live in. We should like to make it a society in which all its members have a chance to develop their potentiality. For this we need all that the new technology has to offer. My speaking time does not allow me to go into this very important aspect. I will just say as the most important thing of all that we have no fear whatsoever of the future. We do not give in when confronted with new challenges. We accept them and use them and in this way it is we ourselves that direct new developments and shape the future. As regards the many other points I would refer the House to what I said in January 1980 on behalf of the group.

President. — I call the Group of the European Progressive Democrats.

Mrs Ewing. — Mr President, this debate is one of the most serious in which I have participated in the six and more years I have been here, because we are speaking about those men and women and young people whom we have allowed to be deprived of dignity. One speaker from the Conservatives spoke about the work-ethic, and I agree with him; but I would say this: that in recent political canvassing in some of the cities near me I realized that we are breeding a generation in which no one in a whole family has the memory of what a job is. So we are allowing in the Community a generation to come forward without that work-ethic that perhaps you and I can say we have always taken for granted. And this is perhaps one of the most serious social consequences that we are all facing in this debate today.

It used to be that I, as a Glaswegian, regarded the aimless and workless youth as being typically at the street corners of cities and in the slums of cities. Now that I represent the Highlands and Islands of Scotland — a very different type of terrain — I regret to tell you that you will find the aimless and jobless youth in the corners of places that are far away from the prob-

Ewing

lems of cities and slums, places such as Lochinver, Tay and Cromarty — I won't bore you with all the names. Commissioner Richard set the graph of gravity for us with our 9 million unemployed, approximately 1 in 12. In the UK it is worse, with 12·2% unemployed. In Scotland, the rate is 14·4%, 1 in 7, and in some parts 30%. I will not be unique in this House. And just to get it out of the way oil is not the answer, for we have got oil at the bottom of our garden. In Scotland, unemployment since 1959 has risen by 270% and the sharpest increase has been in the last decade — that is to say, the oil decade! So that has not solved the problem. And it is spread over very many industries. In manufacturing in the UK, there has been a fall of 21% since 1970; in Scotland it is worse, as usual, with 30%. In the construction industry in my country, 25% are unemployed. One could go on, and I would appeal to the Commissioner in his winding-up to say something about proposals for that really miserable section, the hard core which has been unemployed for a long time. I am afraid that in this year 45% in our country have been unemployed for more than 26 weeks: it may seem a short time if you say it quickly, but in those 26 weeks the despair begins.

I have lodged a motion for a resolution on youth. I will not bore the Parliament by reading it out, because it will be made generally available, but I would like to say that what I am after in my resolution is what came out of a meeting when Commissioner Richard — gracefully, I think — at short notice agreed to talk to some young unemployed who came from my party in Scotland, and the essence of my motion came out of this conversation and my admiration for the German programme. There is surely nothing wrong in this Community's borrowing a good idea; there is nothing wrong with upward harmonization, and what I am after is to achieve what they do in Germany, with a guarantee of State aid and assistance for school-leavers. May I give two German statistics that appeal to me? Fifty percent of school-leavers in Germany end up with apprenticeship programmes: in Scotland, 14%. In Frankfurt, 16 000 young people end up with apprenticeship: in Scotland as a whole — a country of over 5 million people — 10 000. And I would agree with Commissioner Richard (at one time I felt it was my own speech being delivered before me) on this question of *ad hoc* solutions, for we have *ad hoc* solutions being applied and they are better than nothing. I am not decrying them, the job opportunities schemes; but they are not training people for long-term job security. The head of the British Agricultural Training Board recently said he was almost broken-hearted at the thought of the £ 168 per head for agricultural training that would offer long term prospects — and there are 88 000 in training — as against £ 611 for the creation of just short-term *ad hoc* chance. If I might bring in oil again, two days' oil revenue would give us the chance to adopt the German system. The motion for a resolution is along these lines.

If I may turn to some positive matters, it has been said that we must not create disincentives to employment, but there are disincentives — certainly in our tax structure in the UK for small businesses. Where on small farms there used to be a farmer, a son and two or three farmworkers, now it will be the farmer and the son. I have a small business as a lawyer: I could easily employ two more people if I could afford to do so. The tax disincentive against employing one extra person is so severe that many unemployed persons could be employed tomorrow if the VAT ceiling were raised, and here I think we have to look for a European tax harmonization that will remove this disincentive, because that might bring us nearer the goal mentioned by one speaker that each of us should find 8 000 new jobs in his constituency. I would ask the Community sometimes to think small, to think of the peripheries, because there is no doubt that if this Community would adopt sensible tailor-made policies for peripheral areas right around the Community there would be no difficulty for many of us in finding 8 000 extra jobs. If we had a road-equivalent tariff and some of the other things I keep talking about, the jobs would be found, for many a peripheral community depends for sheer survival on perhaps three or four male persons. This is often not appreciated in populous areas.

Community cooperatives, which, I may say, have the support of the trade-union movement, are to be encouraged and if necessary given aid. I think Commissioner Richard has mentioned this already.

My last remark is this: the desperation of an army of unemployed around us is too grave a burden for my spirit or yours as fellow-MEPs to bear unless the Commissioner's brighter vision is translated into concrete terms in all our Member States. Is 1984 to be the dreaded year or the brave new world? It is certainly the year which will set us the question whether you and I are to be reelected, and I suggest it is the issue of the jobless which will settle both questions.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mrs Hammerich. — (DA) Mr President, we entirely agree with the rapporteur that unemployment is the biggest problem at the present time and that it must be given priority over all other matters, both nationally and internationally. But we are uneasy about the Commission's proposals being discussed here today

Hammerich

and we are uneasy that Parliament should be intervening in these matters without any authority to do so.

In Denmark working hours, employment and the introduction of new technology have been treated as matters to be decided between the social partners. Parliament represents none of these partners.

One of the arguments for submitting proposals on all these measures is, as is said, to 'promote European integration'. Now the EEC is not Europe and indeed the EEC has proved itself poorly qualified to resolve the unemployment problem. The Commission's plans are not objective, but highly political, partisan if you like. The Commission recommends a series of measures which together constitute a global model for the development of society and therefore excludes other models; but our citizens do not all agree that the Commission's model is the best. The view of humanity which underlies the Commission's proposal is one which regards the labour force as a piece of merchandise that can be moved around and discarded when it is no longer of use. People are regarded as cogs in the industrial machine and are expected to be available whenever that perpetual process requires.

With these proposals the Commission has adopted a political stance and ignored the other view of human beings which is based on the individual's fundamental social rights and does not have as its overriding objective the aim of making the new machines as profitable as possible for their owners.

Taking this to its logical conclusion one could say that the Commission's vision of the worker of the future is, let us say, a woman who works part-time with very few social rights. She is on shift-work and is available day and night to do the machine's bidding. Now and again she is sent on courses of further education, while she lives on unemployment benefit. When she is worn out, she can get an early retirement pension based on a minimum wage, perhaps working half-time if she needs. These are some of the ideas which the Commission offers for the future when contemplating the new technological developments.

However, the Danish trade union movement, among others, has different ideas. Many believe that only a high degree of social planning can ensure that the technological revolution is used to achieve shorter working hours for all, eliminate unhealthy work and shift-work and improve the living standards of the population as a whole. They maintain that economic life can no longer be based exclusively on the profitability of trades and industries. They question whether the natural play of market forces alone can determine what is produced and how. Such views are excluded from the Commission's proposals, which are narrowly bound up with the market mechanisms.

What is more, it is the trade union movement and our citizens themselves in the individual societies who

must direct new developments according to their specificities. Society is a whole and is not identical with the undertakings. The individual society must, moreover, adopt a global approach when planning for the future. The international dimension must not be confined to the European Community. It is false to describe the world market as consisting of a European Community share, a USA share and a Japanese share. The multinational undertakings operate on a basis of common ownership, spanning national borders, because their objective is to put production where labour is cheap and to sell their goods everywhere without restrictions.

If the individual societies are to protect their members and guarantee them real benefits and a better quality of life on the basis of technological development, it is very doubtful whether that can be reconciled with the two cornerstones of the European Community, free movement of capital and of labour.

The new technology and unemployment are the main issues of the present time, but the solutions proposed by the Commission are one-sided and unimaginative. Most important of all, such vital matters must be discussed thoroughly and decided by the people in the particular community where they live and work. They should not be settled by a supranational authority over which our people have only a very limited influence.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call Mrs Maij-Weggen.

Mrs Maij-Weggen. — (NL) To ensure that the minutes are correct, I should like to know to which document Mrs Hammerich was in fact referring. She has simply talked about a document from the committee, but we have before us three documents from parliamentary committees. She has referred to a document with which I am not familiar, and I should like to know precisely what she was talking about.

President. — I call Mrs Hammerich.

Mrs Hammerich. — (DA) Yes, I should certainly like to answer that. I have concentrated my remarks on the Commission documents which form the basis of two of the reports which we are discussing here today.

President. — I call the non-attached Group.

Mr Gondicas. — (GR) Mr President, I agree that our first priority must be to combat unemployment among both men and women so as to achieve, as quickly as possible, tangible results. Without disagreeing with those who call for a programme designed to guarantee employment, it seems to me unlikely that such a programme could be adopted, given the diversity of systems and patterns of employment in the individual Community Member States.

In my opinion the most important thing is to formulate a joint programme for professional retraining of young people placing special emphasis on those technical professions where the lack of skilled personnel is already substantial. Generally speaking, the need today is to modernize technical instruction and acquaint young people, possibly even from the kindergarten stage, with technological developments. In the short term I propose that, in the event of an increase in unemployment, those countries in which such a phenomenon occurs, should introduce a system based on employment, on a provisional basis, in the public sector, the cost of which would be covered by Community resources. On this point I agree with the last paragraph of Amendment No 7 tabled by Mr Lega, to the report by Mr Calvez, in which he proposes the implementation of pilot projects in regions particularly hard hit by unemployment. Europe's survival, Mr President, is in the hands of our young people, whose task it is to continue our work. We appeal to all of you and, in particular, the Commission after what the Commissioner has said today, to ensure the adoption of measures calculated to support our young people hit by unemployment.

Young people are entitled not only to advice and counsel but, above all, to guaranteed living conditions.

May I conclude by saying that I was deeply moved by the remarks and the proposals of the Commissioner. I quite agree with him that we cannot afford simplistic answers to the problem. What we desperately need is a concrete, detailed, comprehensive study of the problem and, therefore, the task lies with the Commission.

President. — I call Mrs Viehoff.

Mrs Viehoff. — (NL) Mr President, with regard to these three reports we Socialists find that particular emphasis should be placed on one aspect of the whole issue of unemployment, and this is the problem of youth unemployment and the failure to reduce unemployment among young people. Within the tremendous overall problem of unemployment, youth unemployment is after all particularly alarming. It is a horrifying experience for an adult to lose his job after being employed for some time. But the consequences are

fatal if a young person can never find a job and has no prospect of finding one. He feels alienated, loses the thread of life, with all that that may entail: a loss of confidence in those he has chosen to guide him, rejection of society, a phenomenon that is already occurring in various forms. I do not need to give any examples. In the long term this may lead to serious disruptions in our society. The first symptoms are already to be seen, an example being the disturbances caused by young people in a number of large cities. Of course, disturbances must be put down, but that is to do no more than tackle a symptom. If the underlying causes are not sought out and eliminated, the use of force to put down disturbances is more likely to lead to their escalation than to their termination.

Of every four or five young people, one is out of work, and in some parts of the Community the figure is even higher. I am convinced that this high level of youth unemployment is perhaps not the only but certainly a major cause of the frustration that leads to aggression or apathy. Both are equally disastrous. In view of the many points raised in the three reports, I can well imagine that the Commission will not be able to answer in detail all the questions we have asked. But we should like as much information as possible, if necessary in the form of a communication. We are particularly interested in the Social Fund and the effect of the measures that have been taken with Social Fund resources since 1978.

Speaking of the Social Fund, I must say that it is unacceptable for the Council to have again resorted to cuts in this respect. Every opportunity is taken to express the great concern felt about youth unemployment, but at the same time the money the Commission says it needs in this connection is deleted from the budget. This is something we should not tolerate. We should re-enter this money in the budget. But I feel Parliament must consider whether we are making proper use of the money that is available in the budget for certain other items. For example, the energy budget includes a disproportionate amount for nuclear energy, between 75 and 80%. This is money which will perhaps — and I do emphasize the word 'perhaps' — produce results in the long term, but at this time, when action is so urgently needed, it contributes nothing, but nothing, to the solution of the unemployment problem. On the contrary: essential measures, for which we do not usually have any money, are being blocked as a result. Where is the small scale with which something can be achieved in the energy sector and to which both Mrs Salisch and Mr Richard have referred?

The young unemployed include categories that are even worse off than the rest: girls, the children of migrant workers and the young handicapped. The children of migrant workers will be discussed later this week when we debate the report on their education. But I should like to say that, despite the adoption of a directive, there has been little or no improvement in the position of this group. If we do not have the politi-

Viehoff

cal will to make changes, we might as well stick to talking and preparing resolutions. Words alone do not solve any problems, but if we do not solve the problem of youth unemployment, we shall be faced with the consequences sooner or later and they will not be pleasant.

I sometimes have the feeling that we are so concerned about peace in the world that we forget peace among the people in our own Community. But it is certainly in danger if no changes are made. The words of Commissioner Richard lead me to hope that he at least will do everything in his power to help bring about these changes, which will most definitely be needed in the short term. I feel the long term has been mentioned all too often this morning. I believe action must be taken in the short term, because it may well be too late if we think only of the long term.

President. — I call Mr Van der Gun.

Mr Van der Gun. — (NL) Mr President, on behalf of the Christian-Democratic Group I should like to make a number of comments on the employment problem. Previous speakers have adopted two premises, which in fact shows how serious the situation is. Commissioner Richard mentioned the figure 9 million, but he added two remarks to this. Anyone over 50 has no chance of finding another job if he becomes unemployed, and for anyone under 17 who has not found a job the prospect are equally gloomy. I would even say that the age of 50 is putting it rather high in a number of Member States.

This demonstrates the seriousness of the situation, Mr President. It indicates that the trend in Europe is such that the number of people earning a living is becoming progressively smaller while the number of people for whom a living must be earned is becoming progressively larger, and this will have a growing impact on the development of incomes and social security. Mr Spencer is not here, but he made an interesting remark just now: we may form the largest economic bloc, but why is it that, despite this, we are able to do so comparatively little to combat unemployment and to improve the employment situation? This is an aspect we must also bear in mind, Mr President. We can, of course, express all kinds of wishes and desires at any given moment, but what strikes me is that little is said about how all this is to be achieved. But that is extremely important. Being the largest economic power does not mean all that much to me personally while there is no European government, as opposed to ten governments, each going its own way, and we fail to make any progress, even though we are the largest economic power in the world. Mr President, I have given some thought to the question of what practical action the Community could take at present to tackle this problem. We must admit that the Commission is making a clear effort to coordinate economic policy, which has

not been wholly unsuccessful, but the difficulty is that Member State governments that get out of step cannot be forced to make adjustments. Everything is of a voluntary nature, but it must be admitted that progress has been made. Despite the defeatism, the Commission has certainly been successful, so far at least, the Community has succeeded in avoiding protectionism of the kind prevalent in the 30s, when in many cases the present Member States were ruined as they competed with each other. I am not denying that there are protectionistic tendencies in a number of Member States, but not to the same extent as in the 30s. The Community and the Commission have managed to avoid that, and there is a lot to be said for that.

As regards the financial possibilities, the European Social Fund and the European Regional Fund have performed creditably, particularly as under the Social Fund recruitment premiums have been granted, especially to young people, since 1979. We must, of course, realize that, with the financial possibilities open to these funds, they can scarcely make a substantial contribution to the fight against unemployment. Now I know we also have the structural part of the Agricultural Fund and the Investment Bank, not to speak of the Ortolí facility, all of which can help, but so far none of them has been able to make any noteworthy contribution to the fight against unemployment. A step in the right direction is the growing realization that things cannot be left as they are, if only because the governments of the Member States must gradually recognize that a solution to this problem is no longer to be found at national level. But we find that the people Commissioner Richard talks to do not draw the logical conclusions from the position they adopt in their national parliaments and revert to national and nationalistic tendencies. I think it is also a step in the right direction that we should slowly be coming to agree that the best method of fighting unemployment is to create new jobs, especially in the technologically advanced sectors. In this connection, I should like to refer to the press conference given by Commissioner Ortolí, who in fact pointed out in this context that considerable encouragement should be given to investments. That is right, of course, but he also talked about moderation of wages and improvement of production costs. I can understand that too. But if we look at this issue objectively, we must realize that we cannot go on as we have done, but that something must be done. There are two questions I ask myself, however. Firstly, why this reference to moderation of wages rather than moderation of incomes? I do not see why other income groups should not make the same sacrifices as the workers to help improve the employment situation. As regards the promotion of investments, in which the high interest rates are naturally playing an important part at the moment, I wonder why the Commission does not refer to investment countries, thus creating a sanctuary and also enabling the workers to be involved in these investments at a given moment. This is something which

Gun

should be considered more carefully, I feel. Then, Mr President, it is, of course, very important for jobs to be protected, and that principally means tackling the problem of restructuring. Here we find that almost all the Member State governments attach far more importance to national interests than to European interests. It is not just now: even at the time of the economic crisis there was very little willingness to tackle the matter at European level. And what could be more obvious than for us to ask at European level: what lies in store for our textile industry and many other industries? Are plans being made, some kind of project being set up and the implementation left to the Member States and the social partners in the Member States, so that coordination is ensured? The way things are happening now, we find that competition in the Community is increasing and that as a result protectionistic tendencies are growing, with all that that entails.

The question is, Mr President, how are we going to achieve this? Reference has been made to a framework directive or a framework agreement. I must say that, in my opinion, consultation between the social partners at European level is far too inadequate for it to produce a framework agreement in the near future. What might be produced is a framework directive, but Commissioner Richard claimed that there must be agreement between the social partners. I cannot agree with him on that. Just as a national government has a responsibility when the social partners do not agree to pursue a given policy, the Commission has a responsibility of the same kind, although I do agree with the Commission that it would, of course, be far better if a joint approach could be adopted. I would then like to speak out in favour of this structural policy, an essential condition being, however, that reasonable consultations take place between employers and employees in this sector. The reason why the discussions with the social partners are vague is, of course, that — and this is no criticism of the Commission, but a statement of fact — financially the Commission has little to offer, because as soon as there is something to offer — let us take the steel industry as an example — the social partners do show greater interest and, thanks to the Commission's perseverance, the means exist to tackle this problem. We really ought to have more than one string to our bow, and we call on the Commission to take initiatives, also as regards a number of sectors that are in difficulty, in order to achieve a better approach to these problems.

To conclude, Mr President, because my ten minutes are up, I should like to make an urgent appeal to the Council in its various forms in this connection. They are not here again, but I would nevertheless appeal to them at last to break with this narrow nationalistic approach, which only ever provides a temporary solution, only increases the competition within the Community and weakens the common front against Japan and America. I also appeal to the Commission to adopt a stronger attitude towards the European Coun-

cil, which is always saddling the Commission with all kinds of preparatory work and studies, without saying that it is prepared to accept the financial consequences. And I appeal to the social partners to drop their present approach and to join with the Council, the Commission and Parliament in facing up to the gigantic problems with which we have to contend and which we shall certainly not overcome, in my opinion, unless we adopt a better, more coordinated joint approach at European level.

(Applause)

President. — I call Mr Prag.

Mr Prag. — Mr President, everyone in this Parliament is surely agreed that the greatest problem of the western world today is unemployment. Unemployment on its present scale is degrading and unacceptable. Where we in the European Democratic Group perhaps differ from our colleagues on the other benches on the other side of the House is in the solutions we advocate.

In the first place we do not believe in cosmetic solutions. Tinkering with the working week or the working year may help but the task of reducing working time will only be effectively achieved over time in collective bargaining. Part-time working may make more jobs available but let us not forget that it will also make more people available to fill them and increase the work-force, whose increase we have already heard described so graphically.

Early retirement is perhaps the best of the cosmetic measures but we still have to remember that those who retire early are likely to seek other jobs or that they will pine away from boredom. Dirigiste or interventionist measures will not work because by definition they attempt to do what otherwise people would not do. Such measures will merely build up tension and then create dislocation when the tension has to be released.

What we have to do is to find ways of providing what people really want and that is, quite simply, work — useful jobs in productive, efficient and also agreeable workplaces. It is this difference in emphasis that is at the root of our amendments to Mr Ceravolo's otherwise highly commendable report.

Tom Spencer said very eloquently that there is no surer way of expanding unemployment still further than by refusing to adopt the new technologies. There is surely no more certain way of losing our markets to the producers who do adopt them, and exactly the same thing will happen if we reject low-cost energy. We welcome the development of soft energy — of wave power and wind power and solar energy and the biomass, but we know that they can provide only a

Prag

small part of the solution we need — perhaps 5% of requirements at most — and we know that we cannot cover western Europe with windmills, one every few hundred yards, even if we had the capital to do so. Anyway, modern windmills are not beautiful like the ones we see in Dutch paintings and in our own East Anglian countryside. The bias against low-cost nuclear energy in the Salisch report is not acceptable to us. France has had the good sense to adopt a major nuclear programme which will provide it with ample supplies of low-cost energy. We must be quite clear that if we choose high-cost energy, or high-cost anything else, in our factors of production we condemn ourselves to higher unemployment.

If I may now turn to a more positive side, let us also beware of forecasts. Forecasts, whether grim or optimistic, always tend to extrapolate the present. That, as we all know, is pretty grim at the moment. What forecasts fail to do is to take into account the change in the parameters, the basic assumptions, the unexpected happening like the oil crisis of October 1973, which changes everything.

Leaving aside the vital elements of chance and good luck, there are two major positive ways in which the Community can help. We have spoken about them many times and they occur in all three of these reports. One is in funds for investment and the other is in the provision of skills-vocational training. On investment I have said several times in this House that we need at least to triple, probably to multiply ten times, the sums available for loans from Community sources. A far greater proportion of them should go to small and medium-sized firms because they are the firms which provide the jobs.

On vocational training, too, the Community can play a major part. In the field of training it has the legal mandate — its obligation under Article 118 of the EEC Treaty — to work out a common vocational training policy and it has the instrument in the shape of the Social Fund, which is largely concerned with training. In job training indeed the Community has a unique opportunity. At a time when so much is changing in the future of technology, it can promote new and different experimental forms of training. It can compare practice in ten different member countries and draw conclusions as to which practice is best. It can also help to raise the numbers trained, particularly in three Community countries, the United Kingdom, Ireland, and Denmark where the numbers are inadequate in comparison with other Member States. It can propose guidelines for job training, and indeed I would like to see it recommend that job training should be a right for all young people up to the age of eighteen.

When I was in the United States last month I came across a job training scheme that I think was the most interesting I have seen. The California State Government arranges training courses specifically to meet the

needs of specific employers, who undertake to employ those who are trained. I believe that that is the real answer: training tailored to meet real requirements.

Finally, Mr President, it is in the balance we strike between public and private consumption on the one hand and productive investment on the other, in the allocation of real resources, that the core of our problem lies in the western world. I say, not entirely flipantly, that if we could use early retirement to pension off our trade union leaders and wage negotiators for two or three years, and reallocate to productive investment for re-equipment and new production the money saved on wage increases, our problems would be greatly eased if not solved. For in the last resort it is through productive investment in our industry and commerce and in training people in the use of the new means of production that we will make our existing industry competitive in world markets, sensitive to changes in those markets and provide the new jobs we now need.

President. — I call Mr Frischmann.

Mr Frischmann. — (*FR*) Mr President, the French Communists welcome this debate on employment because this problem, together with that of the cost of living, is exercising the minds of countless millions of workers and, in particular, millions of women and young people.

This is true of France, as indeed it is true of most countries of the Community, and that is why the workers of France warmly applauded the first measures introduced by the new French Government designed to get the economy on the move by an initial increase in the purchasing power of low-wage earners and in family benefits, by creating jobs in the public sector, by improvements to the agreement on the employment of young people, by opening negotiations on working time and on the pensionable retirement age, and by nationalizing banks and major industrial groups, which will make it possible soon to curb the nefarious activities of the financial and industrial giants and to have greater control over economic and social policy. Similarly, French workers are interested to learn about the new measures being announced at this very moment by the French Prime Minister concerning youth employment, aid to undertakings that recruit personnel after reducing working hours and, finally, the lowering of the age of retirement and early retirement.

But we do not hide the fact that we are engaged in a long and bitter struggle with the employers who are always only interested in profits and who continue to lay off workers, to close down firms, to devastate entire regions and to transfer their activities abroad while imports are rising and investment diminishing.

Frischmann

We are well aware that this problem cannot be resolved by waving a magic wand or by a miracle cure, as someone here has already said. But we are also aware that it is possible to reverse the trend by using every means at our disposal in the hope that, taken in conjunction with one another, these steps will gradually lead to the elimination of the unemployment problem. Some measures along these lines are suggested in the three reports presented today by Mrs Salisch, Mr Ceravolo and Mr Calvez, which we endorse.

For our part, we wish to give emphasis to prompt and concrete measures for which workers, above all the young, and their trade unions have been waiting.

In the first place we must take resolute action to halt the loss of jobs and create new jobs. This is possible, despite claims to the contrary, as shown by the recent successes achieved in France, if we rely on the struggle of the workers and the people, if we involve the workers concerned, their trade unions and their local elected officials in the search for positive solutions, making the fullest use of the opportunities opened up by nationalization, by planning and by a more democratic system of taxation, as well as the new rights accorded to workers and their organizations to ensure that the resources thus released are used effectively in creating new jobs and not, as has been the case for far too long, to finance lay-offs, closures and redeployment.

Secondly, we must urgently set about winning back the domestic market, which is presently swamped by products of foreign manufacture that could perfectly well be produced in each of our countries, for, contrary to a too widely held view, importing foreign products costs society more than producing them ourselves. We have therefore to put an end to the policy of shutting down production lines and restore the balance of foreign trade, especially with the United States and Japan, by if need be adopting temporary protective measures, measures that the United States and Japan themselves adopt only too readily when their own domestic markets are under threat. Accordingly, steps should be taken to revitalize those areas of production with good export potential and best able to benefit from the new links with the Third World and to put a stop to the scandalous practice whereby goods are manufactured by subsidiaries set up abroad and are then reimported by the big corporations that have in the process scrapped jobs in our respective countries, and notably in France.

Thirdly, we can never emphasize enough the importance of raising the standard of living and reducing the divisive inequalities in our societies. It is said, for example, that a 1% increase in consumption means 100 000 jobs saved in a country like France. Now, 50% of the working population are on ridiculously low incomes, which tends to reduce the domestic market and, in consequence, the level of economic activity and employment. It is in this area that we need

to concentrate all our resources in order to bring about a radical reversal of the disastrous effects of the austerity policies that have been pursued for years and have done nothing but fuel unemployment and inflation.

Finally, as regards the necessary reduction in the hours of work, made possible — even essential — by the scientific and technological revolution, we have to underline the fact that such a reduction must be on a large enough scale to create new jobs, leading eventually to a 35-hour week, provided of course that some safeguards can be built in to prevent employers using this as an excuse to step up work rates or increase overtime working, which they never fail to do, as we know from experience in our country. In conclusion, we are convinced that, with this in mind, the workers and their organizations will strive all the more to stamp out the blight of unemployment which is inherent in the capitalist system and an inevitable corollary of the dominance of the great monopolistic companies that are primarily responsible for it.

President. — I call Mr Pininfarina.

Mr Pininfarina — (*IT*) Mr President, ladies and gentlemen, we are dealing today with problems of great significance for the Community; to solve them correctly it is essential to find a balance between emerging social needs and the economic rules of a free system. We should not make the mistake of ignoring economic laws which cannot be violated without causing a backlash which will quickly dissipate the advantages enjoyed in the short term.

I come from a country which more than any other in Europe has had recourse to the panacea of the Welfare State in order to solve serious employment problems, immobilizing clearly untenable situations and destroying the possibility of new jobs for future generations. Indeed no merely partial policy such as the reduction of working time can by itself succeed in overcoming complex social problems such as unemployment. The slogan 'shorter hours means more jobs' is thus a pure and simple illusion if it is not seen within the context of a much larger policy meant to rekindle development.

Experience teaches us that working hours have constantly decreased in relation to progress in economic development. But is the present Community situation compatible with a generalized approach of this kind? Above all, is it valid for all countries in the same way, given the fact that there are wide differences in the real number of working hours in the various countries? I have grave doubts on both counts, and that is why I have tabled amendments to the Ceravolo report, a document which on the whole commands my admiration.

Pininfarina

We must be aware that the enemy to beat is called 'zero development' and that what must be saved at all costs is the productivity and competitive ability of the companies, threatened by the better performance achieved by non-Community competitors.

I believe that the Community, in pursuing its goal of a socially just, homogeneous and efficient Europe, cannot and must not ignore two key elements to which I would like to call your attention. First, technological progress has always been a positive factor for the economic sector and thus for progress in general. The second is principally a cultural element: it is of paramount importance to overcome the idea of an insoluble conflict between the interests of the workers and those of the industries. The two go hand in hand and together they guarantee social welfare in a larger sense.

The gravity of the social and human problems at hand obliges us to put aside ideological rhetoric.

President. — I call Mr Vandemeulebrouke.

Mr Vandemeulebrouke. — (NL) Mr President, eighteen months ago we had another debate on the enormous problem of unemployment, and since then the unemployment figures in the European Community have continued to rise. I therefore wonder whether we should not abandon the classic premises and the classic thought patterns. Have they not in fact worn very thin? Mrs Salisch's excellent, remarkable report seems to us to indicate a new course, a new solution: creating employment by a small-scale approach.

As my example I shall take energy. Mrs Salisch clearly says that nuclear energy is no answer and will not create new jobs, whatever the British Conservatives may claim. The report clearly shows that soft energy can produce new jobs in the medium term, and it refers, for example, to the study carried out in the United States, where it is believed soft energy will result in the creation of one million new jobs, which, using the same models, would mean more than two million new jobs in the European Community.

Then there is the second problem, the new technologies. It is right to say that new technologies will lead to the loss of many jobs in the short term, particularly in the tertiary sector. But here again, Mrs Salisch points a new way. She makes it plain that it would be unrealistic to reject these new technologies and also that they provide new employment opportunities, for example through decentralized production. This might create one million jobs.

The question is therefore whether the centralizing approach still advocated by the European institutions can still be considered satisfactory or whether it should not in fact be abandoned, because this centrali-

zation has resulted in alienation from work, in depopulation of rural areas, in inhuman urbanization, in a monoculture and in dependence on the international economic planning of multinational companies. Weighing up these elements might well reveal that real growth can in fact be regarded as the decline of prosperity. We therefore favour regional planning, the small-scale organization of economic activity, an approach to which far too little attention is paid. It is evident, particularly where the new technologies are concerned, that the regions which are already lagging behind, will again have to be accorded special treatment. That is why we are very much in favour of far greater development of the Regional and Social Funds. The Commission has completely neglected these funds. If we really want to create alternative jobs, we must revise the regional policy and also the financial contributions made by the Regional and Social Funds. If the Commission had taken a new step in this respect, we would not have needed to hold this second, almost pointless debate, because all we are really doing now is repeating the debate we had in January 1980. In fact, a number of speakers have literally said the same as they did in January 1980. But time has not stood still, ladies and gentlemen.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Mr President, I should like to begin by saying that we are talking about a European employment policy and the adaptation of working time, but that the number of people actually out of work in Europe far exceeds the official figures, for the number of unregistered unemployed is far higher than the official figures indicate. If, for example, we add women who would take a job or the partly incapacitated who might take on full-time or part-time work adapted in some way to their abilities to those officially registered as unemployed, we might well find that twice as many people are out of work. This means that we are dealing not with 9 million, but perhaps 18 million unemployed. If we try to realize the magnitude of this problem, the solutions proposed in the reports seem entirely inadequate. Consequently, the unemployment problem must be looked at from a completely different angle. I shall return to this subject in a moment.

I should like to refer first to shorter working hours and part-time work. In view of the tremendous shortage of work, we have a duty to share the work available more fairly among those who are capable of taking on employment. D'66 is seeking at national and European level solutions such as part-time work and forms of shorter working hours such as early retirement, a shorter working week and educational leave. We believe that in the future more people will take advantage of these opportunities, partly as a result of emancipation, the change in the roles played by men and women and the changing attitude towards work-

Eisma

ing and not working, particularly evident among young people. Mrs Cassanmagnago Cerretti has already referred to this.

But as, in our view, part-time work and shorter working hours are bound to involve loss of wages, something which the European trade union movement considers quite possible, part-time work at a lower wage will be taken on voluntarily by relatively few people even in the future, we feel. Although D'66 intends to do everything it can to achieve a fairer distribution of work, we are afraid that the results will be comparatively modest. In particular, the number of people in full-time employment choosing to change to part-time work will be limited, because that will mean a considerable decline in incomes, in addition to the reductions workers are now being forced to accept.

The proposals made in the various reports for creating employment in the services sector are of dubious value. In various countries of the Community there is already a crisis in the welfare services; in other words, there must be a reduction rather than an increase in public and/or private efforts to protect the citizen, in the social services and health care sectors, for example. The concern the professionals feel for their clients is increasingly considered to be patronizing and to smother the individual's initiative and sense of responsibility. The Illich papers indicate that there must be limits to the services provided by the Welfare State. We can therefore hardly count on a substantial increase in employment in this sector. I will join with Mrs Salisch in saying that soft energy may be an exception.

In view of what I have said, my group feels that the aim of full employment, avowed both nationally and internationally, must be abandoned. This means that we want a right to free time substituted for a right to work. We agree with what Prince Claus of the Netherlands said in his address of 4 September, although we were saying the same as long ago as 1975. I quote: 'The increase in scale, automation and the use of computers to control production processes are advancing by the day. This means that every day we must endeavour to reduce employment, because automation will ultimately result in a massive loss of jobs.' However, we do not agree that we must reckon with a structural reduction in the number of working hours needed yearly. A fundamental change of policy means acceptance of the fact that a large number of people wanting to work will not be in paid employment now or in the future, and that is something the European Parliament must also accept. In other words, we must try to change our attitude towards non-workers. This is a tremendous challenge, because we must learn to realize that work need not be an end in itself. The attitude towards those who do not work must therefore change. It must be realized that social development is possible without paid work being performed. People without work must not be regarded as socially inferior. Unpaid work is just as creditable as paid work. Policy, and education policy in particular, must be

geared to teaching people to use their free time to some purpose, that is the increasing amount of time they do not spend working in the traditional sense.

Mr President, I have not yet heard the employment problem discussed from this angle. Hence my remarks.

President. — I call Mr Nyborg.

Mr Nyborg. — (DA) Naturally we must do everything we can to reduce unemployment, but I must warn members against advocating means which will only make the situation worse. Mr Ceravolo's report unfortunately contains a number of proposals which, in my view, will have exactly the opposite effect of what is intended. A general reduction in working time will, I am afraid, lead to higher prices, because it is suggested that working hours should be reduced while wage levels are maintained, which would mean increased expenditure for our firms. The result would be that our competitive position on the world market would be further weakened and this in turn would mean more unemployed and that is certainly not what we want.

Furthermore, I am sure that if we succeed in getting an upturn in the economy, it will be impossible to increase working time again so that production can get under way and produce the number of goods required to enable us once again to occupy the position we ought to occupy on the world market.

President. — I call Mrs Gredal.

Mrs Gredal. — (DA) Mr President, unemployment is haunting Europe as it did in the 1930s. Therefore it is very important that we too here in the European Parliament should discuss the whole complex of problems relating to unemployment and we simply cannot do that often enough. We very often hear negative things said about this Parliament here in the House, but I should like to point out that Parliament is now concerning itself with something really relevant and proper. If it could concentrate on things of this nature instead of on the more or less trivial matters which get onto our agendas, I really believe that its prestige would be enhanced accordingly.

We are considering today three reports which deserve careful consideration. Here we have, collected together, information on related subjects which up to now could only be found in many different places. I regard these documents as a source of inspiration for a whole series of actions. Parliaments has no specific power here — that is something we could well spend time talking about — but we in Parliament do have a very important role to play in stimulating discussion and inspiring one another and the people we represent.

Gredal

But speaking of inspiring one another, I would point out that a lot of information seems to me to be missing from these reports as far as Denmark is concerned. We in Denmark also have a 'social guarantee' system for young people similar to that described in relation to the United Kingdom. We also have a large number of job creation schemes, which could also perhaps be of interest to other countries. I find it surprising that the Danish Member, Mrs Tove Nielsen, from the Committee on Social Affairs and Employment did not see fit to pass on this information to the committee; then these three reports would have provided a somewhat better source of information than they do today. Anyway, I hope it is understood that there are omissions in these reports.

I believe, as I have just said, that we cannot talk too much about unemployment. We must inspire and encourage one another. I shall make just a few points in the short time left to me. First let me say that I am very surprised that we have not gone the whole way and called for a 35-hour working week. That is what one of the social partners wants. It is a relevant and reasonable wish and it seems to me that it would have improved this report if one had called a spade a spade — i.e. called for a 35-hour working week.

Another thing which I think should also be mentioned here is that one should be on one's guard about pre-empting the role of the social partners. In Denmark we have a good tradition of letting the social partners discuss their own conditions. However, I do not consider that these reports presume any kind of mandate; they are simply an attempt to offer some advice to the social partners. Nevertheless, I do wish to stress that only the social partners can reach agreements about conditions on the labour market.

What we are discussing here is a labour-market policy, which is certainly intended to be a constructive policy, but which cannot by itself solve our unemployment problems. I think one of the most essential things the European countries can do is to demonstrate much greater solidarity in adjusting their economic policies. That would mean that we could really come to grips with the terrible problem of unemployment and then perhaps Europe's unemployed could begin to look upon Europe as a good thing instead of, as now, seeing all the countries around them each pursuing its own kind of economic policy, all at odds with one another.

President. — I call Mr Brok.

Mr Brok. — (DE) Mr President, ladies and gentlemen, it has rightly been emphasized that unemployment is an economic and social scandal, a failure of policy, however important the part played by other circumstances. I feel this must also be said with respect to the younger generation, since in a number of

Member States over 50% of the unemployed are under the age of 25. This is certainly no advertisement for the future of our democratic system of government. The problem is therefore not only an economic one but also one of government policy.

We are therefore happy to see some of the practical proposals made by my group reflected in the Calvez report on the subject of youth unemployment. In the coming months the EPP will be putting forward a few other practical proposals it is now preparing on the subject of youth unemployment, the associated education policy measures and the problems connected with the children of migrant workers. I feel it is right that we should be discussing in this context the possible social solutions and the problems raised by social measures to cushion the effects of unemployment and that proposals on such things as shorter working hours should be put forward, although we realize, of course, that in view of the need to remain internationally competitive, shorter working hours without increased productivity would tend to aggravate the problems.

But we must also realize, I believe, that social policy cannot solve, only alleviate the problem of unemployment, because a solution can be found only through economic policy measures and that, because of rising oil prices, we must therefore take up the search for cheaper sources of energy, place the emphasis on breaking down bureaucratic barriers erected by the State and also make progress in the technical sphere, despite all the problems that entails. This is particularly important if Europe is to hold its ground internationally.

It is here above all, because of the magnitude of the investments and the research work that is needed, that efforts at European level are required. We of the European Parliament must no longer accept that Europe should be declared competent only where problems have arisen and that things with a future should only be credited to the nation States, even though they are completely incapable of raising the necessary funds on their own. It is in these areas in particular that the necessary Community responsibilities should be transferred to Europe. Then we could solve these problems too.

We should undoubtedly bear in mind that a certain opposition to technology, which was evident particularly in the first draft of Mrs Salisch's report, but has not been mentioned so far, would result in our having not less unemployment in the medium and long term but, because of the developments being achieved in the United States, Japan and a number of other countries, permanent unemployment entailing serious problems. Opposition to technology will not therefore get us anywhere. In my own sector the Nixdorf company is an example of how modern developments not only in electronics but above all in engineering can create new jobs.

Brok

The low level of investment in quite a number of Member States — in nuclear energy, cable television, telematics and similar projects, for example — makes it clear that we should perhaps make a start in this area more often rather than just talking about social measures to alleviate the problem. When, for instance, the largest governing party in my own country, the Federal Republic of Germany, discusses a DM 1 500m programme to stimulate the economy but is at the same time responsible for the blocking of the investment of DM 40 000m in new power stations, then an economic programme of this kind is simply ridiculous and it is the worker who has to suffer the effects of ideological disputes about energy policy.

(Interruption from the left)

You must realize that in the Federal *Land* of Lower Saxony you are among those who do not support the sensible policy being pursued by Prime Minister Albrecht and that you and your own government are therefore to blame.

The inability of the political leaders to encourage forward-looking innovation rather than short-term and, in the final analysis, backward-looking measures, such as uneconomic investments to prop up ailing industries, will cost Europe its future. Talking of the energy sectors, Mrs Salisch should not be concentrating on whether jobs can be created through energy production, but on whether cheaper energy can reduce production costs in other sectors and so lead to the creation of jobs. Or to put it the other way round, what this report suggests will undoubtedly result in further unemployment! I sometimes have the impression that unemployment is used here as a pretext for opposing nuclear energy, which ultimately means achieving ideological aims at the expense of employment.

To become less dependent on oil, we should undoubtedly be making greater use of coal. Any report submitted to us here which opposes nuclear energy in some way, but overlooks the serious risks for the environment inherent in coal-fired power stations is in my opinion an unbalanced report, which furthermore takes no account of the fact that, because of the links between the various types of energy, a decision not to build nuclear power stations can only result in our not being able to eliminate hunger in the Third World, since we shall then be consuming and increasing the value of energy resources the Third World countries need for their development.

It is said that we should solve our unemployment problems by creating jobs in coal mining, but I should like to ask Mrs Salisch to take a look at working conditions underground. I do not know whether these conditions can still be described as fit for human beings.

I do not think it necessary to go into the question of the 35-hour week on full pay. In the general context, such a demand sounds somewhat ironic if it is not linked to the question of increased productivity. Although we are in favour of shorter working hours, we should not forget the other factors involved.

We have therefore tabled a number of amendments which, if adopted, would enable us to vote for this report.

President. — I call Sir David Nicolson.

Sir David Nicolson. — Mr President and colleagues, unemployment must not become the rock on which the European Community founders and please do not underestimate this danger. If the European Community shows that it cannot take an effective initiative or produce new imaginative ideas to combat unemployment it will lose credibility with its peoples and pave the way for protectionism which will undermine the common market.

We live in a time of change and we do not lack opportunities. We shall, for example, depend increasingly in the future on improvements and a full share of growth in the service sector. In the past ten years employment in manufacturing industry in the Community has decreased from 40 to 30 million but in the service industries, including telematics and informatics, it has actually increased from 40 to 50 million. If ever there was a case — a classic case — of industrial change taking place before our eyes this is it. We must not fear and resist this change and this applies to both management and labour: we must study it and seize the opportunities it offers. Another opportunity is investment in energy, which we need badly, and which can be made to pay for itself by conservation and by cheaper prices of supplies to industry while creating work meanwhile.

And there are other opportunities in new high-technology industrial areas, but they all need money. Microbiological and genetic engineering is just one of these opportunities. In Japan there are already some 4 500 Ph.Ds at work on basic research in this area, preparing for new industries and employment in the future, while there are probably only 500 in the whole of the European Community. And the same thing applies in other new fields.

What are we going to do? Are we going to sit back and lose out again as we have done in semiconductors and in computers? There is a direct role for the European Community in basic research which has now declined to the point where the long-term competitiveness of European industry is actually endangered. But basic research and modernization and industrial innovation all call for money — not handouts. But I believe a new system of loan finance in partnership with industry

Nicolson

and the European Community can do it if it makes up its mind to do so.

It is interesting that Japanese corporate industry now has outstanding loans amounting to 96% of its gross domestic product compared with 40% in West Germany and 20% in the United Kingdom. In the UK the average loan outstanding in industry is for only two years. I hope that the new Secretary of State for Industry in the UK, as of yesterday, will note this and the role that the Community could play — which his predecessor did not appear to do. It is true that there is no shortage of investment finance in the UK for companies able to repay capital interest amounting together to something like 65% of the loan value per annum. But it is hardly surprising that there is a supposed shortage of viable projects on this basis.

The reverse is the case in Japan, where virtually unlimited bank funds have been available at 8% or so with a guarantee that the capital could not be recalled for many years. Nor is it surprising that demand has been so great that the Bank of Japan had to support the industrial banks to sustain it.

Whatever your political views you must accept that at this time of crisis the private sector is our best hope for the rapid creation of wealth and employment. It does not need an interventionist approach — it needs the financial environment to give it a new stimulus with the same facilities as its major competitors.

The European Investment Bank is one of the Community's greatest assets. Its growth has been impressive and it has just doubled its capital to permit further growth. I believe that the Community must now help it to move to a new and greater role by launching a massive programme in partnership with industry to finance modernization and new projects by the provision of cheap, long-term finance, as has been done in Japan, backed by Community guarantees and interest subsidies but administered by bankers on a practical basis.

This would not involve a major increase in the size of the Community budget: the money could be raised on the international markets by the European Investment Bank, as it is now, in addition to the use of OPEC funds for recycling and the Community would only need to underwrite the loans and use its funds to subsidize interest rates and thus enable greater development risks to be undertaken.

This is the chance to fight unemployment by creating growth. This is the chance for the Community to show what it can do. Remember that cynics never built cathedrals and great endeavours are never begun without faith and perhaps even a measure of *naïveté*. But let us take a new look now and let us make use of the assets which we really have.

President. — I call Mrs Boserup.

Mrs Boserup. — (DA) Mr President, for the information of Mrs Maij-Weggen and others who may have some difficulty understanding what I say, I would just like to explain that my remarks refer to Mr Ceravolo's report on the reduction of working time. There are so many good things in this report and it would be quite wrong to deny that; yet one has the impression that it attempts to deal with symptoms without trying to diagnose the illness. In paragraph 2 of the motion for a resolution it says that 'a way out of the crisis must be found through changes based on a consensus of the broad mass of people'. That is true, so very true, but how can this consensus find expression? Nothing is said about that and yet it is the most important point of all. In my country 80% of the active population are workers and so the hope for the future should lie in their participation in the adaptation and modernization of production. Here the report seems deliberately evasive. It says we must 'overcome the threat posed by the dangerous contradiction between the need for technological modernization and the rigid defence of existing jobs'. Such a contradiction can be overcome, but only if workers have real influence. Only by removing the employers' exclusive right to control and allocate work and to transfer and shut down firms can we give the workers any influence over the restructuring which the report rightly considers necessary.

The report refers to an outline directive from the Council. This would not merely be unnecessary, it would also be wrong in principle. A great deal is said here in this House about the rights of the individual. We criticize others for disregarding workers' rights. Well, I think we should for once get out our own house in order in this respect. The trade unions should express the wishes of the workers. They should give precedence to the requests of their members. To require that their wishes be brought in line with an outline directive would be interfering with the right of free negotiation. It would turn negotiations into horse-trading if not only the national authorities but a supranational body were supposed to tell the workers what they were entitled to ask for at any given time. That is not acceptable.

A reduction in working is a very topical subject of debate among trade unions in Denmark. The Socialist People's Party, which I represent here, is taking as active a part in that debate as it can. Commissioner Richard more than once used the phrase 'a reduction in annual working time'. We are trying to get a reduction in daily working hours, for that is the only way we can help families and especially women, who are weighed down by their dual responsibility. We do not need any outline directives. We need strong, resolute trade unions. This can be achieved not by talk in seven

Boserup

languages here in the House but by political activity at the workplace, and my party is devoting most of its energies to this objective.

President. — I call Mrs Pruvot.

Mrs Pruvot. — (*FR*) Mr President, for several hours now we have been debating the adoption of a Community policy to combat unemployment. The figures quoted by some of our colleagues graphically portray the seriousness of the situation. I submit, therefore, at the risk of speaking a language that might seem strange to the ears of a trained economist, that in seeking a solution to the problem of unemployment we should leave not a single stone unturned. That is why I should like today to turn the spotlight onto the paradox that while we are considering reducing working hours and lowering the age of retirement and thereby increasing our leisure time, there is at the same time a fairly high level of unemployment in the professions belonging to the cultural sector.

The cultural sector can and must provide new job opportunities. Much greater scope must be given to cultural and leisure activities. Let me explain. Take, for example, the conservation of our architectural heritage. Every operation carried out in this field is capable of creating or maintaining employment so long as the necessary measures are taken to provide prior training in the special skills required for this kind of work.

In the present period of unprecedented urban development it is essential to protect our environment and our quality of life. Besides, preservation of our heritage does create parallel jobs. I am thinking here of such professions as architect, engineer, town planner, landscape gardener, but also manual and skilled jobs of the kind that more often than not appeal to young people.

However, it is in the field of the performing arts that unemployment is most serious. Now, this is a particularly important aspect because as far as this sector is concerned jobs can be created in the medium-sized towns and in rural areas. The creation of such jobs is in fact part of a comprehensive plan to decentralize cultural activities and fits in well with the European Community's objective of developing the regions. If I take the case of France, we find in fact that only the theatres and symphony orchestras in the major cities are at present receiving State subsidies. Now, if we are going to be able to create new jobs we have to have a proper training policy.

In fact the cultural sector is often badly managed. If we want performances of a high standard considerable effort must be spent on training the artists. Only then will we be able to stop the drift of professional people away from the cultural sector.

Of course, as our debate shows, it is as always a question of resources. As regards help from the Community, governments can apply to the Social Fund or the European Regional Development Fund for assistance in creating jobs in the cultural sector. But the basic problem is still that of the political will of the Member States. For, to receive a grant from the Social Fund the initiative has to come from each individual government, which has to put up a sum at least equal to that paid from the Social Fund for any proposed project.

And so it is only through increased cooperation between the European Community and the Member States that we can succeed in checking unemployment in the cultural sector, which, I will admit, does not represent a particularly significant proportion of the total unemployed, but nevertheless it is a sector in which a considerable number of jobs could be created, thus helping to bring down the overall number of people without jobs.

President. — I call Mr Vié.

Mr Vié. — (*FR*) Mr President, I should like first of all, on behalf of my group and also in my own name, to congratulate the rapporteurs on the excellence of their work. Taken together, the documents before us provide a quite remarkable analysis of the present unemployment situation and with it an excellent point of departure for our search for solutions to it. To say that, whilst the analysis is a very accurate one, the solutions recommended are considerably less clear is in no way to criticize them, for had the solutions been simple we should have known about them long ago.

I do not claim to have any ready-made solutions either and in view of the short time available I should like to deal essentially with a political aspect, that is to say the part our Community can play in this extremely important matter. What strikes me most forcibly about this problem — and this is not a unique example — is the puzzling contradiction between the capacity to know, and thus to predict, that modern aids give us and our apparent inability to make use of it. None of the phenomena of the terrible situation in which we find ourselves has been exactly a bolt from the blue. Even the oil crises, although precisely when they would happen could not have been predicted, were a logical consequence of the concerted policies of the great economic powers that dominate our world of politics, consisting of underpaying for raw materials — for the crisis is not only in oil — to ensure production at the lowest cost and thus a very rapid expansion in commerce. Inflation and unemployment lay dormant at the bottom of the oil wells so long as there were economic powers strong enough to keep the lid on them tightly closed. They were forgetting two things: the first, a philosophical point, that human rights always in the end will come out on top, whatever the

Vié

will of the powers, the other, more prosaically, that such an economic policy was a short-sighted one. By underpaying the producers of raw materials one could not help but starve to death the very market one was actually seeking to conquer.

If the enormous political and economic forces that have dominated our world had a more humanitarian rather than a purely materialistic outlook on the exploitation of our planet's wealth we would have been able to prevent those crises that are simply our own actions rebounding on ourselves. If our European Community has one purpose, given its immense philosophical and spiritual potential, it is to give back to the economy its true *raison d'être*: a service to man. We cannot — and it is not our function — take over from the States in finding solutions for them. They are all going to be quite different, given the difference in the basic parameters. But I think we can do two things.

The first is to set up an effective research and information service which will act as a repository of national and international data. The European Community is not just the sum total of private national interests, it is a value added to that which, individually, none of the States could achieve on their own. And in this context, a structure such as that of the Community has the resources and the duty to set up this service for the benefit of all.

About twenty years ago, during a period of industrial euphoria, an investigation carried out in my country among young workers revealed that one-third of them were not in the trade for which they had been trained, one-third had had no training whatsoever and only the remaining one-third were in the trade they had learned. I wish I could be sure that a similar investigation, repeated in 1981, would give very different results.

It is absolutely essential therefore that we set up a forecasting service which, using all the available economic and social data, would help to match vocational training to the real needs of industry.

The second thing we can do is of a political order. In all the major rounds of negotiations in which Europe, in the shape of the Community, is increasingly involved, it should use all its political influence to order the world in such a way as to ensure gradual development for all its peoples, rather than helplessly watching the gap widening between the North, which is constantly growing richer, and the South, which is constantly growing poorer. That, we realize, is the price of world peace, and if we are not really seeking justice purely for its own sake then let us at least have enough selfish interest in our own tranquillity to face squarely the reality of the problems. European integration has removed from our horizons the threat of war between our peoples. That is a major achievement in itself, but it would be all put seriously at risk if we should fail to appreciate that the world is still in the

grip of an equally brutal and equally deadly economic war. If vigorous economic competition is a source of progress for all, economic war can be the cause of a permanent political destabilization.

Whatever our political beliefs, we should all like to see ourselves as peacemakers and defenders of human rights. It is by a new concept of world economics that our efforts have to be guided, otherwise we shall be no more than idle dreamers, salving our consciences by adopting successive and repetitious resolutions which do nothing fundamentally to alter the problems. And I hope that our Community will not miss out — for want of vision, for want of imagination, for want of inspiration — on this great opportunity to make history by bringing about peace through the development of all men and through the development of the whole man.

IN THE CHAIR: MR ZAGARI

Vice-President

President. — I call Mr Markozanis.

Mr Markozanis. — (GR) Mr President, all the reports confirm that the level of those unemployed in the EEC has reached the frightening number of 8½ million people and that the situation will get worse in the immediate future. It is clear from studying the motions for resolutions under discussion that there is confusion as to the causes of unemployment and for this reason a package of measures, which are quite correct but completely inadequate, is being proposed to deal with the immediate employment problem in the European Community. This report is absolutely justified insofar as the Community's competent bodies have so far not managed to produce a scientific explanation of the phenomenon, being satisfied with comments and forecasts which unfortunately have no real connection with the reasons behind the changes forecast. Accordingly, the forecasts are presented as something inevitable and unchangeable. The confusion becomes even worse when one takes into account the diametrically opposed measures which the different governments of the countries of the Community are implementing to deal with the huge social and economic problem of unemployment. In Mrs Salisch's report there is a clear connection between expenditure on the energy market and employment. We believe that this is a basic reason, but there are also other fundamental endogenous reasons which cause unemployment. However, despite this fact, the proposals concerning the use of coal as an energy source are deliberately vague or, if you like, guarded because of the high

Markozanis

differential cost of coal-produced energy compared to that of energy produced from oil or even from coal mined at a low cost in third countries. However, the cost to which the report refers is the private economic cost. But, Mr President, the 8½ million unemployed live among us and in order to survive they must consume daily food, clothing, footwear, etc. Consequently, through no fault of their own, they are exacerbating the overall social situation by not contributing. The economy and the social system are having to shoulder a frightening cost, in the order of about 200 million dollars a day, mainly in the form of unemployment benefits. This cost should also be taken into account when calculations of the cost of producing energy from coal or from other energy sources are being made. I am sure that, taking into account what I have said, energy produced from coal costs, in the present international circumstances, far less than energy produced from any other source. Let us assume that we subsidize the total labour cost involved in producing energy from coal and that, in addition to this, the private economic return is nil. To the same extent, the damage to the social system is also nil since the level of subsidies for labour costs is about equal to the cost of unemployment benefits. In addition to this we have a net social advantage because the energy produced from coal replaces imported energy and, consequently, losses of income and exchange with other countries are limited. At the same time there is a direct increase in the number of jobs and the right conditions are created for increasing the demand for work in other sectors of the economy. For these reasons I have tabled the following amendments:

First: calls on the Committee on Social Affairs and Employment to undertake a study and submit within six months a report to Parliament on the direct cost of unemployment in the Community, having regard to the unemployment benefits paid and the level of consumption of the unemployed who receive benefits,

Second: to undertake a study on the private and social economic cost of producing energy from coal and to submit a report to Parliament upon the subject and

Third: to undertake a study of a system whereby the Social Fund could help to subsidize the labour costs of workers employed in the production of energy from coal.

President. — I call Mr Mihr.

Mr Mihr. — (*DE*) Mr President, at regular intervals this House considers the employment situation in our various countries. The parliaments of the Member States debate this problem just as we do, and there is surely no subject to which more papers and opinions have been devoted. All that seems to be done is to record constantly rising unemployment figures. I do not know what else has to happen before the govern-

ments of the Member States form an alliance with the Commission to fight one of the greatest threats to our democracy, unemployment.

There have been enough statements and appeals. They do not help anyone. Moral campaigns, in connection with youth unemployment, for example, do not help anyone. At best, they are tranquillizers for one or other politician. The causes of unemployment are known, but the controversy over methods of combating them grows with the number of unemployed.

For years large parts of industry, and also of the services sector, have been re-equipping, which has increased productivity and efficiency, but has also led to a substantial reduction in the labour force. The only remedy is the redistribution of work, a programme for shorter working hours and the reorganization of work. The sectors involved in the new technology in particular are making profits that make of the financing of the redistribution of work a not insurmountable problem, and to be honest, I should point out that, whenever the question of shorter working hours has come up during negotiations between the social partners, economically acceptable wage agreements have always been concluded.

But shorter working hours are not enough on their own. Social factors must also be borne in mind when the introduction of new technologies is being planned. A socially acceptable situation will be achieved only if the workers and their trade unions have a full say in decision-making. Here again, a European dimension is essential. It is certainly unacceptable that the introduction of new technologies should lead to an increase in productivity and profits in certain sectors, while the social consequences are left to the State to deal with, because investments in new technologies must also mean investments in an adjustment of the social infrastructure.

A further cause of mass unemployment is the trend in certain traditional sectors which has led to surpluses on the world markets and to falling prices. Private investors are no longer interested in such sectors. They prefer to put their money into sectors with a future. The private sector, then, will not be prepared to solve the problems in these crisis-hit sectors. It is the workers concerned, their families and the State that are being asked to foot the bill. Particularly hard hit are the old industrial areas of Europe. What is needed here is a regional structural policy which creates a new industrial and economic variety and eliminates dependence on just one sector of industry.

The Commission and Council must be urged at last to accept their responsibility. Silence reigns on the European social front. One of the Commission's and Council's tasks is to revive the dialogue between the European trade unions and industrial associations and the tripartite conferences, despite the negative view expressed by Mr Calvez this afternoon.

Mihr

Slowly but surely confidence is being lost in the European Community, particularly among the European trade unions. For example, the President of the European Trade Unions Confederation, Wim Kok, said to delegates of the federation of Danish trade unions that, if the Commission did not at last do its duty, it was time for Parliament to give serious consideration to expressing a lack of confidence in the Commission pursuant to Article 144 of the EEC Treaty.

Well, Mr Richard has made a few comments today. His statement contained some hopeful signs, but I believe we must judge the Commission by the action it takes. At all events, there can be no clearer vote of no confidence in the present policy than that of almost 10 million unemployed.

President. — Since the debate has not yet been concluded on the motions for resolutions which, under the agenda, were to be put to the vote at 6 p.m. today, I shall allow the joint debate on the various reports presented on behalf of the Committee on Social Affairs and Employment to continue.

I call Mr Croux.

Mr Croux. — (NL) Mr President, on behalf of the Group of the European People's Party I should like to make two practical proposals, primarily for the attention of the Commission, concerning the link between employment and education and training. We listened with great interest to Commissioner Richard when he spoke of the need for a wide-ranging approach to the employment problem, and we feel that education and training occupies too marginal a place in European policy at the moment and might be raised to a central position in the broad strategy that is also needed at European level. My argument, Mr President, ladies and gentlemen, is that education and training must and can stand in the very front line in the fight against unemployment. I should just like to make two points very briefly. A study carried out in America in connection with the development of telematics shows that, while 20% of the working population is now needed for the production of all goods marketed in America, the figure will fall to only 2% of the working population by about the year 2000. A second figure: at present 50% of all young women are still being trained for traditional office work. These two sets of figures show how necessary it is for us to make an enormous effort not only with regard to vocational training in the traditional sense, but as regards education as a whole.

The best trump card Europe has, and some say it is the only one, is knowledge and science, and we must put them to optimum use. We are very dependent on imports of energy and, even more, on imports of raw materials, but we still have a valuable heritage and considerable strength in the areas of research, knowledge and science. We must expand these fields as far

as possible, but we must also ensure that the benefits are passed on to as broad a section of the population as possible, and that can only be done by applying the combined European energies available at this level. Hence the second practical proposal I wish to put to Commissioner Richard. Firstly, we advocate the adaptation, reorganization and extension of the European Centre for the Development of Vocational Training in Berlin, or the Berlin Institute, as it is known, and this goes for its objectives, its activities and possibly its resources. The educational dimension must also be adjusted. I refer the House to the interesting report drawn up by Mrs Kellett-Bowman, which also happens to be on the agenda for this part-session and from which we may be able to draw some useful conclusions. I do not have the time to analyse or explain my proposal further. We shall perhaps return to the subject on Thursday, when we consider the resolution tabled by the Christian-Democrats.

Another practical proposal I wish to make is that the Commission should take the initiative by establishing a programme to encourage research, information and promotion with regard to teaching methods, educational systems, pedagogical and didactic reforms needed if education and training are to be adapted in the future or even now. The demand for employment in the labour market at present and in the future must be constantly monitored and become the subject of systematic study. The results of this study and research must be passed on to all the pedagogical centres in Europe, the universities and the vocational training centres. They must respond to this European initiative. Mr President, we shall probably soon have 10 million unemployed in Europe, very many of them young people. I estimate the number of teaching staff in Europe at over 2 million. If we can mobilize these 2 million people at every level of education and training as a means of fighting the unemployment of these 10 million people better and harder and if we can give this a European dimension by putting forward practical proposals, then I believe this Parliament can make a useful contribution in this area.

President. — I call Mr Møller.

Mr Møller. — (DA) Mr President, listening to this debate, especially this morning, I have detected an underlying suggestion that technology, electronics and particularly micro-electronics were mankind's enemies, whereas, on the contrary, it is technical progress that can improve human prosperity. Technology is not in any way to blame for the current difficulties. It is people's inability to master it that we may have to blame. But developments in electronics do not create unemployment; on the contrary, they can create employment. We have seen this throughout the course of history whenever new machines were introduced. When cars were invented coach-builders and wheelwrights were thrown out of work. But hundreds of

Møller

thousands of new jobs were created to produce cars, to maintain cars and to provide related services. It has been like this with all technical development. Therefore it is no good blaming the new technologies. Perhaps the reason for our difficulties is that we have held back when Japan and the USA were forging ahead and if we do not keep up with developments it is certain that we shall fall even further behind, so that we shall simply be unable to compete. We can see this with our car industry in Western Europe in the last few years.

Next, when we speak about means of dealing with unemployment, we must look very critically at the idea of shorter working time. For my part I cannot endorse any recommendation relating to shorter working time, since the question of working time in my country is left to the social partners, i.e. to the workers and the employers. It is not the political authorities who should legislate on this.

Furthermore, I do not believe for one moment that shorter working time can help to create more work, but it can help rather to spread unemployment. It can diminish the chance to work hard for people who want to work hard. One does not combat unemployment by forbidding certain people to work as much as they want. Therefore, I think this is a false trail; so what are the alternatives? We in this House are responsible for the common European market. We have a chance such as we have never had before of promoting mobility and flexibility on that market. If our labour exchanges and our manpower services could start cooperating effectively so that we procured work within the whole Community area and not only within our small national areas, we would be able to make a good deal of progress.

Lastly, I would say this: we have known for very many years that these developments were on the way. I remember that we began many years ago to speak of the population explosion and the unemployment it would create in the whole of Europe. We educated the young and we tried to educate and train more and more youngsters and now here we are today without jobs for them. We knew that the problems connected with 'the bulge' would soon be upon us and here we are, and here are these young people trained and ready for work. We have kept them in the universities and in the secondary schools and we have kept them as long as possible out of the labour market, but we cannot keep them out of it any longer. They ask for work and it is a reasonable request, but we are not helping by suggesting, among other things, a division of work, for example, or by speaking of the threat of electronic development. If we do that we are going about things the wrong way and Europe will be less and less able to compete with Japan and the USA. Therefore, we must get the debate onto the right track, as I have tried to do with these brief remarks.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — (GR) Mr President, colleagues, the subject under discussion today in the European Parliament is one of direct and fundamental interest. Although unemployment levels in Greece are still low, I have not overlooked the fact that in other Member States of the Community the problem has reached alarming levels. Indeed, the problems concerning employment and unemployment are complex because they are influenced by a combination of economic and social factors. Unemployment is, amongst other things, a phenomenon and result of the energy and the prolonged economic crisis which has been devastating the world for a number of years and which poses a great threat even to developed countries like the Members of our Community.

All the Member States should include measures for combating unemployment in urgent programmes. The Commission can make a particular contribution in this sector by constructive proposals and fundamental research into the problem.

It is, in fact, difficult to boost a country's economy without at the same time causing inflationary pressures.

At Community level possibilities should be created for increasing and readjusting investments because they are relatively effective in combating unemployment.

The consumer society, a phenomenon of our era, should also understand that the limits of economies which have small production and large demands for excessively high salaries are at breaking point.

The vital need for an understanding between countries which produce abundant raw materials for producing energy and developed industrial consumer states makes common sense so that an end can be made to the dangerous war of constant price increases for raw materials and products.

I should like to propose, amongst others, the following measures:

First, there should be, as soon as possible, new state and private investment in sectors which create new jobs.

Second, there should be an attempt to develop collective services and social infrastructures.

Third, there should be an attempt to increase purchasing power giving preference to those who have lower incomes.

Fourth, there should be special measures for holding down inflation which are socially acceptable and have a direct effect on price-guiding mechanisms.

Papaefstratiou

Fifth, there should be increased aid from the European Social Fund and other resources for developing countries or regions of the Community based on the principle of equality of working conditions and pay.

In closing, I should like to give my sincere thanks to the rapporteurs, Mrs Salisch, Mr Calvez and Mr Cerauolo for their detailed reports. I also call on the European Parliament and the Commission to take the initiative as soon as possible to arrange a joint conference between the major countries producing energy raw materials and the Members of the Community with a view to, we hope, producing advantageous results and, possibly, common investment programmes which will contribute to safeguarding employment and reducing unemployment in our Community.

President. — I call Mrs Charzat.

Mrs Charzat. — (*FR*) Mr President, of all the problems facing the European Community unemployment is the most crucial.

It is a collective problem from which every one of the Member States is suffering and which affects all the social partners together. It constitutes a threat to liberty, culture and democracy. Which way this frightening situation is going to develop depends on how we answer the one political question: do we want to call an end to the crisis? For when we say social we really mean economic and only an economic policy of investment in industry can lead to an effective employment policy.

Monetarist policies, with their emphasis on crisis management, have proved a failure. The British example is proof of that. All-out monetarism, with its policies that discourage employment, is leading to the ruin of nations and the dislocation of Europe. In budget terms, crisis management is becoming the costliest of policies. In the first place, the rise in unemployment brings with it a staggering increase in benefit payments. In the second place, welfare transfers place an increasingly heavy strain on government finances. And finally, unemployment magnifies social inequalities. As always, women make up the worst-hit category. In Germany, after the sending home of Turkish workers in 1975, it is now the women who are being caught up in the waves of redundancies. Now, the states of the European Community owe their prosperity in recent decades largely to the contribution made by working women. Young people faced with unemployment see their world falling apart. Older people feel excluded. The number of jobs at risk is rising. The regions are turning into wastelands with the fall-off in productive investment. Worsening disparities are beginning to affect both supply and demand.

The economic recovery of the European Community depends on priority being given to a concerted Euro-

pean policy on employment. This in turn requires the urgent implementation of economic development programmes both at national and Community level.

There are four main areas of action that need to be considered.

First of all, absolute priority must be given to expanding productive investment and making costs more competitive. To this end we need to develop energy policies and substantially reduce our energy dependence — as shown by the Salisch report — raise the level of investment, which has been declining in the European Community since 1974, lay down a new framework that will encourage investment, in particular by carefully watching productive investment by European multinationals, introduce new technology to every sector of economic activity linked with a new vocational training policy, and finally keep production costs in check in order to bring down inflation.

These measures are only possible if the Member States are prepared to think of the whole of the Community as their domestic market.

The second area of action concerns the reduction of the weekly hours of work to 35. Through decentralized agreements adapted to the requirements of every sector and every undertaking it is possible to provide some with more time to enjoy life and others with a job. What we are aiming for is that we should individually work less in order that we can collectively work more.

The third area of action concerns the revision of the machinery and objectives of the European Social Fund. The resources of the Social Fund should be used primarily to finance training policies in connection with the introduction of new technology and also a European youth employment policy.

The fourth area of action concerns the setting up at Community level of a body to evaluate employment policies which would become an instrument to facilitate convergence.

To sum up, a political choice has to be made in order to solve the unemployment problem and establish a concerted European employment policy. Investment in industry and the length of the working week are at the heart of the employment problem.

President. — I call Mr Kappos.

Mr Kappos. — (*GR*) Mr President, we consider it a positive fact that the subject of unemployment is being discussed today in the European Parliament. However, we think that the contents of the reports do not answer, do not meet, do not respond to the seriousness of the problem.

Kappos

Mr President, in Greece the problem of unemployment has become particularly acute as a result of Greece's accession to the EEC. What are the main problems we want to underline? First: that the official statistics bear no relation to reality. Second: that the insurance cover for the unemployed is totally inadequate. It only lasts for five months subject to stringent conditions providing 100 days' wages based on the last three years and an inadequate allowance. The third problem is job security. In order to safeguard jobs we support the following measures: (a) limiting weekly working hours, (b) lowering the pensionable age limit, (c) abolishing overtime by guaranteeing workers' incomes, (d) guaranteeing equal pay for foreign workers and (e) drawing up programmes for employment in jobs which are socially useful and essential such as, for instance, drainage, schools and other jobs concerning the infrastructure.

The Greek Communists, in their struggle to combat unemployment and guarantee employment, believe that in the forthcoming elections the people will throw their weight behind the implementation of an integrated programme to combat unemployment and withdraw Greece from the EEC.

President. — I call Mr Almirante.

Mr Almirante. — *(IT)* Mr President, the members of the Italian National Right congratulate the three rapporteurs for their comprehensive and careful work, but we agree only in part with the reports, for they seem to have forgotten the premises and conclusions of the report on the same subject presented by Mr von Bismarck some months ago and adopted by a large majority.

That report, which met with our approval, dealt at the same time with unemployment and inflation and suggested the means to fight both in an organic and coherent manner. We believe that with the three reports now in question we have taken a step backward.

For instance, one of the rapporteurs, Mr Calvez, states that 'anti-inflation policy must be subordinated to the policy meant to reduce unemployment': we believe, on the contrary, that between the two policies there ought to be coordination rather than subordination.

This is our position, both as Europeans and especially as Italians, since the reports themselves confirm the fact that, while the average European inflation rate is about 10%, the Italian rate is over 21%. It is common knowledge that the Italian Prime Minister has recently set the goal of reducing inflation to 10% by 1982-83.

On page 13 of the Calvez report it is stated also that even as far as the unemployment rate is concerned Italy is unfortunately in the lead, having experienced

an increase from 8.3% in December 1980 to 8.6% in January 1981.

We agree with the Calvez report when it asserts that we must revitalize the economy without fuelling inflation and that the Member States must define a coherent strategy. We agree with the Salisch report's contention that the legislation in the Member States is too varied, and with its insistence on the necessary utilization of coal.

And, on this subject, whatever happened to Carbonia? I am referring to a problem which concerns not only the Italian economy but the economy of Europe as well. A former Italian government let it be known several months ago that there was a project to revitalize the Sulcis mines and consequently for the Carbonia coal, which is available in potentially large quantities: the matter is no longer under discussion, and the report does not mention it.

We also agree with the Ceravolo report when it says that Europe is far behind the US and Japan, that European framework agreements are necessary, and that we ought to aim at a reduction of working time rather than at increases in salaries. Above all, we agree with this report, the most comprehensive of the three, when it proposes that employment-related policies must be seen in the larger context of the search for a new international economic order, and asserts that the European Parliament must exercise its powers of guidance and political pressure independently of ideological prejudice. To begin at this point with an examination of the real powers of the European Parliament would be to digress from the matter at hand, and perhaps also to cast doubt on our hopes, which we still believe to be well-founded.

Finally, I think we ought to re-emphasize the conclusions of the debate on the von Bismarck report: unemployment and inflation are two sides of the same coin; the causes for both are upstream and are, on the one hand, class struggle, and on the other, caste privileges, i.e. respectively, the Marxist and the capitalist approach. To annul their effects one must eliminate their causes through a European policy of active participation, that is, through a social pact accompanied by social and economic planning of which this Assembly must be the driving force and guarantor, overcoming both selfish interests and the extremely serious crises at the national level.

President. — I call Mr Vernimmen.

Mr Vernimmen. — *(NL)* Mr President, I am happy to be able to say a few words about Mr Ceravolo's report on employment and the adaptation of working hours, not only because the unemployment problem is assuming critical proportions, but principally because the report makes a more than creditable attempt to

Vernimmen

tackle social problem No 1, unemployment. If the measures proposed in the report were actually implemented, considerable progress would be made towards creating the 16 million jobs that will be needed between now and 1985.

I feel the report is rather too weak in its analysis of the situation. Greater emphasis should also be placed, in my view, on the importance for employment of an effective economic and monetary policy.

In fact, more emphasis should have been placed on the following factors. Unemployment in Western Europe is, I believe, largely due to structural causes. It has to do basically with the massive introduction of new technologies in both industry and the services sector. The present unemployment problem has features totally different from past problems. For the first time in history, a high level of unemployment is accompanied by a high rate of inflation. These problems can no longer be tackled with a traditional, deflationary policy. It has become clear that unemployment cannot be reduced simply by fighting inflation. The problems connected with unemployment extend beyond national frontiers. Nor should we be overly deluded by statements made at summit meetings such as that held in Ottawa.

Effective measures can only be taken at European level and more specifically at the level of the European Community. The European Community should be using its socio-economic and financial potential to achieve full employment by 1985. This objective can only be achieved if the social partners at European level are far more closely involved in the establishment and implementation of policy. This is true not only of the social policy, but also of the industrial policy, the economic policy and the regional policy. Greater attention must also be paid to the coordination of the various policies.

We have some difficulty with the wording of paragraph 11 of the resolution, which expresses confidence in the microelectronics revolution. It is wrong to express confidence blindly: the social partners should be consulted.

The position described in paragraph 14 is not precise enough. The proposals that have been made by the European Trade Unions Confederation on the extremely important question of shorter working hours should be endorsed. It is high time the European authorities did everything in their power to have these proposals adopted in all the countries.

In brief, I agree with what the report has to say. But it is wrong to want to create a paradise in an economic graveyard. Shorter working hours must be achieved principally by a better distribution of the work available. It is an illusion to claim that the problems can be solved simply by reducing working hours. The approach adopted must, among other things, result in a complete overhaul of the industrial policy.

President. — I call Mr Paisley.

Mr Paisley. — Mr President, much alarm has been expressed here today about the fact that the level of unemployment in the EEC as a whole has risen to over 8%, but perhaps I can best illustrate just how much more desperate the situation is in Northern Ireland by saying that we in Northern Ireland would be delighted if our unemployment rate was only 8%. It is nine long years since it was so low; at present it is 19% and still rising. This is a rate that no other part of this EEC is experiencing. Therefore I make no apology for calling in this debate for a focussing of attention on the jobs problem in Ulster, with over 21 000 jobs lost in this past year alone.

One man in four in Northern Ireland is now out of work, and due to their age many of them stand little chance of ever finding a job again. This results particularly from the inflexible monetary policies being pursued by the Government in London, which have helped to push up Northern Ireland's unemployment figures from 71 000 to 109 000 in the two years that the present government has been in office. But it also stems from the unique economic disadvantages which Northern Ireland, as an isolated and peripheral region of the EEC, suffers.

One such major disadvantage is our energy prices, and therefore I am glad to note the emphasis laid on this point by the Salisch report which is before us today. Northern Ireland has the highest energy costs of any part of the EEC, and it is no coincidence that we also have highest unemployment. Our oil, gas and electricity are all dramatically dearer, not only by comparison with the rest of the United Kingdom but even more so in relation to the rest of the EEC. For example, electricity in France costs only 48% of what it costs in Northern Ireland. Little wonder then that Northern Ireland industry finds it cannot compete, and it will not be able to do so until its energy problems are solved.

The steps that must be taken if this is to happen include a move away from our almost exclusive dependence on oil for the production of electricity, with widespread conversion to coal and the development of energy production from inexhaustible sources. A feasibility study recently completed favours the production of electricity from tidal power in Strangford Lough in Northern Ireland. I trust that not only will the United Kingdom Government go ahead with this scheme but also that this Community will play its part in making available the maximum financial aid. I therefore welcome the recommendations in the Salisch report on the question of exploiting such alternative energy resources. This surely is the way ahead for the 1980's and the 1990's.

Recognizing the real threat to many existing jobs which arises from technological advances, particularly

Paisley

from microelectronics, I welcome the call by the Committee on Social Affairs and Employment for the altering of Social Fund policy so as to give priority to training in these new technologies. The lead which the USA and Japan have gained in the microprocessor industry will never be overcome by the European nations unless we act now, and it is, of course, my hope that Northern Ireland will yet be successful in attracting a high-technology company to its shores.

Since the high level of youth unemployment is perhaps the most distressing element of our whole gloomy economic scene, I am particularly interested in some of the recommendations contained in the Calvez report. I would pick out for special mention and support the call for wider use of the Regional Fund to combat youth unemployment in the less well-developed regions, of which Northern Ireland must be one. This seems to me a good and sensible suggestion, one which I trust will get the backing of this entire Assembly.

President. — I call Mr Linkohr.

Mr Linkohr. — *(DE)* Mr President, ladies and gentlemen, in the few minutes I have left, I should like to concentrate on two questions: what is the connection between employment and the new technologies, and what action can we and must we take?

To the first question I should like to attach the astonishing statement that we find the greatest losses of jobs have occurred in sectors in which there has been little revolutionary technical change, for example, the building trade, the textile and clothing industry, agriculture and commerce. In these sectors, changes in demand and international competition and what are known as normal efforts to rationalize using known technologies have resulted in a reduction of the labour force. However, this should not lead us to think that major changes are unlikely in various sectors of the economy in the years to come. It is expected, for example, that almost half of all workers will be positively or negatively affected by microelectronics. The impact on the transport, wholesale, printing, chemical, petroleum processing, fine ceramics and glass industries is likely to be particularly pronounced.

We thus face a considerable challenge in Europe and, with a sidelong glance at certain discussions, I might add that we shall solve these problems only by ensuring the continued development of the Community, not by destroying it. The answer does not lie in leaving the Community or in protectionism. What we need is an active European economic and social policy, because the problems will not solve themselves.

I thus come to the second question: What does European economic and social policy mean?

It means nothing less than that action must be taken by the state and, to a greater extent, by the Community. And here, I believe, we must agree on the following objectives: an active policy of growth and innovation, socially acceptable application of technical progress, shorter working hours, worker representation on an equal footing and protection in the case of rationalization. Unless the governments, trade unions and employers' associations agree to these objectives, a social European Community will be difficult to achieve.

What should our Community strategy be? I believe that linking the objectives of protection of employment and qualitative growth must result in a strategy of selectivity. We must eliminate bottlenecks, especially where there is demand for goods and services, for example in housing and urban development, in the protection of the environment, in the reduction of oil consumption, in the humanization of working conditions and in the improvement of social services.

Despite the budgetary problems, the debate on a European strategy of selective promotion of innovations as a means of achieving full employment has become no less topical. Even if the Community budget play only a subsidiary role in this strategy, we should encourage the Commission, the Council and ourselves to gear it to these objectives.

Furthermore, a strategy of selective promotion of innovation would have a particularly favourable effect on employment if retraining and advanced training measures could be concentrated on the same problem sectors. I should like this to be regarded as an appeal to our social-minded politicians to review the Social Fund to this end.

President. — I call the Commission.

Mr Richard, Member of the Commission. — Mr President, I would merely like at the end of this debate to say one or two words in response to it. Firstly, can I say that it is quite impossible for the Commission this afternoon to answer each and every point made by no less than 37 speakers. On the other hand, I think it is also clear that most of the people who spoke this afternoon have at least given general support to the thrust of the Commission's thinking in this very difficult area. For that, indeed, we are grateful. Finally, may I just say that I have listened to this debate with fascination and with interest and that the Commission will study what has been said here this afternoon. We will study it, we will examine it in great detail and we will take as much account of it as we can in the formulation of proposals which we hope soon to bring forward.

President. — The debate is closed.

Since the President-in-Office of the Council will make a statement on employment at the sitting on Thursday, 17 September 1981, as provided in the order of business for this part-session, the voting on the motions for resolutions considered in the present debate will

take place in the course of that same Thursday sitting, during the relevant voting time¹.

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

¹ Membership of Parliament — Agenda of next sitting: see Minutes.

SITTING OF WEDNESDAY, 16 SEPTEMBER 1981

Contents

1. Food aid to Poland — Commission statement <i>Mr Haferkamp (Commission); Mr Christopher Jackson; Mr Haferkamp; Mr von der Vring; Mr Haferkamp; Mr Deschamps; Mr Haferkamp; Mr Eisma; Mr Haferkamp; Mr Maher; Mr Haferkamp; Mr Brøndlund Nielsen; Mr Haferkamp; Mr Lomas; Mr Haferkamp</i>	99	<i>Mr von Wogau, rapporteur</i>	129
2. Trade relations between the EEC and the Gulf States — Report (Doc. 1-866/80/rev.) by Mrs Wieczorek-Zeul (Committee on External Economic Relations) <i>Mrs Wieczorek-Zeul, rapporteur</i> <i>Mr Müller-Hermann; Mrs Castellina; Miss Forster, draftsman of opinions</i> <i>Mr Ruffolo (S)</i> <i>Mr Fergusson, draftsman of an opinion</i> <i>Mr van Aerssen (EPP); Sir Frederick Catherwood (ED) (Chairman of the Committee on External Economic Relations); Mr Segre (COM); Mr Pintat (L); Mrs Fourcade (EPD); Mr Hurd (Council); Mr Almirante (NA); Mr Seeler; Mr Müller-Hermann; Mr Kirk; Mrs Spaak; Mr Blumenfeld; Mr Nikolau; Mr Haferkamp (Commission); Sir Frederick Catherwood; Miss Forster; Mr Müller-Hermann</i>	102 103 105 106 106	5. Votes <i>Objections to the list of subjects for topical and urgent debate</i> <i>Mr Klepsch</i> <i>Rejection of the objections</i> <i>Mr Klepsch; Mr Michel</i> <i>Wieczorek-Zeul report (Doc. 1-866/80/rev.): Trade relations between the EEC and the Gulf States:</i> <i>Mrs Wieczorek-Zeul, rapporteur</i> <i>Explanations of vote: Mr Petersen; Mr Israel; Mrs Wieczorek-Zeul</i> <i>Adoption of the resolution</i> <i>Moreau report (Doc. 1-332/80): Economic trends in the Community during the first half of 1981:</i> <i>Mr Moreau, rapporteur</i> <i>Explanations of vote: Mr Kappos; Mr Bonaccini</i> <i>Adoption of the resolution</i>	130 132 132 133 133 134 134 135 135
3. Economic trends in the Community during the first half of 1981 — Report (Doc. 1-332/81) by Mr Moreau (Committee on Economic and Monetary Affairs) and oral question with debate (Doc. 1-480/81) by Mr de Ferranti <i>Mr Moreau, rapporteur</i> <i>Mr Mihr (S); Mr von Bismarck (EPP); Mr Purvis (ED); Mr Fernandez (COM); Mr Damseaux (L); Mr Deleau (EPD); Mr Bonde (TCDI); Mr Markozanis (NA); Mr Caborn; Mr Modiano; Mr de Ferranti; Mr Petronio; Mr Bournias; Mr Ortoli (Commission)</i>	117 118	6. 1981 programme for the achievement of the customs union (continuation) <i>Mr Hurd (Council); Mr Nyborg (EPD); Mr Turner; Mr Maher; Mr Narjes (Commission); Mr von Wogau</i>	135 135
4. 1981 programme for the achievement of the customs union — Report (Doc. 1-241/81) by Mr von Wogau (Committee on Economic and Monetary Affairs)		7. Violation of human rights in Guatemala — Report (Doc. 1-835/80) by Mrs Van den Heuvel (Political Affairs Committee) <i>Mrs Van den Heuvel, rapporteur</i> <i>Mr Glinne (S); Mr Habsburg (EPP); Mr Junot (EPD); Mr Haferkamp (Commission)</i>	142 143
		8. Question Time (Doc. 1-459/81) (continuation) <i>Mr von der Vring</i> <i>Questions to the Council:</i>	146

Questions No 57, by Mr Ansquer: Consequences of the Council's delay in adopting the 'fisheries package'; and No 83, by Mr Müller-Hermann: Fisheries policy: Mr Hurd (Council); Mr Müller-Hermann; Mr Hurd; Mr von der Vring; Mr Hurd	146	Question No 67, by Mr Hutton: Working party of Coreper on relations with Parliament: Mr Hurd; Mr Hutton; Mr Hurd; Mr Welsh; Mr Hurd; Sir James Scott-Hopkins; Mr Hurd	153
Question No 59, by Mrs Clwyd: Action taken on Parliament's report on the disabled: Mr Hurd; Mrs Clwyd; Mr Hurd; Mr Prag; Mr Hurd	147	Question No 68, by Mr Fergusson: Aid to Poland: Mr Hurd; Mr Fergusson; Mr Hurd; Mr Deschamps; Mr Hurd; Mr Habsburg; Mr Hurd	154
Point of order: Mr J. M. Taylor	147	Question No 69, by Mr Kappos: Dismissals in the Elefsina shipyards for trade union reasons: Mr Hurd; Mr Kappos; Mr Hurd	155
Question No 60, by Mr Blaney: Situation in the north of Ireland	147	Questions to the Foreign Ministers: Question No 88, by Mr Blaney: Situation in the north of Ireland: Mr Hurd (Foreign Ministers); Mr Blaney; Mr Hurd	155
Mr Hurd; Mr Blaney; Mr Hurd; Mr Lalor; Mr Hurd	147	Question No 89, by Mr Moreland: Afghanistan: Mr Hurd; Mr Moreland; Mr Hurd; Mr Israel; Mr Hurd; Mr Schmid; Mr Hurd	156
Point of order: Mr Blaney	148	Question No 90, by Mr Fergusson: Contacts with Middle Eastern governments: Mr Hurd; Mr Fergusson; Mr Hurd; Mr Schinzel; Mr Hurd; Mr Israel; Mr Hurd	157
Mr J. D. Taylor; Mr Hurd; Mr Paisley; Mr Hurd; Mr Vandemeulebroucke; Mrs Le Roux; Mr Hurd	148	Points of order: Mr Van Minnen; Mr Blaney; Mr Paisley	157
Point of order: Mr von der Vring	149	Question No 91, by Mrs Lizin: Discussion of security matters by the Foreign Ministers meeting in political cooperation: Mr Hurd; Mrs Lizin; Mr Hurd; Mr Kappos; Mr Hurd; Mrs Baduel Glorioso; Mr Hurd	158
Mr Haagerup; Mr Hurd	149	Question No 92, by Sir Peter Vanneck: Safeguarding the peace and liberty of Europe: Mr Hurd; Sir Peter Vanneck; Mr Hurd; Mr Boyes; Mr Hurd; Mr Lalor; Mr Hurd	159
Point of order: Mr Blaney	149	Question No 93, by Mr Paisley: Effective system of extradition to operate throughout the whole Community: Mr Hurd; Mr Paisley; Mr Hurd; Mr Blaney; Mr Hurd; Mr Marshall; Mr Maher; Mr von der Vring	160
Mr Hurd; Mr Hume; Mr Hurd	149	9. Annex	162
Question No 61, by Mr Van Minnen: Statement by Mr van der Klaauw: Mr Hurd; Mr Van Minnen	150		
Question No 62, by Mr Seligman: Ambassadorial coordination of the Ten on sectoral matters: Mr Hurd; Mr Seligman; Mr Hurd; Mr Schinzel; Mr Hurd; Lord Harmar-Nicholls; Mr Hurd	150		
Question No 63, by Mr Gondikas: Restrictive measures against Greek students in Germany: Mr Hurd; Mr Gondikas; Mr Hurd; Mr Van Minnen; Mr Hurd; Mr Kappos; Mr Hurd	151		
Question No 65, by Mr Deleau: Council action to help young people find their first job: Mr Hurd; Mr Deleau; Mr Hurd; Mrs Clwyd; Mr Hurd; Mrs Baduel Glorioso; Mr Hurd	152		
Question No 66, by Mr Schmid: Research programme in biomolecular engineering: Mr Hurd; Mr Schmid; Mr Hurd	153		

IN THE CHAIR: MRS VEIL

President

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

1. *Food aid to Poland*

President. — The next item is the statement by the Commission on food aid to Poland.¹

I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Madam President, ladies and gentlemen, the Commission welcomes the opportunity of reporting to you today on food aid to Poland. The fact that Parliament has included this question on its agenda for today is further evidence of the interest which Parliament and the other institutions of the Community have in this important matter.

The Commission has reported on food aid to Poland on various occasions. For example, there were the debates at the end of March and June and the discussion we had two days ago when we gave you some details regarding the situation. We now welcome the opportunity of giving you a general picture at a time when new decisions are likely.

As you will remember, the European Council stated its position with regard to the situation in Poland on 2 December last year and in doing so referred explicitly to the Final Act of Helsinki and the United Nations Charter. In this declaration, the European Council expressed its sympathy for the people of Poland and stated that the Member States of the Community were prepared, as far as was possible, to meet Poland's requests for economic aid.

In November last year, the Polish Government made an initial request for supplies of a series of agricultural products and it was decided by the Council of Ministers at its meeting of 16 and 17 December 1980 to make these products available on special terms. The Commission reported on this to Parliament on 17 December.

Following its meeting of 21 March in Maastricht, the European Council issued a further declaration in which it was stated that the Member States of the Community were prepared, as far as was possible and in cooperation with others, to continue to contribute towards the re-establishment of a sound economic situation in Poland and to help the people of Poland in their efforts.

The Polish Government has addressed a further request for food supplies to the Community, and I mention this since it is clear that over the last year all the institutions of the Community have been very actively, decisively, positively and constructively involved in this matter. We have also always had the support of Parliament and its Committees. Naturally, the Commission has maintained permanent contacts with the competent Polish authorities in preparing and implementing its decisions and measures.

The aid to Poland consists basically of two components, i.e. on the one hand a reduction of 15% relative to the world market price for the products in question, the difference being made up from the Community budget, and on the other loans granted by the Member States, which in many cases cover the entire cost of the operation, i.e. the remaining 85%.

With a view to giving you a more accurate and detailed picture of what has been done to date, the Commission yesterday provided you with a table showing supplies up to 14 September, i.e. yesterday. This table, which you will find in your pigeon-holes, not only contains details of the types and amounts of products requested and supplied, but it will also give you an idea of how innovatory and complex this operation is.

This is an extremely difficult matter since it concerns a wide range of products and their availability. It also involves problems of loans and transport. When one considers the enormous task of transporting hundreds of thousands of tonnes of foodstuff to Poland under these conditions and at relatively short intervals, it is, I think, satisfying to note that it has already been possible to supply the vast proportion of what was requested. The agreements for the major proportion of the outstanding supplies have been signed in the meantime, and the rest of the arrangements are underway. I should like to point out here today that we have at no time heard any criticism or complaints of any kind from the Polish side. We should also like to stress how cooperative we have found the competent Polish authorities in connection with this difficult operation.

A substantial proportion of the internal discussions, decisions and negotiations concerns the financial aspect which — as I have already mentioned — involves reducing the prices to 15% of the world market price by means of payments from the Community budget. In the case of the first transaction, this involved a sum of approximately 30 million EUA. As for the second transaction which, as I have just explained, has for the most part already been carried out, the cost to the Community budget will be 40 million EUA. As you know, on 4 September, the Polish Government made a third request to the Commission. If this is granted, it will involve 50 million EUA from the Community budget, on the assumption that the same procedure is applied. Naturally, we are maintaining constant contacts with the

¹ *Approval of minutes — Documents received — Topical and urgent debate: see minutes.*

Haferkamp

Polish authorities on this question too. A meeting is being held with Polish representatives today to discuss the various problems and options which this third batch of food aid involves. The Commission intends to submit a proposal to the Council next week, after which it will be for the Council to deal with the questions further, insofar as they concern the Council, while the Member States must discuss the possibilities for loans. The table I mentioned above also contains details regarding the availability of the products to be supplied.

President. — I can now allow brief questions.

Mr C. Jackson. — Madam President, am I to understand from the Commission that the request for a third tranche will involve 40 million more European units of account on the budget?

Secondly, requests are at present arriving in a more or less *ad hoc* manner — we have just received the third request — but Poland's economic difficulties are continuing. Has the Commission, through its contacts with the Polish authorities, given thought to the length of time for which calls may be made on the European Community for food aid and what sort of amounts might be involved?

Mr Haferkamp, Vice-President of the Commission. — (DE) As regards the first question, the first request involved 30 million EUA, the second 40 million EUA and the third request which has now been received will involve a further 50 million EUA from the Community budget if the same procedure is applied, in order to bring the prices of the required amounts of the products in question to 15% below the world market level.

As regards the second question, I must inform you that we have not discussed the general situation and anticipated medium- and long-term developments in the economic situation in Poland.

Mr von der Vring. — (DE) Mr Haferkamp, in July public opinion in Poland described the situation as dramatic. According to our researches, the main problem was the condition that 15% of the cost was to be financed or provisionally financed in the form of a down payment, but that owing to the lack of foreign currency it was often not in a position even to find this minimum. Has this problem been cleared up in the meantime?

Mr Haferkamp, Vice-President of the Commission. — (DE) The honourable Member has raised a specific aspect of the financing problems. It is indeed true that certain Member States required partial or, in most cases, provisional financing by Poland for certain products, although in most cases this was subsequently covered by the overall credit operation. This occasion-

ally led to certain difficulties. However, I should like to stress that this by no means applies to the operation as a whole, but merely to individual cases where granting of loans by the individual Member States was involved. Thus, these problems affected only part of the 85% and had nothing whatsoever to do with the 15% from the Community budget, i.e. the Community contribution as such.

Mr Deschamps. — (FR) Madam President, I should like to thank Mr Haferkamp for the details he has just given us on what he himself admitted is a sensitive question, as we are all aware. I should also like to thank him for the forthright manner in which he spoke, as he gave us full details, with no prompting, covering the period right up to the present day, including the negotiations which are going at this very moment. This frankness also forced us — and I thank him for this — to realize that we have responsibilities as a Parliament and to see the consequences of what we wish to have done. Reference was made to our budgetary responsibilities and to the funds which will obviously have to be found and entered in the budget if we want this aid not just to be fully paid for but also continued. I feel sure that Parliament is prepared to make such an effort and is well aware of the need for it. But I also think that this House would be far readier to help if it were sure that the aid we are granting will go to the right place and people. And, in this connection, I am concerned when the press — not just the right-wing or extreme right-wing press but the press as a whole — refers to the difficulties encountered on the ground in getting supplies to the Poles, particularly to the poorest and neediest amongst them. We are told of people queuing to have ration coupons, but naturally this does not have such an effect on people who still have money — there are still some such people in Poland — or who have other means of subsistence as a result of being well connected. We have unfortunately come to know of such occurrences by reading various reports, and particularly the final report of the Solidarity Congress. Under these circumstances, I should like to know whether, in its concern to supply to Poland and the Polish authorities all the aid they are now requesting, the Commission can, whilst exercising all the necessary caution, obtain some guarantee as to where the aid we can give to the Polish people will actually end up.

Mr Haferkamp, Vice-President of the Commission. — (DE) Obviously, we have absolutely precise details concerning that part of the transactions which took place within the Community, i.e. transport of the products to Poland. It is also clear that we can assure ourselves via the normal channels of information that the foodstuffs provided reach the people of Poland. However, there are limits to what we can do and this means that we have no influence on the distribution structures and conditions in Poland. However, we know for a fact that the food is actually getting to the people and is of considerable assistance to them.

Mr Eisma. — (NL) I have similar fears to those of the previous speaker. I should like to ask the Commissioner whether he is convinced that all this food in fact reaches the correct destination? What guarantees does the Commission have in this respect and in what way can it carry out checks? Does it feel that there is no more need to monitor what happens with the products supplied by the Community?

Mr Haferkamp, Vice-President of the Commission. — (DE) Obviously, we can keep an eye on the supplies of foodstuffs sold to Poland up to the point when it is handed over to the purchaser, i.e. when it is delivered to its destination. What happens afterwards within the Polish distribution system is a matter for the Polish authorities. I repeat that judging from all the information available to us, it would appear that the supplies are in fact reaching the population and I should also like to remind you that the Polish Minister of Trade made a statement to that effect last week.

Mr Maher. — According to the information given to us already the cost to the European Commission of the aid, including the consignment of food we shall shortly be sending, will be 110 million units of account. I am totally in favour of supplying this food aid and I believe that we are very fortunate that we have sufficient surplus, over and above our own requirements, to meet the needs of the Polish people in this way in their time of need. Could I, however, ask the Commission if this aid is to be charged to the budget of the common agricultural policy, or will it be charged under some other heading?

Mr Haferkamp, Vice-President of the Commission. — (DE) The operations will be financed out of the Guarantee section of the EAGGF. As you know, the appropriations for the Guarantee Fund are always fixed in advance for the budgetary year in question, and it only emerges at the end of the year whether they have been entirely utilized or not. In the past this has in fact been the case in various ways. Thus, we have taken the sums I have just referred to from this chapter and stipulated that an alternative source of financing must be found within the budget if, contrary to expectations, the EAGGF funds do not prove to be adequate. However, hitherto this has not been necessary. Thus, it is not true to say that we had to make cut-backs in other areas of agricultural policy in order to finance these transactions from the Guarantee Fund.

Mr Brøndlund Nielsen. — (DA) To return to the question of the extent to which the foodstuffs supplied reach the persons for whom they are intended, I should like to ask the Commissioner whether the free Polish trade unions have given any impression of how effective the distribution is. As far as I understand, the entire supply structure in Poland, not least in the food

sector, is extremely bad, and for this reason it would be interesting to hear whether the free trade unions, who are endeavouring to control and organize matters, have said anything, for example at their recent congress, about whether the food aid has reached its appropriate destination or whether some of it has arrived elsewhere. What is the role of Solidarity in this context?

Mr Haferkamp, Vice-President of the Commission. — (DE) Firstly, we have no special contacts with the trade union 'Solidarity'. Secondly, the discussions to which the honourable Member refers — and to which we have naturally devoted our attention — concern criticisms of the general economic and food supply situation and general distribution problems in Poland. We are not aware of any views which have been expressed with specific regard to the supplies by the Community of foodstuffs which we are discussing here today. Naturally, we will not comment on the general debate taking place in Poland, since that is an internal matter for that country.

Mr Lomas. — I just want to ask the Commissioner if he really feels we have our priorities right in this matter. We watch the television screens night after night and we see Polish citizens. It is obvious that although there are food shortages in Poland — no one would deny that — there does not appear to be any actual starvation. Yet at the same time we see pictures from African and Asian countries of children with swollen stomachs and people actually starving. With the limited food aid we have, how can we justify distributing it to a relatively well-off country and depriving children and people who are actually starving in other parts of the world? I would like to ask the Commissioner how we can justify that kind of distribution.

(Mixed reactions)

Mr Haferkamp, Vice-President of the Commission. — (DE) This Parliament has always devoted great attention to the question of hunger in the world and help to our fellow-men. It has conducted debates on the subject and made decisions which are of an exemplary nature. Quite naturally, we are pushing ahead with our efforts to give assistance wherever we can with a view to combating hunger. At no time have our efforts for the benefit of Poland been at the expense of efforts in other areas.

2. Trade relations between the EEC and the Gulf States

President. — The next item is the report (Doc. 1-866/80/rev.), drawn up by Mrs Wiczorek-Zeul on behalf of the Committee on External Economic Rela-

President

tions, on trade relations between the EEC and the Gulf States.

I call the rapporteur.

Mrs Wiczorek-Zeul, rapporteur. — (DE) Ladies and gentlemen, the Committee on External Economic Relations is proposing, with this unanimously adopted report, longer term cooperation with a group of Third World countries — the states bordering on the Arabian Gulf. The aim of the planned agreement is greater economic and political stability on both sides and more predictable economic development. Thus the committee's proposal is a regional application of recommendations made in the report of the North-South Commission chaired by Willy Brandt.

However, it also means a linking of mutual interests, and does not aim at dominance. It is geared to complementarity, and not towards unilateral advantages. In no way does it exclude other producer countries from future participation.

The report is based on the following assessment of interests. You are aware of the current account surpluses of the OPEC countries, which amounted in 1980 to 120 000 million US dollars. The OECD countries' deficit was 47 000 million US dollars. The dangers for the European Community are obvious — a disproportionate recycling of the surpluses which further weakens the economically weaker countries of the European Community, and beggar-my-neighbour policies on the part of individual Member States in order to bring their current account deficits under control. The results are shrinking trade, growing unemployment — and there are already 9 million out of work, falling purchasing power and less aid to developing countries.

The European Member States therefore have, in the view of the Committee on External Economic Affairs, an interest in a reliable oil policy which can be predicted for a longer time ahead, and in efficient recycling. The problem and concern of the Gulf States, on the other hand, is to prevent the investment yield on their surpluses from being very small or even negative, and the oil-exporting Gulf States have an interest in a value guarantee for their financial assets. At the same time they want to diversify their industry.

Any cooperation proposal addressed to the Gulf States which fails to take account of these interests will, like the original Council proposal, only meet with politely veiled rejection by the Gulf States. I therefore warn against withdrawing the offers to the Gulf States contained in the existing draft through amendments so far-reaching that in the end only the interests of the Europeans remain visible. That would not be partnership but a patriarchal attitude, and moreover completely ineffective.

The problem which arises for the developing countries which do not produce oil is even more serious and dramatic. Their balance of payments deficit has risen from 7 000 million US dollars in 1970 to 97 000 million US dollars today. They have no chance of obtaining additional credits to finance their balance of payments deficit caused by oil prices. The European Community and the Gulf States therefore have a common interest in preventing the possible economic collapse of the developing countries.

The cooperation proposal before you therefore has the following central elements: a proposal, on the basis of partnership, for contractual regulation of recycling, the method of direct agreements between the European Community and the oil-producing countries in the context of Community measures for joint action in the energy field, and the proposal to create a Community oil procurement and prospecting company.

There are many reasons why such a proposal is particularly relevant today. Many people give the impression that oil supplies and prices will give rise to no further problems for Europeans in the future. People think that because of the current oil glut the Europeans no longer need to reach such agreements. In my view that is a fatally short-sighted assessment which responsible politicians cannot allow themselves since anyone who argues in that way is failing to see a completely different 'market law': so far every glut of oil has been followed by a shortage — as in 1973 and 1979 — and OPEC has used that shortage to justify high price increases.

Anyone who, in dealing with this matter, does not now plan ahead and help to ensure that something is done — anyone who leaves it to the non-existent market — is already producing the next increases in the price and quantity of oil, and is moreover leaving the problem of unemployment entirely at the mercy of the present situation. In my view that is an irresponsible policy.

There is a second reason why I support these proposals and regard them as relevant. The European Community could, if it acts jointly, ensure that oil contracts are expressed in European currencies or ECU and that would make it more independent of the dollar and of the American high interest rate policy.

Finally, ladies and gentlemen, the European Community also owes the consumers in the Member States an answer to the rapid rises in petrol prices charged by the large private oil corporations. Price increases even at the time of the oil glut, and with a drop in the value of the dollar, which had hitherto been held responsible for price increases — that has no longer anything to do with the market, but a great deal to do with the domination of markets. The proposal for a Community-owned oil procurement company is therefore primarily a proposal for the crea-

Wieczorek-Zeul

tion of a larger market and greater competition in a sector where both have hitherto been lacking. I think the most ardent defenders of the market economy would have to support such a proposal, and so I expect Mr von Bismarck to associate himself with this proposal for the creation of an oil procurement company. I see he is already giving a friendly nod. I cannot believe that you, the members of the Christian-Democratic Group, will not at least examine this proposal, since when it is a question of protecting consumers, proposals should not simply be pushed to one side on ideological grounds — and it is purely those which stand in the way. I would regard that as unacceptable.

In the meantime the Gulf Council has been formed — an association of six Gulf States which has already put forward a political proposal for the solution of the Middle East problem. We should not deceive ourselves in dealing with the current offers of economic cooperation: our Arab partners also see in this economic cooperation a political dimension, and it is good that they look to the Europeans in this context. We must recognize this political dimension both in our relations with the Gulf States and in the context of the Euro-Arab dialogue. The Arab States expect the Europeans to make an independent contribution to the solution of the Middle East problem. In my view this also means, for example, that in such initiatives the Palestine Liberation Organization should also be involved in negotiations. May I ask whether it is really non-European behaviour if we as Europeans draw practical conclusions from the fact that we are politically, economically and geographically more closely bound up with the situation in the Middle East than are the United States of America? One should perhaps expect a modicum of European patriotism from many people on this question.

Ladies and gentlemen, if Parliament accepts the main elements of this proposal — for that is what is at issue, and all the amendments must not be allowed to obscure the fact that only a few central points are at stake — then we would also be making a contribution to strengthening our influence as a Parliament on the Council and the Commission.

(Applause)

We have the opportunity to make a courageous proposal to the Council and the Commission at a time when the Commission's view has not yet been formulated. How often have we complained that we can only consent to *faits accomplis*! So it is now a matter of handing to them in good time a proposal for a new policy of the European Community. The European electors have a critical attitude towards the Community. We can also show today by our vote on this proposal, whether the European Community is capable of acting in this situation, and I think that if we do vote for it the Council and Commission would not be able to ignore this proposal. I call upon you all, ladies and gentlemen, independently of your political

standpoint to join together to make the most of this opportunity!

President. — I call the Committee on Energy and Research.

Mr Müller-Hermann, draftman of an opinion. — *(DE)* Madam President, on behalf of our committee I would like first and foremost to welcome the initiative of the Committee on External Economic Relations and the exceptional commitment of the rapporteur. As a Community we have a considerable interest in achieving balanced relations with the states bordering on the Arabian Gulf and, above all in the interests of our oil supplies in developing intensive economic and trade relations with them. It is therefore fully justifiable that we should give our energetic support to the basic idea that the Commission should be called upon to conclude cooperation agreements with the Arabian Gulf States. We will be dependent on imported oil for a long time yet — certainly for longer than the United States of America, which are currently trying primarily to ensure the security of sea and other transport routes, since the United States are in a much better position than the Community to guarantee their energy supplies from their own resources.

The Committee on Energy and Research realizes of course that the ideas contained in the motion for a resolution constitute a very complex question and that a number of points which are perfectly sensible as suggestions have not yet been sufficiently considered and thrashed out.

In this connection I would like to go into three points which are also dealt with in the Opinion of my committee. Firstly, on the idea of an oil procurement and prospecting company, the underlying idea as the rapporteur also indicated, was of course the not always unjustified scepticism towards the multinationals. But it is well known that in some countries of the Community there are also state-run corporations which, like the multinationals, are not unreasonable in their pricing policy, and here one can certainly establish a connection. We must also realize that a new state-run super-corporation can provide neither more nor cheaper oil. But above all we must take into account that such a corporation would be lacking in logistics and experience, and that our supplies have hitherto been ensured by the multinational corporations and the state-run companies, even if we have cause to complain about their pricing policies. On behalf of our committee, I would like to point out that the present supply systems constitute the cornerstone of the anti-crisis mechanism of the International Energy Agency.

Of course — and we should also realize this — the Arab oil states are perhaps more interested in dealing with a large state-run corporation or with the govern-

Müller-Hermann

ments, since that would increase their scope of political influence.

The second group of questions which must be carefully considered is the proposal for an 'energy package' with firmly agreed quantities for delivery at uniform prices on the basis of an indexation formula. At this point I would like to remind the rapporteur of her own words when she said that we should also put ourselves in the position of the countries with which we want to establish a partnership. I wonder whether by this proposal we are not restricting the freedom of manoeuvre of the Arab Gulf States in a way which will certainly not be accepted without question by them. This proposal can perhaps be seen as an internal maximum negotiating aim, but to present it as a package which ensures a solution to the problems is in any case an approach which must be reconsidered.

Thirdly — and here the Committee on Energy and Research strongly supports the rapporteur's proposal — the whole problem of recycling. On this too there is a separate Parliament initiative which the Committee on Economic and Monetary Affairs must discuss, together with the committees whose opinions are required. This problem also is so complex that we must carefully weigh up its various aspects. But I would stress once more that on the recycling problem in particular the Community also has a commitment to the Third World which we must take seriously.

To sum up on behalf of my committee, may I say that this is or can be an initiative which points the way to the future, and that we must call upon the Commission to enter into negotiations as soon as possible. If we succeed, in spite of the persisting differences on individual points, in securing a broad majority in Parliament, that is the best way of ensuring that an initiative will also be taken by the responsible body.

President. — I call the Committee on Development and Cooperation.

Mrs Castellina, draughtsman of an opinion. — (IT) Madam President, our Committee delivered an opinion which was totally in line with what was stated by Mrs Wiczorek-Zeul in her report. We are in agreement for the very obvious reason that we are forced daily to face the problems of giving real substance to the North-South question, which is so often reduced to no more than declarations of intent, and not put into actual practice.

The motion which Mrs Wiczorek-Zeul has just outlined is at long last an example of how specific steps might be taken in order to handle the North-South question. Naturally, I am in full agreement with Mrs Wiczorek-Zeul when she states that this proposal is only workable within the framework of a new and different political relationship between Europe and the

Middle East. The fact is that what is now being proposed can only be accepted by the Gulf States inasmuch as such a new political relationship exists. Otherwise, they would frankly not understand why they ought to supply us with oil at stable prices and accept having their funds recycled towards the poorer countries via the European countries.

Basically, I feel that, when faced with the crucial problem of Europe's oil supply, our continent can act in two different ways. We can either guarantee security of supplies by what we could call military means, or establish a friendly relationship with the oil producing countries of the Middle East. Establishing a friendly and constructive relationship would constitute a first step towards attempting to achieve economic integration in the best interests of Europe. I feel that Mrs Wiczorek-Zeul is right when she states that this matter, which is of vital importance for Europe — given its geographical situation — can and must be put forward with what we might call a note of pride in Europe.

I should like to add, on my own behalf, that it would be extremely interesting if this House, through its various committees, could begin to look into the feasibility of establishing a trading relationship with these countries — starting with the Gulf States — via the ECU, the European currency, thereby creating a trading area which would be independent of that based on the dollar. I think that this would constitute a major contribution to our independence, given the tragic consequences of the monetary war which is at the moment being waged against Europe.

President. — I call the Committee on Economic and Monetary Affairs.

Miss Forster, draughtsman of an opinion. — Madam President, our committee like the other committees, welcomed this report and we all agreed that its aims and objectives were excellent. A strong minority in committee accepted the report as it was tabled, but I have to say that the majority had some severe reservations about the practicality and feasibility of some of the proposals. Before coming to this major question I would like to mention two specific matters which the majority find unacceptable and will support amendments to remove.

The first was the suggestion of a Community oil procurement and prospecting company, and we have similar reservations to those expressed by Mr Müller-Hermann.

The second suggestion was that the EEC should give the Gulf States easier access to the EEC for petrochemicals. This suggestion was put forward by the Committee on External Economic Relations with apparently no consideration for the effect it might

Forster

have on the EEC's own chemical industry, and I suggest it is a prime example of some of the lack of realism in the report.

As far as the practicalities of the proposals are concerned, our first reservation concerns the political aspects. We felt that these should be kept separate from the financial, economic and trade measures suggested in the report. We feel that the successful development of these trade and economic matters may, in fact, help progress towards a political settlement, whereas linking all of the aspects together could lead to failure on all fronts and that would be a great pity. After all, the EEC began with coal and steel and then went on to general economic cooperation, and 20 years later we are still only at the beginning of questions of political cooperation.

Our second major reservation on practicality concerns the suggestion of a long-term contract for oil at agreed prices. At first sight this sounds very attractive for the EEC, but we wondered whether, in fact, the Gulf States would be able to maintain such a contract. Conflict in the area could prevent, or interrupt, the supplies of oil at any time, and this would be just the moment when the EEC would have the need for assured supplies. It is possible that the contract price would change out of line with the OPEC price. If the OPEC price rose higher than the contract price, then the Gulf States would need a very high rate of investment to compensate for the loss of profit on sales of oil. I suggest that this would be extremely expensive for the EEC States to guarantee, and they might not wish to do this in the long term.

The second possibility is that the OPEC price might fall lower than the contract price. This is something the Committee on External Economic Relations appear not to have considered at all and it certainly should not be discounted. If it happened, the EEC would need to subsidize sales of the oil bought under the long-term contract and the EEC budget is just not large enough to cope with the price differences which might arise. The behaviour of the oil price in the 1980s may be quite different from that in the 70s, with new resources, improved extraction, oil conservation and the development of alternative energy sources. European consumption has, in fact, fallen since 1973 and the OECD States now import some 24 million barrels per day. But the forecast for the year 2000 is that it will fall to anything between 13 and 20 million barrels per day. Since the Gulf States only supply 50% of the EEC requirements, I suggest we might do better to maintain our freedom to buy from all sources and to offer the Gulf States other things in return for their investment of surpluses. The Committee on Economic and Monetary Affairs' opinion includes a suggestion for assisting the Gulf States to diversify into alternative energy sources on a world-wide basis, since this, after all, would be their best defence to their dependence on oil, and we suggest that this, and other ideas, should be considered in the Gulf States/EEC negotiations.

In conclusion, therefore, Madam President, we welcome the committee's report which arose from the initiative of Sir Fred Catherwood, and we welcome the suggestions in it for recycling and for the long-term contract, but we suggest that they should not be linked together at this time and that the Commission should spend time working out the practical details before negotiations begin.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call the Socialist Group.

Mr Ruffolo: — (*IT*) Mr President, this motion is original because it links together two pairs of problems which are of crucial importance not just for the Community but for international economic relations in their wider sense.

The first pair of problems concern stabilizing and guaranteeing oil supplies, in the interests of both the producing countries and the Community consumer countries.

The other pair of problems concerns recycling the enormous financial resources originating from the balance of payments surpluses of the producing countries, and financing development programmes in the producing countries themselves and in the poorer countries of the Third World. This way of linking these two different problems in one single proposal is both simple and bold in conception. It might well be defined as a long-term supply contract coupled with a financial agreement on how the surpluses originating from this should be invested.

For a deal of this sort to be workable, all the contracting parties must have something to gain from it. It is my view that this is true for the 'new deal' on oil outlined in this motion. The petroleum producing countries would acquire for themselves the following benefits: guaranteed stability of income, a scattering of their investment risks over a wider investment portfolio, a rational schedule for using, over a period of time, a heritage which is slowly being depleted, a development and product diversification programme. Not to mention that stabilizing supplies and prices over a long period would make it possible justly to reward the more moderate producers for the restraint they exercise and would offset the disturbing influence of the more disruptive amongst them, thereby helping not just the oil trade but the cause of peace.

The Community would also be able to pursue policies aimed at higher growth, without fear of having a stran-

Ruffolo

glehold put on them from outside. They would be able to plan in a more orderly manner procedures for conserving and diversifying energy sources and would be able to open up — through investment programmes in the Gulf States and other developing countries, new outlets for their industrial output. Anyone who thinks that we ought, conversely, to exploit the present slow-down in the price situation in order to divide the OPEC front, is, in my view, taking a short-sighted view of the problem and harking back to an era in which the oil trade was not run by seven brothers but by the 'seven sisters'; in other words, he is simply showing that he has not learnt the lessons of 1973 and 1979. As for the underdeveloped countries, carrying out this plan would make it possible to channel towards them, within the framework of long-term investment programmes, funds, which are at present diverted — via the banking system, and always with great complications and difficulties — towards projects which produce a more rapid return on investment, and towards countries which are not so poor and have a more secure social situation. And we should not lose sight of the fact that the investment programme outlined in this proposal would make it possible — and this is not the least of its merits, even though it is the one which is given least emphasis in the report itself — to breathe life into that ethereal creation, the ECU, which is still waiting to be called into the world of the living. Recycling could in fact be based on paying for oil surpluses with a European currency. In this way, not only would Community countries free themselves from the uncertainties caused by an unstable oil market, they would also shake off, for the major portion of their imports, their subservience to the dollar economy. And this, at a time when the American monetary authorities are indulging in sins of either omission or commission, would be no small achievement.

In conclusion, I feel that there is, therefore, more than one reason to put all our weight behind this proposal, which is the fruit both of reasoned thinking and hard experience, and which will reduce the risks and offer the Community, which up to now has in this field been in such disarray and so supine, just for once an opportunity to take in unison a bold and fruitful step.

President. — I call the Political Affairs Committee.

Mr Fergusson, draftsman of an opinion. — Mr President, I have to report first and foremost that the Political Affairs Committee does indeed give its blessing to this report and endorses the favourable opinion published under my own name on 29 June, which many of us have been lucky enough to receive and some of us been generous enough to read. If I may paraphrase its conclusions, we regard the idea behind the proposals as an imaginative and important attempt to solve one of the most urgent problems facing the world today, even plugging a hole in the Brandt report

in respect of the North-South gap and the oil-producing countries. If I may quote from the opinion, the Political Affairs Committee sees these proposals as

strong evidence of the new and valuable spirit of cooperation now growing between the Community and the Gulf States and trusts that they are the first of many such moves at an economic and political level.

That is the positive side; but the Political Affairs Committee found itself in deep debate on two matters where the draft resolution ventures courageously but rashly into expressly political territory. It is not that the committee is merely jealous of its areas of concern or has overweening confidence in its own expertise, but that we ourselves are preparing reports for the Parliament on subjects dealt with in paragraphs 2, 3 and 4 of the resolution: the Euro-Arab dialogue and Middle East problems as a whole. For that reason, we all agreed, first, that paragraph 2 be replaced, as the rapporteur has herself agreed, with the amendment in my name in order to make certain that an economic arrangement is not directly contingent on any political settlements to problems which have defied solution for decades. Secondly, and by a very narrow majority, we decided we could not support the inclusion of paragraph 4, which enters right into our political territory and on which our own report will be forthcoming.

Naturally, Mr President, in a body of such varied talents as the Political Affairs Committee, such wide experience and different corpulences, views on all these matters varied very broadly, but I think I express our general view in saying that if our amendments are accepted we hope this report will be readily adopted by Parliament and go on then to do its important work.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr van Aerssen. — (DE) Mr President, ladies and gentlemen, the Christian-Democratic Group in the European Parliament is delighted to have the opportunity today to give a clear view on relations with the Gulf States — a view which I think will point the way to the future. The European Community is a force for peace. We are not a military giant, and we also know that we are vulnerable in many places, above all in the field of raw materials and oil supplies. The people of the European Community therefore expect us to adopt a clear and mutually agreed policy on important questions and not to indulge in national rivalry, but to play the role in the world of a partner who extends a helping hand to others. The Gulf States have declared their readiness to talk to us, and we should not let this opportunity pass by.

It is understandable that various committees take up different standpoints on the instruments which Mrs Wiczorek-Zeul has proposed in her report on behalf

Acrssen

of the Committee on External Economic Relations. But in my view that committee has the great merit of having given Parliament much food for thought on the dialogue which we wish to initiate. Of course one can take different views on one or other of the instruments proposed, and undoubtedly everything which has been said here, including the ideas put forward by the rapporteur, whom I would like to thank once more, must be thoroughly considered and thrashed out in such an open dialogue. Moreover, we must once more keep one thing in mind. With external economic policy the European Community is at the same time making foreign policy. There can be no clear-cut separation into external economic policy and foreign policy. On the contrary, there is a very close connection. I therefore welcome the fact that this report has also given the various committees the opportunity to consider these basic questions.

Mr President, I would like to point out once more that our dependence and vulnerability compel us to find committed friends in the world. We acknowledge that the Gulf States play a key role and are also of special interest in terms of security. We are using this opportunity for a dialogue with them. Fifty per cent of world oil deposits are found in these states, and they account for about 37% of world oil supplies. It must therefore be our most important concern to obtain oil from these states at suitable prices and in adequate quantities.

Mr President, I would like to say clearly once more that this dialogue also has a political dimension for us. It is not merely a question of trade, of 'buy-back' or whatever one wishes to call it. We know that these states are the ardent bearers of an ancient culture and would like — the wish is also expressed in the report — to extend the dialogue to the cultural sphere and the interchange of ideas.

To sum up once more, the dialogue which we wish to initiate — we once more strongly urge the Council and the Commission to seek such a dialogue — is based on the following principles: firstly, to create stability and trust in a region where worldwide political interests intertwine; secondly to build up a solid partnership; thirdly, to ensure that the dialogue is well-established and lasting; and fourthly, to include the political dimension. All this must be incorporated in the framework agreement which guarantees the balance of economic interests.

If we are interested in ensuring our energy supplies we must refrain from taking protectionist or discriminatory measures against these states. On behalf of my group I once more call upon the Commissioner, Mr Haferkamp, to commit himself clearly and to enter into a fair discussion. There is no need to stress again that technology transfer and the improvement of training possibilities, as well as a joint commitment by these states and ourselves, are absolutely essential for the Third World.

Mr President, Parliament today has the opportunity to take this initiative and show these states that we are a fair and strong partner. We can see our dependence, but also our opportunities, and for that reason I strongly urge Parliament to seek an open dialogue with the Gulf States.

President. — I call the European Democratic Group.

Sir Frederick Catherwood, Chairman of the Committee on External Economic Relations. — Mr President, I speak both on behalf of my group and as the chairman of the Committee on External Economic Relations, since the group agreed, subject to our amendments to this report, that there is no conflict between the two.

First of all, this motion is absolutely necessary for the following reasons. The two economic reports on which our motion is based, from the Hamburg Institute and the University of Cambridge, point out that the unspent surplus of the desert oil producers, which last year was 115 000 million dollars, is the main cause of the current recession which has pushed the number of unemployed up to 9 million in the Community, 3 million in my own country, 40% in a small town near where I was born. No government spending, and certainly no Community spending, can put right that position. We can look at this motion and that motion on unemployment in Parliament, but no motion is going to make any impact to compare with what we propose here. That kind of spending is like putting sand on the desert. The desert oil producers have been forced to exchange oil, which retains its value, for money, which has not retained its value. They have put their prices up in order to compensate for that and thus further destabilized the value of money and made the position worse. So unilateral action is no way out for the oil producers — they have to come to an agreement too. In their attempts to chase interest rates round from one currency to another, the desert oil producers, like a tidal wave swamping everything before it, have destabilized monetary values and slowed down world trade.

Moreover, any single oil producer can at any moment decide that this destabilized system is not worth going on with and, like Iran, simply stop pumping oil. So we have to come to an agreement with them, less we have another Iran. It is, of course, also necessary for the Third World, because what is difficult for us is catastrophic for the Third World and brings all their employment and all their development to a halt. The little amounts of aid that we can give from our Committee on Development and Cooperation can do nothing to put the Third World right. For the Third World also this agreement is an absolute priority.

Secondly, it is realistic. We can, in my view, give a stable return to the oil producers for their investment, so that they take oil out of the ground and exchange it

Catherwood

for something else that has a stable value. We have given a lot of thought to this, and I know that Mr Müller-Hermann and others, including some in my own committee, are going to look in more detail at this recycling. We will be very happy to help them with our ideas, and I hope that they will come out with a very strong case for recycling which goes into it in much more detail than we can. But we believe that we can give the oil producers value, perhaps by putting what they give us in money, linking that to alternative energy sources and linking the return to them to the energy price.

Furthermore, I think that it is possible to stabilize oil prices, despite the doubts that have been cast on this. Look at what one country alone, the Saudis, have done in the last six months to stabilize oil prices. If there is a determination in this agreement to stabilize oil prices, we have seen in the last six months that it can be done. So let us not think that this is unrealistic. I myself was for four years in a community business — aluminium. I know that in major commodities and in major industries like this it is necessary to try to stabilize the price as much as you can, so that you have a realistic return on your investment and you know where you are. There are ways of destabilizing prices but also realistic ways of stabilizing prices, and I think that this is realistic.

In order to meet the points made by the Committee on Economic and Monetary Affairs, I have tabled Amendment No 41 which I think has support all round the House. That simply puts our objectives here. We think they are realistic objectives; it is now up to our friends to get on with doing something about it. However, at this stage we have given enough thought to the proposed agreement to say that it is realistic.

Finally, it is not only realistic but I think that it will have support. Informal talks with the oil producers indicate that they would like a more stable relationship.

The next problem is to convince our national governments. If we adopt this by a large majority in this House, that is the first way to persuade our national governments. (*Applause*) We are the thinking-place for Community action. National governments do not necessarily think in terms of Community action. They think first in terms of what a national government can do. It is up to us to think in terms of Community action. Let us have an overwhelming majority in favour of this report today and thus give a very big signal that this is the way in which we can end the recession, the way in which we can get our people back to work, the initiative to end unemployment that our national governments and the Council have not found. We have found it, and let us vote it through together.

President. — I call the Communist and Allies Group.

Mr Segre. — (*IT*) Mr President, ladies and gentlemen, lack of time forces me — and in any case I share most of the opinions which have been given by Mr Ruffolo and other Members in their speeches — to make only two short comments on Mrs Wiczorek-Zeul's report, which we welcome.

However, at the outset, I should like to congratulate the rapporteur for the solid basis and the richly varied and realistic approach she adopted in her proposals, and for the non-partisan political attitude with which she negotiated the sometimes difficult rapids of parliamentary procedure. We feel this report to be important, and, therefore, the political act which the European Parliament is on the point of accomplishing by adopting this motion is also important because, in a world in which the forces of division are unfortunately so strong, the path which this report offers us is that of a return to unity, and to cooperation, whose basic precondition in this day and age is that we should accept the changes which have taken place in the distribution of labour between the nations and whose end result will be the construction of a new system of international relations.

We know that the moves suggested commit the European Economic Community and presuppose that great progress will be made in the process of integration. But we also know that the changes suggested place obligations on the Gulf States. To their representatives who are attending this debate, to their governments, and to their peoples, we should now like to express our implicit belief that this act, this message from the European Parliament will obtain from them a positive and tangible response, and that they will be convinced that their fundamental contribution towards building the new bridge, of which Mrs Wiczorek-Zeul's report sketches the main pillars, will go further towards boosting the peaceful development of this sensitive region against the wider backdrop of the difficulties of the Middle East.

My second point refers to the relationship which exists between the new type of development which the report states may be possible between the EEC and the Gulf States, and ways of meeting the need for a world-wide debate on safeguarding energy supplies, which the motion for a resolution quite rightly refers to, linking it to the general negotiations taking place within the framework of the North-South dialogue. Once again, the path suggested for avoiding the forces of division is that of reuniting nations through taking a realistic view of our shared interests, which undoubtedly exist, but which must, however, be strengthened and put into practice with sufficient and persistent determination on the political, economic and trade levels.

Segre

For all these reasons, Mr President, we accord great significance to the document on which we are about to vote, since we are convinced that this is the right path for the Community to take, and we firmly intend to commit ourselves fully to it, so that as soon as possible we can move on from general statements of principle to specific acts in writing a new chapter in our relations with the Gulf States.

President. — I call the Liberal and Democratic Group.

Mr Pintat. — (*FR*) Mr President, the basic idea behind this report is a good one. Energy consumption in the world at large and in Europe in particular will more or less double between now and the end of the century whatever efforts we make to save energy. Recourse to coal and nuclear power will not prevent the world from still being dependent on oil for approximately 40% of its energy needs between now and the year 2000.

The oil producing countries which are our main suppliers, the Gulf States, will therefore be called upon to boost their production. In order to help our economies they will extract more oil than they need to finance their own economies. For this reason, they might be tempted to leave their black gold in the ground. It is therefore our duty, and to our advantage, to guarantee that what they extract will keep them rich and to help them to recycle the increasingly large amounts of liquid assets which they acquire in the form of petrodollars.

The Liberal and Democratic Group has always been in favour of the Euro-Arab dialogue, but in a triangular set-up comprising the producers, the industrialized countries and the developing countries, in order to lend support to a sort of new Marshall Aid Plan aimed at saving the world economy. The OPEC countries ought to lend their petrodollars to developing countries, with sureties from the industrialized countries, for profitable investment which would allow such developing countries to reduce their dependence on oil. They could then buy the products they need from the industrialized countries and in this way recycling would take place within the world economy as well.

But our group will move a number of amendments to this report, because there are a number of points with which we do not agree, such as, for example, involving the EEC in the political problems of the Middle East. It is definitely dangerous to mix economics and politics. Failure at political level should not spell the end of economic relations.

We also feel that it is dangerous for free trade and tantamount to giving in to state control to suggest that a Community oil procurement company should be set up. We feel that the oil conglomerates which now exist

have shown their ability in the grave crises we have just had to face and that they are more adaptable than a top-heavy nationalized machine. In addition, the proposed company would have more powers than EURATOM, and what would happen to British oil in this system?

Thirdly, we are against what the rapporteur calls the 'economic package', that is compulsory purchasing of petrochemical products. It is risky to make official a swapping arrangement which might well endanger a major sector of European industry and, through this, jobs. It would be better to plan technological and industrial cooperation in other fields which meet the development aims of the OPEC countries. On the subject of petrodollar recycling, as specified in paragraph 10 of the motion for a resolution, the solution proposed is not supported by the Liberal Group, which remains in favour of a triangular agreement on recycling, based on the notion of a large Community loan floated each year and not on that of a dangerous surtax on oil products which would only give producers a chance to raise their prices.

The Liberal and Democratic Group therefore lays heavy emphasis on the need for contact with the Gulf States, but has serious reservations on the ways of achieving this suggested in the report. It particularly does not wish this report to be used as a means of reaching a political solution to the Middle East problem, but on the other hand wishes to find an economic solution to the energy crisis which will make it possible to boost the world economy, particularly that of the developing countries, and thereby make a real contribution to world peace. For it is mere self-deception to think that without prosperity it will be possible to achieve peace in the world or social stability at home.

President. — I call the Group of European Progressive Democrats.

Mrs Fourcade. — (*FR*) Mr President, ladies and gentlemen, in Mrs Wiczorek-Zeul's important report, it would seem that, in spite of the recent amendments which had been made, emphasis has been laid on certain points which, in the opinion of the Group of European Progressive Democrats, are potentially dangerous.

The Euro-Arab dialogue, started in 1973, deals strictly with economic problems and does not go outside them, as is the case for the Maghreb and Mashrek agreements. Mrs Wiczorek-Zeul bravely makes an appeal for a new instrument to be added to this dialogue, but we fear this would certainly at the present time do no more than compound the confusion and would thereby be likely to hamper the initiatives which have already been made by various Member States in this part of the world. This is why, like the Political Affairs Committee, we recommend that para-

Fourcade

graph 4 be deleted. In addition, and from a strictly economic viewpoint, this report, as other speakers have pointed out, whilst intending suitably to protect Arab interests, does not take sufficient account of the interests of the EEC Member States. It does not seem to us that, up to now, the Gulf States have in fact offered Europe sufficient guarantees as to long-term supplies, nor have they promised a modicum of price stability. Under these circumstances, even though we must naturally greet favourably the aspirations of the Arab States, they ought for their part to understand the legitimate fears of Europe. Unemployment in Europe is rising exponentially at the moment and it would be harmful to its economy to disregard the fact that at present a not insubstantial portion of its refining capacity is not being used. A commitment to the Arab States with respect to refining would lead to an increase in unemployment, and this is quite unacceptable.

Therefore, although from many points of view the report seem to us to be positive, brave and well thought-out, we are nonetheless unable to support it in its entirety — always supposing that it will remain in its present state.

(Applause)

President. — Mrs Fourcade, Parliament was all the more attentive to what you just said because it knows that we have just listened to you for the last time in this Chamber. Please allow me to express the regret we all feel at your departure.

(Applause)

I call the Council.

Mr Hurd, President-in-Office of the Council of Ministers. — Mr President, I am grateful for this opportunity to intervene very briefly at this stage.

I do so simply in order to underline the importance which the Presidency and the Council attach to this subject and to congratulate Mrs Wiczorek-Zeul on the timeliness of her introduction of this report and resolution. It does seem to us, as she has pointed out, an extremely important development of the external relationships of our Community, and if the resolution is adopted the Council will study it with great care.

Indeed, at the Council of Ministers this week the matter was raised by the Presidency, which pointed out that an opportunity in this direction had been created by the successful launching in the Gulf area of the Gulf Cooperation Council. Incidentally, according to our information, this body is to some extent taking as a model the development and institutions of our own Community. The Presidency thought it right to draw the attention of the Council to the opportunity

thus created. The Council agreed that it would be right for preliminary contacts to be made between the Community and the Gulf Cooperation Council, and this will now be set in hand. To that extent, even in advance of the debate here today, the Council has taken some preliminary action and will, of course, now have to study carefully this debate, the speeches which have been made and the report.

Perhaps I could just say in conclusion, Mr President, that although one has to beware of overlapping, of excessive complications, we don't see a contradiction between this initiative, now in its preliminary stage, and the concept of the Euro-Arab dialogue which, we hope, will be carried forward at ministerial level when we can agree on the necessary dates with our Arab partners. Of course, as has been pointed out, there are also the individual agreements between the Community and the Maghreb and Mashrek countries, to which obviously we also attach great importance. However, I think that we can avoid unnecessary duplication and complication while still showing to the new Gulf Cooperation Council, which is so full of promise and importance, that our Community accepts and welcomes the idea of some form of cooperation and some form of dialogue with this new entity in the Gulf.

President. — I call the non-attached Members.

Mr Almirante. — *(IT)* Mr President, by chance the honour of speaking immediately after the unexpected speech by the President-in-Office of the Council falls to me. This gives me the opportunity to tell him, with all due respect, that the statements he has just made on a subject of this importance are extremely vague and disappointing. This does not mean that the Italian National Right is totally in disagreement with the extremely praiseworthy report by Mrs Wiczorek-Zeul. I should merely like to say which part of the report we most appreciate, which is that which refers to the need for agreement to be reached as soon as possible by the Community, and not by the individual Member States, with the Arab Gulf States, and the President-in-Office was disappointingly vague on this aspect of the question. However, this initiative has only been outlined as yet, and we fervently hope that it will be followed up in a constructive manner.

Similarly, I should like to beg the rapporteur's forgiveness if I have only a few seconds in which to reply and to repeat our agreement with the basis of such a seriously undertaken report, but I must also express some quite telling reservations.

The rapporteur appealed to our sense of European patriotism. I take the liberty of appealing, against the general background of European patriotism, to that of national patriotism, which it is right for me to express

Almirante

here, with reference to the proposed agreement with the Gulf States on importing into the Community petrochemical products, since this is a factor which is likely to heighten the already serious crisis which exists in various countries in this sector.

However, the political reservations I must make are far more important and basically or mainly concern the dangerous reference which has been made to an agreement with the PLO, which I believe does not produce oil but weapons, assassination and — I wish to say this in the most detached and calm manner possible — political agreements with certain Communist or Socialist parties. Political agreements which I hope we shall be allowed to consider as not serving the interests of Europe in general nor Italy in particular. The fact is that recent events show the particularly threatening, pervasive and debilitating influence which the PLO has on the mad policies now being pursued by Libya, and this is but one example.

We must also express reservations as to — and I hope that the honourable Member and rapporteur will not take this amiss — the excessive haste and albeit understandable ambitiousness which the rapporteur showed. Re-starting the Euro-Arab dialogue with a view to reaching an overall solution involving all the parties involved in the Middle East conflict is an attractive prospect, but a little too ambitious or at least a little too hasty. Similarly, founding a Community company for purchasing and prospecting for oil only as regards the Gulf States, seems premature to us and might well prove dangerous. The notion of launching guarantee funds together with the EIB, to be managed jointly by the European Community and the Gulf States, might lead one to suppose that the Community has fund-raising capacities which it does not possess. Fortunately, you yourself state that should the Community set up a guarantee fund with appropriate interest rates, for the investment of the current balance of payments surpluses of the Gulf States, this should not become a factor to stimulate inflation. It is a good thing you did mention this, because the danger does in fact appear very real to us at a time in which we are all called upon to fight inflation.

However, we shall not vote in favour of this report, as a matter of principle, with the proviso that should certain amendments which have been tabled be adopted, amendments which we were pleased to hear tabled from various quarters, particularly from the Chairman of the Committee on External Economic Relations, Sir Fred Catherwood, we shall vote in favour.

President. — I call Mr Seeler.

Mr Seeler. — (DE) Mr President, ladies and gentlemen, you will undoubtedly agree with me when I say, by way of introduction, that the political climate for

discussing all the issues raised in this report cannot at present be regarded as optimal. If the Committee on External Economic Relations nonetheless presents this report now, and if my Group also fully supports it, then it is principally to show that this Parliament is constantly striving to make concrete proposals to solve the conflict; I am grateful to the President of the Council for underlining this aspect in his speech.

Ladies and gentlemen, in our discussion we must not overlook the fact that there is understandable distrust on the part of the United States. This distrust has already led on one occasion to energy policy, the oil issue and the Israeli-Arab conflict being excluded from the Euro-Arab dialogue. We must recognize that, despite all friendship and necessary partnership the growing solidarity between European nations will have to reckon with the competing interests of the USA. Our policy must react to this with close partner-like cooperation, i.e. including regular information and consultation.

Allow me now to make a few remarks on the three major proposals in this report.

European Gulf policy must aim at ensuring the necessary supplies of oil at manageable prices. Mrs Wieczorek-Zeul quite rightly laid particular emphasis on this point. Put that way, this sounds of course like a political dream, and it can only be regarded as a negotiating goal, nothing more. But if the Community wants to achieve this goal, then of course it itself must be ready to introduce concrete proposals into the negotiations.

One major concern of the Gulf States is to be able to invest their surpluses from oil earnings safely and well.

Only if they are offered this possibility of investing their surpluses can they be prevailed upon to deliver more oil to the industrialized countries than they need to finance their development and their imports. At present, substantial portions of these surpluses are invested for short and medium terms with banks in industrialized countries, and they are used in turn by these to finance, in particular, the trade and current account deficit of the third world. The risk involved in this flow of capital is borne by the banks and the States who stand as guarantors for these loans.

Ladies and gentlemen, we have here a very great danger for the world economy looming on the horizon, because total borrowing by the third world at the end of last year was already 460 000 million US dollars and will, as Mrs Wieczorek-Zeul stated, increase by a further 97 000 million US dollars this year. The increase in oil prices has contributed substantially to this trend in borrowing in recent years, and this situation cannot continue unchecked. Indeed the debtor countries will no longer be able to pay interest on these loans, let alone repay them. In the longer term even the industrialized countries will not be able to finance their balance of trade deficits with

Seeler

petrodollar loans, because they already have difficulties in paying their oil bills; if, in addition, there are increasing obligations arising out of these loans, problems will arise to which there is scarcely any solution.

Sir Fred Catherwood referred also to the significance of this point as regards security of employment in the European Community. I will elaborate on this and say that, in addition to the possibilities mentioned in this report, there are three further points which should be introduced into the negotiations: the oil countries should themselves invest more heavily in the industrialized countries, but above all in the developing countries, and build up a banking system of their own for this purpose. The oil countries should increase their share of development aid and, when fixing oil prices, should take the developing countries ability to pay into account by requiring a lower price for deliveries to these countries. Thirdly: the oil countries should contribute more to the World Bank, so that it is in a better position to help the developing countries.

The second proposal made in this report is the creation of an oil procurement company. This proposal was sharply criticized during the discussions, not least because it was misunderstood, as involving the creation of yet another multinational undertaking. This European oil procurement company is, however, conceived primarily as an umbrella organization in which the oil companies would participate with the European Community. Indeed there are examples of such umbrella associations at national level in some of our Member States. Such a procurement company could, moreover, contribute towards more transparency in pricing; on this ladies and gentlemen, we should all be agreed.

Such a company would also, you must agree, help the endeavours of the Arab States not to negotiate with the individual companies but with the Community as a whole. The Italian Members know from hard experience how necessary it is to improve the security of oil supplies. It should be interesting later during the voting to see what the Italian Members' position is on this proposal.

My third and last point refers to the political aspect of these oil negotiations. I was astonished to learn that the Political Affairs Committee wanted to delete paragraph 4 of the proposal. It is an illusion, ladies and gentlemen, to expect to be able to negotiate forthwith with the Gulf States on an organization of the oil market, on the utilization of surpluses, on increased aid for the third world etc., and in doing so simply exclude all political problems. There will only be successful discussions if the European side is prepared to include the political aspects clearly and plainly in the negotiations.

Although the Middle-East is on Europe's doorstep, and although a conflict has been raging there for over thirty years which has repeatedly brought the region

to the brink of war, we Europeans have for a long time left this question solely to the great powers. We must acknowledge clearly — and also politically support — the fact that Israel has a right to an existence within secure borders, and that it is supported by Europe in this claim. But we must also make it just as clear that this right to an existence does not include the right to conquer Arab territories and control them indefinitely. The Palestinians also have a right to a secure existence and self determination. Both sides must show greater readiness to compromise. It is our task to help them in discussions in the search for compromise solutions. Only in this way and only then will we have a chance to arrive at mutually acceptable arrangements for oil supplies and for all the related economic and political issues.

Viewed in this way, Mr President, ladies and gentlemen, this contribution of the Committee on External Economic Relations and of Parliament is also a contribution to peace.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (DE) Mr President, Mr van Aerssen has just presented my Group's positive views on the motion for a resolution. I should now like to make a few critical remarks.

First of all a word on procedure, addressed in fact to the committee chairman and to the Bureau of Parliament. When a committee takes a parliamentary initiative which far exceeds its own area of responsibility, it should only present its concluding remarks when the views of the committees competent in this area have been heard. In my view this is a fundamental question which must be cleared up once and for all.

The criticism expressed in a series of proposals for amendment is directed basically against what I would call the ideological over-emphasis of the motion for a resolution on special topics and special theses which simply do not reflect a realistic view of the problems.

It has been pointed out by various parties, and everybody knows this, that in Middle-East policy particularly, political questions naturally spill over into the economic sphere. That is a fact. From the point of view of the Community, however, it is in my view quite honestly madness to call expressly in a resolution for a closer linking of political and economic questions. Our doubts are borne out in the explanatory statement of the motion for a resolution, which, although we do not vote on it, throws some light on the viewpoint of the rapporteur. It would be extremely unfortunate if the slightest impression were to arise that this Parliament wanted to compromise itself on the Middle-East initiative of the Council and the Commission for the sake of material advantages by, for example — although Mr Seeler will undoubtedly genuinely

Müller-Hermann

dispute this — calling into question Israel's right to existence in any way, in return for favourable agreements with the Gulf States.

All of us in this Parliament are agreed that we must make an effort to arrive at a reasonable settlement with the Gulf States in the interests of both parties. However we consider it extremely dangerous to restrict our negotiating options too early and too rigidly; however, what is said here in a few paragraphs does just that.

However, I also think that the motion for a resolution tries to restrict the position of our negotiating partner. Anyone who has held discussions with the Gulf States knows that in their view oil has been delivered far too cheaply for far too long and that even at the present time the Gulf States, for example Saudi Arabia, are producing far more than it is in their interests to produce. These countries argue that they have already made an advance concession to the industrialized world.

I therefore believe that we should avoid giving the impression of wanting to prematurely restrict the negotiating position of our partners. We all want to arrive at one or more cooperation agreements. However we must not give the impression, as is the case in the report, that we want to introduce state control in as many areas as possible. I believe that if we want to improve trade and economic relations effectively, then on both sides we should leave as much scope for private initiative as possible, for example through technology transfer, training subsidies and such like, in other words make our contribution towards helping the Gulf States to diversify their industry and to prepare for a situation in which their oil resources are exhausted.

The same applies for the oil procurement and prospecting company. In trying to arrange that everything we wish to receive in return from the Gulf States flows into one state controlled company, we are in my view only leaving the EEC states more open to blackmail. What must be considered also is the immense administrative and distribution apparatus that would have to be built up if we were to accept this idea. However, I am not opposed to it if, as is probably intended, Mr Schmid presents a special initiative on this topic which we will then discuss once again. In my view, however, it does not belong in this report.

Finally, let me raise again the question of linking prices to an index. Mrs Forster was in my opinion quite right when she said that it was impossible to predict today how the oil market will develop in the long term. If we in the industrialized world really intensify our efforts to save oil and develop alternative energies, then I think that this will have to have an effect on prices, even if we can assume that some of the Arab States will slow down oil production in their own interests. However we question the wisdom of

binding ourselves prematurely and unnecessarily *vis-à-vis* the negotiating partners from the Arabian Gulf.

These are the reasons why we have tabled some amendments which we hope will have the support of the majority of this House. Once again we approve the basic idea whereby the Commission and the Council should take an initiative as rapidly as possible in order to get a Community programme under way; we are all disturbed today by the fact that all the Member States of the Community are pursuing their own policy and even allowing themselves to be played off against each other.

That must change! In this context I call once again on the Council to support the Parliament's initiative. We want joint EEC action *vis-à-vis* the Gulf States, where by *vis-à-vis*, is not to be construed in the sense of a confrontation, but rather in the sense of partnership wherever possible.

President. — I call Mr Kirk.

Mr Kirk. — (DA) Mr President, I believe that one must emphasize here today that Sir Fred Catherwood's initiative, on which we now have a report before Parliament, is really of historic significance, particularly when we view it in the light of the events we have witnessed in Europe in the past two or three years in the oil sector and the whole energy sector. Many European countries have been falling over each other trying to contract agreements on trade with various Gulf States.

As was emphasized in the report, such agreements include many political aspects, and if the Communities and the Gulf States succeed in concluding some more stable and permanent agreements in the interests of both parties, these will also encompass many political aspects. All this was underlined by many speakers today, so I will not labour the point any further. However, I should like to point out that if this initiative is to have any significance at all and is to succeed, then it will be solely because the Gulf States and the Member States of the Community have a number of common interests. It is in the interests of both the oil-producing countries and the industrialized EEC to prevent damage being done to the EEC economy as a result of erratic increases in oil prices and the excessive fluctuations we have experienced in deliveries, or increasing problems connected with the recycling of the Gulf States' balance of payments surpluses. We share a common interest with the Gulf States in this sphere, just as we have a common interest in preventing their oil resources from being depleted too quickly. We also have an interest in helping them to become less dependent on a single product, namely oil, in the future.

Kirk

Where the Gulf States are concerned, it is important that we should be able to assist them by promoting joint investment projects with a view to a diversification of industries in the Gulf States, just as it is in their interest that we help them by technology transfers. And last but not least, we have a common interest in starting intensive joint financing of development projects in the developing countries.

To be able to engage in trade with the Gulf States, it is clear — as was also pointed out in the excellent report — that we must have a general trading arrangement. And what obligations will the Gulf States enter into under this? They must obviously commit themselves to deliver crude oil to the Community in agreed amounts and at uniform prices. On the other hand the EEC will, as Sir Fred Catherwood expressed it quite excellently, offer them a reasonable return and a reasonable profit on their investments.

It is clear that the problem we are facing resides in the big money transfers which flow back without any control to the Gulf States and which are neither in the interest of the Gulf States nor of the Community. This is what this initiative is about and this is what we can do something about — as Sir Fred Catherwood so lucidly emphasized — if the governments in the Community have the will to tackle this problem.

Finally, I should like to say that I consider this initiative comparable to the plan which George Marshall presented on 6 June 1947 at Harvard University in Boston. Many at that time thought it was impossible to reconstruct Europe's economy. There were many who were able to point to all the problems involved in implementing the ideas of the Secretary of State, George Marshall. But Secretary of State George Marshall had the will and ability to persist until he succeeded in finalizing his plan and in implementing it as a concrete policy for the benefit of the European economy, but indeed also for the benefit of American industry.

Let me therefore say to Sir Fred Catherwood that I hope that he will persist in promoting the plans he presented here today, and I hope that he will have such support in the House that the Council can really see that Parliament has the political will to try to solve the fundamental problem facing both the Gulf States and the industrialized countries of the Community. I therefore recommend this report to Parliament, and I myself will vote in favour of it and in favour of the amendments tabled by Sir Fred Catherwood.

President. — I call Mrs Spaak.

Mrs Spaak. — (*FR*) Mr President, like certain other speakers before me, I should like to make some comments and remarks on the political aspects of the explanatory statement in Mrs Wiczorek-Zeul's

report. I feel that it is inevitable that there should be a political dimension to this question and on this point at least I share the rapporteur's view.

In my opinion, it is unreasonable, under cover of breaking the very real stalemate caused by the Palestinian problem, to get ourselves involved in another such serious situation by trying to exclude Egypt from any political or economic negotiations and to call the Camp David Agreement into question. I believe that any chance of peace depends on recognising the rights of the Palestinian people, but that first of all the Palestinians must make an explicit declaration to the effect that the State of Israel has a right to exist.

The declarations made recently do not tend in this direction, and I believe — to my regret — that these statements only bolster the more extremist political stances in Israel. The rapporteur, in her explanatory statement, tells us that she has met the representative of the Arab States in Brussels. I congratulate her on this step. But, since she herself stresses the political dimension and all-encompassing nature of these negotiations, might I make so bold as to ask her if she has met the representatives of Egypt and Israel?

Like the rapporteur, I am convinced that Europe should, and can, act as mediator and relay for the various parties involved. But we should note that our position is undermined by the fact that we are not economically independent of the Arab countries, and that this casts suspicion on our political initiatives. We should, however, in spite of this drawback, intervene whenever we can in order to bring the various points of view closer together. We must do this, Mrs Wiczorek-Zeul with diplomacy and also, in my view, with a sense of modesty. It is not our task to preach or teach politics to anyone.

The European nations have been torn by conflict for centuries, and the Second World War reached the pinnacle of horror. And here, in this House, we are in a good position to see occasionally just how impotent and unable we are to build Europe. All we do, and all we say, as Europeans, must help to simplify exchanges and pave the way to peace. Unfortunately, Mrs Wiczorek-Zeul, your explanatory statement does not help to achieve this. However, if certain amendments are adopted, I shall vote in favour of this motion for a resolution which is the only one which has been submitted to Parliament for approval or rejection.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (*DE*) Mr President, in the few minutes allotted to me I should like to concentrate on the political dimension which has been raised by various speakers. Like those speaking before me I also welcome the initiative of the rapporteur of the Committee on External Economic Relations. I do not,

Blumenfeld

however, believe that we are in a period of such historic dimensions as at the time of the Marshall Plan — I regard that as an exaggeration. However, we do want not only to commence this dialogue with the Arab partner states but also to bring it to a rational, constructive conclusion.

I agree with Mr Fergusson and also reject paragraph 4 of the motion for a resolution. While this paragraph 4 introduces the political dimension, it goes unreasonably far since it makes the important economic energy questions, monetary and financial questions dependent on the solution of political problems. This is how it is viewed and understood by the Arab States, and particularly by the front line states and the PLO. Parliament cannot permit this. In the coming months Parliament will be discussing the problematic nature and complexity of the Middle East problem on the basis of the reports by Mr Penders and Mr Segre. The Euro-Arab dialogue is not taking place at present for various reasons. The President of the Council has raised part of the curtain of secrecy regarding this. However, we are dealing here with an exceptionally complex situation. Not just the Palestinian conflict, but also the inter-Arab conflict make it extremely difficult to find a solution to political problems.

However, to link both reports, thereby leaving Europe open to blackmail — Mr Müller-Hermann put his finger on it — and to offer political solutions in return for oil, without regard for America or Israel, is not and cannot be the concern of this Parliament. For this reason, speaking on behalf of a large section of my Group, I reject paragraph 4 of the motion for a resolution: we have tabled an amendment to this effect and hope that the political dimension, which we recognize, can be placed in a completely different context and not linked to the solution of our economic problems.

President. — I call Mr Nikolaou.

Mr Nikolaou. — (GR) Madam President, the final version of the text before us today has been arrived at through compromise. The rapporteur has made considerable concessions to the other political groups, so that she rightly expects her report to be adopted by a large and clear majority. Thus, if anything is to be done, it should not be to remove any more paragraphs from the text but rather to point out certain vital problems. Without beating about the bush, I mean the problem which is at the very heart of the Middle-East crisis, namely that of the Palestinians.

It is a question of the right of the Palestinian people to a country and a state of their own, a right which no democratically minded person can ignore. Furthermore the Community institutions will have to take account of the fact that the political recognition of the Palestinians' claims is one of the main foreign policy objectives of the Arab countries, and if such recogni-

tion is not forthcoming, it may jeopardize any conclusion of economic agreements with other countries.

We consider that a particularly positive step towards such a policy is, for example, the recent meeting of the French Foreign Minister, Claude Cheysson, with the Palestinian leader Yasser Arafat. Therefore it is, to say the least, strange that anyone should want to delete paragraph 4, as the Political Affairs Committee proposes and as Mr Blumenfeld has just proposed, when the Council has made its position clear on the political dimension of the whole problem. This is something we must not ignore, ladies and gentlemen.

In addition to this, we consider that both the crisis and the means of overcoming it are directly bound up with the problem of the international division of labour and the position of the Third World in it. To be frank, a large part of the blame for the crisis is borne by the failure of the colonial and neocolonial forms of exploitation, which, with the transfer to the West of a large part of the surplus produced in the countries of the Third World and with the unequal exchange of products, was the cornerstone of post-war development in the West. We must be honest enough to recognize these very simple facts.

The rise in petrol prices must also be seen in the same context, and whether we like it or not, it is a natural reaction on the part of the Arab countries to the unjust and unequal structure of international trade.

We therefore think that any agreement with the Third World — and in this case that means the Arab Gulf States — cannot but recognize in all respects the right to full and total economic and industrial development. The countries of the Third World must no longer be treated as cheap suppliers of raw materials but as equal political and economic partners. This is the only way in which the crisis can really be overcome to the benefit of both sides.

In conclusion, Mr President, I should like to make a remark. I have just heard reference being made in the House to the Catherwood initiative, while in actual fact, as most of us or all of us know, it is the Wiczorek-Zeul initiative. However, when it is a question of adopting a report with, we believe, a large majority, we of the Socialist Group do not demand precedence and do not mind it being considered as the Catherwood initiative.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Mr President, the economic significance of the region under discussion today is obviously in the sphere of energy and finance, while its political significance lies in the effects on the world economic situation of militant developments in the region, with the

Haferkamp

resultant constant worldwide concern for stability, not just for that region but for the world. That this is evident has emerged again clearly from the debate here today. Obviously it is not normal that the European Community has no contractual links with these states as it has had for a long time with other Arab states — for example Maghreb and Mashreq. We share your view that this anomaly must be removed and relations normalized.

This debate represents an extremely important contribution towards this necessary process of normalizing relations. On behalf of the Commission may I thank the rapporteur for her report which has provided the incentive for reentering this important topic in particularly clear form on the agenda, where I am convinced it will remain.

The report is an excellent comprehensive analysis of the situation. It provides a wealth of ideas. The debate has shown that this Parliament is largely in agreement on the aims of the action to be taken and to be pursued. These aims are that relations between all participants must be intensified in the interests of both sides, whether it be in the area of energy and finance, trade relations, diversification of economic potential etc., and that both sides must act with responsibility *vis-à-vis* others, the world economy as a whole, the developing countries.

We can probably pursue these goals in common and we welcome the fact that there is agreement on this. This is not the case as regards the methods and instruments to be used and the debate has shown that there are substantial differences within Parliament on this. The reports of the committees involved reflect this varying approach and for this very reason I think it is important to state today that we are at the beginning and not at the end of a new development where, in my view, agreement on the aims is the decisive factor. If we abide by this agreement on the aims then we can probably also come closer to agreement as regards the instruments, ways and means and then in practice, with constant discussion, progress towards the desired relations.

The report, the debate and the resolution on which this Parliament will be taking a decision, will also provide an important impetus and guidelines for the work of the Commission.

Reference must be made in this debate to the Gulf Cooperation Council. The representative of the Council of Ministers informed you that at its last meeting the Council confirmed its wish to pursue and intensify contacts with this body. We have often spoken in this Parliament of the importance of regional cooperation. We have referred to the understandable sympathy which the European Community itself based on cooperation in a region, has for such activities. Let me just give as an example our frequent debates concerning our relations with ASEAN. I can assure you that the

Commission will forthwith do everything necessary to introduce any further cooperation with this new Gulf Council, whereby there is far-reaching agreement on the aims. In doing so we will maintain close contact with Parliament and will in future also be grateful for your support and your suggestions in this matter.

President. — I call Sir Frederick Catherwood.

Sir Frederick Catherwood, Chairman of the Committee on External Economic Relations. — Mr President, Mr Müller-Hermann has criticized me as committee chairman and the competence of my committee in this matter, and I would just like to reply briefly. This is an agreement with the Gulf States. It is an external economic relations affair, and it is correct that this should be initiated in our committee. There is no other place that that could be initiated. Secondly, I realized as soon as I saw the draft from the rapporteur that this did involve other committees. Last December, in Luxembourg, I consulted all four chairmen. I remember as a matter of fact that Mr Poniatowski stood the rapporteur and myself a drink; that remains vividly in my memory. I also remember talking to Mr Müller-Hermann by the telephone booths near the toilets — that also remains vividly in my memory.

(Laughter)

That was last December. We actually voted the resolution shortly afterwards. I think it was published in February. February to September is a very long time. Mr Poniatowski put in his opinion quite early. We also had another early opinion from the Committee on Energy and Research. We did not have the opinion of the Committee on Economic and Monetary Affairs until Monday night. All of Tuesday morning I spent drafting Amendment No 41 tabled in my own name. We had an extension of time for amendments in order to put it in. I consulted the rapporteur at lunchtime. I consulted other people, including Mr Müller-Hermann, in the afternoon. I absolutely deny the allegation, Mr President. I have done all I possibly could since December to consult everyone in sight and I absolutely reject the allegation that I have not consulted other committees. If I have done anything, it is to spend too long consulting.

President. — I call Miss Forster.

Miss Forster, draftsman of an opinion. — Mr President, I am sorry, I must come back to Sir Fred and defend the Committee on Economic and Monetary Affairs. We were ready to discuss our draft opinion with you in June. You were unable to attend. You promised to come and see us in September. There was a compromise reached and we met last night. We did not wish to meet last night. We wanted time to discuss this very important subject in depth and then for the Committee

Forster

on External Economic Relations to consider our opinion. I would support Mr Müller-Hermann's view that on a subject as important as this the main committee should at least consider the opinions of the subsidiary committees. The procedures have been appalling, and I hope, Mr President, that the Bureau will consider means for improving them in future.

President. — I call Mr Müller-Hermann as the last speaker. The debate must not be unduly prolonged by these procedural issues.

Mr Müller-Hermann. — (DE) Mr President, I did not raise this matter in order to have a go at Sir Fred Catherwood, but because it is a matter the Bureau must look at.

Various committees submitted their opinions in good time but the Committee on External Economic Relations just disregarded them when it came to amending any part of its resolution. We have to make up for that now here in the Chamber. However, the whole procedure must be properly gone into by the Bureau, because what happened in this instance is just not on.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

3. *Economic trends in the Community during the first half of 1981*

President. — The next item is the report (Doc. 1-332/81), drawn up by Mr Moreau on behalf of the Committee on Economic and Monetary Affairs, on economic trends in the Community during the first half of 1981 and the application of the Council decision on convergence.

The following oral question (Doc. 1-480/81), tabled to the Council by Mr de Ferranti and others, is also included in the debate:

Subject: Products imported into the Community from third countries

Member States are increasingly resorting to non-tariff protection to the point where manufacturers' organizations say that they would rather go back to tariffs.

In view of this, would the Council now agree that it is urgently necessary to establish a Community method of testing and giving type approval to products imported into the Community from third countries?

Explanatory statement

1. No less than 20 directives are held up due to lack of agreement on the Commission proposals for Community type approval.

2. A common external tariff is meaningless without a Community method of ensuring compliance with health, safety, environmental and consumer protection directives.

3. Non-tariff barriers are now more important than tariff barriers themselves. This aspect of trade, say, with Japan or in GATT, cannot be negotiated without a Community type approval procedure.

I call the rapporteur.

Mr Moreau, rapporteur. — (FR) Mr President, ladies and gentlemen, this report is being studied at a difficult time for the Community and its Member States. In the next three months, Parliament will become familiar with the important reports dealing with the 30 May mandate and the Community's fifth medium-term programme. The six-monthly examination of the economic situation could be regarded by some as a ritual and rather formal exercise. I hope that Parliament will seize this opportunity both to put pressure on the Council and Commission and to enlighten public opinion.

The economic situation is more and more worrying in all our countries. We cannot allow this situation to deteriorate further. The Community institutions and public opinion must pull themselves together. There is an urgent need for the Community to make an effort, transcending differences, to find ways of meeting the extraordinary challenge presented to us by the impressive technological revolution now taking place and the rapid emergence of new development areas.

This appeal has been made a number of times in this Parliament. We think any delay can only aggravate the decline of Europe and of our countries. That is why we insisted in this report that the Community should use to the full the instruments available to it, both to draw up the necessary policies and make necessary recommendations to the Member States, and to bring about better convergence of our economies. Europe, because of its structural weaknesses, is not managing to make its voice heard sufficiently in international meetings or to safeguard its legitimate interests. A thorough analysis must be made of the Community's policies towards third countries. We can never lay enough stress on the need for a bold trading policy and the need to speed up the creation of a real single common market.

These two policies are urgent. Any delay in this field will only worsen our situation and weaken our economic capabilities. The current figures speak for themselves. A negative growth of 0.5%, a balance of payments deficit of \$ 40 000 million, 3 times that of 1979, an unemployment level of 8.2% in July 1981 — about 9 million unemployed — a continuing high level of inflation — 12% on average — all these figures have worsened in the last few weeks.

Moreau

Whatever the hypothetical hopes for a short-term economic recovery in the coming months, vigorous Community action is required. We think that in the current situation four priorities are essential, and they are in our view inseparable.

There is a need for concerted action to combat the many causes of inflation — need I remind you that the levels in Member States vary between 6% and 24%, which is obviously very dangerous for the future of our Community. Our committee therefore calls for closer coordination of the economic policies of the Member States.

The monetary policy pursued by the United States and the continuing disordered state of an international monetary system make it even more urgently necessary to strengthen the European Monetary System. This involves closer coordination of Community budgetary policies and, in our view, a rapid transition to the second stage of the European Monetary System. I think there is no need to stress any further the need for Member States to have a common attitude towards United States policy in these matters.

Yesterday we debated various aspects of employment. Obviously, our report stresses the great importance of the fight against unemployment and the need for a strategy of creating jobs. We are in favour of a reduction of working hours. There was no majority in the committee to confirm the aim of 35 hours per week but there was agreement on reorganization and reduction of working hours in conditions which would allow the development of real competitiveness and begin a real work-sharing system which would benefit wage-earners and be in the interest of our peoples.

Finally, the fourth priority is the revival of economic activity. To this end, the report calls for a large-scale Community loan in ECU which would make it possible to finance the priority industrial activities selected by the Community. Industrial cooperation is essential. We have said so already many times, but we hope that it will become a reality. All possible means must be used to that end.

In conclusion, I would point out that this report was adopted almost unanimously by the members of our committee, and this made it possible to achieve a balanced formulation. But one should not imagine that, behind this balanced formulation, the committee contented itself with expressing pious hopes. The formulation is also intended to be the expression of the desire of a majority of the committee, and of the rapporteur, that Parliament be more determined to ensure that the Community acts more strongly and effectively in the monetary, budgetary, economic and general fields. In the circumstances I hope that this resolution will obtain the widest possible approval from Parliament. In the final analysis, what is most important to me is that the European Parliament should make clear to the Council, to the Member

States, to the Commission and to all the social partners of the Community the need for a real leap forward, for truly innovatory and effective action by the Community. Paragraph 3 of our resolution stresses the role of the Commission as the true decision-making centre. May this leap contribute at least an initial response to the current crisis and to the challenge facing us, as well as a glimmer of hope for all those to whom such a situation is economically and socially unacceptable!

President. — I call the Socialist Group.

Mr Mihr. — *(DE)* Mr President, ladies and gentlemen, it is extremely regrettable that Parliament only possesses exceptionally limited powers for dealing with and influencing economic and financial policy. This ought not however to stop us from repeatedly, and specifically today, raising our voices and throwing that moral authority, which I at least hope we have, into the balance.

This fact has already often been stated, but needs to be repeated, that the highest goal of economic and financial policy must be to produce full employment. Any economic policy which is based on the assumption that the present general and sectoral crises can be solved whilst absorbing mass unemployment, at present more than 10 million people, or even by creating unemployment, is quite obviously a policy based more on contempt for one's fellow men than on a reasoned approach to the economy, social problems and politics. But this type of policy is also characterized by deep pessimism and a lack of confidence in the actual ability of policy decisions to affect the situation. This is why it is all the more important that there should be in Europe concepts of economic policy which make it their task to pursue policies which are active, stimulate the economy and create jobs. In this respect, I am especially thinking of a former Member of this House, Mr Jacques Delors, who used to be Chairman of our Committee on Economic and Monetary Affairs and is now the French Minister for Economy and Finance. Mr Delors sets us all an example of how to aim one's policies at the goal of full employment and of how economic policy can be shaped to suit a market economy.

I myself come from what is known as big industry. That however does not prevent me from stressing first and foremost the significance of small and medium-sized enterprises for the economy and for full employment. Here again the new French policy provides us with a good example. Promoting such enterprises is one of the most important cornerstones of economic success and of improving the employment situation.

With regard to this problem, the role of the State must be discussed. It is not the State's task to meddle in all economic activities — examples of this type of policy

Mihr

show us daily what a devastating and demoralizing effect such a dogmatic approach can have. But there is also another type of dogmatism which must be opposed just as firmly. By this I mean that the State should be totally disburdened of any responsibility in implementing economic policy. The withdrawal of the State and what is known as unrestricted market freedom actually only lead to a lack of social freedom. I am afraid that the financial and economic policies now pursued in the United States will lead directly to disastrous social consequences, which will also affect us. I shall return to this point later once again.

The State must make it easier for business and industry. But business and industry also have social obligations towards the State and society. One of these is the task of moulding the process of technological renewal in such a way that not just material profits but social benefits continue to be guaranteed. The State, therefore, can, and should, only promote new technologies if it at the same time it ensures that the use of them will not have to be paid for by higher unemployment. Only yesterday we had a far-reaching discussion on this subject. Lastly, a particularly major problem for European development is that regional imbalances will continue to increase since it is simply left up to business and industry to decide where and how it invests. Here again, the State has a role to play both in guidance and intervention. Business and industry ought also to grasp that the State is not a machine for granting one-sided privileges. The State must be able to pursue its policies even in the face of business and industry. Extremely recent French history provides some examples of how business and industry are tempted to hamper any government policy which does not suit them. Everyone talks about convergence and the need for a coordinated policy in Europe, but nobody pursues this type of policy with enough dynamism. I have no confidence in the ability of European Governments to reach a consensus. I am sure that the governments will not succeed in creating the pre-conditions for such a convergence within any foreseeable period of time.

Therefore, we urgently need autonomous European policy-making powers, which permit a policy which will lead to convergence. We need European funds to promote industry and trade and regional development. We need a European credit policy. Both in the short- and medium-term Europe urgently needs to coordinate its economy-boosting policies. Lastly, in the long term, we cannot do without a structural policy at European level.

Industrial development requires European cooperation. Whoever really wants this to happen, must also be prepared to give the Community the means to lend strong support and back-up to such a policy.

The situation in the money markets gives us particular cause for concern. The United States' policy on interest rates does not take any account of the situa-

tion in our countries. Theirs is not a policy which is shot through with the spirit of economic partnership. It is a policy which is not very considerate of others. It must bear some of the responsibility for the constantly worsening employment situation in Europe. In the face of this American policy, a common monetary policy by the Member States of the Community is urgently required. The only imaginable way of implementing a job-creating policy is to lower interest rates and link this to a restimulation of investment activities. A policy of high interest rates is unreasonable both on economic and social grounds. It produces instability whatever way one looks at it.

Finally, we must also be clearly aware that the economic problems of the industrialized countries cannot be solved by ignoring the less developed countries. To put it in a nutshell, the developing countries are not interested in seeing our economic development in difficulty since they need our economic success precisely in order to help their own countries and to be able to develop. We, however, need to increase the purchasing power of the developing countries in order to rid ourselves of our problems both in the short and long term.

Therefore we ought to guard against using the visibly suicidal weapon of protectionism in order to solve our problems. But anyone who does not want protectionism, must give his wholehearted support to an active employment policy, since unemployment is a decisive cause of the increasingly frequent demands for protective measures. Once more this clearly shows that employment policy must be the fulcrum and cornerstone of any rational economic policy.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr von Bismarck. — (DE) Ladies and gentlemen, the views which have already been expressed here today would have deserved an extremely comprehensive and critical debate. It is unfortunate that the basic question which Mr Mihr just spoke about in this House has to be dealt with by my Group for example in only 6 minutes. This can lead to nothing else than that we should limit ourselves to brief statements. Mr President, I ask you to discuss this in the Bureau; because it is a very real blow to the interests of those who are out of work in Europe.

I should like to make one other preliminary remark. I personally feel — and I see that for Mr Mihr and Mr Moreau this is also true, and I hope this is true for other Members — that we are not just the representatives of those German Europeans who elected me, that is to say not just the representative of my electors, but also a representative of all those people who live in Europe, which means the citizens of Rome, London, Paris, Copenhagen or the Hague as well as the citizens

Bismarck

of Brussels. I mean by this that we must discuss the matter here when we feel that individual countries take measures which, if viewed critically contain a potential risk of disturbance for the European market and bring with them precisely what we are now complaining about. We shall therefore in the future take the liberty of holding a debate whenever individual countries behave in a way which, in our opinion, goes against the interests of the Community. If we do not then, as Mr Moreau pointed out, our debates remain no more than pious platitudes. He presented us with a brilliant report, but what is the point of it if no-one listens to it and no-one has to listen to it? For anyone to listen, irritation has to be expressed, if not there will not even be a report of our debate in the press.

Naturally, if we are talking about economic policy, we subscribe to the first paragraph of Mr Moreau's report, in which he says that there is a lack of determination to take joint action. Why is this? We have two possible ways in which we ourselves can stimulate this determination. Firstly, we must constantly and all over Europe state that there is no way back. No-one must hope that they can creep out of the Community, no State and no political group. It is only when everyone is convinced that there is no way out that they will no longer put their own interests to the fore and believe that they ought not or pay for major mistakes in other countries. There is no way back — this ought to be the leitmotif in all our speeches.

The second very definite possibility — and I should like to strongly recommend this to all the Groups — is for us to make the problems which we in this House consider to be essential, topical in our home countries via national Parliaments and by influencing friends in our parties at home, and in this way ensure that these problems are discussed energetically and critically in all capital cities. In this way we can oblige our Governments to listen so that it is no longer possible to say 'well, we've got the European Parliamentarians to do the dirty work and we can offload all the criticism we do not wish to hear at home on to them!'

Now to the subject of jobs. The crucial word is growth. Every product finally reaches saturation point or is overtaken by a better one. If we do not introduce new products on to the market then there is no growth. Mr Keynes does not produce any new products. We depend upon the fact that new products enter the market. The pre-conditions for this are research, development, risk investment and daring entrepreneurial activities. Any one who does not want to see these 4 factors in play, will not produce any growth.

It is an unfortunate thing that there are still Members here who cling to the theory of supply and demand. It is as dead as a doornail! Increased demand does not create more jobs. Investment and new products create jobs. On the question of reducing working time, if one adopts a flexible and rational approach, as has been

the case in Germany over the last 30 years, then working time is reduced in any case. A very great deal can, and must, now be done in this area.

But the basic question recurs, of whether we are distributing increased productivity correctly. Are we dividing it up correctly between working time, salaries and profits for the future? Or are we sharing out a bigger cake than we are producing? This has been done over the last few years in all countries and is the main reason for unemployment. We have shared out our future and produced inflation. Anyone who shares out something that is not being produced, contributes towards inflation, whether it be because he demands more from the State than the State can deliver or asks more in the way of pay than is reasonable. Everyone helps to produce inflation, and then we are faced with a dilemma called unemployment! Inflation eats away at everything, at the savings of the poorest amongst us, at jobs, at the future of our children, at security in old age and confidence in our well-being. However when it comes to rooting out this evil we lack courage because Members of Parliament are afraid of their electors. That is our major short-coming. We are too cowardly to do the right thing at the right time.

I should like once more to say to my fellow Members on the Social Democratic benches: do not be frightened of the market! The market will not lastingly let itself be taken in by anyone and least of all by civil servants in wholesale purchasing associations. The market is a monster if let out of control as we are all aware. If the market is not at the service of its citizens, then it is being handled in a completely wrong manner, and on this I am in total agreement with Mr Mihr. The State must see to it that competition rules the market. It is then that the miracle occurs which means that one's own good becomes the common good. The economy then produces exactly what the population wants.

United, we must turn to the Council and the Commission and say 'Do something, do more, do something new!'. I feel this is possible, and to achieve it we need debate. We ought, however, above all — and I repeat this — not be afraid of the market. Anyone who is afraid of the European market and applies protectionist measures will have to tremble in the face of the world market and we ought to avoid that.

(Applause)

President. — I call the European Democratic Group.

Mr Purvis. — Yes, Mr Bismarck, your electors and mine and Mr Moreau's electors, all our electors, depend on Europe even if they do not realize it as fully as they should; they depend on Europe for their future economic wellbeing. And the trouble, Mr Presi-

Purvis

dent, with reports like this is that they are pored over in our committees, they see the light for a few brief minutes in this Assembly and they disappear into the Official Journal or into the shelves and everybody says well, we have made our speeches, we have made our points but nobody pays too much attention. That is most unfortunate, because this is the one place where the interest of all those electors come together; and I hope that attention will be paid to the Moreau report. This group will support it. It will in fact also support most of the amendments that have been put forward, mostly because they are just adjustments rather than fundamental changes. We support the Moreau report, but we should like to stress the following chief aspects of it.

First of all, inflation must be controlled as a precondition for the expansion of the European economies, and the control of money supply and public spending are essential to controlling inflation. We shall achieve no real solution to the unemployment problem, to adjusting our economies, to the increase in energy prices, to making our industries competitive in a real world market — as Mr Bismark has indicated — and to improving our living standards if we rush back into a spending spree, spending other people's money and just letting inflation rip.

Secondly, we must strengthen monetary cooperation on a Community basis. It is time that the United Kingdom joined the exchange-rate mechanism of the European Monetary System. There is unlikely to be a better time. The British Government's position is that at the right time for the Community, at the right time for Britain, they will join. In this group, we see it as unlikely that there will be a better time; and stabilizing the relationships within Europe at least could only help British trade and industry play its full part in genuine economic growth. We must then turn our attention to the further development of monetary cooperation. We would particularly stress the importance of developing the rôle of the ECU so that it can take its place alongside the US dollar and perhaps provide a practical way to solving this particular problem. In this field, artificial restraints on the movement of capital within the Community must be dismantled and certainly not introduced or strengthened, as seems to be the current tendency in certain Member States in order to protect their doctrinaire inflationary policies.

Thirdly, this group is firmly committed to the idea of the Community as a genuinely free market, as a free market is the only way we shall be able to compete in the world and in Europe. More than any other economic bloc, Europe is wholly dependent on competing in world trade. It is the market-place that will provide for greater consumer choice, for greater economic activity, higher standards of living and better employment prospects. However, we do agree with the Moreau report that a new Community instrument has an important rôle to play and should be constantly updated. We would also accept that certain industries

in difficulty and transition can be provided the chance to adjust themselves under strictly controlled circumstances and so long as an end to such distortions to the free market can be clearly seen ahead and the policies are tuned to bring about their ultimate demise.

We support the Community's concerted action in energy policy. It is not perfect by any means, but some progress towards achieving its goals is evident. Certainly there can be no place for artificial energy subsidies that distort competition and discourage the necessary adjustments in production systems and specialization. Above all, we wish to see much more vigour in the elimination of technical and administrative barriers to trade within the Community and the implementation of common standards in border formalities working towards the complete elimination of such formalities within the Community. The European Community, and the common market it promises but does not yet provide, offers the freedom of competition and choice which our people require for their future. It is the European Community which offers the best solution to all our economic and social problems. Let us go to it, let us make it a reality and let us make it work!

President. — I call the Communist and Allies Group.

Mr Fernandez. — (*FR*) Mr President, the basic idea of the Moreau report is the need for a Community policy for action in the economic sphere. We agree with this approach provided that it does not threaten the responsibilities and prerogatives of each country. We have already explained and demanded this many times here. The report is critical about the current economic situation, and it is clear that this situation — characterized by a rise in unemployment in all countries, increasing inflation and budgetary and monetary difficulties — is a matter of concern to us also.

Similarly, we approve of the position taken up on the question of interest rates, i.e. the criticism of American policy.

We think that solutions to these questions must be sought — and found — at two levels.

Firstly, we must face up to the seriousness of the situation, particularly that of the social classes most affected by the crisis. There is indeed urgency with regard to unemployment, low wages, and the difficulty of achieving revival and new growth capable of meeting immediate needs. Secondly, we must find medium and long-term solutions to the structural problems — economic growth, wage distribution and the direction of industrial and credit policies — the aim being to stop the rise in unemployment and then begin to reduce it.

Fernandez

Against these needs must be set the realities of the situation. Each country must try to find the means for its economic growth and development. The basic political element of each country's independence is realism. The policies pursued hitherto have led to national situations which are different in economic and political terms.

Thus France is in a new situation. The disastrous effects of the crisis and of the policy of the previous government are still realities, but a policy of change has now been initiated there. Despite real inadequacies, this policy, which is strictly a matter for the national authorities, involves constructive changes. In view of the different circumstances of each of the countries of the Community, it is necessary to give up abstract talk of the harmonization and convergence of economic policies. The European countries must seek means of cooperating and acting together in a practical way to overcome the difficulties and to progress in the various industrial and social fields.

The interest rates question is a good example of this. As early as last July we proposed European consultation leading to a consistent attitude towards the United States on the part of the Community countries, which may mean dissociating internal rates from external rates. The advantage of this would be that the financial instruments for policies of growth would not be jeopardized. It is clear that France would be particularly interested in a solution of this kind, as well as in a form of cooperation and consultation.

It is for all these reasons that we shall vote in favour of the Moreau report — even if we do not agree with all its points — since its analysis is in general governed by realism and the need to face up to a disturbing situation.

IN THE CHAIR: MRS DE MARCH

Vice-President

President. — I call the Liberal and Democratic Group.

Mr Damseaux. — (FR) Madam President, ladies and gentlemen, on the basis of an analysis of economic trends in the Community over the first 6 months of 1981, Mr Moreau notes that structural and short-term difficulties continue and that international competition has further increased.

It is clear that the industrial and monetary policy of the United States does not make the task of the European Community any easier. The depreciation of the

dollar and the constant increase in interest rates are inescapable but disastrous phenomena. In all political, economic and social circles people admit in theory, in a touching chorus, that in order to halt the decline in our competitive position it is more necessary than ever to act as an economic unit. However, both the Belgian Government and the Government of the Federal Republic of Germany signed bilateral agreements with the Japanese Government in 1981 with a view to limiting imports of cars. Was the Commission of the European Communities lacking in vigilance in this case, was it incapable of taking decisions or did these Member States once more merely put national interests before the Community ideal, thereby ignoring the very existence of the Community?

With regard to the fight against inflation, the Committee on Economic and Monetary Affairs hopes that the various Member States will coordinate their economic policies, but given that elections — whether presidential, legislative, or local — are due shortly in one or other country of the Community, there can hardly be any question of a coordinated policy — still less at the European level.

Mr Moreau hopes that the European Monetary System can be consolidated. There is no need to stress what little chance the European Parliament has of persuading the other Community institutions and the Governments of the Member States to move on to the definitive stage of the EMS by using such a timid formula. The rapporteur notes that it is possible to provide a solution to the unemployment problem by reducing working hours and redistributing work without increasing costs. It is clear to everyone that the workers, and above all the trade unions, are not prepared to accept the proportional reduction in wages, which would in any case be bad for the economy since it would entail a reduction in purchasing power. Why should we therefore make these economic mistakes — maintaining the level of wages and salaries while unilaterally reducing working hours? For this would lead to a rise in prices, which must be avoided at all costs in the competition battle now being fought at the international level. It is precisely the quality price ratio, favourable to imported products, which puts some European industrial sectors into difficulties — particularly textiles, iron and steel, shipbuilding and the automobile industry. The measures proposed in the report for reviving the economy — Community loans, new investments or industrial cooperation — are valid and theoretically feasible. However, they lack originality. These proposals have already been examined and explained in detail in other reports. It is no longer a question of repeating proposals, but of defining the responsibilities for decision-making. The view held by some — that the economic revival taking place in the United States will automatically have favourable effects on the Community economy — should be taken with a pinch of salt. It is much easier to import inflation, and quality products at low prices, than to bring about revival.

Damseaux

Madame President, in view of the 8½ million unemployed, and the fact that important sectors are in a state of crisis, with prospects for the last 6 months of 1981 far from encouraging, it is high time for the Community in general and Parliament in particular to devote slightly less attention to some subjects — however important — such as Latin America, Southern Africa or Eastern Europe, in order to do everything possible to prepare the economic future and hence the political and social stability of our Community.

President. — I call the European Progressive Democrats Group.

Mr Deleau. — (*FR*) Madam President, I greatly regret that, for such an important debate on the current economic state of the Community, we should have so little time available. After all, the subject deserved a bit more.

The motion for a resolution on economic trends in the Community in the first six months of 1981 put before us by our colleague Jacques Moreau contains both an analysis of the current situation and a series of proposals and suggestions for improving it. Alas, the analysis is not very encouraging, and the rapporteur is right in saying that there is no discernible sign of progress in the Community and that the aims contained in our resolution of 20 November 1980 have not been achieved. Here too, alas, the figures speak for themselves. We share the analysis presented to us and the regrets expressed by Jacques Moreau. Of course we agree with the priorities proposed. The need for a revival of economic activity is obvious, and more vigorous growth is essential. There is an urgent need to implement a new economic policy, a common industrial policy and a suitable trade policy.

To achieve all this, specific measures for industry, particularly for small and medium-sized undertakings, are necessary and urgent if we wish to combat unemployment. Whether one likes it or not, the economic activity of a nation depends on its undertakings, and an undertaking cannot develop and create jobs if it is weighed down by burdens of all kinds, and particularly by tax burdens, paralyzing administrative formalities and unbearable financial burdens. Constraints must be loosened and obstacles removed. Investment credits must be made available at acceptable interest rates which do not constitute a kind of delayed suicide. There is a need for a more realistic international monetary order, free circulation of capital and more reliable exchange rates. We particularly stress this last need. Exchange rate fluctuations oblige undertakings to give themselves forward coverage in order to reduce the considerable risks for investment projects, and this considerably increases the cost of international transactions. Finally, it is clear that those responsible for economic policy in the Community

must try to achieve stable exchange rates, reduced interest rates and, at all events, suitable safeguards against exchange rate risks for those who borrow on the European capital market for productive job-creating investments. Having made these points, the Group of European Progressive Democrats will vote for the motion for a resolution tabled by Jacques Moreau, who should be congratulated — I say this very sincerely — for the contribution he has made to this important debate.

President. — I call the group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Bonde. — (*DA*) Concerning the Commission's appeal for intervention on cost of living adjustments I have just one piece of advice which can be expressed in two words: hands off. And this is the same reply, if in other words, which the EEC Commission received from the President of the Danish Trade Union Congress when Thomas Nielsen, on behalf of the wage earners, asked the EEC not to become involved, and I am pleased that the European Trade Union Institute, in a letter from Mr Hinterscheid to Mr Thorn, also rejected the Commission's attempt to become involved in agreements between parties in the labour market. I am surprised that a Commissioner with an annual salary of DKr 700 000 cannot find more obvious areas for cuts than the cost of living increments of Danish wage earners, when in any event, as Poul Dalsager knows, these increments only cover a very small portion of the high cost of living and moreover are only received six months after this high cost of living has been paid for. How on earth can reduced and delayed cost of living increments be the cause of the high cost of living recorded six months earlier? If the Commission were to apply the same logic in proposals for European history books, these might state that the Iron Age led to the Stone Age.

President. — I call the non-attached Members.

Mr Markozanis. — (*GR*) Madam President, I cannot honestly imagine that there is any Member who does not share the hope that suitable measures will be taken to combat inflation and unemployment, to strengthen the European Monetary System and to promote economic activity. We are genuinely sorry that the Commission is an observation centre rather than a decision-making centre, and that there is a lack of political resolve on the part of the Member States to adopt a common stance on supranational problems adversely affecting the economy of the Community. We, as a Parliament, express the political will of the peoples of Europe, which is abundantly clear, so Parliament's vote should be equally clear. Madam President, we find that there is still a lot of truth in

Markozanis

something that used to be said before the countries of Europe united — that, when America sneezes, Europe catches a cold. We also note that, when the value of the dollar falls, the price of oil goes up. And when oil prices are stable, the value of the dollar goes up. Ever since 1973 Europe has been asked to pay more and more for its energy as a result of the oil crisis and the crisis of the dollar, with unfavourable consequences for the European economy. These crises are the result of extremely strong monopolistic forces which give rise to secondary and domestic monopolistic tendencies, with the result that, quite apart from the immediate effects of the outside factors, there are equally serious indirect effects on the Community economy. One economic crisis therefore follows the other, with sometimes the problem of unemployment being more serious, sometimes the problem of inflation and sometimes the problem of the balance of payments. General equilibrium appears to have been lost since 1973, and the economic policy of all countries is still only at an experimental stage. There is weakness, confusion and an almost complete lack of concertation between the various countries. The Committee on Economic and Monetary Affairs foresees a reversal of this trend by the end of 1981. If this does happen, it will be fortuitous and, unfortunately, temporary. What is almost certain is that, if the international crisis continues, the European economy will get steadily worse, just as has been happening for the last eight years. The customary economic measures have proved inadequate and totally useless as regards restoring economic equilibrium. What is called for is something much more effective than these traditional measures:

(a) There must be talks between the European Community and the OPEC countries on invoicing oil imports in European Units of Account. (b) A fixed relationship should be established between the European Unit of Account and the currencies of the Member States, and intra-Community trade should be invoiced in EUAs. (c) A European Monetary Fund should be set up to finance Member States' deficits. Member States' surpluses on balance of payments would be deposited with this Fund, and it would intervene on the money market in support of the EUA. (d) There should be research into a system of Community participation in subsidizing the cost of labour and Member States' production of energy from coal and other primary sources except oil. (e) A joint supranational company should be set up to cooperate with the Member States in prospecting for and producing liquid fuels within the territory of the Community. (f) Funds should be made available from the Community budget for the setting up of cooperative export undertakings composed of small and medium-sized production units. (g) The activities of the Committee on Consumer Protection should be stepped up, and Member States should be empowered to adopt supranational measures to combat monopolies in essential sectors of the economy.

In short, Madam President, the priority aims of our economic policy should be as follows:

Firstly, we must utilize the existing production potential of the Community's small and medium-sized production units with a view to increasing exports, employment and the resources available to the economy.

Secondly, we must make full use of Community energy sources and prospect for new sources within the Community, with a view to reducing the drain on resources caused by the repeated increases in the price of petroleum and to promoting economic development through new investments.

If we are to achieve these aims, it is essential for Europe to throw off its monetary dependence in the fight against inflation.

President. — I call Mr Caborn.

Mr Caborn. — Madam President, in his report Mr Moreau raises one of the central issues of unemployment, and I think rightly so. But one must consider the role that has been played by the United Kingdom Government at the moment — it is very unfortunate that we have nearly three million unemployed on the official register, and according to some estimates, in excess of four million actually unemployed.

But I want to deal with this in two parts: one is the regeneration of industry. The workforce in the United Kingdom is now totally demoralized so far as accepting change and regeneration is concerned. The fact of three million unemployed — and many people when they go to work in the morning are asking, 'Have I still got a job?', 'When is it my turn for short-time working?', 'When is it my turn for a reduction in the living standards of my family?' — has a severely demoralizing effect upon a nation. It cannot be put aside in favour of consideration of the economic and industrial growth of a particular nation. I believe that it is very important, but it is an area that sometimes gets missed.

The second area: we have a government that is carrying out the strictest monetarist policy inside the Community. But when you look at that monetarist policy, and the way that it is now being affected by unemployment and the payment of direct benefits, you see that they are having extreme difficulty in controlling the public sector borrowing requirement. In fact, they are fuelling the need to borrow more money to pay out what in many cases are meagre benefits for the unemployed and other sectors.

If you also look at social expenditure, which is now going up because of the burden that is being imposed, because people are depressed, because there are major problems within families, then again the expenditure

Caborn

that has to be forthcoming from the state to deal with these problems is very severe indeed and, again, has to be put onto the public sector borrowing requirement.

I think it was significant when the Commission presented the proposals for the budget, and particularly in relation to the Social Fund, the Regional Fund and industrial policy, that it was in fact a British Conservative, the Commissioner responsible for budgets, Mr Tugendhat, who said that people have got to put their money where their mouth is. He told the press that a lot of people in the Community have very big mouths but they do not want to pay out, and they should not open them so wide! That is very true. We get many statements made by national politicians, but when it actually comes to paying they are found very seriously wanting indeed.

If I can turn, Madam President, to an area that I do not think has been touched on in this report and which I think is very important for the regeneration of the economies of the Community and also its industry. That is the question of the multinationals. I believe that the multinationals are one of the main actors on the economic stage of Europe and, depending on what policies they pursue, can have a profound effect upon the life of every working man and woman in this Community.

If you look at the Commission's role in trying to direct the multinationals, or at least make them transparent, then I am afraid its record is very poor indeed. One can only stress that until we are able to influence multinationals with regard to manpower planning, with regard to investment, with regard to new products, until we start having a say in that direction, any policies that are pursued, not only by national governments but also by this Community, could well founder on rocks that have been placed there by the multinationals. I believe that this is an area that has got to be given very serious consideration.

On industrial strategy I agree with my Socialist colleague, Mr Mihr, when he says that the role of the state is very important not only in economic planning but in industrial planning as well. Unfortunately again the Commission and the European Community, in many industrial areas of the Community, are seen to be axing jobs without replacing them with alternative employment. If one looks around at restructuring plans for shipbuilding and steel, we see that we have lost tens of thousands of jobs throughout the Community. When it comes to innovation — which this report is calling for — we find the Commission wanting in many areas.

So, Madam President, I conclude that on the stage of economic policy there are many actors but unfortunately many producers as well, and it is in a state of uncertainty as to who is producing what at any given time that we find the audience watching the stage of economic policy of this Community. They are rather

anxious about their future, and the new play that is being staged both by national governments and by this Community does not, I fear, fill them with much hope.

President. — I call Mr Modiano.

Mr Modiano. — *(IT)* Madam President, ladies and gentlemen, the top priority for Community action must now be to overcome the apathy towards current external challenges (I refer to Japan) and future external challenges (United States and developing countries) as well as towards the internal threats — no less serious — of unemployment and inflation. It is now high time to move from a 'trade community' to a 'production community' capable of developing itself independently. On this basis, the European dimension must be exploited in order to initiate a new industrial revolution.

Indeed, our Community needs shock therapy in order to recover its competitiveness. It needs a massive dose of development in the fields of energy and industrial innovation. I refer particularly to the new sectors of alternative energy sources, energy saving, telematics, robotics and all those horizontal technologies which can improve the traditional productive processes. This shock therapy will work, but only on one condition — that the EEC aims at the gradual restoration of economic stability and at the same time initiates the new development strategies. The self-regulating and propulsive role belongs to the European Monetary System, which must move on to its second stage and be endowed with adequate authority and instruments.

The European Monetary System must serve as the anchor for a Community mechanism of constant economic guidance, country by country, which takes as its point of reference European economic planning. Hitherto the governments have approved the economic guidelines from Brussels, but in too many cases have ignored them in practice. I therefore agree with what was said the day before yesterday by Mr Colombo at the EEC Council in Brussels — that at long last the coordination of the economic, monetary, energy and industrial policies of the Ten must become binding — I stress the word binding — upon governments. Those which do not respect this commitment must forfeit their rights to Community aid.

The European Parliament must now exercise its monitoring powers to bring about stabilization and development, together with the governments and the other Community institutions and after consultation with the social partners, by bringing Community solidarity into play.

To bring this about, affirmations of political will on the part of the Member States are not enough. It is essential that a system of Community monitoring be developed, in which the monitoring powers of the

Modiano

European Parliament will be incorporated. The indicators of divergence must be established country by country in a Community reference framework, and they must not be confined solely to the exchange rates but must cover the monetary mass, interest rates, public expenditure and the inflation rate. An assessment must be made of the behaviour of Member States and the reasons which may possibly lead them to ignore the economic policy guidelines decided jointly. It is only on the basis of these assessments that Community measures can then be decided upon to support the countries in greatest difficulty, so as to limit possible divergences and bring about a convergence of the economies. In this way a qualitative leap can be made in the economic integration process.

President. — I call Mr de Ferranti.

Mr de Ferranti. — Madam President, I was hoping to find some procedural dodge whereby I could intervene in this debate, but now that you have called me I am only too pleased to take the opportunity of speaking.

Included in the debate is an oral question on products imported into the Community from third countries, which sounds rather a harmless title. In the old days, however, international trade related primarily to tariffs; it was by tariffs that countries protected themselves. Today countries protect themselves by all kinds of procedures relating to whether or not imports pass type-approval tests, comply with specifications or satisfy the requirements of internal law of one sort or another. At the present time, despite the fact that the Community has a common external tariff, we do not have a common method of testing goods imported from third countries into the Community. We are therefore not really a common market at all in relation to modern methods of playing the game of international trade.

Now it is not easy to establish a common method of giving type-approval to products imported from third countries. We know that some Member States like to have as free a method as possible of testing imports from, shall we say, Japan. Other countries want to make the maximum difficulty, and one can see from the trade figures exactly why this should be and exactly what effect it has. So one understands very well, Madam President, the difficulties that the Council faces in actually establishing a real common market and establishing a real negotiating instrument when it comes to representatives of the Community negotiating in, say, the GATT. We understand the difficulty, but it is meaningless to have a common market or to pretend to our constituents that we have a common market without having some common type-approval test procedure.

I can well understand that the President-in-Office will not wish to answer this oral question in any definitive manner today. I can well imagine too that the Vice-President of the Commission will be as anxious to hear the answer as Members of this Parliament. I can well imagine the difficulties that the Commission faces in getting answers to this question as well as the Parliament. However, I understand, Madam President, that the Bureau has decided to have a full debate during the October part-session on this subject and other questions that relate to the difficulty of getting a free flow of goods in the Community. I would very much hope that when the President-in-Office replies to this debate today, he will be able to assure the House that in the debate in October we will have definitive answers to this question and that if we don't get a definitive answer, he will be as honest as possible in explaining fully why it is so difficult to establish what is, in effect, the most fundamental single instrument now required for establishing a real common market in this European Community.

President. — I call Mr Petronio.

Mr Petronio. — *(IT)* Madam President, I shall use my minute first and foremost to announce that we shall vote, as we did in committee, in favour of the concise report by Mr Moreau, not least because it contains many important and useful facts, suggestions and guidelines on measures to be taken in future in the field of economic policy in order to emerge from the situation which Mr Deleau was rightly deploring earlier.

Moreover, I wish to express my agreement with the amendment presented earlier by Mr Markozanis which raises a problem hitherto ignored — the need at the very least to begin to negotiate with the oil-producing countries with a view to having the price of oil expressed in future — at least in a Community context — in European units of account. This must not be regarded as utopian but as an aim to be achieved through negotiations, taking account also, should the need arise, of suggestions from the oil-producing countries themselves.

Finally, I wish to express my agreement with what Mr de Ferranti said just now, when he pointed out that the customs tariffs of blessed memory would at a pinch be preferable to the unheard-of subterfuges and technical obstacles placed in the way of free movement of goods. I would also like to express my agreement with the proposals put forward by Mr von Wogau, who has always stressed and will perhaps stress once more today, the need to extend the activities of the working party on technical obstacles in our Parliament, so that the problem of eliminating those obstacles is tackled seriously, and to ask the parliaments of the Member States to set up working parties similar to those which exist in our Parliament.

President. — I call Mr Bournias.

Mr Bournias. — (GR) Madam President, since I have only one minute's speaking time, I can only say a few words. I agree with what my Greek colleague, Mr Markozanis, said and would add that the disturbing but realistic — to the point of bluntness — report by the chairman and rapporteur, Mr Moreau, arouses our concern since it really does sum up and highlight everything that has repeatedly been said in our debates on the various economic problems facing the Community, to which the only solution — or at least the only approach — can be an effective and consistent economic policy.

To enable us to tackle the present difficult situation, as the rapporteur called it, I would add the following:

The motion for a resolution lays down the right priorities for the joint struggle against inflation, strengthening the European Monetary System, reviving economic activity and improving the competitiveness of European products on the international market, with close industrial cooperation, an effective energy policy and a joint programme for the promotion of new technologies in European undertakings and industries. Only in this way can we reverse the unemployment trend, control inflation and achieve a real and lasting improvement not only in the economic but also in the wider social sector of the Member States of the Community.

We for our part must therefore do everything possible to make progress without any more pointless delays on the various points contained in the motion, if we are to weather the present difficulties and create the conditions for a better tomorrow for our children.

President. — I call the Commission.

Mr Ortolí, Vice-President of the Commission. — (FR) Madam President, like a number of other speakers, I ought to express my regret at the brevity of this debate, but I shall not do so, for it seems to me that there are some changes in the way we look at economic and employment problems. We held a debate on international monetary aspects in July, and we had a debate on employment yesterday; today we have this economic debate — albeit very brief — arising from a very substantial resolution, and before the end of the year we shall have the opportunity to discuss the international aspects of economic trends, a report on the current economic situation and the medium-term policy programme.

It therefore seems to me that we are developing the habit of debating at almost every part-session the problems which I personally regard as the most important facing the Community today.

My second observation is that I am obviously not going to give a description of the short-term situation now. We shall revert to it in the debate on the annual report. It is true that the sluggish economy of the early part of the year shows signs of a modest recovery now and a rather stronger recovery next year, based largely on the development of exports, but that does not affect today's debate, for what we can reasonably expect from 1982 will perhaps be enough to stop the rise in unemployment, but not yet enough to solve the employment problem.

I now turn to Mr Moreau's report, mentioned by a number of speakers here, and I would say that I agree with the gist of it. By that I mean that I agree with the analysis as well as with the courses of action proposed.

Of course, I have a slight reservation about Mr Moreau's description of the Commission as more of an observation centre than a decision-making centre. That is indeed the present position of our institutions. By that I mean that we do not have a direct responsibility for managing the economies. On the contrary, we must observe them, but also propose the implementation of Community measures which are as advanced as possible.

In this connection, I would like to take up what in my view was the thread of most of the speeches by saying that you will find in the medium-term policy programme the spirit of the various speeches today. In this programme, the Commission has stated very clearly that in our present situation we must do everything to show that the difficult policies we are pursuing are indeed policies to safeguard employment, that our true aim is to re-establish a balance in employment, and that that is the justification for a number of very difficult tasks which we are tackling now and which are I think very strongly reflected in public opinion.

Secondly, we thought — and we said this very clearly — that we could agree on one objective — the reconquest, so to speak, of employment. We can agree on an analysis which involves the recognition of very strong external constraints. They were mentioned once more in Mr Moreau's report. We are compelled to return to the road of competitiveness and modern development. We shall not survive unless we restore the European economy to a state of very strong competitiveness.

Finally, we have tried to propose, through the medium-term policy programme, which contains ideas also expressed by Mr Moreau, that a really strong political will be expressed in an action programme at the Community level. I think this is essential if one wants to do what we intend to do — to give the Community a different image, a different face from the rather technocratic face it may have had in the past.

Ortoli

We have proposed a detailed monetary strategy, much more active investment in energy policies, the full exploitation of the continental scale of our internal market, both through the free movement of products and services and through the development of new technologies, and, finally, increased participation by the Community in an active employment policy.

Madam President, of course I shall not now go into matters which will be dealt with in a detailed debate in the next few weeks, but I fully support the viewpoint expressed by the Commission and taken up by most of the speakers, which involves acknowledging not only the constraints upon us and the obligation to be competitive but also the possibility that the Community can add something to national efforts.

It is in this spirit that for our part we are determined to take action. It is very clear that our instruments for doing so are not very strong. We have tried to develop investment and we have created new forms of investment; we are trying to define a common strategy on energy. The direct instruments available to the Community are relatively weak, but one of the opportunities open to us today is the expression of a common will and a common assessment, and the definition of new instruments which are not necessarily budgetary — which can be instruments of a different kind, for example the exploitation of our market. I would stress this all the more because Europe has begun to exist in the eyes of its citizens for a number of matters and external policies which are obviously fundamental. It does not yet exist as one of the decision-making levels at which there is an attempt to tackle collectively the real problems of the European economies with a view to solving them. If we do not succeed in creating this collective feeling, I think we will have failed.

That is why I am pleased to note that we shall have the opportunity in the coming weeks to debate once more, in a much more detailed way, the basis of the consensus which now appears to be emerging, as well as a number of ideas which the Commission expressed in July and which were taken up by the European Council.

The motion for a resolution tabled today by the Committee on Economic and Monetary Affairs prepares the way, I hope, for a very important debate on the medium term — i.e. on the future of Europe and Europe's contribution to solving its major problems — problems of dynamism, problems of creativity and problems of employment.

President. — At the request of the rapporteur, Mr Moreau, some of the figures on unemployment in his report have been brought up to date.

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

4. *1981 programme for the achievement of the customs union*

President. — The next item is the report (Doc. 1-241/81), drawn up by Mr von Wogau on behalf of the Committee on Economic and Monetary Affairs, on the 1981 programme for the achievement of the customs union.¹

The debate also includes the following oral question:

— by Mr Pöttering and others, to the Commission (Doc. 1-304/81):

Subject: Duty-free allowance of motor fuel at internal Community borders

In Oral Question No 53 (H-381/80), Mr Pöttering raised the problems faced by a visiting party crossing the German-French border at Kehl/Strasbourg by coach. The coach driver had to pay a charge at the border for the diesel fuel in the tank.

In reply to the question what the Commission intended to do to prevent the recurrence of such incidents which conflict with the policy of European unification the Commission stated that:

- (a) the Commission proposal to raise the duty-free allowance from 50 l to 100 l was not adopted because of 'strong opposition from one Member State',
- (b) the duty-free allowance of 100 l had been re-submitted as part of a proposal for a taxation directive specifying the area of application of Article 14 (d) of Directive 77/388/EEC on VAT exemption for certain specific imports, which the Commission had submitted to the Council on 2 June 1980.

In view of this situation can the Commission state:

1. Which Member State refused to have the very modest 50 l allowance raised to 100 l?
2. What were its reasons?
3. Whether it is true, as the authors have heard from third parties, that the duty-free allowance for lorries is 50 l while for coaches it is 100 l?
4. Whether it agrees that a duty-free allowance of 300 l would considerably ease the situation for coaches?

— by Mr Habsburg, to the Council (Doc. 1-305/81):

Subject: Border controls

Now that, after unjustified delays, agreement has at least been reached on the principle of the European passport, would the Council be prepared to take immediate steps towards the gradual elimination of border controls, which are disagreeable to our citizens and have no point whatsoever? If not, what are the reasons for this policy?

— by Mr Seefeld, to the Council (Doc. 1-415/81):

Subject: Difficulties encountered at the Community's internal frontiers

President

1. Has the Council made an in-depth study of the European Parliament's own-initiative report on the difficulties encountered at the Community's internal frontiers in the transport of passengers and goods by road¹, and what steps does the Council intend to take, in view of its decision of 26 March 1981 on priorities until the end of 1983, to put into practice the suggestions and recommendations contained in this report with a view to a substantial reduction of the formalities and controls at frontiers?
2. Is the Council aware that Members of the European Parliament crossing the Community's internal frontiers are often held up unnecessarily and encounter considerable difficulties, which obstruct them in the performance of their duties, and what steps does the Council intend to take so that in future Members of Parliament, who are directly elected by European citizens, can carry out their duties outside their own country without being held up at frontiers?

— by Mr von Wogau and others, to the Commission (Doc. 1-481/81): Subject: Complete integration of the internal market

1. What concrete proposals for giving practical effect to the statement of political intention made by the Heads of State or Government of their political will to push ahead with the complete integration of the internal market does the Commission intend to place before the Council in the coming months?
2. Will the Commission undertake to submit a proposal to amend Article 23 of the 6th directive on VAT to the Council by the end of the year?

— by Mr von Wogau and others, to the Council (Doc. 1-482/81): Subject: Complete integration of the internal market

1. What plans has the Council for giving practical effect to the statement of political intention by the Heads of State or Government to push ahead with the complete integration of the internal market?
2. Will the Council be able to agree on an increase in the amounts of duty-free allowances for persons travelling within the Community?
3. Now that the Heads of State or Government have given the go-ahead to the Council, which of the Commission's many specific proposals for completing the integration of the internal market long pending before the Council stand the greatest chance of being adopted?

I call the rapporteur.

Mr von Wogau, rapporteur. — (DE) Madam President, ladies and gentlemen, the Commission's report on the situation as regards the customs union, which we are discussing here today, is hardly encouraging.

Europe, the customs union and the common market are currently marking time. We can read in the newspapers about the wine war, the chicken war, unauthorized subsidies which distort competition and we see very little evidence of progress — indeed we are regressing, if anything ladies and gentlemen, It is my view that we are on the way to missing one of our greatest chances for the future as Europeans, since a common market which really works is one of the most important preconditions for maintaining and re-establishing our competitiveness at international level and hence for guaranteeing employment in the European Community too. What we need at the moment, if we are finally to make some progress, is joint action on the part of the Commission, Parliament and the Council. For this reason, I therefore welcome the fact that the Council is represented here today and I should like to remind it of its particular responsibility for this very matter, i.e. the realization of this common market, which is, after all, one of the mainstays of the European Community. We know that many directives are currently blocked in the Council of Ministers and a great deal of good proposals from the Commission are not being followed up and for this reason we warmly welcomed the immediate programme submitted by the Commission to the Heads of State and Government in Luxembourg. We feel that the many words which have been spoken should finally be translated into action. Our aim is to open further the internal frontiers within the Community and one of the things this will require is more effective control at the external borders, for example, with a view to combatting drug trafficking and fraud of which, to our dismay, we are constantly receiving reports. Thus, we call for a gradual fusion of the various customs authorities within the Community to form a single Community customs authority and we also advocate the drawing up of a Community customs code, since it is not acceptable that certain infringements are sanctioned in different ways in the various Member States of the European Community and that regulations are interpreted in very different ways from one country to another. Customs administration in Europe should be conducted more on a joint basis as this is the way in which we can open up the internal market further. The Committee on Economic and Monetary Affairs has tabled a number of practical proposals for steps in the right direction in this matter. First of all, we propose that VAT payable on imports should increasingly be collected from the businesses involved rather than at the border so that it can be settled at the end of the year with the tax returns. The same applies in the case of the collection of statistical data, which still takes place unnecessarily at the border. This would mean, we are sure, that at least the queues of lorries at the border would become shorter, which is of particular importance, since according to statistics, one international goods vehicle in ten is currently at a standstill — and you can imagine the economic implications of this.

Secondly, the report deals with the question of certificates of origin which are still required for intra-

¹ Doc. 678/78, OJ No C 140, 5. 6. 1979, p. 166.

Wogau

Community trade to some extent although without legal justification — and this more than two decades after the conclusion of the Treaty of Rome. There are, of course, the derogations which permit countries to require certificates of origin, but there are also reports to the effect that such certificates are required in a very great number of cases where this is not justified, and we see again and again in talks with representatives of the producers that the firms involved fall in with these requirements without demur because they have no wish to spoil their good relations with the customs administrations. It is the task of the Commission, I think, to ensure, as guardian of the Treaty of Rome, that the practice of requiring certificates of origin at the internal borders of the European Community, in cases where this is not justified, should finally cease.

Another proposal concerns the temporary importation of equipment. As we all know from previous debates in which this question has repeatedly come up, the enormous amount of red tape which may be involved when passing from one country to another represents an obstacle to free competition over the borders, particularly for smaller-scale tradesmen. We warmly welcome the fact that the Commission has now submitted a proposal which strikes me personally as practicable. We should see to it that this proposal can be dealt with as quickly as possible by Parliament and the Council and then adopted by the latter.

I should like to take this opportunity of reminding you once more of our repeated request for an increase in the tax-free allowances for travellers. As you know, Parliament has frequently advocated a gradual increase in these allowances up to a maximum of 300 EUA and I should like to call on the Council which, if I am not mistaken, is unfortunately no longer present, to make a decision on this question which may well appear trivial from the financial point of view, but is nevertheless important in the eyes of the citizens and travellers in the European Community.

(Applause)

I should like also to say a few words regarding the judgment of the European Court of Justice concerning the 'butter ships' and duty-free shops, which has been quite a bone of contention, albeit only after this report had already been adopted in the Committee on Economic and Monetary Affairs. All of us who are concerned with these questions should realize that tax exemptions of this kind are out of place in an operational common market and that, basically, the Court of Justice has merely drawn the appropriate conclusions from the Treaty of Rome. In my view, however, it is unacceptable that, on the one hand, the people of the European Community should be deprived of minor concessions, while at the same time unjustified obstacles continue to exist at the borders. I should like

to say to the German Government that they would, in my view, be ill-advised to go it alone — i.e. not on a European basis — in using this trivial possibility afforded by duty-free shops as a short-term source of revenue.

Ladies and gentlemen, at the moment the European Community is like a body with tourniquets around some of its limbs, with the result that the blood cannot circulate freely. The time has come when we must do all we can to finally tear off the tourniquets. This, we hope, will result in renewed vitality in the European economy, it will enable us to maintain and re-establish our competitiveness and will hence guarantee the necessary jobs in the European Community.

(Applause)

President. — I call the European People's Party (Christian-Democratic Group).

Mr Pöttering. — *(DE)* Madam President, ladies and gentlemen, first of all, I should like, on behalf of the Group of the European People's Party, to thank Mr von Wogau, not for this report alone, but for all the efforts he devotes to the problems of the European customs union. As we know, the customs union and the agricultural market are central to the European Community. We are familiar with the problems in the agricultural market, but in the case of the customs union we are in the process of destroying the foundations which have been laid. The plans of the various national Governments involve aids and subsidies, and non-tariff obstacles to trade are being used to prevent importers from exporting or importing their products into other countries of the Community.

These obstacles affect a wide range of products such as, for example, fertilizers, dishwashers, parts for motor vehicles, pumps, saws, electrical equipment and, more recently, wine, as we unfortunately see at the border between France and Italy, or, as we discovered last week, poultry, since the United Kingdom is now requiring veterinary certificates with a view to impeding the import of poultry.

Ladies and gentlemen, this is a kind of surreptitious protectionism which must inevitably lead to protectionism *vis-à-vis* third countries too. However, the worst thing about it is that this threat of economic protectionism also implies a risk of political nationalism which is something we should have got over if one considers that there have been two world wars this century. This criticism applies to all the big countries of this Community and their governments, as they are all equally to blame. Italy, for example, by requiring a 30% cash deposit; France, by requiring additional customs documents with a view to keeping Italian wine from crossing its borders, and the United Kingdom, for imposing veterinary requirements for poul-

Pöttering

try. Nor is the government of the Federal Republic blameless in this respect. I should like to quote a very specific and simple example, i.e. when a coach load of tourists from Germany comes to Strasbourg, the driver must pay a charge at the border on any diesel over 100 litres in the tank — and the tanks of these vehicles contain about 600 litres. This is hardly an encouraging example of the European Community and Community spirit for visitors to Strasbourg.

It is vital that we make this Community mean something to the people of Europe and I therefore call on the Council and Commission to raise the limit to 300 litres as a first step towards eliminating obstacles in this quite specific case of diesel fuel, so that, as a second step, the charge can be completely abolished. This would mean that the people of this Europe will be able to feel in practical terms, and we as Parliament will be able to say to the people of Europe, that something tangible has been done for them.

Ladies and gentlemen, one final point. It is a good and necessary thing that we should debate the major European questions, such as foreign policy and security. However, we also need progress in smaller areas, such as, for example, the specific point which I have just mentioned. I see that Mr Narjes of the Commission is here to make notes and I am sure that he will do something about this very specific question with great commitment so that we, i.e. Parliament, the Commission and the Council, will be able to show our citizens that real, tangible progress has been made.

(Applause)

President. — I call the European Democratic Group.

Mr Sherlock. — Madam President, may I first formally move the adoption of amendments to paragraphs 7 and 4 which stand in the name of my colleague Mr James Provan. To continue, the European Democratic Group is deeply committed to the early achievement of a complete customs union and therefore welcomes the contribution made in the report of Mr von Wogau and, especially, the contribution he made orally this morning and that of the excellent Mr Pöttering. I would commend especially to your notice paragraph 9 of the resolution and paragraph 9 of the explanatory statement.

The accompanying questions demand answers. I was astonished to discover how a major service — the coach tourist traffic — is impeded, inconvenienced and harassed by tariff activities at the borders of and within some Member States. The mental injury to passengers caused by delays while measuring the amount of fuel in a coach's tank is compounded by the insult that the piddling sums extracted can later be sometimes reclaimed. They have wasted their own holiday or business time. It is thus that Member States, for a totally insignificant contribution to their excheq-

uers, alienate the affections of increasing numbers of travellers in one of the Community's growth industries. The checking required on odometer readings for the levying, for example, of the German circulation tax is yet another unjustifiable cause of delay and aggravation.

I beg the Council to place these matters high on their priority lists in order to remove a few more of those petty restrictions which so frequently discredit this great Community.

President. — I call the Liberal and Democratic Group.

Mr Damseaux. — *(FR)* Madam President, ladies and gentlemen, I should like to begin by thanking and congratulating Mr von Wogau for the first-class meticulous report he drew up. The Commission's 1981 programme is satisfactory as regards progress towards a customs union.

However, there is room for doubt as to whether the Council will take decisions on the proposals before it, particularly on the following points which in our opinion take priority:

- the harmonization of VAT rates and certain special taxes;
- the establishment of Community quotas for imports of sensitive products from third countries;
- the creation of a common customs administration to be established at the external frontiers of the Community;
- lastly, a reduction in the formalities at internal frontiers and the abolition of technical barriers to trade.

Should the Council of Ministers not approve the above points, this would show once again that in its present form, the Council has become an institution which hinders the development of the Community and that, as soon as possible, either its voting rules should be amended, or we could solve the problem more simply by amending the Treaties, if we really want the process of European integration to continue. The world economic situation and international competition have become cut-throat, and the present crisis cannot be effectively fought in the long-term with protectionist measures. We must, whatever the cost now to our own economies, make intra-Community trade freer, if we wish ultimately to protect the market share and competitiveness of those of our firms which still have a future within the context of an international redistribution of work. The administrative, tax and statistical formalities at frontiers must be reduced to their absolute minimum, because they waste time, energy and money, especially for small and medium-sized firms, and are therefore a brake on exports and export growth.

Damseaux

In conclusion, Madam President, I should like to express my regret that a subject of such psychological and economic importance as the customs union has had to be postponed three times by this House. The citizen of Europe watches with interest the proposals we make on the social and political conflicts in the Third World, on the observance of human rights all over the world and on discussions at world level for peace and security. But, without wishing to leave aside such important questions or to deride them in any way whatsoever, we are forced to observe that on such subjects we have only a moral authority. On the other hand, when we debate questions such as the customs union, we are at the very heart of the matter and the suggestions we make concern areas in which the Treaties have conferred certain powers upon us. Therefore, when the same citizen of Europe travels through the Ten countries of the Community, and comes up against difficulties at frontiers in moving his possessions, himself and others or his capital, he wonders quite rightly just how effective our work is.

We ought all to be aware that Europe will only have been accomplished, in the eyes of our fellow Europeans, on the day on which they can travel freely using a common passport, when there is a common currency and when the free movement of people and goods within the Community are fully guaranteed.

It would, therefore, be desirable for Parliament to devote more of its time first and foremost to those matters over which it has some direct control.

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

IN THE CHAIR: MRS VEIL

President

5. Votes¹

President. — Pursuant to Rule 48 of the Rules of Procedure, I have received the following written objections, stating reasons, to the list of subjects for topical and urgent debate:

- from the European Democratic Group and Mr Gondikas, seeking to exclude from the debate the motion for a resolution (Doc. 1-471/81), tabled by Mrs Fullet and Mr Seefeld on behalf of the Socialist Group, on southeast Asian refugees;

- from the European Democratic Group, Mr Haagerup and Mr Gondikas, seeking to exclude from the debate the motions for resolutions, tabled by Mr Glinne and others on behalf of the Socialist Group (Doc. 1-472/81) and Mr Klepsch and others on behalf of the Group of the European People's Party (CD Group) (Doc. 1-486/81), on El Salvador.

The request by the European Democratic Group, seeking to exclude from the debate the motion for a resolution (Doc. 1-487/81), tabled by Mr Franz and others on behalf of the Group of the European People's Party (CD Group), on market competition in the steel industry, now falls as the authors of the motion have withdrawn their request for urgency.

The vote on these objections will take place without debate.

I call Mr Klepsch.

Mr Klepsch. — *(DE)* Madam President, in view of the fact that the Bureau has included a debate on subsidies and so on in the agenda for October, we wish to withdraw the request for urgency by Mr Franz and others.

President. — Thank you for your explanation, Mr Klepsch. It explains why the request by the European Democratic Group falls, since your request for urgency has been withdrawn.

(Parliament successively rejected the two objections)

The two motions for resolutions, by Mr Glinne on behalf of the Socialist Group and by Mr Vergeer on behalf of the Group of the European People's Party (CD Group), will thus be considered during tomorrow's urgent debate.

I call Mr Klepsch.

Mr Klepsch. — *(DE)* Madam President, there were in fact two motions tabled which are due to be debated tomorrow evening, but talks are currently going on to see if a joint text can be formulated, which could then be voted on. I think it would suit the House if we made an effort in this direction.

President. — I call Mr Michel.

Mr Michel. — *(FR)* Madam President, I am obliged to ask the House to postpone until a later part-session the debate, down on the agenda for ten o'clock on Thursday, on Community development policy and the role of Parliament in these policies.

The fact is that this item was slipped into the agenda on Monday morning. Several, if not all, of the

¹ The Report of Proceedings gives only those stages of the vote which gave rise to speeches. For details of the votes, see minutes.

Michel

members of the Committee on Development and Cooperation have informed me that they have not had a chance to get ready for this debate. What is more, none of the members has been able to table amendments to the motion contained in this report, and also Mr Pisani of the Commission telephoned me yesterday and saw me this morning, here in fact, to say that he could not take part in the debate but that he was nevertheless hoping to play a decisive part. For all these reasons, Madam President, I ask you to postpone this debate until the next part-session.

President. — In accordance with the Rules of Procedure, you will have to move adjournment tomorrow just before the debate is due to start.

*

* *

President. — We shall now consider the motion for a resolution contained in the *Wieczorek-Zeul report (Doc. 1-866/80/rev.)*: *Trade relations between the EEC and the Gulf States*.

(...)

After the first indent of the preamble — Amendments Nos 19 and 27

Mrs Wieczorek-Zeul, rapporteur. — (DE) I recommend adoption because these amendments are a sensible addition to the text and also because when we were discussing the report the Council for Cooperation of the Gulf States had not been set up.

(...)

After paragraph 1 — Amendment No 42

Mrs Wieczorek-Zeul, rapporteur. — (DE) I can make no recommendation. We did not discuss this in committee.

(...)

Paragraph 3 — Amendments Nos 10, 4 and 17

Mrs Wieczorek-Zeul, rapporteur. — (DE) I am against all these amendments as the committee had explicitly opted for a political objective and there was no argument about this in committee. This would contradict what was decided in committee.

(...)

Paragraph 4 — Amendments Nos 30, 5 and 18

Mrs Wieczorek-Zeul, rapporteur. — (DE) I am against Amendments No 30 and No 5 since they seek to replace the paragraph by an entirely different text. I am also against Amendment No 18 because it goes beyond the original text.

(...)

After paragraph 6 — Amendment No 43

Mrs Wieczorek-Zeul, rapporteur. — (DE) I am against the amendment because it is too specific here. Anyway, it is implicitly contained in paragraph 10.

(...)

Paragraph 8 — Amendments Nos 7, 12, 32 and 44

Mrs Wieczorek-Zeul, rapporteur. — (DE) I am against Amendments No 32 and No 12 because they seek to delete something which was adopted by a clear majority in committee, the idea of a Community oil procurement company. I am in favour of Amendment No 7 since it reflects most closely the majority view in committee, and I am against Amendment No 44.

(...)

Paragraph 10 — Amendments Nos 41, 26, 34, 14 and 15

Mrs Wieczorek-Zeul, rapporteur. — (DE) I am in favour of adopting Amendment No 41 by Sir Fred Catherwood because it expresses the view of the committee, and I am against Amendments No 26, No 34, No 14 and No 15 because they want to overturn completely the original views of the committee.

(...)

Paragraph 12 — Amendment No 35

Mrs Wieczorek-Zeul, rapporteur. — (DE) I am against, because the committee version is more concrete.¹

(...)

President. — Explanations of vote may now be given.

Mr Petersen. — (DA) First of all, the report is an attempt to think globally. For this reason it is superior

¹ The rapporteur was also:

— in favour of Amendments Nos 6, 8, 9, 36 and 40;
— against Amendments Nos 3, 13, 25 and 33.

Petersen

to most of the standpoints generally presented in this House. Parliament can namely only gain in stature by thinking big with new ideas, not by indulging in a futile power struggle against our own member countries. Secondly, the report is an attempt to think psychologically and responsibly with the emphasis on teamwork. This line of thought does not aim at feathering only our own nest, but at simultaneously safeguarding our own, developing countries' and all countries' interests by inviting all parties to cooperate on an equal footing, to participate in a partnership. Thirdly, the report is an attempt to see the interplay between the individual nations or regions as part of a greater whole, an entity where the whole is more than the sum of the individual parts. Thus if we are to solve the unemployment crisis which is once again sweeping over Europe, we must act both locally in the individual countries and globally by intervening in the world economy. To sum up, the report is an attempt to start up a new global economic cycle between the Gulf States, which have energy and capital, the EEC which has technology and basic economic strength, and the developing countries which have requirements and therefore also markets. In this way the report also strikes a positive blow in favour of the new economic world order, an order based not on exploitation but on equal partnership.

Mr Israel. — (FR) Madam President, ladies and gentlemen, I am sure that I am not over-stating the case when I say that Mrs Wiczorek-Zeul's report was basically aimed at forging a link between the economic relations of the European Community with the Gulf States and political questions. This House has not accepted the existence of this link. If one reads all the amendments carefully, then one can see that this House wishes relations with the Gulf States to be confined to the economic level. As a result, the issue has been totally clouded. The report submitted by Mrs Wiczorek-Zeul is now quite unrecognisable and we are very glad that it is. This is why we shall abstain from voting.

Mrs Wiczorek-Zeul, rapporteur. — (DE) On behalf of my group I should like to state that we shall vote in favour of the report before us today — albeit for different reasons. For us there were three main points of emphasis. Firstly, there was the question of an agreement signed directly between the European Communities and the Gulf States. This point has been adopted in the report. Our second priority, was that the interest of the European Communities, the Gulf States and the non-oil producing developing countries should be linked. This point was included in the report, although in a wording which was somewhat altered by Sir Frederick Catherwood, wording which nonetheless is totally in line with the intentions of the rapporteur.

However, I must on behalf of my Group express our regret that a portion of the Members of this House once again did not feel it necessary, in the situation in which we now find ourselves with regard to petrol price increases, to ask that a check be made on the sensibility of the European Community, through one of its own institutions, keeping a closer eye on the multinationals.

(Applause)

I think Europe's consumers will place the correct construction on this and draw their own conclusions as to what should be their behaviour in the future towards those who are always calling themselves the most European amongst us. One can also show a European spirit by showing courage in decisive situations and not refraining from taking decisions on some vague ideological grounds.

Mr Israël, on the other hand, took great pains to try to totally invalidate the report. I should like to remind him that we view this report in relation to the Euro-Arab dialogue as is quite clearly expressed in the text of the motion for a resolution. As ever, this means that there is a link between the economic and the political aspects in this matter, and all Mr Israël's subsequent efforts at interpretation can do nothing to alter this fact. We are very sorry that the problems of the Euro-Arab dialogue and of our own initiative were not so thoroughly discussed as they were in the original text. We shall, however, return to this question once more when the report by Mr Segre on this subject is brought before the House.

(Applause)

(Parliament adopted the resolution)

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* *

President. — We shall now consider the motion for a resolution contained in the *Moreau report (Doc. 1-332/80): Economic trends in the Community during the first half of 1981.*

(...)

Paragraph 4 — Amendment No 4

Mr Moreau, rapporteur. — (FR) I am against this amendment, which is one of style, because it does not change the text or make it any clearer.

(...)

Paragraph 5 — Amendment No 1

Mr Moreau, rapporteur. — (FR) I am against, because the committee did not give any verdict on this amendment.

Moreau

(...)

(Paragraph 7 — Amendments Nos 6 and 2)

Mr Moreau, rapporteur. — (FR) I am against amendment No 6 by Mr Herman because we had a discussion which was cut short. I am also against Amendment No 2 by Mr Delorozoy.

(...)

Paragraph 9 — Amendment No 3

Mr Moreau, rapporteur. — (FR) We did not discuss this in committee, but I am in favour of this amendment as it stands.

(...)

After paragraph 9 — Amendment No 5

Mr Moreau, rapporteur. — (FR) The amendment by Mr Markozanis is extremely interesting because there is a whole range of proposals. But since it did not come up at our committee meeting, I must ask the House to vote against it.

(...)

President. — Explanations of vote may now be given.

Mr Kappos. — (GR) Madam President, it is true that the report deals with the means of tackling the most serious and crucial problems which face the peoples of Western Europe, namely unemployment, rising prices, the problem of small and medium-sized undertakings and the economic crisis as a whole. However, Madam President, we shall not be voting for the report in order to stress our opposition to economic convergence, which means greater integration and the restriction of the national independence and sovereignty of the various countries. We should like to take this opportunity, Madam President, to point out that we consider it contradictory that, on the one hand, the principle of liberalization, i.e. the restriction of state intervention, is being proposed at national level while at Community level, on the other hand, increased intervention on the part of the international Community institutions is being proposed. In any case we maintain that effective measures must be taken by the national governments, in accordance with the particular characteristics of each country and the particular nature of the problems it faces, in order to solve the fundamental problems of rising prices, unemployment, economic activity and small and medium-sized undertakings.

Mr Bonaccini. — (IT) Madam President, the Italian Communists will vote in favour of the motion for a resolution, above all for two reasons. The first is the point in Paragraph 3 of the motion for a resolution, in which the Commission is called upon to mend its ways and become a real decision-making centre on this matter instead of a centre for observation of economic trends.

The other reason, dealt with in Paragraph 13 of the motion for a resolution, is the need for effective convergence among the Member States — a need emphasized by our Parliament.

Moreover, it is to be hoped that next time the debate will be more in keeping with the importance of the matter and that the measures to be taken will not be postponed to the Greek Kalends but will have a short-term impact.

(Parliament adopted the resolution)

6. 1981 programme for the achievement of the customs union (continuation)

President. — The next item is the continuation of the debate on the report (Doc. 1-241/81), drawn up by Mr von Wogau on behalf of the Committee on Economic and Monetary Affairs, on the 1981 programme for the achievement of the customs union.

I call the Council.

Mr Hurd, President-in-Office of the Council. — Madam President, as part of the present debate I should like to give to Parliament the Council's replies to the two oral questions which have been put by Mr von Habsburg and Mr Seefeld. I should explain that the Council has not yet had time to prepare its answers to the questions put by Mr de Ferranti and Mr von Wogau. These reached us only in the middle of July, and because of the normal Community situation in the month of August the Council will have to give its replies at a later date.

Perhaps I could say at this stage that we are fully conscious of the constructive intentions of Mr de Ferranti and Mr von Wogau in putting down these questions to the Council. I listened carefully to Mr de Ferranti this morning and admired the concise and constructive way in which he put his case, and we shall try to be equally clear and constructive in our reply.

I apologize to Mr von Wogau that, because of another inescapable commitment in this building immediately before lunch, I was not able to be here when he made his point, but I have of course been informed of what he said and can assure him that it will be carefully studied.

Hurd

The answer to Mr von Habsburg's question is as follows. The adoption by the representatives of the governments of the Member States on 22 July this year of a resolution on the introduction of a uniform passport constitutes, as the resolution itself states, an act likely to facilitate the movement of nationals of the Member States. It should, however, be noted that a certain number of border controls have to be maintained. These controls chiefly concern the maintenance of law and order, compliance with VAT, excise duty and public health rules as well as regulations regarding the preservation of the artistic and cultural heritage and the protection of industrial and commercial property, and these controls are in accordance with the Treaties of Rome. The Council is continuing its action aimed at removing internal Community barriers within the limits of its jurisdiction.

As for police checks, the situation has unfortunately so changed since 1974, when the Heads of State and Government recommended the abolition of passport checks within the Community, that the introduction of such a measure has had to be postponed.

The answer to the oral question tabled by Mr Seefeld is as follows. Within the Council bodies certain matters mentioned in the own-initiative report cited by the honourable Member are, or will shortly be, under consideration. At present, the Council is considering the proposals to increase the number of exemptions for persons travelling within the Community. A decision in relation to this should be taken, we hope, in the course of this year. The Council resolution of 26 March this year regarding Council action on transport until the end of 1983 stipulates that facilitating frontier-crossing is one of the main topics to be dealt with. With this in view, the Council requested the Commission at its session of 26 March 1981 to submit to it before the end of the year a report accompanied, if appropriate, by proposals regarding measures likely to reduce waiting times at frontier-posts, taking account of the necessary checks and the type of goods transported.

As regards frontier-checks on Members of the Assembly, the Council will recall that under Article 4 of the Act of 20 September 1976 about the election of the representatives of the Assembly by direct universal suffrage,

Representatives shall enjoy the privileges and immunities applicable to Members of the Assembly by virtue of the Protocol on the privileges and immunities of the European Communities annexed to the Treaty establishing a single Council and a single Commission of the European Communities.

Article 8 of that Protocol provides as follows:

No administrative or other restriction shall be imposed on the free movement of Members of the Assembly travelling to or from the place of meeting of the Assembly.

Members of the Assembly shall, in respect of customs and exchange control, be accorded

(a) by their own government, the same facilities as those accorded to senior officials travelling abroad on temporary official missions;

(b) by the governments of other Member States, the same facilities as those accorded to representatives of foreign governments on temporary official missions.

It follows, Madam President, that it is not for the Council to take measures regarding the application of that Protocol.

Madam President, as regards the general topic under debate, I look forward, as others, to hearing the eventual reply of the Commission. The Presidency was glad to hear that there is to be, by your decision, a full debate on this subject in October. It is a subject of very great importance in the view of the Presidency, and therefore the Presidency looks forward to joining in this debate in October and giving on that occasion a full statement of its position.

(Applause)

President. — I call the Group of European Progressive Democrats.

Mr Nyborg. — *(DA)* Madam President, first of all I should like to congratulate my colleague, Mr von Wogau, on an absolutely brilliant report. Let me say that I am in the remarkable situation today that I might almost equally well have made the same speech as I made on 14 October 1980 when we discussed the same subject. Deplorably few decisions were taken by the Council of Ministers in 1980. For this reason it is quite natural that the Commission's 1981 programme for the customs union has been taken over unchanged from the 1980 programme.

When we discussed this report in committee several critical voices were raised, which I can only construe as meaning that some Members are beginning to lose patience. I have looked back at Parliament's previous resolutions on these topics, and I must conclude that by and large we are repeatedly discussing the same thing. That does not mean that progress has not been made, because progress has been made. But it indicates that the progress has been too limited and that it does not involve any great improvement either for people or for business. On the contrary, it is evident at the same time that a large number of new trade barriers have been added. In one way it is perhaps understandable that in a time of economic crisis it is difficult to arrive at common solutions which to some extent interferes with national governments' freedom of action. But if the Community is to regain the position of strength which it used to have on the international markets, it must set up a comprehensive and strong common internal market, which is essential if we are to be competitive.

Nyborg

For this reason I am very pleased that the Commission has now brought the question up to the highest political level, namely the meeting of Heads of State and Government. However, the decisive factor will be if the Commission can now put forward the long series of concrete proposals which Parliament has called for over the years, and can get these adopted by the Council.

As far as the motion for a resolution itself is concerned, I should like to refer to the urgency of the specific proposals put forward in paragraph 9 in the motion for a resolution and which Parliament has also previously called for. It is unreasonable that, for example, a photographer or a television mechanic should have to fill in numerous long forms when he is crossing one of the internal borders, so that he can take with him the equipment he will need to exercise his profession. A solution must be found for this, and it must be found fast.

We can no longer accept that, because there is difficulty in solving the problems facing, for example, big contractors, a reasonable solution cannot be found for the much larger number of smaller businessmen.

I would also especially like to emphasize another point which was not mentioned in the motion for a resolution, but which is also part of the problem, and that is the long queues which we have all seen at the border crossings on the way to this part-session. It must be possible to do away with these long queues at borders. But in this I must appeal especially to the German Members and to my fellow countrymen in the Socialist Group.

To the German Members because Germany is gradually becoming the only Member State to carry out such a systematic identity check on both entering and leaving the country. This is unacceptable, and Germany should, in the interests of the Community, try to solve its terrorist problem some other way. To the Danish Members in the Socialist Group because on several occasions they have maintained that, when the Committee on Economic and Monetary Affairs calls for an increase in the tax free allowance, then this is only in order to safeguard commercial interests south of the Danish border, so that more wine, spirits, tobacco, etc., can be sold to Danes. That is namely what the socialist side claims. This is distorting the issue out of all proportion. The fact is that we have become a member of the Community and that people should be able to notice this, and the fact is also that Denmark is now the only Member State which for years has blocked and continues to block the Commission's proposal to increase this allowance. We are talking about increases which do not even compensate for the price increases. In other words Denmark is responsible for the fact that millions of tourists who return home from holiday cannot bring with them a reasonable quantity of the goods which they acquired a taste for on holiday.

Finally, let me say a reduction in the number of documents to be filled in when shipping goods within Community borders is urgently necessary in order to prevent the collapse of small and medium-sized firms.

Finally, in spite of the assurances we have received here today and which we have heard so many times previously without any visible result, I should like to urge the Council of Ministers to give top priority to the internal market by taking the necessary decisions.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call Mr Turner.

Mr Turner. — Mr President, I would like to call upon the Commissioner to give active support today, as he did, I think, in the Committee on Economic and Monetary Affairs, to that committee's proposal for a small inspection unit, under the aegis of the Commission and composed of experienced and senior national customs officers, to consider complaints about inequalities in customs procedures between the different countries. The proposal also envisages an exchange of senior officers between the customs services of the different countries, so that they can familiarize themselves with the methods used in customs inspection and so produce greater harmonization.

In my constituency I am constantly receiving complaints about the customs officers (who are also voters in my constituency) in Felixstowe and Harwich and about the great delays that occur there. I think these delays occur primarily because they introduced a computer which does not work. My constituents are always comparing Harwich and Felixstowe customs officers with their more efficient counterparts in Rotterdam. Well now, unfortunately, a larger computer is about to be introduced into these two ports, and one can only fear that there will be longer delays than we have had in the past. I really wonder whether the customs officers of the British service are not spending too much time collecting, for the benefit of Whitehall, unnecessary information not required by the Community, thus replacing the jobs they used to have when they collected customs on internal trade in the Community.

I would ask the Commissioner to take a strong line on harmonizing procedures between the customs services of the ten Member States.

President. — I call Mr Maher.

Mr Maher. — Mr President, in the limited time available to me I want to make a few general remarks relating particularly to the free movement of goods within the European Community. I must say that I am a strong supporter of this concept, because I believe that it is extremely difficult for us to have a common market unless we respect the concept of the free movement of goods and people etc. On the other hand, we have to recognize that we can only proceed at a pace which takes account of the problems affecting other forms of integration. For instance, we still do not have, in spite of all of the efforts which have been made, full monetary union. We still do not have any common economic strategy within the Community. We still do not have a common industrial policy.

But we do have a common agricultural policy. At least that is what we call it. But it is extremely doubtful if it can be accurately described as such, since there are so many anomalies. For instance, even now only 40% of all the support mechanisms that go into the agriculture of our member countries are applied at Community level, 60% is still applied at national level. We have the anomaly of a vast paraphernalia of national aids to agriculture, some of which are invisible. It is extremely difficult to get accurate information about the level of these national aids and the way they are applied. We have widely differing rates of inflation, all of which add up to a positive barrier to the free movement of goods. In fact, we have situations arising where there are communities within the European Community — weak communities, weak industrially, weak agriculturally — which are gravely threatened by the free movement of goods from the stronger countries of the European Community.

It is all very well in theory to talk about a customs union and about free movement of goods. But it is another thing to make that a practical proposition until we ensure that people in these various regions are not seriously and detrimentally affected by the application of this very concept. In fact, what is happening in many areas is that the poor are getting poorer and the rich getting richer. A classic example — and I mention the one I am most familiar with — is agriculture, where price fixing for agricultural products is carried out at Community level. A 12% or 14% price increase means more to a German farmer, who has a 6% or 7% inflation rate at most, than to a farmer in Ireland or the UK or perhaps in some other country, where the level of inflation may be more than 16%. This means that, as a direct result of inflation, producers in the strong country are in a preferential position when it comes to the sale of their goods in the weaker countries.

Another element is the varying interest rates that are applied by credit institutions which, of course, gives producers in one country a decided advantage over

those in another. The basic point that I am making, Mr President, is that, while we must favour the concept of free movement of goods and a customs union, at the same time we have got to take account of the positive barriers that are preventing this union from developing at a more rapid rate. I feel that I have put my finger on some at least.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like first of all, to thank on the one hand Mr von Wogau for his excellent report and on the other all those who have spoken in this debate who, if I am not mistaken, see the situation in the same way as the Commission, and have stressed the direction we must take in the future in an intensified campaign to strengthen the internal market.

Mr von Wogau's report comes at the right time since the Heads of State and Government themselves unanimously decided at the last meeting of the European Council in June to state publically their concern regarding the situation in the internal market, and this should also dispel any doubts left in the minds of those who think that this is an isolated phenomenon. Never has it been clearer that those responsible are aware of the need for constructive and far-reaching decisions and it will no longer be possible for anyone to make the excuse that the individual measures are of a very technical nature. Taken as a whole they concern fundamental questions concerning the policy and existence of this Community.

I am particular grateful to Mr von Wogau for the assessments, observations and thrust of his criticisms and the requests contained in his report. We wholeheartedly go along with the spirit of this report. It is a helpful report and we take an entirely favourable view of it. In the light of this we hope that the annual statement on the state of affairs regarding the customs union will acquire greater significance than has appeared likely to be the case hitherto, that it will become more than a routine, as indeed it must as long as the internal market continues to represent one of the major tasks with which we have to deal.

It has been stated on numerous occasions that 1980 was not a particularly successful year. However, from among the various decisions arising from work done in 1980, I should like to single out the Regulation of 19 May 1981 on the introduction of a system of mutual assistance between the administrative authorities of the Member States which represents a step forward in the administration of the custom union and takes account of a concern which has frequently been expressed in resolutions adopted by this Parliament — most recently in a resolution by the Committee on Transport of May 1979, I think. This mutual assistance is an important step toward the approximation of

Narjes

the administrative structures of the Member States and the Commission and we hope it contains the seeds of a joint supervisory body of the kind all of us are working towards.

I should also like to take this opportunity of saying, in answer to Mr Turner's question, that we are unremitting in our efforts to urge the Member States to organize their customs administrations along more Community-oriented lines. At the moment, there is an *ad hoc* group consisting of representatives of the Commission and the Member States which deals with transit procedures at borders and we hope that this group might be the forerunner of administrative fusion on a greater scale.

The report by Mr von Wogau which is currently before us rightly points out that internal and external relations in the customs union are interlinked to a significant degree. Particularly at this time, when the Community is still going through a period of recession in which it needs, to a greater extent than ever before, the continental dimension of the internal market, the vast domestic market, if it is to make use of all its potential productivity and reinforce the competitiveness of the European economy on the world markets, it is vital to recognize these interrelationships. Only if the economy has complete confidence in a workable internal Community market will it be more prepared to make investments, without which we would never be able to cope with the major structural changes which we must carry out.

I quite deliberately mentioned confidence since, as I see it, the confidence of the European economy in the domestic market is at the moment not unclouded. Confidence presupposes the existence and application of a legal system, the workability of which is beyond doubt. However, as long as wars and conflicts of all kinds can be unleashed because of unilateral measures, regardless of whether they concern wine or poultry or sheepmeat or whatever, this confidence cannot be wholly relied upon, nor can one say that this only applies in the case of agriculture and not in industry too.

Another important basis for a workable internal market is, of course, free movement of goods within the Community. It is, as we see it, time that the governments of the Member States — i.e. the political level — recognize that this vast internal market which we all share will not be complete as long as it is possible within the Community — and I must choose my words carefully here — for the economic sectors involved to get the impression that individual Member States claim the right to reintroduce checks as and when they feel and set up barriers at least for a significant period of time for the sectors concerned by means of one-sided interpretation of Community legislation, with the result that the entire economic setup can be affected.

It is quite true that it will not be possible to abolish all border checks at one fell swoop and that a certain amount of time is still needed for one thing or another. However, it is vital that a start be made and that we recognize the fact that, 23 years after the Treaty of Rome came into force and 30 years after the establishment of the customs union, it is really high time for radical improvements, particularly in the intra-Community customs clearance procedures. There would not appear any reason why the customs procedures within the Community should be scarcely different from those applied between third countries.

Nor should we forget that from the point of view of the economy, continuation and perhaps even extension of the existing procedures always represent additional costs which might tend to discourage businesses, particularly medium-sized ones, of risking crossing the border at all, and these additional costs are ultimately reflected in the prices which the consumers, i.e. the people of Europe, must pay.

What will the activities to be started by the Commission under the immediate programme for the internal market chiefly involve? Where do we start? Before the summer recess, we submitted to the Council a proposal for a regulation aimed at simplifying the arrangements on the temporary importation of equipment from one Member State to another. This subject has been mentioned repeatedly and I do not need to go into details again. The Commission, like this House, is more than ever convinced that the application of traditional customs procedures at the internal borders of the Community is an anachronism, a relic from pre-Community days, which has lost its *raison d'être*, and the Benelux countries provide living proof of the fact that things can be made simpler since they have managed to reduce the formalities involved in the transport of products from one country to another in spite of not having, for example, harmonized VAT rates. The Commission, therefore, will submit a comprehensive package of proposals in the near future with a view to establishing a situation similar to the Benelux system at Community level as regards the levying of VAT, the collection of statistical information and simplification, once and for all, of customs documents. It hopes that these proposals will also be able to give a new lease of life to the discussion on its previous proposals for the simplification of Community export procedures which, as you know, have been blocked in the Council of Ministers for some time, since I realize that the reason no progress has been made in connection with these latter proposals is the climate of increasing internal protectionism — a temptation which is felt in all the areas of the Community during the recession which the economies of individual Member States are currently going through — a temptation the dangerousness of which cannot be overestimated. A lot will depend on whether the Community is able to overcome this trend towards protectionism.

Narjes

This trend is reflected in two epidemics, if I may put it in this rather vague way. On the one hand, there is the epidemic of certificates of origin and on the other hand the obligations to indicate origin which are being introduced all over the Community on all sorts of pretexts. As regards the certificates of origin, the Commission regards requirements of this kind, insofar as they are not provided for under the implementing provisions for Article 115 of the Treaty, as constituting an infringement of the Treaty and will use all the means at its disposal to oppose such practices.

As regards the requirement whereby products must bear a indication of origin, this too has in many ways provided a stumping ground for obstacles to free movement of goods. For this reason, the Commission submitted a proposal for a directive in October 1980 with a view to introducing a Community arrangement to deal with the situation in various Member States, which clearly called for action. This proposal was rejected in April of this year by Parliament and also by the Economic and Social Committee. In addition, the Court of Justice recently rejected consumer protection as being inadequate grounds for compulsory indication of origin.

Against this background, and in an effort to clear up the situation in the European domestic market, the Commission reached the following decision this morning after looking into the entire question in detail. The Commission no longer maintains its original proposal. However, it has not shelved the problem but rather intends to continue in two directions.

First of all, we need a clear attitude as regards national rules for indication of origin and there can be no doubt, as we see it, that such rules are, as I said before, unacceptable from the point of view of free movement of goods within the Community. Furthermore, since arrangements for trade with third countries are exclusively a matter for the Community, there is no place for action on a national basis. For this reason, we must reject any unilateral moves by any Member State in this respect. We are continuing to study at Community level, alternative forms which a Community arrangement could take. However, if it should become apparent that action is called for, it is our duty to guide it along legitimate Community lines.

I should like, however, to repeat yet again that the Commission has its doubts as to the usefulness of rules of labelling of any kind since the real problems in the textiles sector, which is the one mainly affected, are the attempts to find loopholes and fraud, i.e. imports from certain third countries which are not covered by the Treaties. In our view, and in the light of our practical experience, labelling rules are hardly adequate to deal with these things. We intend rather to urge the Member States once more to support us in our efforts to establish cooperation between the national administrations and the Commission for the combating of fraud. This strikes us as the correct approach with an

eye to the new negotiations of the multilateral and bilateral textile arrangements too.

A further point might be of interest. I am pleased to be able to inform you that the Italian Government has abolished, as from 12 August, the restrictions on steel imports, which also form the subject of frequent questions. I am pleased that it has proved possible, after eight months of negotiations, to eliminate this obstacle to the free movement of goods in the steel sector on the basis of the reasonable attitude adopted by the Italian Government, and I should like to stress in conclusion that our concessions will also be useful from the point of view of the man in the street who — at least we hope — will notice the start of a trend towards relaxation of customs clearance measures of all kinds when the measures planned are introduced.

However, there are other problems which are particularly important to the people of Europe and which we have also resolved to try and solve. I am thinking of the extension of duty-free allowances which have been mentioned frequently — for example from the point of view of holiday-makers — and the temporary import of vehicles from one Member State to another. In both cases, relevant proposals have been before the Council of Ministers for some time now. We should therefore like to appeal once more to the Council of Ministers to try and see to it that certain tax considerations which have hitherto stood in the way of the adoption of these proposals are finally set aside. Only in this way will it be possible for barriers between the Member States to be eliminated and the people of Europe convinced of the reality of the European Community.

I should like, if I may, to say a few words in connection with Mr Pöttering's question. In his speech today too, Mr Pöttering again stressed the unfortunate consequences which result at borders from keeping the duty-free allowance for fuel — in this case diesel oil — at such a low level. The main opponent of a Community arrangement would appear to be the Federal Republic of Germany. As regards the reasons for this, I can tell you that they are to do on the one hand with the geographical situation, which means that Germany has a much larger number of neighbours than other Member States, and on the other hand there are tax reasons, since the amount Germany stands to lose in revenue from the tax on mineral oil has been quoted by that country as up to DM 250 million — this is not a Commission figure. We conclude therefore that, quite apart from the proposed increase of the duty-free allowance which we have not changed — i.e. 50, 100, 300 litres up to the total lifting of restrictions — we will only be able to take the final step provided progress can be made first of all or at least at the same time in the convergence of taxation on mineral oil, since the reason why the Federal Republic is afraid of losing a great deal of revenue is that this tax is lower in, I think, virtually all of

Narjes

Germany's neighbouring countries and it is therefore tempting for people to drive as far as possible in Germany on foreign diesel.

I should also like to go into the question tabled by Mr von Wogau, Mr Nyborg, Mr Herman, Mr van Aerssen, Miss Hooper, Mr Schön, Mr Hord and Mrs Boot. The first question was what concrete proposals the Commission intended to place before the Council in the coming months?

Insofar as I have not already dealt with individual points in my previous remarks here today, I should like to approach the subject from a different angle. First of all, there are the 22 or so measures listed in the annex to the report under discussion here today. Then there are a further 21 proposals which have been delayed in the Council of Ministers pending clarification of their effects on third countries. In addition, there is the package of proposals I mentioned a few moments ago — although I cannot at the moment say exactly how many there will be — and a few others which have already been mentioned in connection with the document to which I referred and which have been submitted to the Council of Ministers. All in all, we have submitted more than 50 proposals — which, in our view, are ripe for decision — for consideration by the Council in October and this package provides it with an opportunity of finally making a breakthrough as regards the domestic market.

The second question was whether the Commission would undertake to submit a proposal to amend Article 23 of the sixth directive on VAT to the Council by the end of the year. In principle, the answer is 'yes', except that we intend to submit the basic question of amending this article in the total package for October which I have just mentioned and — depending on what decisions are taken regarding this package — to submit the detailed proposals at a later date — though it is not possible to say at this stage whether this will be in December or a little later.

These, Mr President, were the views and opinions of the Commission regarding the report by Mr von Wogau, whom I should like to thank once more for his initiative.

IN THE CHAIR: MR ROGERS

Vice-President

President. — I call the rapporteur.

Mr von Wogau, rapporteur. — (DE) I should like, in particular, to say how pleased I am that the Commis-

sion has finally adopted the decision reached by a clear majority in this Parliament as regards indications of origin, to the effect that no directive was necessary — since we have already too many European directives anyway — but that an application of the Treaty of Rome would be sufficient to guarantee the free movement of goods in this sector. We are therefore very pleased at the fact that the Commission has changed its attitude on the basis of this initiative by Parliament and has now adopted this view.

Secondly, I should like to make an appeal to Parliament itself. It is, I think, vital at this time that we should try to find protagonists for all the proposals we have made here in the national parliaments and governments too, since if we do not manage to bring this European-level discussion to the national level too, we will have no long-term success.

Finally, one more word to the Council. I have listened very carefully to the points made by the representatives of the Council regarding the Community passport and the final abolition of border checks. This must be our long-term objective and we should not lose sight of it. After a joint European passport has been introduced, there will no longer be any sense in border checks within the Community. We are all familiar with the many details which must still be cleared up, but I am convinced that this is one of the chief areas in which we should work intensively with a view to eliminating in the foreseeable future, the checks at the internal borders of the Community for the sake of the citizens.

Finally, I should like to say that we are also expecting the report on the British Presidency, which is to be submitted by the Presidency of the Council at the end of December, to provide details of what was in fact done with a view to making the European domestic market a reality. The progress made in this vital area will also have a considerable influence on the way in which we, the European Parliament, assess this Presidency.

President. — The debate is closed.

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

7. Violation of human rights in Guatemala

President. — The next item is the report (Doc. 1-835/80) by Mrs Van den Heuvel, on behalf of the Political Affairs Committee, on the violation of human rights in Guatemala.

I call the rapporteur.

Mrs Van den Heuvel, rapporteur. — (NL) Mr President, I completed the report before us here today a good year ago and it is naturally disappointing for a rapporteur to have to see the European Parliament work so slowly. However, this report has not lost anything of its topicality. The new facts which have come to light in the meantime show that the violence I described continues unabating. A rapporteur dealing with a matter such as this is faced with a great problem. On the one hand he or she will attempt, as a politician, to give an objective analysis of the situation and to suggest possible political solutions. On the other hand, the question is one involving such unspeakable human misery, that it is not surprising that politicians who visit the region and are faced with images of violence in a form which is unimaginable for us in Western Europe should find themselves unable to keep their composure and attempt, like emotionally-involved fanatics, to do what they can with a view to putting an end to the wholesale massacre.

You must forgive me, therefore if I too do not restrict myself here today to a cool, matter-of-fact analysis, but give voice to my emotional reactions. I feel this is my duty to the people of Guatemala. Everyone of us feels repugnance when reading or hearing about the atrocities which take place, but I think I should nevertheless draw your attention to a short passage from the most recent report by Amnesty International which reproduces verbatim a conversation with the only inhabitant of Guatemala who survived his arrest in 1980. He managed to escape from the barracks where he had been held prisoner.

I quote: 'What sort of tortures did they use on the others? All sorts. Electric shocks in the wash-basin, one person had a hood full of quicklime put on his head, they pulled one to his feet by his testicles. I also saw them dragging a boy of 17 along by his testicles and an officer split his jaw in two with a knife and he cut his wrists down to the bone, but I think that although the boy screamed at first he stopped later because he had lost consciousness. I saw another boy who had had his hands tied behind his back. They tied his feet too and then the two of them picked him up and dropped him. I saw his teeth fall out and the blood flowing. They break your ribs like this because of the way you fall and then they give you the most brutal kicks. They did that to me too. They didn't actually pick me up, but they kicked me in the ribs, in the stomach and in my mouth until I lost consciousness'.

In my report, I could only make statements to the effect that the Guatemalan Government was suspected of having a part in this. The most recent information to come to light provides convincing proof that this is in fact the case. The government in Guatemala is responsible for institutionalized violence which is applied to anyone who is not 100% in agreement with government policy.

The office which may be regarded as the centre from which the government operates is, according to the above-mentioned Amnesty International report, under the direct control of President Lucas Garcia. It is accommodated in the building of the presidential guard, which is part of the parliament building, near the offices of the President and the chief ministries. As might be expected, the existence of institutions of this kind is denied by the Guatemalan Government. All critics are accused of being communists and this charge has been laid at the door of Amnesty International too. Fortunately, however, there are people in important positions who speak their minds. For example, on 3 September 1980, an official of the Ministry of Foreign Affairs resigned after having been press officer of the Ministry since 1976. He described his work as 'conducting a press policy aimed at explaining violence used by the government in terms of fighting between underground extreme left and right groups'. This again is a quotation from the Amnesty International report. He said that there were stocks of blank notepaper with the letterhead of the so-called 'death squads' at the office of the Minister of the Interior, who is responsible for internal security. According to Elias Baragona, lists containing the names of people to be cleared out of the way were drawn up on the basis of statements by the military intelligence service and the police. These lists contain the names of trade union leaders and *campesinos* provided by the department of trade unions of the Ministry of Labour and a private business sector. He said that, according to a military intelligence officer, the definitive lists were drawn up by a section of the army known as 'military transmission', which was accommodated on the fourth floor of the parliament building. The lists were approved at meetings held in these premises in the presence of the Ministers of Defence and the Interior and the Chief of General Staff of the army. The former press officer said that the heads of the presidential staff and the military intelligence service and the head of the archives of the intelligence service were responsible for coordinating the operations. The decisions were carried out by the leading head offices of the army and the police in the Republic. According to the former press officer, sections of the police, the army and various paramilitary groups, including the so-called 'death squads' were all involved in carrying out the violence, as can be seen from a published scheme entitled 'Government murders in Guatemala'. I should be pleased to provide any of you who are interested with an English translation of this document. Trade union leaders in Guatemala have a particularly rough time. Attacks on trade union offices are a common occurrence. People are dragged off and subsequently tortured and finally found dead. And, as we have come to expect from dictatorial regimes all over the world and regardless of their political colour, President Lucas Garcia too is trying to erect a façade of ostensible democracy to conceal all these evil doings. For example, a new labour act has been announced which is supposed to protect the rights of the workers, but which in reality has no effect what-

Heuvel

soever on the situation of the poor *campesinos* who continue to have as few rights as ever.

This is apparent from, among other things, the letter from the CUC, that is to say the Comité de Unidad Campesina, which I included in my report. On top of this, Guatemala is indulging in the kind of window dressing typical of repressive regimes in Central America. Elections have been announced for 1982 which, I am sure you will agree, sounds very nice. Certainly, we in Western Europe have a great respect for elections since, as we can judge from what happens around us, it is the means *par excellence* to ascertain the wishes of the people. I have naturally no wish to contradict this view of the situation where we can speak of an ordered society. However, Mr President, imagine an election in this country where violence is an everyday occurrence, where there is civil war and where the free expression of opinions is unheard of. Being involved with any party which can to any extent be regarded as an opposition is like signing your own death warrant in that country. One of the institutions which specializes in murder would see to the rest. The mere fact of announcing elections has in itself nothing to do with democracy. Only in a situation where democracy exists can elections be free and hence valuable. Thus, the talk about elections in Guatemala is simply a transparent attempt to legitimize the *status quo*. It is understandable, therefore, that the Christian-Democrats, for example, over 70 of whose activists have been murdered over last year, have made requests aimed to ensuring the safety of the candidates — requests which the Lucas Garcia government cannot and will not grant, and it is depressing, Mr President, to see that the present Government of the United States is giving support to the current Guatemalan regime. In the fight against what is referred to as 'the advance of communism' apparently anything goes, including aid to this abominable, brutal system. The American Government is in fact going a long way in this direction since, according to very recent reports — and I unfortunately have good reason to assume that these reports are true — that country would even be prepared to consider the possibility of forms of military action against Cuba in the near future and that this has even been made known, in confidential talks. The times when noises such as those made by the former Under-Secretary for Inter-American affairs, Viron P. Vaky, could be heard in the American Government are past. To contribute in a peaceful, democratic and moderate manner, he said, towards finding a solution was the best defence against extremist groups. The aspirations and demands of the people were so deep-rooted that changes were bound to come in the end. Defending the *status quo* could not stop these changes, it would only have the effect of radicalizing the forces at play. The question, that, was not whether the changes would come about but how they would come about — in a radical and violent manner or peacefully and gradually.

It is the task of the countries of the Community to do what they can to bring about a peaceful solution in Guatemala. The Guatemalan refugees, with whom some of us had contacts recently, had given up all hope of a peaceful solution. They only saw one way out, armed combat. However, it would be terrible if this were in fact to prove inevitable as we know that this would lead to the blood of innocent people being shed.

It is not yet too late. Even a government such as that of President Lucas Garcia, which has let things go so far, can come to its senses and open negotiations with opposing political forces. Naturally, at the present stage this would inevitably involve a liberation army too, since history has taught us that this is unavoidable in a situation such as this, and this Parliament can contribute to establishing a climate in which the violence can cease and the development towards genuine democracy can begin by adopting the resolution tabled by the Political Affairs Committee.

President. — I call the Socialist Group.

Mr Glinne. — (FR) Mr President, ladies and gentlemen, I should like to begin by congratulating Mrs Van den Heuvel on her excellent report on Guatemala. We support it wholeheartedly.

Our group has, however, tabled four amendments in order to compensate for changes which have taken place since the report was drawn up, and in particular, the Amnesty International assessment published in February 1981 on the situation in this South American country. Mrs Van den Heuvel did in fact refer to the Amnesty International report in her introductory speech, and we are 100% in favour of this additional statement.

In order to save Parliament's time, I shall not therefore go back over the details of Amnesty International's very relevant report. This is a document which very clearly shows the Guatemalan Government's responsibility in violations of human rights. Our amendments are intended to stress this responsibility and we hope thereby to force the guilty parties to cease using violence and oppression.

We are of course most disappointed to observe that Guatemala is not, unfortunately, the only instance of violation in Central America. Several countries in this part of the world flout human rights. Not only do dictatorships exist but they are growing in strength and entertain close relations amongst each other, which means that those democracies which still survive, albeit shakily, are in any case at risk.

In El Salvador, to take the most flagrant example, the population is constantly subjected to massacres. The

Glinne

dangers involved in applying a so-called military solution to the problems of a country which is still in the throes of a bloody civil war are extremely serious and go far beyond the ineffable suffering inflicted on the population, because in fact it is the whole of Central America which could become involved in armed conflict and this would mean that this part of the world would gradually become another Vietnam. As a result, we, together with the Socialist International and its South American branch, as European Socialists here solemnly state that we shall do all in our power to prevent this happening and to facilitate a political and not military solution to the conflict which in El Salvador now places the ruling authorities at odds with the opposition forces. We also believe that the same process, as the rapporteur so rightly pointed out, must be used in Guatemala.

With this in mind, we strongly condemn all military aid whether supplied by the United States or any other country, since this leads immediately — this much is obvious to us — to a completely opposite effect because it does absolutely nothing to help towards finding the political solution which is so necessary both in El Salvador and in Guatemala. Unlike the present American Government, we feel that military aid to oppressive juntas will never reduce the level of violence in the countries concerned but will on the contrary help to exacerbate it and hamper all efforts at seeking a fair political solution which respects the rights of peoples to decide their own destiny.

You all know that the Socialists frequently condemn in the strongest terms, both in this House and elsewhere, all dictatorships wherever they may be and whether they are military or bureaucratic in character. We uphold respect for human rights and freedoms all over the world, since these are inextricably linked to any democratic political system, or any sort of democracy at all. For these reasons, we support Mrs Van den Heuvel's report, whilst tabling four supplementary amendments which, as I have already said, are merely aimed at updating it.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Habsburg. — (*DE*) Mr President, in the short time allotted to me, I cannot even come anywhere near examining in detail the range of problems raised by this report. The length of the report shows what admirable application the rapporteur has, and the content reveals her ideological bias. There is hardly a single statement which could not be refuted, with the exception of the brief geographical data. I know Guatemala, and I even know Spanish unlike many other specialists in this field, and I can only express my astonishment at what we have been told today and especially at what Mr Glinne said about El Salvador.

It is of course presenting a particularly one-sided picture if one only indicates United States' policy, without referring to the intervention of Cuba or Nicaragua. However, the problem raised by such intervention goes far beyond the Guatemala question. Should this motion for a resolution be adopted unchanged, then this House would once again show that it has no real understanding of its duty. Whether you like it or not, our electors did not send us here to act as delegates at another United Nations. God knows, one is enough! We are not the voice of some questionable world conscience, and it is not our job to indulge our own guilty consciences at the expense of others. Our job is to build Europe, to give it a political structure, and to safeguard the interests of the nations composing it. It is our duty to represent the interests of all Europeans. Other parts of the world have such organizations as the Organization of African Unity or the Organization of American States. Their interests are just as little our concern as we would take it amiss if they were constantly meddling in European affairs. I should like to add a remark on this subject.

A fellow Member recently criticized me because I am always dealing with problems of human rights in Central Europe. I should just like to tell him that Central Europeans are just as European as we ourselves are and that as a result their problems directly concern us. This is even true for those Germans in that huge concentration camp called the GDR. If we wish to keep the interests of Europeans firmly in sight, then we can and should not overlook the fact that we are only able to live freely and democratically today because we are under the protection of our American friends. Since we were not prepared to ensure our own external security ourselves, we are still dependent on their presence today. As a result, we must give top priority to our link with the USA until Europe is finally able to guarantee its own security through its own forces. We must avoid anything which weakens trans-Atlantic solidarity. There is no doubt that suspect European agitation amongst the neighbours of the United States, which is clearly directed against Washington's policies damages our own security. The motion for a resolution before us today is a typical example of such senseless ideological gestures which poison the atmosphere between the transatlantic partners, and can even detach Europe from America. This would not lead to a neutral paradise, but merely bring the Russians to the Atlantic seaboard. In all our decisions we ought constantly to ask ourselves what serves Europe, because that is our task, and we ought to leave aside anything which might hurt all and any Europeans. If, as is the case today, we fritter away our time and energy on matters which do not concern us and in which we can change nothing, it is not surprising that our electors ask themselves what on earth they sent us here for.

President. — I call the Group of European Progressive Democrats.

Mr Junot. — (*FR*) Mr President, my speech will be all the shorter since Mr von Habsburg has just made a number of points which I intended to make myself to the House.

The European Progressive Democrats examined carefully and closely Mrs Van den Heuvel's report. I share her indignation both as a member of mankind and as an ardent defender of human rights. However, I cannot help but be struck by the fact that in a report of 26 pages, Mrs Van den Heuvel does not once use the words Europe or Community, which leads me once more to express my sorrow, as the previous speaker and other Members have done, that this House should accept debates on subjects which, however interesting they may be, are in my opinion entirely outside our own sphere of action.

The European Parliament is neither an offshoot of the UN, nor an Amnesty International tribunal. Having said this, I am surprised that the indignation so legitimately felt at violations of human rights only go in one direction. And that they are politically motivated. Today the question is Guatemala, yesterday it was Chile, and tomorrow as we all know it will be El Salvador and naturally South Africa. But we almost never hear of Cuba, Ethiopia, Afghanistan and little reference is ever made to the countries of the Eastern bloc, and we only at times hear anything about Central Europe, which are nonetheless, both geographically and, let me say, institutionally closer to us.

I am quite prepared, leaving aside the question of this House's competence in this matter, to join in any protest at violations of human rights. But I should like this to be directed at all violations, and not selective in nature. However, I am forced to note that this is not true of the resolution before us today, which deals exclusively with a single country, Guatemala. This is why we shall not be able to vote in favour of the motion for a resolution.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (*DE*) Mr President, ladies and gentlemen, this House has in the last few years frequently dealt with the question of violations of human rights both in actual debates and on other occasions, and we, the Commission, have always been at one with Parliament in believing that close watch should be kept on infringements of human rights all over the world, and that, within the limits of our powers, we ought to do everything to help towards stopping such violations of human rights.

The report tabled by the Political Affairs Committee of Parliament deals with Guatemala against the background, as we see it, of the discussions on human rights problems in general which, as I have just

reminded you, have regularly been held in this House. The Commission declares that it — as in other cases — condemns the violations of human rights in Guatemala and calls upon all those who can do anything about it to help put a stop to such violations. The Commission notes that the Community has at this time no general or contractual relations with Guatemala and that Guatemala is at present not included in the financial aid programme for Central America. Our relations with this country are limited to external trade within the framework of the general rules of GATT and UNCTAD.

President. — The debate is closed.

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

(The sitting was suspended at 5.05 p.m. and resumed at 5.30 p.m. for Question Time)

IN THE CHAIR: MRS VEIL

President

8. Question Time

President. — The next item is the second part of Question Time (Doc. 1-459/81).

Ladies and gentlemen, I should like to start by drawing your attention to a point which has repeatedly been raised by some of you who increasingly regret that, instead of dealing with some twenty or thirty questions, as we should be doing, we have to restrict ourselves to only a few, which would appear to be contrary to the spirit of the Rules of Procedure. From now on, therefore, I hope that we can speed up the rate at which questions are taken, so that we can hear more replies from the institutions to which they are addressed. To do this, questions must firstly be brief and should not amount to short speeches or — contrary to the spirit of the Rules of Procedure — to expressions of the authors' opinions.

On the other hand, although the Rules of Procedure provide for supplementary questions, these must relate to the same subject, so that the institution concerned can expand upon its reply. If the questions overlap, there is no point in them!

I therefore intend to restrict the number of questions on the same subject, and I take this opportunity of apologizing to those Members I am going to have to

President

refuse to call in the light of the objective I have just explained.

I call Mr von der Vring.

Mr von der Vring. — (DE) Madam President, in the light of what you have just said, may I suggest that you take Question No 57 together with Question No 83 by Mr Müller-Hermann, since they relate to the same subject?

President. — Thank you for your suggestion, Mr von der Vring, which I shall follow.

We start with questions to the Council.

Since their subjects are closely related, I therefore call together Question No 57, by Mr Ansquer (H-100/81):

Since the Council's delay in adopting the new market organization for fishery products and the new quotas is having a disastrous effect on fishermen's incomes, does the Council intend to give them compensation so as to maintain their standard of living and their purchasing power?

and Question No 83, by Mr Müller-Hermann (H-386/81):

What strategy is the Council following with a view to ending the fisheries dispute during its term of office? Is it aware that the unresolved dispute between France and the United Kingdom, for example, is threatening the very existence of the German deep-sea fishing industry, which is dependent on fishing grounds off third countries?

Mr Hurd, President-in-Office of the Council. — The Council would first of all point out to Mr Ansquer that the markets in fishery products remain subject to the common organization established in 1970, a system which includes machinery for price support. Furthermore, this machinery has led to a fairly substantial increase in the guide and withdrawal prices for the 1981 marketing year. Although the proposed new market organization currently being examined is intended to strengthen a number of aspects of the present system, the Council does not share the Honourable Member's view that the absence of any decision in the matter has of necessity generally had a disastrous effect on fishermen's incomes. The Council would, however, assure the Honourable Member that it is fully aware that the prolonged absence of any decision on the various aspects of the common fisheries policy, for example, on quotas, creates difficulties for fishermen, as they naturally wish to develop their activities in full knowledge of their longer-term fishing options. The Council will therefore be making every effort in the coming months to reach overall agreement on the common fisheries policy.

In answer to Mr Müller-Hermann's Question No 83, the Presidency would assure the Honourable Member that it intends to do its utmost, as incidentally have in our view previous presidencies, to conduct the Council's proceedings in such a way that a compromise on the various components of a common fisheries policy is reached as soon as possible. With this in mind the Presidency intends holding a series of informal talks with the Member States principally concerned and the Commission before the next discussions by the Council, which will probably take place on 29 September. These talks, together with the work being actively undertaken in the Council's subordinate bodies, should allow the Council to move towards a solution which will take account of the interests of fishermen in all the Member States.

Mr Müller-Hermann. — (DE) What you have just said does sound encouraging, although we have been hearing such encouraging statements for years now. I have a specific question: Fishing rights off the coasts of third countries are essential if the German fishing industry is to survive, particularly deep-sea fishing. This is especially the case for cod-fishing off the coast of Canada. Up till now it has been repeatedly stated that there was no chance of negotiations with third countries on such fishing rights until agreement had first been reached on a fisheries settlement in the 'Community sea'.

My specific question is: can we not separate these two problems? Is the Council in a position to negotiate with the Canadian Government on fishing rights off the Canadian coast? This is an urgent matter, because if these fishing facilities are not available to the German deep-sea fleet — or even to other countries' fishing fleets — by November at the latest, these undertakings will undoubtedly go bankrupt. I hope the Council is aware of this.

Mr Hurd. — Yes indeed, the Presidency is aware of this. It was one of the matters discussed by the Fisheries Council on 27 July, and they agreed that they would return to a number of problems at their next meeting, probably on 29 September. This question which the Honourable Member has raised is specifically one of the questions to which they decided to return. The Presidency recognizes the interests of some Member States, including of course Germany, in obtaining fishing opportunities and the concern of others at the effect that such agreements might have on the Community market, and the Presidency will encourage ministers to pursue a course which takes account of the combined interests of the Community.

Mr von der Vring. — (DE) You will probably agree with me that the German deep-sea fishing industry has, in fact, suffered considerable damage because of the absence of the fishing season off Canada. To take

Vring

up Mr Ansquer's question, which you answered in very general terms, may I ask you whether you would agree that, in view of this damage, the German deep-sea fishing industry is entitled to compensation, or that the Council should, under the present circumstances, allocate quotas to the German deep-sea fishing industry in Community waters?

Mr Hurd. — Regarding the suggestion which has been made, I do not think that I can add a great deal to my first supplementary answer. I think everyone in the Council is aware, after the experiences of last year, of the importance of this particular question. That is, no doubt, why the Fisheries Council specifically mentioned this as one of the points to which it must clearly return at its next meeting at the end of this month. I think further elaboration of this point really must sensibly await the outcome of the meeting.

President. — Since its author is absent, Question No 58 by Mr Cousté will be answered in writing.¹

I call Question No 59, by Mrs Clwyd (H-202/81):

Will the Council give a progress report on what action it proposes to take and is taking on the report on the disabled which was adopted by Parliament in March?

Mr Hurd, President-in-Office of the Council. — Speaking during Parliament's debate on the problems of the disabled on 10 March 1981, the President-in-Office of the Council said that the vocational and social integration of the disabled was a matter of importance to the Council and that he awaited the outcome of the debate with interest. Given the division of tasks between the Community institutions, it is for the Commission to take the initiative in the form, *inter alia*, of appropriate proposals to the Council. According to the Council's information, the Commission intends to submit a communication on the social integration of the disabled in the near future, and the Council intends to start examining that communication as soon as it is received.

Mrs Clwyd. — As the Council recently considered employment in the Community at its Jumbo Council, I would have thought that one of the things to which it should give important consideration is the position of the disabled people in the employment market, because when jobs are short, then obviously certain groups of workers are particularly discriminated against, and those include the disabled. Now the United Kingdom at the moment is considering a suggestion to cut back the quota system. A quota system exists in various other countries in the Community. Can I ask the Council to give particular consideration to the employment opportunities for the disabled in the International Year of the Disabled?

Mr Hurd. — I admire the Honourable Member's persistent and effective advocacy in this. All I can add to the answer I have already given is that the Council does understand that the Commission's communication is likely to put forward proposals on education and training, on employment, on housing and on transport for disabled persons, but until we have actually received the communication I think it is not possible to comment at length upon its contents or the exact response which the Council will make to it.

Mr Prag. — Will the Presidency of the Council undertake, in this International Year of the Disabled, to organize at last a Council of Health Ministers to discuss the sort of practical proposals that will aid the disabled in all the Member States and, in particular, to facilitate travel between them so that we have a Community for disabled people as well as for others?

Mr Hurd. — I think it is obviously important that the Commission's communication, when it is received, should be properly discussed by the competent people. I think it is a matter for governments to decide exactly who they send to the Council, and the Council is, of course, competent to take the necessary decision.

President. — I call Mr Taylor on a point of order.

Mr J. M. Taylor. — If you were to allow, Madam President, a debate at the conclusion of Question Time, my group would like you to permit one on the general subject of the disabled, and I accordingly so ask you.

President. — We shall see about that when the time comes.

I call Question No 60, by Mr Blaney (H-203/81):

In view of the amended resolution on the situation in Northern Ireland adopted by the Parliament on May 7, and forwarded to the Council, will the Council indeed, as requested, express its readiness 'to offer any assistance that may ease the tensions' in that area of Ireland, and if so, what initiative does the Council envisage?

Mr Hurd, President-in-Office of the Council. — The Council would remind the Honourable Member that the institutions of the European Communities may act only within the limits of the powers conferred on them by the Treaty. Northern Ireland has benefited, and continues to benefit, from various forms of Community economic aid within the framework of existing instruments and the procedures available.

Mr Blaney. — Madam President, may I ask for an answer to my question? Did the Council express its readiness to help, as this Parliament requested it to do

¹ See Annex.

Blaney

on 7 May last? If they have not so expressed that readiness, then would they tell us today in this Parliament if there is anything they propose to do, or whether they do propose to express a readiness to help where they can, rather than continue to use Parliament to just pass this matter off as if it was of no importance? The Council itself, and the members who make it up, seem to find sufficient time to discuss matters of much less importance far removed from Europe and get into a sweat about them. Yet they seem to be able to do nothing here, not even to accede to what Parliament asked them to do in the amended resolution of 7 May, which was to express as a Council their readiness to help to find a solution to the tortuous, tragic situation in my country.

Mr Hurd. — I think the Honourable Member should take account of the fact that, as I indicated in my original reply, a great deal is being done, in the sense of this part of the resolution of 7 May to which he refers, under the existing policies and procedures of the Community. I would draw his attention to the fact that since the accession of the United Kingdom to the Community Northern Ireland has received, in aggregate, grants of some 150 million pounds under existing Community instruments, together with loans of some 120 million pounds. And in 1980, to take the latest year, Northern Ireland received about 14 million pounds under the Regional Fund, 10 million pounds under the Social Fund and 2 million pounds under the EAGGF. There is a lot going on, and in its examination of the resolution to which the Honourable Member referred, the Council obviously takes account of what is already occurring under existing policies. In addition, there is the question of integrated operations which are conceived by the Commission as a means of improving the coordination and effectiveness of expenditure under the Community instruments. An integrated operation programme for Belfast has, I understand, been presented to the Commission and is now being considered, but it is obviously for the Commission to indicate how it intends to respond to this programme. So I think that the other two institutions of the Community are being active in the sense of that part of Parliament's resolution of May 7.

Mr Lalor. — Madam President, may I ask the President-in-Office of the Council — now that he has completely avoided replying to the question asked by Mr Blaney — why he has specifically avoided saying anything about the tensions which exist. Is he aware that the motion to which the question refers was sponsored by Sir James Scott-Hopkins and Lady Elles, and is he aware that it now appears that his government has ignored the call coming from his own group in this House, the call spelled out in that resolution, to help resolve the problems in ways compatible with the wishes of the appropriate authorities? Is he telling us here and now that the wishes of those appropriate authorities — which, as I see it, are the British

Government — are that there should be further deaths in addition to the nine that have already taken place in Long Kesh prison since that motion sponsored by Sir James Scott-Hopkins and Lady Elles was passed four months ago?

Mr Hurd. — My answer, which was, of course, given on behalf of the Council, not on behalf of the British Government, dealt with a particular aspect of the May 7 resolution on which the questioner concentrated, and I have tried to deal with it in some detail. Speaking on behalf of the British Government — if I may, with your permission, do so for a moment — we certainly found the balance and content of the May 7 resolution extremely helpful.

President. — I call Mr Blaney on a point of order.

Mr Blaney. — Madam President, may I ask you, and through you, whether it is in order for the Minister, on behalf of the Council, to give an answer which is appropriate to the Commission and not to the Council?

President. — It is for the Minister to reply to that.

Mr J. D. Taylor. — Is the President-in-Office aware that Parliament included in its May resolution a clear statement that the European Community has no competence to make proposals for changes in the constitution of Northern Ireland — a part of the resolution which Mr Blaney has deliberately avoided mentioning?

Can the Minister reassure the people of Northern Ireland that the Council has not considered, and is not presently involved in, the internal constitutional affairs of that province of the United Kingdom?

Mr Hurd. — Yes, sir.

(Laughter)

Mr Paisley. — I take it that the President-in-Office and the Council are aware that the resolution, only partially quoted by Mr Blaney, expressed outrage at all acts of terrorism and expressed the hope that their perpetrators, including those responsible for the murder of 600 policemen and members of Her Majesty's forces in Northern Ireland, would be brought to justice. Would the Minister now give an assurance to this House that he unreservedly accepts those parts of the resolution dealing with Northern Ireland and the violence, since it is the aim of the IRA to change the constitution of Northern Ireland by violent acts?

Mr Hurd. — As I indicated in my reply to the last question, the Ministers of the Council have not discussed particular aspects of Parliament's resolution to which the Honourable Member has just referred. In making my personal comment on the content of the resolution, which I have now read several times, I had, of course, in mind exactly those elements to which the honourable gentleman referred, and also Parliament's recognition in that resolution that the European Community is not competent to make proposals for changes in the constitution of Northern Ireland.

(Applause)

Mr Vandemeulebroucke. — *(NL)* Does the President-in-Office think the Council has any authority to promote human rights anywhere in the world, when it does not even look as if it is going to do anything about the dramatic situation in Northern Ireland?

Mrs Le Roux. — *(FR)* The President-in-Office is undoubtedly aware of how sensitive public opinion currently is over the Irish problem and over the fact that nine Irishmen have already died for the sake of human rights. May I therefore ask him whether he can explain the British Government's intransigence towards the political prisoners in Long Kesh.

(Mixed reactions)

Mr Hurd. — That, I think, is not a question for the President-in-Office of the Council, but as I am a British Minister, perhaps I may also reply in that capacity. Obviously, the British Government faced with this situation would wish to resolve it. Obviously, quite apart from the personal tragedies involved, the increased tensions within Northern Ireland and the danger to life outside the prison brought about by the hunger strike cannot be welcome to any government. But I hope it is well understood — and it is certainly well-documented — that the hunger strike is not about the various aspects of prison regime of which we have heard so much, but about fundamental issues of control of the prison by the prison authorities.

(Applause from the European Democratic Group)

President. — I call Mr von der Vring on a point of order.

Mr von der Vring. — *(DE)* Madam President, would you please ensure that the Council spokesman is not forced into a position in which he has to account to Parliament on behalf of the British Government, since this is not the right place for that!

(Applause from some quarters of the European Democratic Group)

Mr Haagerup. — I am fully aware that under the Rules we are not permitted to engage in polemics and I shall not do so. But, taking exception to the interpretation, made by the questioner, of the resolution of 7 May, of which I was one of the principal authors, I only want to ask the President-in-Office to reaffirm the pledge that was given after the passing of the resolution, concerning the willingness to render any assistance that would make it possible to ease the tensions in the area. We did not in the resolution speak of a final solution.

Mr Hurd. — I tried in answering the first question and the supplementaries to illustrate the way in which the Council is approaching this particular matter and the way in which the two other institutions of the Community — the Council and the Commission — are helping Northern Ireland in the sense of the resolution. Obviously, I cannot speak on behalf of the Commission, but it did seem sensible to illustrate, for the sake of completeness, what we understood their ideas to be.

President. — I call Mr Blaney on a point of order

Mr Blaney. — May I ask you, Madam President, whether it is in order for the President-in-Office of the Council to divest himself of that robe and stand up here as a Minister of another government to tell us what his views and his government's views are, while refusing to answer the very question he was asked?

President. — Mr Blaney, that was not a point of order. Nevertheless, the President-in-Office is prepared to answer your point.

Mr Hurd. — I replied to the Honourable Member's question on behalf of the Presidency. I was then asked by another Honourable Member a specific point addressed to the British Government, and it seemed to me, having followed Question Time here for some time, that it might be courteous, since this specific question had been put, to reply in that other capacity referred to.

(Applause from the European Democratic Group)

Mr Hume. — While welcoming the considerable economic assistance he has referred to and appreciating such assistance to the people of Northern Ireland, I would ask the President-in-Office whether he would not also agree that that assistance has been considerably undermined by the continuing political instability and violence in Northern Ireland. Given that the Council concerns itself and that this is a matter which should concern the institutions of the European Community, given the value of the assistance that they

Hume

give and the fact that the Council concerns itself with problems all over the world that are really none of their concern, then surely it follows that a problem that is within our own boundaries and the boundaries of this Community is one which should be discussed. Given that that very problem and the continuation of it is an affront to the ideals on which this Community is founded, that there is already an international dimension to the Irish problem in the unfortunate and regrettable moral and financial support provided to paramilitary organizations from within this Community and from outside, and finally that the government responsible has, to put it mildly, not succeeded in solving this problem, might they not have something to learn from a Community whose very institutions are a standing example of how conflicts much deeper than that of Northern Ireland can be resolved?

Mr Hurd. — I admire the honourable gentleman's ingenuity, but I have already given an answer on the attitude of the Council to the question of the political instability and the political problems of Northern Ireland; and I think it is clear that the attitude of the Council coincides with the attitude on this particular aspect which was adopted by Parliament on 7 May.

President. — I call Question No 61, by Mr Van Minnen (H-219/81):

Mr Van der Klaauw is reported in the Dutch press to have said at the end of the informal meeting in Venlo on 9/10 May 1981 that he found it difficult to deal with a European Parliament which he felt was made up of individual Members rather than of political groups.

Can the Council give a more exact idea of its particular difficulties?

Mr Hurd, President-in-Office of the Council. — Perhaps it would be right first of all to draw honourable Members' attention to the fact that the Venlo meeting, like its predecessors, was purely informal. I would, however, recall that the preceding presidency drew attention recently, in a letter to yourself, Madam President, to certain difficulties concerning the admissibility of questions put to the Council or to the Foreign Ministers meeting in political cooperation. I can only reaffirm that the Council is still ready to carry out a detailed examination, together with the European Parliament, of the practical means which would enable our two institutions to overcome these difficulties, and contacts to this end have already taken place with yourself. May I, perhaps, at this point thank you on behalf of the Presidency for your introductory remarks at the opening of this session, which are very greatly appreciated?

Perhaps it is also relevant to this question to add that we have proposed to you, Madam President, that all Members of the Council should be present on the day

of the traditional dinner given by the Presidency for the leaders of Parliament. There are details still to be worked out. This is an innovation, and we hope that it will allow substantial discussion and be accepted by Parliament as a useful contribution to the strengthening of relations between our two institutions.

Mr Van Minnen. — (NL) That was a very friendly attempt by Mr Hurd to explain something, but it naturally avoids the particular difficulties of Mr Van der Klaauw. Madam President, this is not a problem which will go away if ignored — in fact, if it is left for too long it will remain a mystery to us for all time.

I admit that it is difficult to blame Mr Hurd for Mr Van der Klaauw's particular difficulties, nor can these difficulties be identified with those of the Council. Our particular problem, Madam President, is that Question Time is becoming a ridiculous affair as long as specific questions tabled six months before cannot be adequately dealt with — quite apart from whether the will to answer them is really there. I therefore refrain from putting a supplementary question.

President. — I call Question No 62, by Mr Seligman (H-269/81):

To what extent do the ambassadors of the Ten cooperate closely in coordinating their démarches to governments of third countries on matters affecting the Community as a whole?

Mr Hurd, President-in-Office of the Council. — It is current and normal practice for the ambassadors of the Ten to take not only coordinated but often joint initiatives as well on matters of concern to the Community at large. Such initiatives are normally undertaken on instructions from the authorities in Brussels, given through the country which holds the presidency. Furthermore, recourse is frequently had to the joint opinion of the ambassadors in order to clarify certain aspects of discussions taking place in Brussels. Broadly speaking, close cooperation has been established between the diplomatic posts of the Member States, which provide valuable support for the external activities of the Community. The head of the Commission delegation, when there is one on the spot, is, of course, fully involved in this cooperation between the ambassadors of the Ten.

Mr Seligman. — I believe that the general public are not really aware of this close cooperation, nor are they aware that our representatives meet very regularly, pretty well every day, at the United Nations to coordinate policy. This is an indication of a united foreign policy. Does the Council not feel that the public should be made more clearly aware of this and that there should be more formal and regular meetings of our representatives in the various capitals of the world?

Mr Hurd. — I agree with the Honourable Member on this point. He draws attention very usefully to one example, namely, the very close coordination which takes place in New York on United Nations matters. Perhaps I could add another example. In Tokyo and Washington the ambassadors of the ten Member States have been available to help the Commission with advice during the high-level consultations which take place twice a year separately with these important trading partners, Japan and the United States. One could multiply these examples almost indefinitely, as I know from my own experience. During the recent troubled times in Teheran, for example, there has certainly been very close coordination between the embassies of the Community Member States represented there. Of course, the content of these consultations are usually of a kind which makes it difficult to make them public, and I don't think that is what the Honourable Member has in mind. However, I entirely agree with him about the principle — and perhaps the Parliament could help in this respect from time to time — that we should let public opinion in the different Member States of the Community realize that, to a greater extent than they probably appreciate, diplomatic efforts both as regards Community matters and political cooperation are being coordinated ever more closely.

Mr Schinzel. — (DE) Mr President-in-Office, do the questions on which the Ten coordinate their diplomatic initiatives include peace and security matters?

Mr Hurd. — I think that there is another question along the same lines. As the Honourable Member certainly knows, defence matters do not fall within the purview of the Community. There are certain security matters with a political content which have traditionally and for some time now been discussed on a Community basis, for example, the CSCE negotiations in Madrid. I think, however, that the principles established on this point are fairly well known.

Lord Harmar-Nicholls. — Will the Presidency keep in mind the dangers of making public details of these meetings, laudable as this might seem to be? When their recommendations are unanimous, publicity may be helpful. There could, however, be occasions where such unanimity is not in evidence. Airing these disagreements may well do more harm than good.

Mr Hurd. — I think that that is a very wise warning.

President. — I call Question No 63, by Mr Gondikas (H-269/81):

There are reliable reports that the West German authorities have decided that, as from the coming academic year, Greek students will not be allowed to enter German universities unless they are students in Greek universities.

Since there are no similar restrictions in respect of students from the other Community countries, I should like to know to what extent the Council intends accepting the introduction of this discriminatory measure against Greece.

Mr Hurd, President-in-Office of the Council. — According to the Council's information, it is incorrect to claim that only those Greek applicants who are already enrolled in a Greek university will be admitted to German universities. In fact, as is also the case in Greece, admission of Greek students to German universities is subject only to a pass being obtained in the Greek national examination, where students must obtain a minimum average mark. The minimum average mark has deliberately been set at a lower level in Germany than that required in Greece, so that the number of Greek students enrolled in the various German universities will stay at very much the same level as in the past i.e. around 5 000 students. It has become necessary, I understand, to adopt the new arrangement since Greece introduced the Greek national entrance examination for higher education establishments in addition to the examination held at the end of secondary studies and made admission to universities subject to a pass being obtained in that examination. The new arrangement offers Greek applicants the great advantage of no longer having to attend a *Studienkolleg*, as they can now enrol directly in a German university without delay.

Mr Gondikas. — (GR) The situation is not exactly as described by the Council representative. Restrictive measures existed this year and were subsequently lifted. Despite the reply by the President-in-Office, the question remains as to whether there will be such restrictions in future.

Mr Hurd. — The Council has no information on any such restrictions being imposed anywhere inside the Community.

Mr Van Minnen. — (NL) I am afraid that this is not a specifically Greek-German matter. Is the President-in-Office aware that a Dutch student recently had a similar experience when he tried to enrol in Strasbourg University and was turned down? I realize that this is rather springing a surprise upon the President-in-Office, but I hope that he will look into this matter thoroughly.

Mr Hurd. — I note what the honourable Member says, but if he is concerned with this particular and entirely different case, perhaps he might like to table a specific question on it.

Mr Kappos. — (GR) I should like to point out that there is a similar problem with Greeks who wish to

Kappos

study in France. In Belgium as well, there is the problem of high tuition fees for Greeks who wish to study there. Belgian students pay about 10 000 Belgian francs, whereas the Greek students have to pay from 80 000 to 150 000 Belgian francs. What discussions has the Council had, and what conclusions has it reached on the subject of safeguarding the right of Greeks to study at universities in the countries of Europe, as was the case before Greece joined the Community?

Mr Hurd. — It was agreed within the Community by the Ministers in June 1980 that foreign students should not have to pay more by way of tuition fees than home students. That is the principle. There may be a temporary problem in this particular respect following the accession of Greece. As has already been made clear in a previous answer, given on 19 November 1980 in this House following the accession of Greece, Member States which deem it necessary may decide to apply the principle of non-discrimination as regards tuition costs immediately but only with effect from the 1981/1982 academic year. As I understand it, this may mean that there may have been problems of this kind during the last academic year. They were provided for in the accession arrangements, and these problems should now disappear.

President. — Since its author is absent, Question No 64 will be answered in writing.¹

I call Question No 65, by Mr Deleau (H-276/81):

Given the undoubtedly bleak unemployment prospects which the world economic crisis holds in store for those leaving school this year, does the Council plan to take action this summer to help young people arriving on the labour market in the next few months to find their first job?

Mr Hurd, President-in-Office of the Council. — The Council would point out that, under the current provisions, the European Social Fund already devotes a substantial share of its resources to promoting employment for young people, in particular those seeking their first job. However, in this context, in December 1978 the Council introduced two new types of Social Fund aid aimed at encouraging the employment of young people. In addition, quite recently at its joint meeting — the so-called Jumbo Council attended by the Member States' Ministers for Economic Affairs, Finance and Labour — the Council once again expressed its serious concern regarding unemployment amongst young people and stressed the importance of paying greater attention to better matching of vocational training and education on the one hand and labour market requirements on the other, with particular reference to the demands of advanced technology. It is for the Commission to submit appropriate

proposals to the Council along the lines emerging from the aforesaid joint meeting.

Mr Deleau. — (FR) I should like to develop my question. Do you think more effective and suitable methods should be investigated and implemented with regard to the guidance, vocational training and placement of young people, so that they can be given a training which meets the real needs of the economy, which presupposes that the Council has a full knowledge of the labour requirements of Community undertakings?

Mr Hurd. — Indeed that, broadly speaking, was the gist of the conclusion of the Joint Council of 11 June to which I referred, and it is now for the Commission to submit appropriate proposals.

Perhaps I could add — because this may not always be recognized — that more than 39% of the Social Fund, which, as Members will know, amounted last year to commitment appropriations of 963 million units of account, was devoted to training young people for employment.

Mrs Clwyd. — Would not the Minister agree that it is sheer hypocrisy to profess concern for the young unemployed when his own government is now seriously out of step with its EEC partners about the right economic strategy to fight recession and mass unemployment? Does the reshuffle in his government show a softening or a hardening of his government's attitude towards the young unemployed?

Mr Hurd. — The first part of the honourable lady's question is not substantiated in any way by the documents which have actually been agreed within the Community.

As regards the second part, as a British Minister I would simply reply 'wait and see'.

Mrs Baduel Glorioso. — (FR) Is the President-in-Office aware of the almost ridiculous discrepancy between the financial aid from the Social Fund and the scale of the problem of unemployment among young people? As Members of this Parliament, we are not in a position to explain Europe to a young unemployed person, since we would have to admit that Europe is providing only crumbs — which are not even being put to good use, as Mr Deleau said so diplomatically — to help young people find jobs. Perhaps there are no more jobs left in Europe, in which case the appropriations of the Social Fund would still be too high . . .

Mr Hurd. — I am sure the Honourable Member will recognize that a large part, indeed the largest part, of

¹ See Annex.

Hurd

the efforts made by Member States to deal with this problem — about which none of use can be in the least complacent — come under the national rather than the Community heading.

But I would also draw her attention to the fact — it is really a point for the Commission, but perhaps one could draw attention to it — that in their report on the restructuring of the budget which the mandate group has begun to consider, they recommended that the Social Fund should continue to grow faster than the general budget and concentrate on youth employment. It may be that in making that point they had in mind the argument advanced by the honourable lady.

President. — I call Question No 66, by Mr Schmid (H-293/81):

In November 1980 the European Parliament adopted almost unanimously a favourable opinion on the proposal from the Commission for a research programme in biomolecular engineering. The Council has not yet reached a decision. Why are France and the Federal Republic of Germany blocking this research programme and what proposals will the new President-in-Office of the Council be making in order to arrive at a decision?

Mr Hurd, President-in-Office of the Council. — The Commission's proposal for this research programme is being examined by the Council's subsidiary bodies but as yet it has not proved possible for the Council to take a decision on it.

However, it is important not to lose sight of the fact that, in addition to the general budgetary difficulties which now affect all proposed Community research and development programmes, this particular proposal relates to a subject which has not before been covered by a Community programme, with the result that differing approaches to the subject do still exist. I would simply add, Madam President, that the Presidency will make every effort to achieve agreement in the near future.

Mr Schmid. — (DE) Mr President-in-Office, can you tell us where the difficulties lie? The fact is that every research programme is carefully prepared in the appropriate advisory bodies, in which the national governments are represented. In any case, the Commission does not make any proposals without the Council having given its informal approval.

Why then, under these circumstances, do you need more than the biological span of nine months to reach a simple decision?

(Laughter)

Mr Hurd. — I think that it is not really for the Presidency to analyse before Parliament the positions of

national governments on this matter. Certainly we hope that a compromise can be reached which will prove satisfactory to all Member States.

Perhaps I should add to my initial reply by reminding Mr Schmidt that in many Member States research in the fields of biotechnology and molecular biology do receive large contributions from public finances. It is necessary to prevent the same projects in these fields from being financed both nationally and by the Community.

President. — I call Question No 67, by Mr Hutton (H-106/81):

Will the Council now request COREPER to set up, under Article 16 of the Council's Rules of Procedure, a working party, with instructions to report to Council within three months, to examine relations with the European Parliament, especially in the fields of providing fuller information for Parliament on Council proceedings; requiring more Council members to attend sessions and committees of the European Parliament; majority voting in Council; and opening legislative discussions of the Council to MEPs, the press and the public?

Mr Hurd, President-in-Office of the Council. — The Council attaches great importance to the smooth functioning of relations between our two institutions. It is in this spirit that it is already examining the two resolutions adopted on this subject by the European Parliament on 9 July this year, and I would add that the President of the Council at its meeting this week did emphasize the importance of the principle involved.

Mr Hutton. — Would the President-in-Office accept that, in spite of all the high-sounding phrases that the Council has given to this Parliament about good relations, we still have not actually got the sort of thing we are asking for, and would the President-in-Office not return to his colleagues, convince them of the strong feelings which exist in this Parliament and persuade them to try to go some way towards meeting Members' requests, such as that in my original question?

Mr Hurd. — My impression is that Parliament is steadily making ground on this subject, but perhaps not with the speed which all its Members would like. We are certainly trying in this Presidency to bring to the Parliament as many ministers representing the Presidency as we can, so that they can hear at first hand, and not rely on me as a messenger, the feeling which honourable Members have on this subject, and I think the list of ministers who will be attending during the Presidency is quite impressive.

As regards the particular resolutions referred to in my answer, they were only passed in July. Examination of

Hurd

them has begun in the Council, and I do not think that that is unreasonable progress.

Mr Welsh. — Recognizing the desire of the British Presidency to improve relations with Parliament, may I ask the President-in-Office whether he would consider the possibility of having those parliamentary committees that are discussing proposals on which Council working parties have already started their work briefed by members of the Council, on the same confidential basis that is available under the Luns-Westerterp procedure, as to the state of the Council's deliberations, on the basis that this would bring the two institutions much closer together in their consideration of draft legislation?

Mr Hurd. — The honourable Member knows the principle involved that in principle the Council does not begin to consider action on different subjects until it has received the opinion of the Parliament, and obviously the sooner that opinion is given on particular subjects, the sooner consultation can proceed.

Sir James Scott-Hopkins. — The House would want to congratulate the minister on the number of ministers that have attended this session. There have been two already and one more to go, so that is to the good. But would he not accept that there is a tremendous blockage in the decision-making process of the Council and that many of the requests from this House and the Commission are still gathering dust on the shelves of the Council, and will he look with his colleagues very seriously at the possibility of adopting majority voting, except on questions of vital national interest? That is the only way we shall get out of the jam and move forward.

Mr Hurd. — That is a very important point which has been often considered, and the honourable Member knows clearly the reservations and difficulties which lie along that path. Of course, there are problems from time to time about the taking of decisions by the Council. I do not think any fair-minded person would deny that. It is natural and it is proper that from time to time Parliament should express its impatience on particular points, but it is also perhaps fair to point out that in recent years the Council has normally, I understand, taken approximately the same number of decisions as it has received proposals from the Commission.

President. — I call Question No 68, by Mr Fergusson (H-210/81):

What view does the Council take of the success or otherwise of Community aid to Poland and what future plans does it have in this regard?

Mr Hurd, President-in-Office of the Council. — In his speech to this House on 8 July the President-in-Office

of the Council, Lord Carrington, stated that, by making a swift decision to supply foodstuffs at advantageous prices, the Community gave invaluable assistance to the government and people of Poland at a particularly difficult time. Although the implementation of that action met with certain difficulties of a practical nature, particularly at the beginning of the operation, today these problems have been virtually solved. As you know, the Council decided to grant supplies of foodstuffs in two tranches. All the supplies in the first tranche have been delivered. The process of delivering supplies in the second tranche is well under way.

Furthermore, during August the Council adopted a resolution making it possible for the Member States to deliver to Poland, free of charge, fruit and vegetables withdrawn from the market in accordance with the provisions of the common agricultural policy.

Finally, as Commissioner Haferkamp told Parliament this morning, Poland put down on 4 September a request for a third tranche. Mr Haferkamp also informed you that the Commission would submit a proposal on this matter to the Council next week. Council is looking forward to receiving this proposal and will give it a thorough examination.

Mr Fergusson. — Apart from the change of policy which would follow if there were military intervention of any kind in Poland, has the Council any view of how long this aid is likely to be continued and if so, whether it would then have any significant financial consequences for the Community's economy? If so, what would those consequences be?

Mr Hurd. — It is difficult in an uncertain situation to give any precise answer to the Honourable Member, though I would obviously like to do so. The Council, when considering the Polish applications for these tranches, two of which have already been agreed and the third of which will come up for examination, obviously has to take into account the budgetary implications. In addition to the Member States — it is not strictly a Community matter — there is the problem of the credit required to enable the Poles to buy food even at the reduced prices which are available. So there is certainly a problem in this respect. I do not think it is possible to look into the future and say how large their problem might become.

Mr Deschamps. — (FR) Madam President, I shall not put to the President-in-Office again the question which is causing us all concern: do the supplies under the aid scheme really reach those for whom they are intended, and them only — i.e. those sections of the Polish people which are suffering most from hunger? I am afraid he will not be in a position to give us any assurances beyond those given by Mr Haferkamp this morning.

Deschamps

My question relates solely to the volume of the aid.

Can the President-in-Office give me an assurance that the Community will this year be able to meet all the needs established by the Polish authorities and that some Member States have already added, or will shortly be adding, national bilateral aid, and if so what Member States and what amounts are involved?

Mr Hurd. — Under the decisions taken in December 1980 and April/May 1981, the principal products included in the tranches which I referred to were 450 000 tonnes of barley, 100 000 tonnes of meat and 40 000 tonnes of butter. As I have said, and as Commissioner Haferkamp said this morning, the request for the third tranche is being considered at the moment, and I cannot give those figures, as they will depend to some extent on the reaction of the Commission to the specific request made.

Mr Habsburg. — Could I ask the distinguished spokesman for the Council whether, in view of certain complaints concerning the difficulties and delays in transporting food from the Community into Poland, there is not in preparation a more long-range plan to ensure the safe transportation of food from the Community to Poland, so that it can arrive in due time?

Mr Hurd. — I did indicate in my original answer that there have been practical difficulties in getting deliveries to Poland and agreeing the actual practical arrangements for the first two tranches. I do not think this was very surprising in view of the novelty and complication of the issue in question. The Community worked hard over the summer — there was, for example, the meeting of COREPER on 12 August — to speed up the food deliveries. Virtually all the food from the two tranches has now been delivered. So the Honourable Member is perfectly right that there were difficulties of a practical kind. We believe that they have been almost entirely resolved.

President. — I call Question No 69, by Mr Kappos (H-240/81):

Having already dismissed large numbers of workers for trade union reasons, the Greek State-owned Elefsina shipyards recently sacked seven workers who were standing for election to the trade union branch executive. Two of the seven candidates were sacked under Law 64/74 on the 'loyalty screening' of workers.

Does the Council consider that these actions are consistent with the EEC's declarations on trade union freedoms and workers' rights?

Mr Hurd, President-in-Office of the Council. — The Council, while recalling the joint declaration which it made with the European Parliament and the Commis-

sion stressing the prime importance which all three institutions attach to respect for fundamental rights, as enshrined in particular in the constitutions of the Member States and in the European Convention for the Protection of Human Rights and Fundamental Freedoms, would draw the Honourable Member's attention to the fact that the problem raised is a matter for the Member State concerned.

Mr Kappos. — (GR) I did not understand what special situation applied in the case of Greece. Apart from that, I should like to point out that it is being announced again and again in Greece that the European Community protects human rights and trade union rights and that we therefore have the legal right to use this international forum to report infringements of human rights. At any rate, since there have been numerous reports of infringements of trade union rights, I should like to ask specifically whether the Council intends to set up a special committee to monitor the situation in Greece.

Mr Hurd. — I do not think this would be a correct action for the Council to take. Greece is a party to the 1977 Joint Declaration, but we believe that this matter which the Honourable Member has raised is a matter for the Greek Government and not for the Council.

President. — We turn now to the questions addressed to the Foreign Ministers.

I call Question No 88, by Mr Blaney (H-234/81), although it would seem to me it was already dealt with adequately a short time ago:

What steps have the ministers taken to further a lasting and peaceful solution to the situation of conflict and tension in Ireland, particularly in the north, which since it threatens the peace and prosperity of citizens of the Community is in conflict with the aims and principles of the Treaties?

Mr Hurd, President-in-Office of the Foreign Ministers. — I think that the Rules of Political Cooperation do not allow replies to questions on the internal affairs of one or several Member States.

Mr Blaney. — May I put it to the President-in-Office that while I commend him and his colleagues and predecessors over the years and at present for their undoubted concern for human rights and other matters pertaining to the peoples of Chile, Nicaragua, El Salvador, Afghanistan, even now Poland on our doorstep, Vietnam, Angola, Iran, the Lebanon, even the wickedness of Mr Gaddafi — I believe they are right in concerning themselves with these things — I would ask the Foreign Ministers to try and use a little persuasion with the British Government to bring in prison reform in the jails of Long Kesh and Armagh?

Blaney

They might even start by ceasing to have body searches. Might I ask them also to do away with the notorious Diplock non-jury courts, to do away with accepting forced confessions as the sole and only evidence in these courts, to do away with the harassment of our people in the six countries of North-Eastern Ireland and, above all, to bring pressure, once and for all, to bear to ban the use of plastic bullets, which have proved the death sentence for 11 of our people, of whom five were children under 14 years of age?

Mr Hurd. — These are not matters with which the ministers have concerned themselves, for reasons which are well known and have frequently been explained to this Parliament.

(Interruptions)

As a British Minister, I would simply reject the analysis of the situation put forward by the Honourable Member.

President. — I call Question No 89, by Mr Moreland (H-282/81):

What pressure is being exerted currently by the Community on the USSR in order to secure the removal of troops from Afghanistan?

Mr Hurd, President-in-Office of the Foreign Ministers. — The European Council on 30 June stressed the urgent need to bring about a solution which would enable Afghanistan to return to its traditional independent and non-aligned status free from external interference. The European Council expressed the view that the time had come for a fresh attempt to open the way to a political solution to the problem of Afghanistan and to that end proposed the convening, as soon as possible, of an international conference in two stages. The President of the Council, Lord Carrington, visited Moscow on 6 July to discuss this proposal with the Soviet Government. The proposal, which has during the last few months received an encouraging degree of support in the international community, remains on the table.

Mr Moreland. — I should like to say how pleased I am that we still have an encouraging response from the international community. However, I wonder if the President-in-Office would tell us, now that the proposal from the Foreign Ministers has been on the table for some 2 or 3 months, where we go from here and what other initiatives the Foreign Ministers envisage. We now have fewer pressures to exert on the Russians on this issue than a year ago, because the sanctions on certain exports to Russia no longer exist. So my question is, where do we go from here?

Mr Hurd. — I am not sure that I would agree with the Honourable Member that there are not substantial

pressures on the Soviet Union. There are, of course, substantial pressures from within Afghanistan, where the resistance is continuing unabated and has refused to be crushed by the massive military action against it. Then there are the diplomatic pressures, to which the initiative of the Ten has substantially contributed. The UN General Assembly will no doubt take up the matter again, and the Presidency would expect the representatives of the Ten in New York to take again a very robust line and be joined in that by the majority of the Third World. As regards the specific initiative, the Soviet Union has on different occasions described the proposal of the Ten as unrealistic and unacceptable, but it has not ruled out further discussion. The Presidency certainly hopes that further discussion will take place against this background of continuing world revulsion against the action which the Soviet Union took and continual world insistence on the need for Soviet withdrawal from Afghanistan as an essential first element in a solution.

Mr Israël. — *(FR)* Mr President-in-Office, I should like to ask you a supplementary question in my capacity as rapporteur on Afghanistan on behalf of the Political Affairs Committee. Did I understand you to say that Lord Carrington's proposals of 6 July to Moscow remained on the table? Do you not think these proposals have been rejected out of hand by the USSR, and do you still have any hope that these proposals could be accepted by the Soviet Government?

Mr Hurd. — The Soviet Union has not refused to discuss the matter further. Diplomatic contacts do take place all the time. I think it would be holding out too optimistic a view if I said in reply to the Honourable Member's question that I thought an early conference or early progress on the lines of the initiative of the Ten was likely. But the pressures on the Soviet Union do exist. They continue to be quite strong, and therefore the Presidency feels sure that it would be wrong for the Ten to abandon or dilute the initiative which they took, particularly in view of the way in which it has been welcomed by so many people outside our frontiers.

Mr Schmid. — *(DE)* Mr President-in-Office, if the press reports are correct, the Soviet Union rejected the European proposals because they did not provide for Afghanistan to be involved in the negotiations right from the outset. Why did the foreign ministers draw up a plan which the Soviet Union would obviously have to turn down even if it wanted to do otherwise?

Mr Hurd. — It is perfectly true that the Soviet Union's principal objection to the proposal of the Ten was that the Soviet Union has insisted up to now on the presence from the start of representatives of the Barbra Karmal regime, which most of the world has

Hurd

condemned as a regime installed by force; it is certainly a regime with which very few countries have substantial relations.

The Ten deliberately left to a second stage the question of Afghan representation, because they knew that this was a very difficult problem and they thought that it was sensible to propose a first-stage conference which did not tackle this problem immediately but concentrated on the other aspect, namely the need for Soviet withdrawal.

President. — I call Question No 90, by Mr Fergusson (H-196/81):

What plans have the foreign ministers for renewing contacts with Middle Eastern Governments, and in particular with that of Israel, with a view to furthering peace?

Mr Hurd, President-in-Office of the Foreign Ministers.

— The European Council concluded at its last meeting in Luxembourg that the efforts undertaken by the Ten to promote the conclusion of a peaceful settlement should be continued energetically and without respite. The Foreign Ministers were instructed to elaborate further the practical possibilities available to Europe of making an effective contribution towards a comprehensive peace settlement in the Middle East through internal reflection and the maintenance of appropriate contacts with all parties concerned, including the United States.

The Foreign Ministers are now considering the next steps in the light of this. There are no current plans for a specific new tour of the parties concerned. But the Presidency and, of course, other Member States are in close and constant touch in the normal way with all the parties, including Israel.

Mr Fergusson. — Would the President-in-Office care to confirm that the recent *démarche* in the direction of the Middle East made by a single Member government, which has recently come to power, was fully coordinated as part of a general plan by the Foreign Ministers meeting in Political Cooperation?

Mr Hurd. — I think it would be fair to say that since the Venice Declaration of June 1980 by the Nine as they then were — and personally I have had to follow this rather closely — the different enterprises envisaged and undertaken by the national governments of the Ten have fitted pretty well into the pattern of coordinated action which began with the Venice Declaration and has continued with the Luxembourg Statement to which I referred in my original answer.

Mr Schinzel. — (DE) Mr President-in-Office, can you explain why there have been no more joint moves by the Member States since the Middle East initiative

in Venice, and can you tell us when we can expect the conference of foreign ministers originally planned between the Member States and the Arab countries?

Mr Hurd. — I do not think the Honourable Member is accurate in his first observation. Since the Venice Declaration of June 1980 there have been thorough and very useful visits to the area, first of all by Mr Thorn and then by Mr van der Klaauw, both in their capacity as President-in-Office of the Council. A lot of information and useful analysis has thereby been accumulated, and as a result of this the activities of the Nine, now the Ten, have given comfort to a large number of people and governments in the area which want peace but have not been happy with the Camp David process. Already we have achieved something, but obviously, as the Honourable Member indicates, it is not in itself enough. Timing is of crucial importance in these matters; as the Luxembourg statement quoted in my original answer carefully pointed out, there are other countries, such as the United States, which necessarily have to be concerned with the peace process. Our action therefore, although it is independent and European, should not be in contradiction to the evolution of United States policy.

Mr Israël. — (FR) Mr President-in-Office, do you not feel that the Venice Declaration is getting somewhat worn?

(Laughter)

Mr Hurd. — On the contrary! Whenever I read it, which I have to do often, I am amazed by its relevance and modernity. In fact, I am convinced that the comprehensive settlement at which we aim can only be based on the two principles set out in the Venice Declaration.

President. — I call Mr Van Minnen on a point of order.

Mr Van Minnen. — (NL) Madam President, I must invoke the Rules of Procedure and ask you why, in the case of Question No 88, you suspended the Rules of Procedure by not calling my supplementary, although I know you had made a note of it.

President. — Even if they are noted, requests to speak are not necessarily granted. I note down, in chronological order, all those who put their hands up, but I may or may not call them, depending on how extensively the subject in question has been dealt with. In accordance with the Rules of Procedure, my aim is at all times to maintain a balance between the political groups and the languages.

President

The subject of Ireland had already been dealt with at length in the context of questions to the Council, and I had taken the greatest care to achieve a fair distribution of speaking time among all the political groups. Moreover, as you may remember, the President-in-Office had stated at the outset that he had nothing to say on this subject in the context of political cooperation.

I call Mr Blaney on a point of order.

Mr Blaney. — Madam President, my recollection is quite clear. I may be wrong, but I think that before the President-in-Office got to his feet, you yourself, Madam President, said that Question No 88 was not relevant.

President. — Mr Blaney, I certainly did not say that the question was not relevant. All I said was that the problems in Ireland had already been dealt with at length under Question No 60, to which Question No 88, by reason of its heading, had initially appeared to be very similar.

I call Mr Paisley on a point of order.

Mr Paisley. — Madam President, I thought it was the duty of the Chair to refer to every Member State in the terms used in that country's Treaty of Accession. Northern Ireland is part of the United Kingdom. Ireland, in this Community, refers only to the Republic of Ireland. I feel that it is the United Kingdom that ought to be mentioned here in this connection, and not Ireland.

(Laughter)

President. — I call Question No 91, by Mrs Lizin (H-305/81):

Could the President-in-Office state what progress has been made by the Ministers for Foreign Affairs meeting in political cooperation in defining precisely which areas relating to security will be discussed by them and which ones relate to defence and will remain outside their terms of reference?

Mr Hurd, President-in-Office of the Foreign Minister. — Perhaps I could best answer by referring the Honourable Member to the answer given by the Presidency to Mr Blumenfeld's Question No H-198/81 on 8 July, when the following was said: 'European political cooperation provides for an exchange of views on all important questions of foreign policy. Such questions have in the past included matters related to the political aspects of security, as, for example, the European Security Conference. Discussions among Ministers as to a possible further intensification of European political cooperation in this respect have, however, not

been sufficiently detailed for me to give a reply to the specific question raised by the Honourable Member'. That is still the position.

Mrs Lizin. — *(FR)* We had been promised a document by the directors-general responsible for political affairs which would explain this subtle distinction to us. We are still waiting for it. Has this idea of a specific document been abandoned?

Mr Hurd. — I don't think that I can add substantially to my original reply. As I have tried to explain, some discussions on security matters already take place. This will obviously continue; I don't think there is any particular discussion or dispute about that. There have been suggestions from time to time on extending the range of these consultations, but that obviously has to be a matter for consensus among the Ten. I can't say anything this evening about further action on this particular aspect.

Mr Kappos. — *(GR)* In view of the fact that production of the neutron bomb is intended for Europe and that it constitutes a terrible weapon of mass destruction and thus has a bearing on the most fundamental human right — that to life — I should like to ask you whether the ministers have discussed the neutron bomb and, if so, could you tell us the results of these discussions. If the subject has not been discussed, do the ministers intend to discuss this major problem affecting the peoples of Western Europe?

Mr Hurd. — I think it follows from the outline of principle which I have already given that the recent decision of the United States Government to assemble enhanced radiation warheads, commonly known as neutron weapons, is a matter outside the scope of European political cooperation.

Mrs Baduel Glorioso. — *(FR)* What is the exact distinction between security and defence? Does the question of the neutron bomb, which has just been raised by a colleague, belong to security or to defence? I think it is very difficult for the Council and the political directors to come up with a distinction which we can understand. Is that not the reason for the delay in producing this document?

Mr Hurd. — I think these are delicate distinctions, and if one discusses them in the abstract one may run into difficulties. I think that when one looks at the working practice of political cooperation, these difficulties to a large extent dissolve. Therefore I do not think I can add to what I have said about the general principle, which is that in the past and no doubt in the immediate future the questions covered in European political cooperation to include matters related to the

Hurd

political aspects of security. I give as an example the very close coordinated action on the Madrid Conference in the Helsinki process, which has certainly been very fruitful but rests on the way it works in practice rather than on trying to define exactly the nature of the destination.

President. — I call Question No 92, by Sir Peter Vanneck (H-313/81):

In view of the well-publicized deployment by the Soviet Union of SS20 missiles and the overflying potential of the Soviet Backfire bombers, what steps do the Foreign Ministers envisage to 'preserve and strengthen peace and liberty' for the peoples of Europe?

Mr Hurd, President-in-Office of the Foreign Ministers. — The constant concern of the Ten for the preservation of peace and liberty in Europe has recently been shown by the active support which, as I have just been mentioning, the Ten have given to the French proposal for a conference on disarmament in Europe, a proposal discussed at precisely the Madrid Conference which we have just been discussing. The question specifically raised about the deployment of Soviet missiles and bombers lies outside the area discussed in political cooperation, for the reason which I already gave in answering the question about the neutron bomb.

Sir Peter Vanneck. — The President-in-Office will appreciate that the question has been framed to accord with the phraseology of the Treaty of Rome. He will also realize that his answer, to my satisfaction, gives status to the wish of the whole electorate of the European Parliament to be able, in this and every other way, to discuss security and defence, which are self-evidently indivisible. Would he agree that the military build-up by the Warsaw Pact countries requires from Western Europe a reaction of real political cooperation, and that this must spill over into the realm of cooperation among the Ministers of Defence, as outlined in his answer to the previous question, No 91?

Mr Hurd. — I note the Honourable Members's views and his efforts to tempt me on to ground which I have already renounced. I think that there are other institutions to which most, but not all, Member States of the Community belong, where these particular matters which Sir Peter has begun to discuss can perhaps be more profitably brought to a conclusion.

Mr Boyes. — Would not the President-in-Office agree that it would be better to do something very positive than spend time simply condemning developments in both the USSR and the USA? And to that end I am interested in the fact that some of the Ministers are taking part in the talks on disarmament in

Europe. Would he agree that one of the first steps towards achieving real peace in Europe would be, first of all, to rid Britain of all nuclear weapons and then to take part in the efforts being made to establish a nuclear-free zone in Europe? There is no defence against nuclear bombs, and I am very proud to say that the next government in the UK will certainly take positive steps by renouncing all nuclear weapons, whether they are of British or American creation.

(Laughter from the European Democratic Group)

So I would hope that he would give us an assurance today that he supports the concept of a nuclear-free zone in Europe and that he will work in this conference towards that end.

Mr Hurd. — I think that only part of that question really relates to the Presidency, but I think it is desirable that Parliament and the Council should constantly remind people of the initiatives being taken in the field of arms control and disarmament. The French proposal for a conference on disarmament in Europe envisages initially the negotiation of militarily significant, verifiable and binding confidence-building measures applying to the whole of Europe from the Atlantic to the Urals. This is a very important proposal which has been discussed now in some detail for several months. The effective coordination between the Ten in Madrid has been a very important element in bringing forward discussion of this important proposal.

If we could reach agreement on this at Madrid, when the conference resumes later this year, then that would be a big step forward.

Speaking personally or not on behalf of the Presidency, I myself believe that the unilateral renunciation of nuclear weapons, far from being a step towards peace, would put at risk the present system which has held the peace for 36 years and would in fact remove any incentive which the Soviet Union might have to conclude negotiated agreements.

(Applause from the European Democratic Group)

Mr Lalor. — Does the Foreign Minister, when he is presiding at the meetings of Foreign Ministers on this political cooperation issue, not do so with his tongue in his cheek? How can he deal with the preservation and the strengthening of peace and liberty for the peoples of Europe while in his own backyard, in the United Kingdom and the six counties of Northern Ireland, there is neither peace nor liberty?

Mr Hurd. — That is not how we feel about this matter. I should like to say one final word on this subject as a British Minister. Of course the British Government is passionately anxious to find peaceful and equitable solutions to the problems of Northern

Hurd

Ireland and also to maintain and preserve a good friendly relationship within our Community with the Irish Republic.

President. — I call Question No 93, by Mr Paisley (H-315/81):

When last was an effective system of extradition, which would operate throughout the whole Community, discussed by the Foreign Ministers, and what progress has been made?

Mr Hurd, *President-in-Office of the Foreign Ministers.*

— This matter has not been discussed by the Foreign Ministers. However, as the honourable Member will be aware from the replies to Questions H-75/80, 285/80 and H-154/80, discussions did take place between senior officials of the competent ministries on the drafting of a convention on cooperation in criminal matters which would have the principal objectives of facilitating extradition between the Member States of the Community and of providing in certain circumstances an obligation to submit a case to the prosecuting authorities where extradition had been refused.

The text of the convention was examined by the Ministers of Justice of the Member States at their meeting in Rome on 19 June 1980, but since not all Member States could agree to it, there has been no substantive discussion of the matter since that date.

Mr Paisley. — Could the President-in-Office of the Council assure the House that he will take this matter on board and that he will raise this matter in the Council at the earliest possible time? In regard to preserving and strengthening peace and liberty in the Community, would he not agree that one of the best ways to do that is to see that no part of the Community gives sanctuary to terrorism? Is he aware that some of the most dastardly and bloodthirsty deeds done recently in Northern Ireland were done by those who escape to the safety of the Irish Republic, from which they cannot be extradited because that government will not sign the European Convention on Terrorism?

Mr Hurd. — I tried in my original answer to give an account of the rather complicated situation as regards the proposals which have been made but not agreed. I think it would be holding out false hopes if I indicated that we saw a likelihood of early progress in disentangling this knot. The specific problem to which the honourable Member refers is essentially one between two Member States of the Community, and it is difficult, I think, to see how the situation could be improved by involving other Member States of the Community in this particular problem.

Mr Blaney. — Might I ask the Foreign Minister whether he is fully aware that the situation in regard

to both parts of Ireland, North and South, six counties and twenty-six, is not as depicted by my honourable friend and colleague Mr Paisley? Might I further ask the Minister whether he does not agree that the questioner, that is Mr Paisley, seems only concerned about blackening the Republic of Ireland, the twenty-six counties of Ireland, and does not see the mote in his own eye? I would ask him what happened in regard to the murderers, three in number, names known, who slaughtered two young people on the Derry/Donnegal border before this political conflict of which there is so much talk today. Those three are still walking about free on his side of the border, and there was no political motive. Maybe he might answer that, and the President-in-Office might not be put to the trouble of answering a question put down with such obvious motives by Mr Paisley.

Mr Hurd. — I do not think that it is for the Presidency to give its analysis of the problems in Northern Ireland and the personalities involved or of the particular incident to which the honourable Member has drawn attention.

Mr Marshall. — Madam President, might I suggest that Mr Blaney, instead of having a class in the French language or any other language, get some lessons in history and fact, because he seems determined to use Question Time as a means of propagating distortion and malicious lies about the situation in Northern Ireland and the United Kingdom?

President. — The second part of Question Time is closed.¹

We have managed to deal with 18 questions — which is not quite up to the target we had set ourselves — and 49 supplementaries. In view of the lateness of the hour, I must refuse all urgent debates.

I call Mr Maher.

Mr Maher. — I am sorry, Madam President, but three times I asked for the floor to put in a supplementary question and I got no opportunity. I do not want to blame you for it, but I did not get one opportunity and I saw many other parliamentarians being called again and again. You called me twice, but on each occasion the subject on which I had wished to ask a supplementary question had been closed and the House had gone on to the next question.

President. — I am very sorry for any inconvenience I involuntarily caused you, Mr Maher.²

¹ See Annex.

² Topical and urgent debate — Membership of Parliament — Agenda for next sitting: See Minutes.

President

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Madam President, I should like to draw your attention to a small problem. The agenda for Friday does not include any time for voting on items we do not manage to deal with tomorrow. However, it may well be that there is not enough time to vote on some of the items tomorrow, and we

must therefore allow for more voting time at 9 a.m. on Friday.

President. — Thank you for pointing that out to me, Mr von der Vring. We shall allow for the necessary time for voting.

(The sitting was closed at 7.25 p.m.)

ANNEX

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

I. Questions to the Commission

Question No 9 by Mr Remilly (H-275/81)

Subject: Rules governing flags of convenience

Does the Commission not feel that more effective rules should be adopted at international level for the registration of ships, notably those flying flags of convenience, in order to improve of maritime shipping and avoid the threat of pollution?

Answer

It is the Commission's view that all maritime nations should be in a position to ensure that vessels flying their flag, whether a flag of convenience or not, comply with international standards for shipping safety and pollution prevention. This implies the existence of an effective administrative link between the flag State and its vessels. However, it is the view of the Member States and of the Commission that there is no need to insist on the existence of a genuine economic link between flag and vessel.

Furthermore, it is also the Commission's view that the Member States, as port States, should make full use in a harmonized fashion of the opportunities to check that vessels of any flag entering their ports satisfy the standards. The Commission has submitted a proposal for a Council directive on this matter.¹ There must be a joint effort by flag States and port States to eliminate abuses which may occur in vessels flying any flag.

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Question No 10 by Mr Paisley (H-283/81)

Subject: Integrated operation proposals for Belfast

Will the Commission report what progress has been made in processing the 'integrated operations' proposals for Belfast and what is the Commission's view of the UK Government's proposals?

Answer

1. It is the Commission's view that the British authorities, in drawing up the integrated operations proposals for Belfast, have put a great deal of effort into the work of research and formulation which deserves recognition. They have laid the groundwork for the operative launch of the experiment.

2. An initial consideration of the British proposals, concerning projects with a total cost of 885 million EUA for the 1981-85 period,¹ shows that on the basis of the existing instruments these projects could as a rule benefit from Community measures (subsidies and/or loans), especially the projects concerning industrial infrastructure, urban transport and vocational training. The Commission departments expect to receive from the British authorities additional information concerning, in particular, the schedules and financing arrangements for the various projects, with the aim among others of speeding up their introduction.

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¹ Proposal for a Council directive concerning the enforcement, in respect of shipping using Community ports, of international standards for shipping safety and pollution prevention (OJ C 192 of 30 July 1980, p. 8).

Question No 11 by Mr Petersen (H-287/81)

Subject: Survey of measures taken in the Community for the recycling of materials

The principle of recycling represents a sound means of escaping from our present crisis, since practical recycling measures have the simultaneous effect of creating employment, improving the balance of payments and conserving finite resources, nor can they be criticized on environmental grounds.

Apart from the re-use of surplus heat from electricity production (as practised in over half the power stations in Denmark), the melting down of scrap iron, etc. (as at the steel rolling mill at Ferseriks-vaerk in Denmark), the system of returnable bottles and the recycling of paper, there has nevertheless been only very modest interest and investment in recycling both in Denmark and the other Member States.

In Denmark, however, the Minister for the Environment has announced the setting up of local recycling schemes — for household and industrial waste in particular — as an experiment beginning in two districts next autumn.

Since fundamental political importance must be attributed to all practical recycling schemes — seeing that they provide an opportunity for initiating an economic process and developments in society different in nature from the trend in the less austere atmosphere of the 1960s — it is clearly of political interest for a survey of recycling activity in the Community to be made available.

Is the Commission therefore prepared to draw up such a survey, to use this as the basis for proposals for new recycling schemes with Community support, and in general terms to consider recycling as an element of economic policy in the Community?

Answer

1. The Commission agrees with the honourable Member that the promotion of recycling is assuming increasing political and economic importance.

For this reason, waste management — and particularly recycling — aimed at saving resources is an integral part of the Community's environmental programme.

A major point in this connection — albeit still only of minor significance — is the production of energy from waste. The Commission is following developments in this field with great interest and will be submitting a report to the Council on the subject sometime next year.

2. As regards legislation, this sector is covered by one framework directive and several separate directives. The Commission would also point out that market forces have given a considerable boost to recycling in product areas other than those mentioned by the honourable Member.

3. In addition, this sector is the subject of a research programme aimed at supporting the Community's waste management policy.

4. The staff shortage in the Commission prevents its publishing reports of a wide-ranging scientific nature. However, if so requested, it is prepared to communicate to the competent committee the working documents in its possession.

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Question No 14 by Mr Kappos (H-207/81)

Subject: Strike by Olympic Airways employees

The recent strike by Olympic Airways employees was arbitrarily declared illegal and the members of the trade union executives are now being sought with a view to their arrest and trial. Does the Commission not consider these actions to be irreconcilable with the EEC's declarations on the defence of trade union freedoms and human rights and can it assist the workers in their struggle to safeguard their constitutional trade union rights?

Answer

Owing to the lack of more precise information concerning the incidents and the circumstances of this industrial dispute, the Commission is unable, without full knowledge of the facts from all parties concerned, to comment on the events referred to by the honourable Member.

However, the fundamental rights are guaranteed by ILO conventions, especially the freedom of association (Convention No 87 of 1948) and the right to organize and bargain collectively (Convention No 98 of 1949).

As all Member States of the European Communities are also members of the International Labour Organization which has a well established, experienced and generally accepted grievance procedure to which all trade unions have access it seems indicated that in case of infringements to the above principles the matter should be pursued in the ILO frame-work.

The Commission will follow with close attention the progress and conclusions of complaints or grievances procedures set up by the ILO Constitution. Should it prove that there had in fact been infringement of certain general principles of law relating to industrial relations, the Commission, in the light of its general responsibilities as regards compliance with the fundamental principles of the Treaty, could not remain uninvolved and would certainly draw the matter to the attention of the national authorities.

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Question No 21 by Mr Boyes (H-307/81)

Subject: Representation of Gibraltar in the European Parliament

Would the Commission indicate whether or not it is considering allowing representation from Gibraltar to the European Parliament and if not, will the Commission say why?

Answer

The honourable Member will undoubtedly be aware that Annex II to the Act concerning the election of Members to Parliament by direct universal suffrage lays down that the provisions of the Act shall be implemented only with regard to the United Kingdom, in other words Gibraltar is excluded.

Under Article 138(3) of the EEC Treaty, this provision may be amended at the initiative of the European Parliament itself.

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Question No 22 by Mr Purvis (H-309/81)

Subject: VAT on the expenses incurred by charitable organizations

Does the Commission intend to review the rules governing VAT on the expenses incurred by charitable organizations (such as churches, hospices, children's homes, etc.) on repairs and maintenance to their buildings so as to eliminate this financial burden?

Answer

As the Commission indicated in its reply to Mr Price's question No H 60/81 in April this year, we do not think that amending the common VAT system is an appropriate way of providing financial support for private charitable organizations.

Any attempt to establish a common system of exemption from VAT for such bodies would be administratively very complex and would give rise to difficult problems of interpretation. Nor have we any evidence that such a proposal would be welcome to the Member States. It is of course always open to individual governments to compensate charitable organizations for their payment of VAT by awarding them grants equivalent to the amount, or part of the amount, of the VAT paid in respect of goods or services supplied to them.

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Question No 28 by Mr Harris (H-329/81)

Subject: Assistance to Honduras

In March 1981, a British firm, Cygnus Marine Limited, of Penryn, Cornwall, submitted the lowest tender for a contract to build fishing boats for the Honduras Government under a fishery project which is to be part-financed by the Community. After the tenders were opened, it was learned that a Honduras holding company had submitted an 'alternative tender' and would probably be awarded the contract.

In view of this clear breach of tendering rules, what is the Commission now doing to ensure that the contract either goes to Cygnus Marine or else all promises of Community aid to Honduras are withdrawn?

Answer

As a result of action by the Commission departments and the Inter-American Development Bank, which is cofinancing the project and manages the Community funds allocated to the project, the Honduran authorities have carried out a thorough investigation of the tender invitation procedures with particular attention to the opening of tenders. The Commission is waiting for the report on the bids which is currently being prepared. It cannot therefore anticipate the conclusions of the report. However, according to the most recent official information received by the Commission, it seems that opinion among the authorities in question is favourable to awarding the contract on economic and technical grounds to the British firm, Cygnus Marine Ltd.

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Question No 29 by Mr Barbi (H-331/81)

Subject: Integrated action programme for Naples

With reference to Written Question No 460/81 tabled on 12 May 1981 regarding the causes of the shortcomings in the integrated action programme for Naples which has so far received no reply, can the Commission indicate the reasons for these shortcomings?

Answer

With the aim of carrying out the necessary investigations in order to be able to give a detailed answer to the specific queries in Written Question No 460/81 to which the honourable Member refers, the Commission provided an interim answer on 14 July 1981. Now that its investigations are completed, the Commission can provide the following answers to the queries put in Written Question No 460/81.

1. The *Cassa per il Mezzogiorno* has hitherto collaborated in an active and efficient manner both in the preparatory work for the programme and in carrying out operations under its own auspices.
2. The total value of projects initiated by the *Cassa per il Mezzogiorno* in 1980 exceeds Lit 800 000 million. These projects cover the special projects (pollution control, water management schemes, metropolitan area) and the infrastructure of industrial areas.

The *Cassa per il Mezzogiorno* requested and obtained from the Regional Development Fund aid for projects which have commenced and which are valued at Lit 351 000 million (special project, pollution control in the Bay of Naples, water supply works in the western part of the Campania region, harbour works, equipment in industrial areas and other works). The contribution provided by the Regional Development Fund amounted to Lit 131 000 million, of which Lit 58 000 million was entered in the 1980 budget and the remaining Lit 73 000 million in the 1981 budget.

3. In 1980 the Regional Development Fund granted the Municipality of Naples Lit 20 000 million for works and design studies. Lit 16 300 million was allocated to works (primary town planning in the centre; road link to Ponticelli) and Lit 3 700 million to design studies (urban motorway link to the port and Bagnoli industrial area, modernization of tram system, rail link Colli Aninei — Secondigliano).

No expenditure has yet been incurred in respect of these works and studies, which are currently being prepared. Expenditure on projects submitted at the end of 1979 totals approximately Lit 3 000 million.

4. The regional authorities have incorporated in the 1980 programme a design study for the Naples-Nola-Avellino rail link and a survey on a pipeline for the distribution of industrial methane in the Naples area. The projects are valued at Lit 1 000 million, of which the Regional Development Fund has granted 500 million. The design study is now getting under way.

5. During 1981 work has continued on the projects commenced in 1980 and a new list of works has been drawn up which will be approved at the next meeting of central, regional and municipal authorities.

6. The integrated action programme carried out in the Naples area can on the whole be considered satisfactory. There are of course problems in coordinating the work of the various authorities involved at the technical and administrative levels. It will be possible to offer as a solution to these problems a more transparent organization of the relations among the various authorities involved in the programme.

7. The Commission is working on proposals for the use of funds under the integrated operations heading in the 1981 Community budget.

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Question No 30 by Mr Galland (H-333/81)

Subject: Joint position of the Ten *vis-à-vis* Japan

While the trade deficit with Japan reached a record 11 000 million dollars in 1980, the Ten are still far from reaching the common position which the declarations of the Council of Foreign Ministers in May 1981 might have led one to expect. Indeed, although the Council had stressed the Community nature of the problem of Japanese car imports and had instructed the Commission to conduct the necessary talks, bilateral arrangements have recently been concluded between Japan and West Germany and between Japan and the Benelux countries.

Having advocated the adoption of a truly common position by the Ten over the past year, will the Commission make a special effort to define at long last a firm strategy by the Member States *vis-à-vis* Japan?

Answer

1. The last round of talks with the Japanese Government on the subject of Japanese car exports took place last June during the visits by the Prime Minister, Mr Suzuki, and the Minister for Foreign Trade and Industry, Mr Tanaka.

During these talks the Commission made every effort to obtain from the Japanese, on the basis of the Council declaration of May 1981, a unilateral restriction on exports to the Community as a whole. The Commission's efforts were naturally hampered by the measures taken in the case of the German and Benelux markets. The Commission nevertheless reached agreement with the Japanese on the following points:

- (a) The Japanese acknowledged the European car industry's continued efforts to modernize and adapt.
- (b) Japanese car exports to the Community in 1981 would expand at a more moderate rate in view of the restrictions agreed with Germany and the Benelux countries, the import restrictions imposed by certain Member States and the recent currency fluctuations affecting the yen and European currencies.
- (c) The measures agreed to by Japan with regard to the USA and Canada would not lead to any diversion of Japanese car exports to the Community.
- (d) During the autumn this year there would be an exchange of views between the Japanese and the Commission on the prospects for 1982.

2. In view of this forthcoming exchange of views, the Commission will strive within the Council to ensure that a common position of the Member States is formulated as soon as possible for the coming year.

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Question No 31 by Mr Abens (H-336/81)

Subject: Cattenom nuclear power station

Now that the French Government has adopted a new strategy on energy, will the Commission be prepared to suggest that it scrap the plan to build a nuclear power station close to the Luxembourg-Saarland border, since the arguments against locating such a plant in populous areas are well known, and that it should instead build a non-polluting coal-fired power station, possibly in cooperation with the Saarland and Luxembourg?

Answer

It is for the French authorities to decide which fuel to use in power stations built in France. The Commission would point out that the construction of nuclear power stations is part of the Community energy objectives whereby 70-75% of primary energy requirements for electricity generation are to be covered by nuclear power and solid fuels by 1990.

With regard to the location and the pollution hazards of a power station, whether of the nuclear or traditional type, close to a frontier, the Commission view is that there should be prior consultation between the Member States involved.

A Commission proposal for the establishment of a Community consultation procedure has been with the Council for five years. The Commission will continue to urge the governments of the Member States, including the French Government, to work out a solution to this tricky problem.

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Question No 32 by Ms Clwyd (H-340/81)

Subject: Report on the disabled

How many of the recommendations made in the Report on the Disabled, adopted by Parliament six months ago, have been acted upon?

Answer

1. The Commission is bearing in mind the parliamentary Resolution in preparing its proposals, as far as concerns the handicapped, for the future review of the European Social Fund. Moreover, financial support has been requested in the draft 1982 budget for some specific measures designed to improve the transition of young handicapped from school to working life.

In order to ensure that the numerous activities over a number of sectors involved are in the future combined into one cohesive and strategic programme of work, the Commission is in the final stage of preparation of a Communication to the Council which will incorporate new proposals at Community level in support of the social integration of the disabled.

The actions which will feature in the Communication are being formulated in the light of the recommendations relating to Community action contained in the Resolution of the European Parliament.

2. The Commission has moreover completed, or prepared for completion, in 1981 a number of specific actions which reflect the recommendations in the Resolution of the European Parliament on the social integration of handicapped people.

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Question No 33 by Mr Normanton (H-341/81)

Subject: Duty-free tariffs

In view of the wide diversity of 'duty-free allowances' of alcohol and tobacco publicized by Member States, what steps are being taken to achieve a common scale of allowances for Member States' citizens travelling into other Member States and for visitors and citizens of Member States entering the Community from a third country?

Answer

In reply to a similar question put by Mr Pearce in Written Question No 1517/81,¹ the Commission stated that, as regards travel between Member States, and apart from some reduced allowances applying in Denmark under derogations authorized by Council Directives 78/1032/EEC² and 77/800/EEC,³ the rules governing turnover tax and excise duty applicable to spirits, wines and tobacco carried in international travel are fully harmonized throughout the Community. It should however be mentioned that in the framework of the regional union between Belgium and Luxembourg, Belgium grants an additional allowance of 8 litres for the import of Luxembourg wine by travellers coming from Luxembourg.

As regards travellers arriving in the Community from third countries, the allowances relating to duties levied under the Common Customs Tariff and to agricultural levies have similarly been harmonized. It should be noted, however, that for tobacco products carried by travellers whose residence is outside Europe, the Regulation⁴ concerned sets a maximum quantity below which Member States can fix national limits aligned with those of a fiscal character.

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Question No 34 by Mr Seefeld (H-346/81)

Subject: Disembarkation cards

In its answer to my Written Question No 1528/80,⁵ the Commission described the filling in of disembarkation cards in two Member States as running counter to the spirit of the Treaties, and stated that it would press for the use of these cards to be discontinued. What action has since been taken, and with what degree of success?

Answer

On 9 July 1981 the Commission informed the Permanent Representatives of France, Greece and Italy in writing that it was the Commission's view that the filling in of disembarkation cards by nationals of the Member States was incompatible with the EEC Treaty. The Commission requested the governments of these three Member States to say within two months whether they intended to abolish disembarkation cards for Community nationals. The Commission has not yet received any reply.

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Question No 36 by Mr Denis (H-352/81)

Subject: Declaration made by Mr Thorn in Washington

The President of the Commission, Mr Thorn, is reported to have said during a press conference on a recent trip to the United States that direct elections to our Assembly were a mistake and to have commented unfavourably on the abilities and work of Members of the European Parliament.

Does the Commission not agree that it is quite intolerable for its President to have chosen to make this kind of remark in America as he did not feel any need to do so in the address he gave on taking up his duties last January, and should it not be helping Members of Parliament to fulfil their duties by showing more concern in its work for the right of control which the European Parliament has over its activities?

¹ OJ No C 49, 9. 3. 1981, p. 27.

² OJ No L 366, 28. 12. 1978, p. 28.

³ OJ No L 366, 27. 12. 1977, p. 21.

⁴ Council Regulation No 1544/69 of 23. 2. 1969 as amended by Regulation No 3061/78 (OJ L 191, 5. 8. 69, p. 1 and OJ L 366, 28. 12. 78, p. 3).

⁵ OJ C 63 of 23 March 1981, p. 8.

Answer

Parliament must be well aware that in the United States there is a keen interest in and a very high regard for the institutions of the Community and especially the European Parliament. This is particularly true in the case of the development, enshrined in the Treaties, which led to the direct election of the European Parliament and which indicates a strengthening of the democratic nature of the manner in which the Community institutions operate.

It is quite natural for a president of a Community institution, when visiting the United States, to provide information on the operation and working methods of the Community. It is also quite normal in this connection for him to explain the very complex nature and the somewhat empirical approach of institutions which to the general public and press in the United States seem exceptionally young when compared with American institutions which now have a history going back two centuries. During the press conference to which the honourable Member refers, the President of the Commission gave only this kind of explanation and information. At no time and in no way did he express views which would support the interpretation which certain press comments, mentioned by the honourable Member, would seem to indicate.

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Question No 37 by Mr Fanton (H-353/81)

Subject: Situation of the European footwear industry

Will the Commission indicate what steps it plans to take to remove the tariff and non-tariff barriers to trade introduced by Japan to prevent imports of European footwear and give precise details of the measures taken by Japan not only to protect its own industry but also to facilitate its *de facto* control over exports of footwear from countries such as Korea and Taiwan?

Answer

The Commission would remind the honourable Member that the situation of the European footwear industry continues to be studied attentively by the Commission departments.

In this context the Commission attaches special importance to the opening of markets in the industrialized nations, including Japan, which could become a major customer for European exports and which imposes particularly high import duties and quota restrictions. Recently the Commission indicated again to the Japanese authorities that European footwear exports were regarded by the Community as a matter of priority. The rate of Japanese import duty for leather footwear currently stands at 27% and there is also a quota restriction which is not very clear in terms of quantity or procedure. The honourable Member is probably well aware that the Japanese authorities justify their action on special social grounds: the protection of a religious minority, the Dowa. At the same time it must be said that members of this sect account for only 2% of workers in the leather and footwear industry and for some years the Japanese Government has implemented a policy of aid in their case.

The initial aim of the Community moves is to obtain an increased quota and greater clarity in its application.

The Commission is pursuing its efforts to obtain a complete opening of this market and high-level talks are scheduled in the coming weeks.

With regard to the second point raised by the honourable Member — Japan's *de facto* control over exports of footwear from Korea and Taiwan — the Commission has no direct information on the matter. It is aware, however, that the Mitsubishi company controls 20% of footwear exports from Taiwan and 30% of footwear exports from South Korea.

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Question No 38 by Sir David Nicolson (H-354/81)

Subject: Possible price cartels in the chemical and plastics industries

The British plastic moulding powder industry is dominated by large companies who are able to charge sales prices significantly higher than those obtaining in other European countries. Continental manufacturers seize the opportunity of charging the same high prices in the UK whilst British companies adopt lower pricing policies on the Continent. The position in the UK is made even worse by the fact that Eire is treated as a dumping ground by some manufacturers, presumably as it is remote from the Continent, but it must be remembered that the United Kingdom and Eire market are one.

Is the Commission aware of these facts, and if so why has it not investigated this situation as a breach of the Treaty of Rome? Should manufacturers sell at the same price throughout the European Community?

Answer

The Commission is aware of the situation described in the question which can certainly, at least to some extent, be explained by the fact that the pound has risen relative to other currencies. However, it has no systematic overall view of the cases in which there is a price difference between the United Kingdom and the other Member States in the chemical sector. In certain individual cases, the Commission has studied the question of whether the application and maintenance of different prices depend on an agreement in conflict with Article 85. So far, however, the results of the study have not been such as to warrant official steps being taken. The Commission has received no complaints from undertakings in this sector.

As regards the question as to whether manufacturers should sell at the same price throughout the European Community, the Treaties do not contain any provisions, except in the specific areas represented by Euratom, coal and steel and agriculture, which would authorize the Commission to impose a standard price policy on a general basis on undertakings in a particular sector since the EEC Treaty is based on the principle that the chief factor determining price levels should be the free interplay of supply and demand. Only in cases where competition-distorting cartels or abuses by undertakings in a dominant position interfere with this free interplay, is the Commission obliged to take action on the basis of the rules of competition.

However, I should point out that to think that standard prices could be established within the common market is an illusion, not only because the various undertakings develop their price policies under different objective circumstances, but also because normal competition does not necessarily lead to standard prices.

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Question No 40 by Mr Müller-Hermann (H-387/81)

Subject: Gas pipeline agreement with the Soviet Union

Was the Commission consulted in any way on the gas pipeline agreement which large Community firms, supported by their governments, wish to conclude with the Soviet Union, and how does it view the agreement in terms of its political and economic value and the security of supplies?

Answer

The negotiations between the Soviet Union and a number of European firms are still going on. As for consultations among the Member States, industry and the Commission, security of supplies and the political aspect of the deal, the Commission would refer the honourable Member to the answer given on 18 March 1981 by Mr Davignon, Vice-President of the Commission, to Mr Berkhouwer's Written Question No 1773/80 of 12 January 1981.

With regard to the economic value of the deal, the supply of pipes and related equipment will have a favourable impact on the operations, and jobs, of the Community firms involved.

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Question No 41 by Mr Van Miert (H-358/81)

Subject: Report to the Council on the 30 May 1980 mandate

Can the Commission explain why it has proposed a special procedure, as outlined in the personal letter sent by Mr Thorn on 24 June 1981 to the Heads of State or Government of the Member States, for consideration of its report to the Council on the 30 May 1980 mandate, this being that the report should be submitted, under the supervision of the Council of Ministers of General Affairs, to a small group of prominent persons presided over by one member of the Council, and in the Commission's view, what is to be the exact task with which this working party is to be entrusted?

Answer

It is not the intention of the Commission to resort to a special procedure for examination of the implementation of its report following the 30 May 1980 mandate. It is the Commission's wish that all the Community institutions and, in particular, the European Parliament should be involved in the discussions which should lead to a revamping of Community policy. The Commission counts on the cooperation of this Parliament whose contribution it regards as of vital importance.

In view of the fact that the Council requested the Commission to draw up this report, the Commission felt it was its duty to draw the attention of the Council to the need to look into the proposed conclusions at political level and to avoid dealing with the various individual proposals in isolation. For this reason, the President of the Commission, in his letter of 24 June 1981 to the Heads of State and Government, proposed a procedure aimed at dealing with the various aspects of the new development of the Community as a cohesive whole. The European Council endorsed this proposal.

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Question No 42 by Mr Radoux (H-359/81)

Subject: Economic situation in Belgium

At the end of July 1980 the Commission made a recommendation on economic policy to Belgium dealing in particular with problems of domestic expenditure and external debt. Can the Commission indicate whether implementation of the EMS in its present form is such that assistance can be given to a Member State of the Community to alleviate short and medium-term difficulties encountered in relation to the balance of payments, and can it confirm whether there is a Community mechanism for long-term difficulties? Have Member States already had recourse to these arrangements?

Answer

The following three credit mechanisms are available to a Member State with balance-of-payments problems:

- the monetary support, created in 1970 and modified at the start of the EMS in March 1979. This mechanism is operated according to the rules of the agreement between the central banks of the Member States;
- the medium-term financial mechanism, created in 1971 and modified in December 1978 with the start of the EMS. This mechanism is subject to various Council decisions;
- Community loans, created in 1975 to help Member States experiencing balance-of-payments difficulties resulting from the rise in oil prices; and recently amended by a Council regulation.

These mechanisms have been used on several occasions: Italy was granted the short-term support in 1973 (and also in 1976 but without resorting to its use), the medium-term financial mechanism in 1974 and Community loans in 1976 and 1977; Ireland also was granted a Community loan in 1976.

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Question No 43 by Mrs Poirier (H-360/81)

Subject: Resumption of food aid to Vietnam

The Community's food aid to Vietnam is still suspended — a fact which is both inexplicable and scandalous. The ACP-EEC Consultative Assembly has also condemned the use of food supplies as a means of applying pressure and demanded the resumption of food aid, in particular to Vietnam. Since Commissioner Pisani is to meet the Ambassador of Vietnam, Mai Van Bo, can the Commission indicate when and on what scale this food aid will resume?

Answer

The question of the resumption of food aid to Vietnam has already been dealt with in Commission answers to the European Parliament (to Written Question No 334/81 by Mrs Lizin and Oral Question H-157/81 by Mr Denis). In view of the fact that the food situation in Vietnam shows no sign of improvement and in the light of new requests for food aid to the country by specialist bodies, the Commission is taking another look at the technical feasibility of providing possible food aid.

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Question No 44 by Mr Key (H-362/81)

Subject: Progress on negotiations of the association agreement with Cyprus

In reply to my Oral Question H-151/81¹ regarding Cyprus, the Commission expressed the hope that negotiations on the future regime of the association agreement between Cyprus and the Community would be held with the Government of Cyprus from the summer.

Will the Commission state whether these negotiations have yet begun and if they have not, when these important negotiations, originally scheduled for early this year, will commence?

Answer

1. The Commission's negotiating directives concerning the trade arrangements between the Community and Cyprus for 1982/83 are at present being discussed by the Council of Ministers. The Commission firmly hopes that these directives will be adopted by the Council either today or tomorrow in order to enable negotiations with Cyprus to be opened in the coming weeks.

2. The Commission would once again like to take this opportunity to stress the importance it attaches to a rapid and successful conclusion to the forthcoming negotiations with Cyprus.

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Question No 45 by Mrs Martin (H-363/81)

Subject: Improvement of international telephone links with Greece

On 1 January 1981 Greece became the tenth member of the EEC. For a variety of economic and political reasons communications between the various countries have become extremely important. As a result, international telephone lines to Greece are currently overloaded and contacts difficult. Does the Commission intend to increase funds and make greater efforts to improve this situation?

¹ Doc. 1-278/81 and report of proceedings, 17. 6. 1981.

Answer

The Commission shares the view of the honourable Member that it is extremely important to develop efficient communications between the countries of the Community. But it must first of all be remembered that responsibility for investment in the telecommunications sector lies with the national telecommunications authorities whose activities, especially with regard to international links, are coordinated within the European Conference of Postal and Telecommunications Administrations.

The Community can nevertheless help to improve telecommunications infrastructure through certain financial instruments at its disposal, such as the European Development Fund and the EIB. In 1981 Greece also sought aid from the European Regional Development Fund for the development of domestic and international telecommunications links. The Community contribution under the ERDF for telecommunications infrastructure in three of Greece's nine regions amounts to approximately 30 million EUA in 1981. Additional expenditure to benefit these regions is scheduled in the 1982 budget. Projects affecting other Greek regions may be expected in the near future.

In the case of the EIB, a loan to finance a factory producing telecommunications equipment was granted to Greece even before the country joined the Community, and in 1981 a loan of 12 900 000 EUA was granted to the OTE company which manages the Greek network.

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Question No 46 by Mr Dalziel (H-367/81)

Subject: Disabled persons: Value-added tax

Following the resolution of Parliament (paragraph 25) concerning disabled persons and approval in Member States can the Commission confirm that it will propose in 1981 an amendment to the Sixth VAT Directive to provide relief from VAT in all Member States for organizations supported by private donation whose purpose is to assist disabled people?

Answer

As regards the supply of goods and services by charitable organizations Article 13 of the Sixth Directive contains a provision for exemption of VAT. As regards the payment of VAT by such organizations on goods and services which they themselves purchase I would refer the honourable Member to my earlier reply to Question No H 309 from Mr Purvis.

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Question No 47 by Mr Blaney (H-371/81)

Subject: Surplus butter

Will the Commission confirm whether or not it was consulted by the New Zealand authorities regarding the purchase of 100 000 tonnes of surplus butter by New Zealand from the United States and if so at what stage it was consulted and whether any undertaking has been given by New Zealand as to the disposal of this surplus on the world market?

Answer

The Commission is in a position to confirm that, following informal talks between New Zealand officials and the Commission at the beginning of July, a meeting took place on 16 July between the President of the Commission and Mr McArthur, the New Zealand Ambassador. The meeting was organized at the request of Mr McArthur and was intended to lead to talks on the butter purchase referred to by the honourable Member.

The Ambassador pointed out that his country's main aim was to safeguard the stability of the world butter market, an aim shared by the Commission in view of the fact that New Zealand and the Community are the world's major exporters of dairy products.

The Commission reserved the rights it enjoys under the GATT arrangements to undertake any suitable action, should the disposal of butter by the New Zealand Dairy Board provoke an intolerable drop in prices on the world market or restrict the Community's normal export potential.

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Question No 48 by Mr Lomas (H-375/81)

Subject: Sri Lanka

In view of the attention given to other countries where minority groups are subject to persecution, will the Commission consider suspending all economic aid to Sri Lanka, until the persecution and harassment of the 1 1/2 million Tamils by the Sinhalese Government, which includes the burning of homes and offices, ceases?

Answer

At the moment, the Commission does not consider to suspend its aid to Sri Lanka.

The Community's aid to Sri Lanka is devoted according to the objectives laid down under Article 3(1) of the Council Regulation No 442/81 on financial and technical aid to non-associated developing countries saying that 'the aid shall be mainly directed towards improving the living conditions of the most needy sections of the population'.

Naturally, the Commission follows closely the implementation of any individual project to assure that these objectives are being respected.

There are no indications that these objectives are not met.

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Question No 49 by Mr Martin (H-378/81)

Subject: Regulations governing the wine industry

The situation facing wine-growers in the south of France would surely not be so serious if the Commission had applied the minimum price procedure provided for in the regulations (in Article 15a) from the beginning of the year.

Does the Commission not think it should propose at an early date an improvement in the Community regulations to allow for the automatic application of minimum prices, in order to ensure that imports are regulated by market requirements?

Answer

Only the Council can apply the minimum price. Such a decision can be taken only after all intervention measures, including the exceptional distillation arrangements provided for in Article 15 of the basic regulation on the wine sector, have been implemented. As exceptional distillation was still open at the end of the 1980/81 season, it was legally not possible to propose application of the minimum price from the beginning of the year.

The minimum price can be applied only to table wines and therefore only to Community products. Imported wines do not come under the minimum price system, and are subject to the reference price system.

The Commission takes the view that major changes must be made to the intervention arrangements in the wine sector, especially for table wine. It will be submitting the proposal along these lines in the next few weeks.

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Question No 50 by Mrs Le Roux (H-380/81)

Subject: Use of flags of convenience for fishing

Some Member States without a sufficiently large fleet to catch the quotas allocated to them are authorizing third countries' vessels to fish under their flags.

Will the Commission propose measures to prevent such practices and ban flags of convenience in the Community?

Answer

The Commission has already replied to a similar written question of the honourable Member of Parliament that the registration of fishing vessels is a matter falling under the sole jurisdiction of Member States. The Commission has, therefore, neither the means nor the intention to propose measures in order to limit Member States' competence in this respect.

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Question No 51 by Mr Fernandez (H-381/81)

Subject: Refunds for dairy products via a tendering system

The Commission has recently proposed the introduction of a tendering system for certain products in certain areas for granting export refunds *inter alia* on certain dairy products. The main purpose of this arrangement is to improve the control of exports to the USSR.

How can the Commission justify discriminatory trade practices of this kind?

Answer

The main aim of the Commission's proposal to the Council for the introduction of a tendering system for the export of dairy products is to improve the control of exports and reduce the costs which the export of the products in question involve. Thus, the proposal is not particularly aimed at improving the control of exports to the USSR. The demand for dairy products can be so great on the part of some third countries as to constitute a risk to the market balance within the Community. In view of this, it would be useful to have an arrangement whereby both export prices and the volume of exports were effectively controlled.

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Question No 52 by Mrs De March (H-382/81)

Subject: Definition of rosé wine

Although the mixing of red and white wines is banned under Community rules it is still a frequent practice, as the special committee investigating the EAGGF Guarantee Section has discovered.

Does the Commission not think it should propose measures to ensure that this ban is observed, for instance by controlling stocks, and to produce a statutory definition of rosé wine?

Answer

The Commission can inform the honourable Member that when the Community legislation was being worked out, one of the main problems was rosé wine.

It is true that there is no definition of rosé wine in any of the wine-growing countries, and the Commission is therefore taking constant interest in, and contributing to, the work of the International Wine Office on this subject.

The only arrangements available for monitoring the preparation of this product are inspection measures at production and distribution level provided for by Community legislation, but these have the same defects as those noted in the answer to Oral Question No H-379/81 by Mrs Poirier.

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Question No 54 by Mr Vitale (H-388/81)

Subject: French customs barriers against imports of Italian wines

Does the Commission not consider that:

- the serious obstacles created by the French customs to the entry of Italian wine constitute a violation of the principle of free movement of goods within the Community and that the necessary measures should be taken forthwith to ensure that this principle is respected once again,
- the harm done to the interests of producers in southern Italy is so great as to warrant immediate compensation in view, among other things, of the fact that the new wine-growing year will begin soon,
- as part of a more comprehensive reform of the CAP particular attention should be paid to restoring balance on this market, notably with a view to the enlargement of the Community, by adopting vigorous measures to boost consumption (harmonization of Member States' customs duties and penetration of external markets) and achieve a sustained improvement in the quality of the product?

Answer

The Commission's staff contacted the French authorities on a number of occasions in connection with the present obstacles to imports into France of Italian wines. The Commission asked France to ensure that wine held at customs was cleared without delay. As France had not acted on this request, the Commission decided on 9 September 1981 to open the procedure of Article 169 of the Treaty concerning measures incompatible with the free movement of goods, one of the bases of the Treaty.

With regard to compensation in respect of infringements by the Member States, this matter is wholly governed by national arrangements under which individuals may seek remedies. In no circumstances can the Community assume financial responsibility.

The Commission takes the view that equilibrium in the wine market must be achieved and the quality of production must be improved, especially with a view to the forthcoming enlargement of the EEC. In this connection, a proposal for a major recasting of the market organization will be put forward in the near future. With regard to the harmonization of excise duties, the Commission feels that its compromise proposals will prove acceptable at the Council meeting to be held on 22 September. As for penetration of markets of non-member countries, I may mention that our own exports have risen from 3 082 000 hl in 1971/72 to 8 130 265 hl in 1979/80.

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Question No 55 by Mr Colla (H-391/81)

Subject: Dutch waste reprocessing company UNISER

The Dutch waste reprocessing company UNISER has been accused of discharging tonnes of unprocessed toxic industrial waste into surface water or harbours, of dumping it in the ground or mixing it with other products.

This would not only affect the Netherlands but also Belgium and other Member States of the Community.

In view of the European dimension of this scandal, has the Commission taken any specific action to deal with the matter, or does it feel that the Community must take appropriate measures?

Answer

The Commission has not yet completed its investigation into the events described by the honourable Member, on which it has not yet received all the information required.

It would, however, point out that the Council has issued several directives since 1975, among them the Directive of 15 July 1975 on waste (OJ L 194 of 25 July 1975) and a further Directive of 20 March 1978 on toxic and dangerous waste (OJ L 84 of 31 March 1978). These two directives contain rules for the disposal of waste in the interests of public health and environmental protection. Installations and undertakings in which waste is processed, stored or disposed of for third parties are subject to an authorization procedure. This is intended to ensure that waste is disposed of in such a way that it does not endanger the water, air or ground or the fauna and flora. Waste disposal installations or undertakings are also inspected regularly by the competent national authorities to ensure that they are adhering to the terms of the authorization. Inspections are also obligatory in the case of undertakings collecting or transporting waste.

Over the last few years the Netherlands have extended and supplemented their national regulations in order to comply with the various Community directives. Proceedings have had to be initiated against four other Member States because of infringement of the Treaty through non-implementation of the directives.

Should it emerge that the events described by the honourable Member were caused by imperfections or gaps in the present legislation on waste disposal, the Commission will investigate thoroughly whether and, if so, what Community moves are called for in order to improve the current position.

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II. Questions to the Council

Question No 58 by Mr Cousté (H-200/81)

Subject: Negotiations on the accession of the United Kingdom to the European Monetary System

In view of the fact that certain British institutes are predicting that the United Kingdom will join the European Monetary System towards the end of 1981, is the Council planning to hold negotiations to speed up accession?

Answer

The United Kingdom is not participating in the exchange rate mechanism of the European Monetary System. The Resolution of the European Council of 5 December 1978 on the establishment of the EMS stipulates (point 3.1) that a Member State which does not participate in the exchange rate mechanism at the outset may participate at a later date. It is therefore for the United Kingdom Government alone to take a decision on this matter.

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Question No 64 by Mr Sousouroannis (H-271/81)

Subject: Return to Greece of ancient Greek masterpieces now dispersed in various museums of EEC Member States

Will the Council take upon itself the role of mediator with the governments of the Member States to bring about the return to Greece of all ancient Greek masterpieces of universal beauty, which are admired the world over, such as the statue of Nike from Samothrace, the Venus de Milo, the Elgin marbles, etc. which are now to be found in various museums of the Member States?

The Council is being asked to undertake this mediatory initiative in accordance with the spirit of the Lomé Convention, which calls for *objets d'art* to be returned to their country of origin.

Answer

The question put by the honourable Member is solely a matter for bilateral relations between the governments concerned.

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Question No 71 by Mr Seefeld (H-300/81)

Subject: The Tindemans Report

What has become of the Tindemans Report: where is it now?

Answer

In accordance with its statement at The Hague on 30 November 1976 concerning action to be taken following the Tindemans Report, the European Council receives every year reports submitted respectively by the Ministers for Foreign Affairs and by the Commission, as regards its spheres of competence, on progress made towards European union. The most recent examination of these reports took place at the meeting of the European Council on 1 and 2 December 1980 in Luxembourg, when it was agreed, as in the past, to publish them. A copy has been sent to the presidents of the other Community institutions and bodies.

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Question No 73 by Mr Boyes (H-306/81)

Subject: Representation of Gibraltar in the European Parliament

Would the Council indicate whether or not it is considering allowing representation from Gibraltar to the European Parliament, and if not, will the Council say why?

Answer

The honourable Member's attention is drawn to the fact that Annex II to the Act concerning the election of the representatives of the European Parliament by direct universal suffrage states that the United Kingdom will apply the provisions of that act only in respect of the United Kingdom. Gibraltar is constitutionally not a part of the United Kingdom.

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Question No 75 by Mr Christopher Jackson (H-320/81)

Subject: Community's education programme

Will the Council consider implementing a programme of educational exchanges between schools in different Member States as part of the Community's education programme?

Answer

In its communication to the Council on 20 June 1978 on language teaching in the Community, the Commission included specific recommendations intended to promote and increase the number of pupil exchanges. The Education Committee felt that it would be preferable to examine these recommendations in a wider context than language teaching alone.

Moreover, the Committee has given special priority in recent times to the main difficulties currently facing the education and training systems of the Community, i.e. how these systems will adjust to the difficult employment situation of the 1980s and to the fall in pupil and student numbers occasioned by the decline in the birth-rate from the late 1960s onwards.

At their meeting on 22 June 1981, the Council and the Ministers for Education meeting within the Council gave the Education Committee a series of new tasks in these fields and in connection with the academic recognition of degrees and periods of study in higher education. It is therefore impossible to say at present when the Committee will be able to consider the question put by the honourable Member.

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Question No 76 by Mr Patterson (H-323/81)

Subject: Frontier authorities of all Member States

Following the reply by the Commission of the European Communities to Question H-230/81,¹ tabled by myself for Question Time in the June part-session, — namely, that the refusal of the French 'Police de l'Air et des Frontières' at Dieppe to allow entry into France of a British citizen on the grounds of 'défaut de ressources' was contrary to Community law — will the Council now take action to ensure compliance by the frontier authorities of all Member States with the provisions of the Treaties concerning free movement of Community citizens?

Answer

It is for the Commission to ensure compliance with the provisions of the Treaties concerning the free movement of citizens of the Community's Member States.

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Question No 78 by Mr Prag (H-337/81)

Subject: Greek pasta prices

The premium for durum wheat in the Community was fixed at a level high enough to provide substantial protection for growers in France and Italy, and now provides similar protection for growers in Greece. Unfortunately its high level also has the effect of making pasta production in other Community countries uncompetitive since it is based on imported durum wheat made expensive by the levy.

Will the Council state what steps it intends to take to ensure that pasta production companies in other Community countries are not put out of business by imports of Greek pasta (using Greek-grown durum) at prices below those at which they obtain their raw material, durum semolina?

Answer

The difference between the levels of support prices and production aids for durum wheat in Greece and in the other Member States are covered by the transition arrangements of the Act of Accession and should not give rise to trade distortion.

The import levies on durum wheat/semolina from third countries complained of by the honourable Member are set in accordance with Community regulations. The preference accorded by these levies does not seem to be the explanation why Greek pasta any more than that made from Community-grown durum wheat in other Member States should be the cause of the problems facing the pasta industry in other Member States.

¹ Verbatim report of proceedings of 15. 6. 1981

The Commission, which is responsible for managing the durum wheat market, has not so far reported to the Council any of the adverse effects described by the honourable Member nor has it submitted any proposals on the subject.

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Question No 79 by Mr Radoux (H-342/81)

Subject: Action taken on the report of the Three Wise Men

Having questioned the Council of Ministers several times without success on the action taken on the report of the Three Wise Men, I should like to know when the Council intends to present its conclusions on this report, which it commissioned itself.

Answer

At its meeting on 1 and 2 December 1980, the European Council examined the report of the Three Wise Men on the basis of a detailed study carried out by the Ministers for Foreign Affairs. The European Council's conclusions on the subject have been published.

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Question No 81 by Mr Welsh (H-350/81)

Subject: Consultation of Parliament

Council working groups frequently commence to examine Commission proposals before Parliament has delivered its opinion. Would the Council undertake to inform the appropriate Parliamentary Committee of the content of its deliberations before the opinion is completed or at least make its position clear in the debate before the Parliamentary opinion is adopted?

Answer

First of all, I should like to point out that, barring emergencies, and in accordance with the institutional balance required by the Treaties, the Council does not examine Commission proposals submitted to the European Parliament for consultation until it has received the latter's Opinion, on the understanding that it is for the European Parliament to deliver its Opinion within a reasonable period.

This does not mean that the Council may not hold a policy debate upon receiving a Commission proposal. It must, however, be made quite clear that under no circumstances will the outcome of such a debate prejudice the attitude of the Council once it has received the Opinion of the European Parliament.

Moreover, the Council is always prepared, under the various existing procedures and in accordance with its Rules of Procedure, to inform the European Parliament of the outcome of its proceedings.

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Question No 82 by Mrs Ewing (H-356/81)

Subject: International Conventions on oil pollution and safety at sea

Will the President-in-Office state whether the Council has discussed the possibility of giving the Commission a mandate to negotiate international oil pollution and maritime safety conventions (such as the IMCO Conventions) and, if so, will the President-in-Office comment on the positions held by the various Member States on this matter?

Answer

The Council has examined the possibility of the Commission negotiating the participation of the Community in international agreements on combating pollution at sea by hydrocarbons.

On 25 July 1977, the Council adopted a decision concerning the conclusion of a Convention for the protection of the Mediterranean Sea against pollution. This Convention, which is ordinarily referred to as the Convention of Barcelona, has been completed by a Protocol concerning cooperation in combating pollution of the Mediterranean Sea by oil and other harmful substances in cases of emergency. At its meeting on 19 May 1981, the Council adopted a decision concerning the conclusion of this protocol.

At the same meeting the Council authorized the Commission to negotiate the accession of the Community to the Bonn Agreement of 9 June 1969 for cooperation in dealing with pollution of the North Sea by oil.

A decision authorizing the Commission to open negotiations with third countries party to the Oslo Convention has not been adopted as yet. This Convention of 15 February 1972 concerns the prevention of marine pollution by dumping from ships and aircraft.

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Question No 84 by Mr Lomas (H-364/81)

Subject: Release on bail of Mr Arif Tohid

Mr Arif Tohid, a Pakistani citizen, has been in prison for 18 months due to a dispute regarding his right to stay in Britain. The European Commission of Human Rights is now dealing with this matter. Will the Council urge the British Government, as a matter of elementary human rights, to grant Mr Tohid release on bail, pending the final outcome of this matter?

Answer

The Council would point out to the honourable Member that the problem raised is a matter for the Member State concerned.

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Question No 85 by Miss Hooper (H-368/81)

Subject: Inner city problems

In view of the extent of the violence, destruction and vandalism seen in recent riots in Liverpool, London and Manchester and the breakdown in respect for responsible authority as represented by the police force, will the Council give priority to finding solutions to the problems and needs of inner city black spot areas, particularly in discussions of new criteria for the European Regional Development Fund and the Social Fund; will the Council furthermore support efforts to follow up discussions held in Liverpool in November 1979 at the Conference on Inner City Problems which highlighted common problems throughout Europe in this respect?

Answer

The Council is fully aware of the problems of the inner cities, as these have already been outlined in the programme of action of the Communities on the environment of 22 November 1973, as well as in the Resolution of the Council and of the representatives of the governments of the Member States, meeting within the Council, of 17 May 1977 concerning the continuation of this programme. However, it has not yet received any appropriate proposals for dealing with these problems.

With regard to the European Regional Development Fund, the Commission recently submitted to the Council a communication on new regional policy guidelines and priorities. The Council has not yet begun discussion of this communication. Nor has it received the revised draft ERDF Regulation.

The rules of the European Social Fund, which is already giving aid to young people and migrant workers in the large urban centres, are to be reviewed in 1982 on the basis of a Commission proposal.

However, for the current six-month period, the Presidency has already taken the necessary initiatives to facilitate the Council's task of drawing up a general plan for a revised Social Fund, so that it can be better adapted to the situation.

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Question No 86 by Sir John Stewart-Clark (H-373/81)

Subject: Japanese trade surplus with the Community

At a time when Japan is dramatically increasing her trade surplus with the Community, it is clear that national governments appear more intent than ever on pursuing unilateral policies in defending their interests against the trading incursions of Japan. Does the Council recognize the weakness of such policies and if so what steps is it taking to determine a Community policy?

Answer

The trend of our trade relations with Japan is causing serious concern.

To confront this situation the Council — with the support of the European Council — has worked out an overall strategy covering both the specific problems arising in certain particularly sensitive sectors where Japanese exports are most concentrated, and the more general problems involved in our relations with Japan and in particular greater access to the Japanese market for Community products.

As part of this overall strategy the Commission is holding continuing talks with the Japanese authorities, and is keeping the Council regularly informed.

All the Member States realize the importance of presenting a united front dealing with our Japanese trading partner. It nevertheless seems to me understandable that those Member States' governments which face particularly acute sectoral problems on their markets should try to back up the Commission's efforts under the overall strategy with contacts at national level.

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Question No 87 by Mrs Le Roux (H-383/81)

Subject: Involvement of New Zealand in the United States' efforts to dispose of its surplus butter

New Zealand is acting as the United States' intermediary to help the latter dispose of its surplus butter on the world market at low prices. In turning to external suppliers New Zealand can no longer justify its European butter quota as 'vital to its economy'.

In view of this, is the Council not resolved to end the favourable treatment granted to New Zealand in 1982?

Answer

When informed by representatives of the United States and of New Zealand of the sale in question, the Commission reserved all its rights under GATT on behalf of the Community, particularly if this sale were to lead to an unacceptable drop in the price of butter or to a significant reduction in our export possibilities.

Besides the Community, New Zealand is the sole supplier of the world market and we are counting on it being in this country's interest, as indeed in ours, to maintain market stability and to keep prices balanced and profitable.

Be that as it may, I personally see no direct link between the sale in question and the special treatment from which certain exports of New Zealand butter benefit on the United Kingdom market.

This treatment is governed by a Council Regulation which provides *inter alia* for a review procedure for the implementation of which the actions of the Council depend on such initiatives and proposals as the Commission sees fit to make.

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III. Questions to the Foreign Ministers

Question No 94 by Mrs Ewing (H-322/81)

Subject: Consultation with Israeli and US Government

In view of the need to take full account of the policies of the new Israeli Government, what plans has the President-in-Office to consult this government and that of the United States about the further steps which are to be taken by the Ten in order to implement the Venice Declaration of June 1980 on the settlement of the Arab-Israeli dispute?

Answer

The European Council has clearly established that the maintenance of contacts with Israel and with the United States constitutes a natural part of the efforts undertaken by the Ten to achieve a comprehensive peace settlement in the Middle East. The Presidency remains in contact with these two countries, as it does with the parties concerned.

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Question No 97 by Sir John Stewart-Clark (H-374/81)

Subject: Possible Russian invasion of Poland

In the event that Russia should invade Poland, are the Foreign Ministers in a position to condemn firmly, unanimously and immediately such intervention and do they have plans agreed for introducing effective measures to deal with the situation?

Answer

The European Council has made it clear that the Ten believe that Poland must be allowed to solve her problems peacefully, without outside influence of any kind. I have no doubt that if there were an invasion of Poland, the Foreign Ministers of the Ten would be unanimous in condemning it and if this should prove to be necessary, effective measures would be taken.

SITTING OF THURSDAY, 17 SEPTEMBER 1981

Contents

1. Community development policies — Report (Doc. 1-942/80) by Mr Michel (Committee on Development and Cooperation)		Spinelli motion for a resolution (Doc. 1-466/81): Presentation of the 1982 draft budget:	
Mr Michel, rapporteur	186	Mr Spinelli	212
Sir Fred Warner; Mr Klepsch; Mr Pannella; Mr Michel; Mr Cohen (S); Mrs Rabbethge (EPP); Sir Fred Warner (ED); Mr Sablé (L); Mr Pannella (TCDI); Mr Narducci; Mr O'Kennedy (Commission)	186	Explanations of vote: Mr Romualdi; Mr Kappos, Mr Notenboom	212
Point of order: Mr Pearce	195	Adoption of the resolution	212
2. Legal expenses insurance (continuation) — Report (Doc. 1-320/81) by Mr De Gucht (Legal Affairs Committee)		Salisch report (Doc. 1-164/81): Energy problems and technological developments:	
Mrs Seibel-Emmerling, draftsman of an opinion	195	Mrs Salisch, rapporteur	212
Mr Janssen van Raay (EPP); Mr Tyrrell (ED); Mr Geurtsen (L); Mr Herman; Mr Cecovini	196	Explanations of vote: Mr Romualdi; Mrs Salisch	213
Point of order: Mr Janssen van Raay	199	Adoption of the resolution	214
Mr Luster; Mr Narjes (Commission)	199	Ceravolo report (Doc. 1-425/81): Employment and the adaptation of working time:	
3. Social situation — Council statement		Mr Enright; Mr Harris; Mr Klepsch; Mr Enright	214
Mr Tebbit (Council); Ms Clwyd (S); Mr von Bismarck (EPP); Mr Patterson (ED); Mr Ceravolo (COM); Mrs Nielsen (L); Miss de Valera (EPD); Mrs Hammerich (TCDI); Mr Tebbit	200	Mr Ceravolo, rapporteur	215
4. Votes	210	Mr Spencer; Mr Ceravolo; Mr Glinne; Mr Gondikas; Mr Ceravolo	216
Draft amending budget No 1 of the European Communities for 1981 (Doc. 1-432/81):		Explanations of vote: Mr Boyes; Mr Romualdi; Mr Spencer; Mr Bonaccini; Mrs Salisch	217
Mr Adonnino, rapporteur	210	Adoption of the resolution	218
Mr Fanton; Mr Narjes (Commission); Mr Fanton	210	Calvez report (Doc. 1-365/81): Community labour market policy:	
Adonnino motion for a resolution (Doc. 1-465/81): Draft amending budget No 1 for 1981:		Mr Calvez, rapporteur	218
Mr Adonnino, rapporteur	211	Mr Bangemann; Mr Glinne; Mr Calvez	218
Mr Fanton; Mr Adonnino	211	Adoption of the resolution	218
Explanations of vote: Mr Poniatowski; Mr Fanton; Mr Romualdi	211	Von Wogau report (Doc. 1-241/81): Achievement of the customs union:	
Adoption of the resolution	212	Mr von Wogau, rapporteur	219
		Explanations of vote: Mr Leonardi; Mrs Le Roux; Mr Romualdi	219
		Adoption of the resolution	219
		Van den Heuvel report (Doc. 1-835/81): Violation of human rights in Guatemala:	
		Mrs Van den Heuvel, rapporteur	220
		Mr Rogers; Mrs Van den Heuvel; Mr Forth; Mrs Van den Heuvel	220
		Adoption of the resolution	220

- Michel report (Doc. 1-942/80): Community development policies:*
- Mr Pannella; Sir Fred Warner; Mr Pannella* 221
- Mr Michel, rapporteur* 221
- Explanations of vote: Mr Pearce; Mr Enright; Mr Pannella; Sir Fred Warner* 221
- Adoption of the resolution* 222
- De Gucht report (Doc. 1-320/81): Legal expenses insurance:*
- Mr De Gucht, rapporteur* 222
- Mr Ferri (Chairman of the Legal Affairs Committee)* 222
- Written explanation of vote: Mr Dalziel* 222
- Adoption of the proposal for a directive* 223
- Explanations of vote: Mrs Seibel-Emmerling; Mr Van Minnen; Mr Luster; Mr Geurtsen* 223
- Point of order: Mr Patterson* 223
- Adoption of the resolution* 223
5. *British nationality bill — Report (Doc. 1-254/81) by Mr Malangré (Legal Affairs Committee)*
- Mr Malangré, rapporteur* 224
- Mr Megahy (S); Mr Tyrrell (ED); Mr De Gucht (L); Dame Shelagh Roberts; Mr Narjes (Commission)* 224
6. *European space policy (continuation) — Report (Doc. 1-326/81) by Mr Turcat (Committee on Energy and Research)*
- Mr Veronesi (COM); Mr Calvez (L); Mrs Walz (Chairman of the Committee on Energy and Research); Mr Sassano; Mr Turcat, rapporteur* 227
7. *European Foundation for the Improvement of Living and Working Conditions and European Centre for the Development of Vocational Training — Reports (Docs. 1-251/81 and 1-350/81) by Mr Kellett-Bowman (Committee on Budgetary Control)*
- Mr Kellett-Bowman, rapporteur* 231
- Mr Notenboom (EPP); Mr O'Kennedy (Commission)* 232
8. *Fisheries — Report (Doc. 1-263/81) by Mr Helms (Committee on Agriculture)*
- Mr Tolman, deputy rapporteur* 234
- Mr Battersby (ED); Mr Kontogeorgis (Commission)* 234
9. *Release of goods for free circulation — Report (Doc. 1-258/81) by Mrs Baduel Glorioso (Committee on Economic and Monetary Affairs)*
- Mrs Baduel Glorioso, rapporteur* 235
- Mr Narjes (Commission)* 236
10. *Hydraulic and rope-operated excavators, dozers and loaders — Report (Doc. 1-176/81) by Mr Nyborg (Committee on Economic and Monetary Affairs)*
- Mr Nyborg, rapporteur* 236
11. *Fisheries — Motions for resolutions by Mr Gautier and others on behalf of the Socialist Group (Doc. 1-470/81/rev.), by Mr Kirk and Mr Provan on behalf of the European Democratic Group (Doc. 1-483/81) and by Mrs Ewing on behalf of the Group of European Progressive Democrats (Doc. 1-489/81)*
- Mr Gautier; Mr Kirk; Mrs Ewing; Miss Quin; Mr Clinton; Mr Provan; Mr von der Vring; Mr Battersby; Mr Kontogeorgis (Commission)* 238
- Point of order: Mr Kirk* 244
- Mr Brøndlund Nielsen* 244
- Consideration of the motion for a resolution (Doc. 1-470/81/rev.) by Mr Gautier and others:*
- Mr Forth* 244
- Adoption of the resolution* 244
- Consideration of the motion for a resolution (Doc. 1-483/81) by Mr Kirk and Mr Provan:*
- Adoption of the resolution* 244
- Consideration of the motion for a resolution (Doc. 1-489/81) by Mrs Ewing:*
- Adoption of the resolution* 244
12. *Situation in the wine sector — Free movement of goods — Motions for resolutions by Mr De Pasquale and others (Doc. 1-474/81), by Mr Ligios and others (Doc. 1-477/81), by Mr Galland and others on behalf of the Liberal and Democratic Group (Doc. 1-478/81), by Mr de la Malène and others (Doc. 1-479/81), by Mr Gatto and others (Doc. 1-484/81) and by Mr De Keersmaecker and others on behalf of the Group of the European People's Party (CD Group) (Doc. 1-485/81)*
- Mr De Pasquale; Mr Ligios; Mr Galland; Mr Junot; Mr Gatto; Mr Tolman; Mr Thareau; Mr Martin; Mr d'Ormesson; Mr Pannella; Mr Curry; Mr Romualdi; Mr Almirante; Mr Dalsager (Commission)* 245
- Consideration of the motion for a resolution (Doc. 1-474/81) by Mr De Pasquale and others:*
- Rejection of the motion for a resolution* 253
- Mr Cecovini; Mr Curry; Mr Gautier* 254
- Point of order: Mrs Squarcialupi* 254
- Consideration of the motion for a resolution (Doc. 1-477/81) by Mr Ligios and others:*
- Mr Pannella* 254
- Adoption of the resolution* 254

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Consideration of the motion for a resolution (Doc. 1-478/81) by Mr Galland and others:</i></p> <p><i>Adoption of the resolution</i> 255</p> <p><i>Consideration of the motion for a resolution (Doc. 1-479/81) by Mr de la Malène and others:</i></p> <p><i>Mr Gautier; Mr Harris; Mr Junot; Mr Simpson</i> 255</p> <p><i>Rejection of the motion for a resolution . . .</i> 255</p> <p><i>Consideration of the motion for a resolution (Doc. 1-484/81) by Mr Gatto and others:</i></p> <p><i>Rejection of the motion for a resolution . . .</i> 255</p> <p><i>Consideration of the motion for a resolution (Doc. 1-485/81) by Mr De Keersmaecker and others:</i></p> <p><i>Rejection of the motion for a resolution . . .</i> 255</p> <p>13. <i>Southeast Asian refugees — Motion for a resolution (Doc. 1-471/81) by Mrs Fuillet and</i></p> | <p><i>Mr Seefeld on behalf of the Socialist Group</i></p> <p><i>Mrs Fuillet; Mr Maher; Mr Forth; Mr O'Kennedy (Commission)</i> 255</p> <p><i>Adoption of the resolution</i> 256</p> <p>14. <i>Situation in El Salvador — Motions for resolutions by Mr Glinne and others on behalf of the Socialist Group (Doc. 1-472/81) and by Mr Klepsch and others on behalf of the Group of the European People's Party (CD Group) (Doc. 1-486/81)</i></p> <p><i>Mrs Van den Heuvel; Mr Vergeer; Mrs Wiczorek-Zeul; Mr Langes; Mrs Baduel Glorioso; Mrs Castellina; Mr O'Kennedy (Commission)</i> 256</p> <p><i>Point of order: Sir James Scott-Hopkins . . .</i> 259</p> <p><i>Mr Rogers; Mr Pannella; Mr Papaefstratiou; Mr d'Ormesson; Sir James Scott-Hopkins; Mr Patterson; Mr Hord.</i> 260</p> |
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IN THE CHAIR: MR VANDEWIELE

Vice-President

The sitting was opened at 10 a.m.¹

1. *Community development policies*

President. — The next item is the report (Doc. 1-942/80), drawn up by Mr Michel on behalf of the Committee on Development and Cooperation, on the assessment of Community development policies and the role of the European Parliament. I call the rapporteur.

Mr Michel, rapporteur. — (FR) Mr President, ladies and gentlemen, I asked for the agenda to be changed yesterday because Mr Pisani of the Commission had expressed a very keen interest in this report and wanted to be here when it was discussed. Several other members of the Committee on Development and Cooperation told me they shared the same view. Of course, I am ready to acquiesce in the wishes of the House and, as far as I am concerned, I am willing to present the report and take part in the debate.

¹ *Approval of minutes — Documents received — Membership of Parliament: see minutes.*

President. — I call Sir Fred Warner.

Sir Fred Warner. — Mr President, I am quite prepared to support Mr Michel's suggestion and if this is put to the vote the Members of my group will vote in favour of postponement. I am sure that Mr Pisani had very good reasons for not being here, but I would note that his predecessors invariably attended meetings of this House and I hope that Mr Pisani will do the same in future.

President. — I call Mr Klepsch.

Mr Klepsch. — (DE) Mr President, this report has been ready for six months now and it was decided on Monday, in proper accordance with the rules, to put it on the agenda. It must therefore be dealt with today according to schedule. We would consider it a different matter if the committee chairman — as he is allowed to do by the Rules of Procedure — wanted the report sent back to the appropriate committee because changes had to be made to it. This would not be something for the House to worry about but would be in line with the Rules of Procedure. But if it is a question of whether to deal with the report today, as was decided on Monday, my group will be in favour of taking it.

President. — I call Mr Pannella.

Mr Pannella. — (FR) Mr President, I do not think you heard what Mr Michel said. He simply pointed out that yesterday he asked for the report to be deferred for Mr Pisani's sake while at the same time

Pannella

he was nevertheless willing to present the report. When Sir Fred jumped in to second postponement of the report, I thought that he too had misunderstood what Mr Michel had said. We are having a pointless discussion when Mr Michel could already have started speaking five minutes ago.

(Laughter)

President. — Mr Michel, would you like to tell us exactly what you said?

Mr Michel, rapporteur. — I thought I had made it quite clear, Mr President. I said that yesterday, in agreement with Mr Pisani, I asked for this debate to be postponed. I also said that various members of the Committee on Development and Cooperation had made the same request. I hold the same view but I also said I was and still am ready to acquiesce in the wishes of the House. I shall accept the decision if the debate is postponed, but I am willing to present the report.

(Parliament rejected the request to adjourn the debate)

President. — I therefore call the rapporteur.

Mr Michel, rapporteur. — *(FR)* Mr President, ladies and gentlemen, as an introduction to this report — which deals not with the evolution, as wrongly stated on the cover of the French version, but with the assessment of Community development policies, I would like to stress the importance which our committee attached to its preparation. And if Parliament's role was analysed at length, it is because this report results from two initiatives — a resolution tabled in July 1979 by Sir Fred Warner and another resolution tabled by Mrs Cassanmagnago Cerretti, which both dealt with this problem.

As I have just said — and this is my second observation — we began this work in 1979. We are now in the latter part of 1981. It is indeed time to debate it here. I would have liked this debate to take place in the best possible conditions, i.e. in the presence of Mr Pisani himself. He has indicated the great interest he takes in this report and his concern not only to follow it up, but to do so by team work and in consultation with Parliament.

But let me turn, if you will allow me, to the essential point — the motion for a resolution put before you covers 14 points, upon which I shall not expand. However, I would like first to make four brief remarks.

The first is that the aid which we give to developing countries, if it exists at all, is obviously completely inadequate for many reasons. And although the Lomé Conventions I and II laid down that this aid must be

reported on annually by the Council of Ministers to the annual assembly of ACP and EEC countries, the fact is that neither in 1979 nor in 1980 was such a report presented to the assembly.

Secondly, checks are regularly made in the context of the European Development Fund. However, the departments responsible for assessment only have a skeleton staff, i.e. there they lack the staff which would be essential for carrying out the detailed and subtle checks which would be necessary even in completely favourable conditions.

Thirdly, the Court of Auditors, too, has to carry out much more than an accounting check. Indeed, the Court of Auditors sends missions to carry out on-the-spot checks to find out exactly how certain projects are put into practice.

Finally, the European Investment Bank, before committing funds, also carries out quite a detailed assessment of the projects, and in some cases also makes the necessary clarifications with a realism which is sometimes disconcerting for the developing countries, because — they say — it is not always in line with the aims they would wish for. We must therefore consider the rôle and mission of the European Parliament in these fields. It is not merely a question of the task of the Committee on Budgetary Control, which, as we know, is important, but also of the role of the Committee on Development and Cooperation, which, in consultation with the Joint Committee, should be able to follow the implementation of projects and prompt a certain number of measures.

Mr President, ladies and gentlemen, the Committee on Development and Cooperation has taken the initiative of fixing certain priorities on development, which emerged from a debate held here on the problem of world hunger, and proposals have been made by our committee taking into account the Ferrero resolution.

Unfortunately, we only have to look at the budget proposals before us to see to what extent account has been taken — or more exactly to what extent account has not been taken — of the proposals by the Committee on Development and Cooperation.

These priorities are entirely justified if one judges them in the light of the 1982 draft budget. However, we are far from doing enough. And that is what is forcefully expressed in the appeal by Nobel prize winners for us at last to go beyond the *status quo* and commit ourselves to the fight against hunger by taking political responsibility, in order to play an effective part in saving millions of people who are suffering from malnutrition and lethal underdevelopment.

Hunger and malnutrition are the tragic features of the underdevelopment in which millions of people are trapped in the Third World, even at the beginning of the United Nations' Third Development Decade. As

Michel

Members of the European Parliament, we should have not only the will to speak out, but also the will to make the necessary budgetary demands. We should consider the thoroughness and effectiveness of current development cooperation methods, for, quite apart from food aid, we must encourage the people concerned to work for their own development and progress.

At a time when European countries are going through the most serious of the social and economic crises of the post-war period, the European Parliament is accused — it was accused once more recently — of being irresponsible and outdated in these matters. We must therefore strengthen its motivation and its action in favour of authentic Community policies for development. Faced with the recrudescence of protectionism, inward-looking egoism and pessimism we are convinced that in this interdependent world the revival of our economies depends on the development of the Third World. We are also convinced that a better life for the people of the developing countries can be achieved only by an increase in real international solidarity.

But this development will be achieved only if it has a direct effect on the peoples of those countries by enabling them to work for their own development and progress. Instead of passively accepting the inevitability of development, the old idea that might is right must be discarded and the injustices of the present international economic disorder must be eradicated.

Real development with justice must become synonymous with peace.

Ladies and gentlemen, we must rigorously study the development aims which we must set for our cooperation methods. In the final analysis, whom are we helping? What is the real impact of our development projects on world hunger? Hitherto Parliament has too often confined itself to approving the proposals of the executive without any serious assessment of the policies pursued. My report sets out the various possibilities for assessment as well as the improvements which could be made.

In conclusion, I would like to stress three proposals in the resolution before you which I regard as essential.

The first is that a greater effort be made at consultation between the Community and the Member States in the assessment of our programmes for the developing countries and each of the countries concerned.

The second proposal which I would like to stress is essential for the future of the Community and of the Member States. It is that they should systematically associate with an assessment policy the non-governmental organizations and the economic and social groups concerned in the countries assisted, as well as the workers' organizations and agricultural coopera-

tives. They must have a chance to make their views known.

Finally, the European Parliament delegation to the Joint Committee and the Consultative Assembly which is to meet here next week should be able to give its views on all the programmes. To do so it must obviously be aware of all the facts, and we hope this will be the case in future. I am now at your disposal to discuss the amendments.

President. — I call the Socialist Group.

Mr Cohen. — (NL) Mr President, we have witnessed another *coup de théâtre* this morning. We had understood — and apparently many other members of this Parliament had got this impression too — that the Michel report was not to be discussed today, because it was such an important report that we all felt — and I am speaking on behalf of many members of the Committee on Development and Cooperation — that it could not be discussed unless the Commissioner with responsibility for development cooperation, Mr Pisani, was able to take part in this debate. We knew that Mr Pisani would not be present today, and thus it was generally concluded that Mr Michel would ask for his report to be withdrawn from the agenda. However, this has not been the case, and I can only draw one conclusion from this, namely that our Christian-Democratic friends are not really all that interested in Mr Michel's report. This is a pity, as I had always hoped that the Christian-Democrats too would be in favour of conducting a development policy the results of which could be monitored and assessed. However, we have seen this morning that this is not the case and I do not think this fact should be allowed to pass unmentioned.

As you have just pointed out, Mr President, the report itself was adopted virtually unanimously in the Committee on Development and Cooperation since we really felt that it was such a good report. There were two reasons for this. Firstly, the very fact that it had been produced at all was a good thing since this is the first time that the European Parliament — and certainly the first time the directly-elected European Parliament — has concerned itself with the assessment of development aid and, of course, it was becoming high time that it did so. It is true that there is Court of Auditors, and the Commission itself has a department which deals with the assessment of development aid. There are also independent organizations which deal with this question on occasion, but this Parliament and certainly its Committee on Development and Cooperation have hitherto never really managed to put in a word in the assessment of development aid, and this is in fact a rather strange situation which is completely unknown in our Member States, where it is customary that the Parliaments deal with national development policy as a part of their work and that delegations

Cohen

consisting of national Members of Parliament occasionally visit the countries receiving bilateral development aid in order to form an opinion as to how this bilateral development aid is in fact being utilized. None of this takes place at Community level and, in spite of having the necessary powers, this Parliament has so far paid but scant attention to the question of development aid. This then was the first reason why we and the entire Committee were so pleased that a report of this kind had finally been produced.

The second reason why we and the Committee on Development and Cooperation were virtually unanimous in regarding this as a good report was the actual contents. I should like to congratulate Mr Michel on the fact that he has in fact managed to indicate in a nutshell all the points, all the difficulties and all the problems which the assessment of development aid involves and also to include a number of proposals in his resolution with a view to improving this assessment in the future. He draws attention to the need to strengthen the Commission's specialist assessment service and to the gaps and shortcomings which make it so difficult for this Parliament, quite apart from the difficulties I have just mentioned, to keep a check on development aid since one of the Community institutions — not a Community institution in the legal sense of the word, but one of the bodies which operate at Community level, i.e. the European Investment Bank — does not carry out any evaluation whatsoever. It is also extremely difficult for this Parliament to ascertain precisely what criteria the Investment Bank applies and how the money is spent. It is, I think, very much to the credit of Mr Michel that he has drawn particular attention to this point and I also think that we must in the future find methods of keeping a closer eye on the policy of the Investment Bank. This will be difficult, but not impossible.

In addition, to return to what I was just saying about the rôle of the national Parliaments, the fact naturally remains that this Parliament should concern itself to a greater extent with what is actually happening with the Commission's development aid. Mr Michel makes a suggestion on this subject in his resolution to the effect that when meetings of the Joint Committee are held in an African country, i.e. the meetings which take place in connection with the Lomé Convention, our Parliament could make brief visits to surrounding countries before or after the meeting in order to make a brief spot-check. This strikes me as a good idea in itself but I do not think it goes far enough. In my view, an arrangement must also be introduced whereby parliamentary delegations can be put together consisting of persons who have some personal knowledge and experience of what development aid is and who, for example, can judge whether the development aid as granted is in fact being used for the benefit of the poorest sections of the population. This is one of the criteria which Mr Michel has also included in his resolution. A Parliamentary delegation of this kind should have an opportunity of conducting on-the-spot checks

into what is being done with the development aid provided by the Community several times each year, and not only on the occasion of a meeting of the Joint Committee.

This is particularly important because the economic recession currently affecting the Western world means it will become more and more difficult to persuade the population to agree to more and better development aid. We are currently going through a defensive phase. A few years ago, it was easy to make people alive to the need for more and better development aid and to keep them that way. That period is over.

It is more necessary than ever that Parliament be involved in this evaluation. It is my view, in spite of the criticisms I made of the attitude of the Christian-Democrats this morning, that Mr Michel's resolution may represent a contribution towards improved evaluation in the future.

President. — I call the Group of the European People's Party (Christian Democratic Group).

Mr Rabbethge. — (*DE*) Mr President, ladies and gentlemen, on behalf of my Group I would like to express our satisfaction with this comprehensive and excellent report by Mr Michel. I would like to point out to Mr Cohen that our Group made a request to be allowed to speak now on this report, since it would have been utterly superfluous and pointless to do so later.

May I remind you that a few days ago the large conference of OECD countries with the poorest countries of the Third World came to an end in Paris. At the moment the people of the European Community are receptive to the ideas of development aid and development policy, and despite their own economic problems they are sensitive to the tragic and hopeless situation of millions of people in the poorest countries of the Third World. And since today the seriousness and credibility of the European Parliament is at stake in the matter of development aid — I am sure the other Members of Parliament will agree with me on that — we must deal with this report by Mr Michel today and not at a later stage. We cannot permit ourselves to imitate the conduct of our national governments which promise greater efforts and more substantial aid in Sunday political speeches, but when it comes to keeping these promises are inactive and unreliable. This criticism applies also to my own government and my own country, and that is why I can express it here so frankly.

Like some members of other groups in this Parliament, I take the view that development aid will be more problematic in the future than hitherto. But I have already pointed out here on another occasion that we must find yet other approaches, and stop summoning

Rabbethge

up so much feeling for the human race that little is left over for individual people. This means in practice that we must find a new form of development aid, based on the idea of helping people to help themselves. However, this has hitherto not been the case. We all know that in future smaller amounts will be available. We must therefore try — as has been said before — to bring more human commitment into play in all fields.

We Members of Parliament have the task of motivating the young people of our countries — this too has already been pointed out. I simply hope that after this report by Mr Michel it will finally become clear to the public that it is not a question of promising more funds, which are simply not available — that is well known to all who are concerned with budgetary matters — but of calling on individual people to take initiatives of their own and encouraging personal commitment. May I quite deliberately repeat that we have a great opportunity to motivate the young people of the European Community to that end.

Finally, I would like to ask the Members of Parliament to vote for Mr Michel's report, even if some of you would perhaps have set other priorities. We have always known how to reach a compromise here, and we should, in my view, be ready to reach one on this matter also.

President. — I call the European Democratic Group.

Sir Fred Warner. — Mr President, as has been mentioned in this debate, this all began with a resolution which I tabled back in July of 1979 before this Parliament had ever met. In that early dawn just after the elections, we were all very conscious of the fact that we represented the public, that we had just fought a campaign and that we represented people. And so I thought it right in putting down a resolution on development aid to make three points — and enunciate three principles.

Firstly, that ultimately all funds for this purpose derive from people — not from governments but from people: wage-earners, professional people, entrepreneurs. It is their money, and if we want them to support these policies, we must always bear that in mind and not chuck the money around as if it belonged to governments or parliaments.

Secondly, that Parliament, being an elected body, has not only a right but a duty to monitor the use of these funds very carefully.

Thirdly, that in monitoring the use of the funds we should have a proper criterion — the criterion that monies spent on aid should help the recipient countries to stand on their own feet, to earn their own living and thereby to preserve their economic and political independence. Those are the three principles.

Then came Mrs Cassanmagnago-Cerretti's very important resolution. Mr Michel put it all together. He did a brilliant job and he saw all the ways in which Parliament could exercise its monitoring function. But in doing so he left out my principles, and that is why we have tabled resolutions to put the first two of these principles back into the resolution.

I have also tabled a short amendment to make clear that all the organs of Parliament should work together, both the Committee on Development and Cooperation and the Committee on Budgets which have not always seen eye to eye in the past.

I hope that the rapporteur will commend these three amendments tabled by the European Democratic Group, and I appeal to the other parties in this House to support them as I think they will strengthen the resolution and it will mean more to Mr Pisani when he comes to read it.

President. — I call the Liberal and Democratic Group.

Mr Sablé. — (FR) Mr President, Mr Commissioner, ladies and gentlemen, at the time when the Paris Conference on the less developed countries has just ended and on the eve of the ACP-EEC Consultative Assembly meeting it is right to wonder about the effectiveness and results of our development policy. Mr Michel's excellent report gives us the opportunity to do so.

In Paris, with the Soviet Union and most of the Eastern European countries taking the view that it is up to the Western countries alone to solve the problems of underdevelopment in the world, which they maintain are the results of colonialism and imperialism, and with the reservations of the United States, for which, especially since President Reagan came to power, aid must be based on essentially political or even strategic considerations, Community Europe emerged increasingly as the driving force in the search for a North-South Dialogue.

I shall take a single example — that of STABEX. It was planned to extend the benefits of it to the ten least advanced countries which, as non-signatories of the Lomé Convention, do not benefit from it at the moment. We know that the idea made some progress, since a working party was set up to study this extension. In this connection, it would be highly desirable for the Commission to provide us rapidly with a retrospective assessment of the effects of STABEX in certain countries, particularly those which benefit every year from this system or which have benefited from one or two significant transfers in the context of the system.

Sablé

In Luxembourg last April, the ACP-EEC Council of Ministers noted that the amount of resources available for STABEX transfers, bearing in mind the requests submitted, made it impossible to remain within the limits of the annual tranche for 1980. It was therefore decided to authorize the early use of 20% of the 1981 tranche, and since the available resources will probably remain lower than the amounts of the transactions to be made again this year, a possible reduction of the amount of these transfers has been envisaged.

If we wish, on the contrary, as our ACP partners would like, to make available additional resources in order to meet all the requests and extend the benefits of STABEX to other countries, we must realize that retrospective assessment is more necessary than ever.

In general, Mr Ferrero's report on the fight against world hunger made it clear that priority for aid should be given to meeting the basic needs of the most disadvantaged populations. When one studies the impact of Community aid, it emerges that the development effects achieved by the projects generally correspond well with the socio-economic development needs of the countries concerned and make a considerable contribution to such development, particularly by improving transport infrastructures, diversifying production, particularly in the agricultural sector, and improving social infrastructure.

But — and it is here that the aims of the Ferrero report are not fully achieved — these effects are limited by the failure to direct some projects to satisfying the most important needs. For what are we witnessing today? Food crops are receding to the advantage of the crops demanded by the rich countries. The abandonment of traditional methods and of rotation cropping sometimes leads to ecological catastrophe. The desert is gaining ground in the Sahel, while the tropical forest, which used to be a natural defence, has been dangerously thinned out in some countries. At the same time some industrial investments have turned out to be non-viable from the beginning. I could mention for example certain sugar refineries which further aggravate the problems we already have to solve or which have never operated for lack of adequate infrastructures.

That is why we must combat the tendency to excessive technical sophistication which complicates the takeover of responsibility by national staff and gives rise to excessive import costs.

We must also combat the tendency to overinvestment, which is not always in keeping with the ability of the recipient states to ensure, through their own human and financial resources, satisfactory and lasting operation and maintenance of the projects.

Parliamentary monitoring is essential in order to avoid such imbalances. The Commission must be aware that

it can count on the Parliament and its relevant committees — the Committee on Development and Cooperation and the Committee on Budgetary Control — the relations between which are excellent, as well as on the Joint Committee of the ACP-EEC Consultative Assembly — the preferred meeting place for the ACP partners — to ensure that from now on greater importance is given to the qualitative assessment of aid programmes.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Pannella. — (*FR*) Mr President, ladies and gentlemen, I think we were right to decide to deal today with this report, which was excellent and which must remain so. A report drawn up in January and approved in February cannot, if one allows it to moulder on the shelf, remain excellent for nine months!

Faced with this problem in 1981, one is tempted to ask whether Nazism, destroyed as a power, does not threaten to engulf us as a culture.

Our shared views cannot be covered by this text, since they were mainly arrived at this year. Moreover, it is not by chance that the mass media have for some months been very insensitive to the words of Pope John Paul II, who is constantly making heartfelt appeals for human life and survival. I sometimes wonder — I, the anti-clerical, who have opposed the ideological structures but not the faith — whether we, particularly those of us on the Left, should not admit that our jargon has prevailed, and whether it is true that an ill-conceived structuralism — against which I would advocate another type of structuralism — leads us to talk of development and plans for society, on the altar of which we sacrifice the people and society of today.

At the cultural level, the Right has unfortunately to some extent ceased to help us by fighting us. It too has admitted that charity is not enough, but one must realize that it is even frequently lethal. It is true that we have set our consciences at rest quite cheaply, by giving five francs of alms to redeem ourselves while accepting that our taxes — perhaps 50 000 francs — go to finance budgets aimed at extermination and madness.

Mr President, ladies and gentlemen, thanks to the scientific socialism to which I subscribe, thanks to scientific radicalism, progressive catholicism and technocratic liberalism, we have finally remembered that we can listen to our consciences and dare to speak of vital interests — of life and survival!

Pannella

Modern man must be ready to contribute to development.

At this stage we must have the courage to say that we must change the presentation of the aims to some extent. There is one point we must bear in mind, and that is the mortality rate. If our committees can show that the mortality rate is falling, our work will have been excellent; otherwise our alleged aids will have further increased profit — that important factor in economic balance and dynamism.

It is to this end that I have tabled amendments to Mr Michel's report. I would like to ask Parliament to be careful to adhere to the old Christian and liberal tradition of tolerance — never to attack personalities but only ideas and values!

Two months ago, while helping to prepare Mr Cohen's report, I thought I was contributing to the honour and efficiency of our Parliament. I had noticed that there was no mention of the 0.15% of GNP which industrialized countries are supposed to allocate to the least advanced countries. I was certain that this figure was on the agenda of national and international authorities, and I tabled an amendment on the subject. Mr Cohen then got up and rejected it because it was I who had tabled it. As a result the European Parliament rejected the figure of 0.15% for the least advanced countries, and then we were pleased that the Commission rejected Parliament's opinion and came out in favour of 0.15% in Paris. Let us also remember Resolution 2626 of the United Nations which calls for 0.70%. When the Commission took up the figure of 0.15% again, it was because it had understood that Parliament's attitude was unacceptable.

Mr President, I hope that the humble contribution which I want to make through my amendments will be accepted and that they will be debated, for I am trying to give grounds for hope. We must seek to reduce the mortality rate, for it is life and survival which are important, and we must not make development projects the altar for sacrifices and nameless extermination which would be worse than that carried out by the Nazis.

President. — I call Mr Narducci.

Mr Narducci. — *(IT)* Mr President, I share and understand the regret of my colleagues who would have liked to postpone this debate, but I think that Mr Pisani and the Commission as a whole will be able to assess the work which has been done just as well in the next few days. And it is important that this debate should take place, and that this motion for a resolution should be adopted, for in that way the forthcoming meeting of the ACP-EEC Joint Committee and Consultative Assembly will be able to refer to a recent opinion of Parliament, whose attention has been

drawn once more to development problems. Moreover, Mr Sablé has already mentioned events in Paris, but I do not think it would be bad for Parliament to take its decisions and express its policies — even before the forthcoming Cancùn Summit — in order to stress the importance which we all attach to development policy, and the awareness that these development aids are not lightly allocated, but are the result of a basic European policy decision — to stress the importance which they have particularly at a time of recession, which can of course limit our efforts, but not to the extent of reversing decisions made by Parliament.

I think it is not by chance that Sir Fred Warner tabled his motion for a resolution precisely at the beginning of the life of the directly-elected Parliament, almost as the first act of this Parliament, because one of the difficulties we encounter is precisely that of knowing how development aids are used. Many times — every time that aids, and particularly food aid have been mentioned — the need has been stressed here for effective checking which would help to dissipate the doubts which may exist and reduce waste. Mr Michel has listed in his report a whole series of measures to ensure the full efficiency of the efforts made for development, full participation by Parliament, and full ability of its Members to reply to the questions put to us in so many fora.

In other words, Parliament reaffirms by this resolution its desire to help to meet development needs and its intention not to be held by the obstacles which face us all; it reaffirms the need for the participation and cooperation of all the institutions to be total, loyal and responsible, precisely because these are difficult times, underdevelopment is worsening at a fearful rate, and nationalistic and egoistic tendencies are appearing. I think that checks should be strengthened and made effective so that the development policy may be fully understood, properly justified and carried out in full awareness of wasting nothing, because the basic problem of development policy and of all those who concern themselves with it is a problem of credibility. If the monies are spent without a sense of responsibility, without checks, and without an awareness of the end results, the credibility of this policy and that of Parliament itself will be threatened. It is therefore good that this debate has taken place and that it has turned out in the way it has. Of course we shall have the opportunity to return to the more general aspects of development policy in the debate on the budget, about which Mr Michel has already rightly expressed his concern, which is shared by all those who have made the subject of development one of the basic commitments of their parliamentary work.

In conclusion, Mr President, I repeat that the problem tackled by Mr Michel in his report and resolution is a problem of credibility. With this resolution, too, Parliament acquires credibility — all those who work for development acquire credibility. Mr Pannella has

Narducci

frequently mentioned Pope John Paul II and the messages which he addresses to us. I would like to remind you all that those messages are credible because John Paul II, before publishing his third encyclical the other day, wrote it with his own blood in St Peter's Square.

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission. — Mr President, distinguished Members of Parliament, on 31 October 1979, within a few months of the election of this first directly elected European Parliament, I spoke on behalf of the Council of Ministers at the conclusion of the Lomé II negotiations in my capacity as President-in-Office of the Council. On that occasion I said, 'In view of the significance for the European Community of having now a directly elected Parliament, I am particularly pleased that Mrs Veil, the first President of that Parliament, represents here today the constant interest and sense of obligation which the directly elected Parliament has demonstrated towards the Community-ACP relationship.' This excellent report by Mr Michel demonstrates, even more clearly than I could then have imagined, the constant interest and preoccupation of this Parliament for the variety of reasons stressed in the report and brought out even more firmly and clearly in the course of the discussions here this morning.

With his special responsibility for this area my colleague, Mr Pisani, would have very much liked to be present here to reply personally to Parliament. He would have liked to underline the common responsibilities of Commission and Parliament *vis-à-vis* the ACP countries. On his behalf I express his regret that because of the understandable decision of Parliament — it is for Parliament after all to order its own business — he could not be here himself to reply in personal and particular terms to the debate. However, as the President has said, the Commission is a collegiate body. Moreover, some of us, and perhaps myself in particular, have had particular responsibility in this area, albeit in another capacity.

This report makes me particularly mindful, as it does the Commission in general, of the background to Lomé II and the spirit in which it was signed, and this has been underlined here this morning by almost every contribution that was made. We were particularly anxious to demonstrate, as were the ACP Member States, the need to establish — and we say this in the preamble — 'adequate machinery for widest possible consultations with a view to promoting ACP-EEC cooperation effectively'. Apart from the special instruments in the field of trade, of STABEX and of agricultural cooperation, one of the constant preoccupations of the ACP Member States, at that time and subsequently, was for the widest possible cooperation and consultation. After all, the perceptions we might have

of what would be appropriate for the ACP Member States might not be exactly the perceptions they would have as to how this cooperation could best be implemented.

It is significant that Article 108 of the Convention stated very clearly, as a background to the assessment and evaluation that Parliament is so properly and obviously concerned about, that operations financed by the Community shall be implemented by the ACP States and the Community in close cooperation. The concept of equality between the partners was thus recognized. The ACP States and the Community, as partners in this cooperative effort — Lomé represents, more than anything else, a cooperation between partners with different resources but with a common purpose and with common determination — insist on this equality of purpose. They recognize the right of the ACP States themselves to define the objectives and priorities set out in Chapter 3 Article 108, on which the indicative programmes would be based. These would enable the ACP countries to choose the projects and programmes which they decide to put forward for Community financing.

That is the background against which all of this has developed to the point where, as has been pointed out by your speakers this morning, we can now look to the future implementation of our plans accompanied by realistic appraisal of what we have already achieved together. There is a saying in my own native language 'Is ar scath a chéile a mhaireann na daoine', and it was never more true than it is now. It means 'we all live in each other's shadow', and certainly more than ever before our national and international interdependence is such that the rich and the poor especially live in each other's shadow. Hence constant evaluation of past action is essential to achieving the purposes of Lomé II.

This excellent report clearly describes this need and pays tribute to the work of the Commission and the other institutions, the Court of Auditors and the EIB, in the assessment of the Community finance development programmes. In 1981 the Commission went ahead on concerted assessment with the partner countries as called for in paragraph 14 of Mr Michel's excellent report. In February the Commission held a meeting of ACP and EEC experts at Lomé, this time on the findings of its assessments in the agricultural development sector, and worked out with them — because the crucial element in this whole programme is that we work together, whatever be our perceptions, to guarantee the effectiveness of what we are doing — basic principles for future projects in this field. For that reason we share and endorse the rapporteur's view, which he expresses so clearly in paragraph 17, regarding the risks of overlapping between such assessment work and the investigations of the Court of Auditors, where these relate to the desirability of projects and not merely the use made of the Community resources provided to carry them out. I

O'Kennedy

should nonetheless emphasize the excellent work the Court is doing, obviously with appreciably larger funds at its disposal than the Commission has in this area, and for that reason the Commission makes the fullest use of the information available to it from the Court's reports.

We also entirely agree with and endorse the contention in paragraph 44 of the rapporteur's report that assessment must be made into a joint exercise with the authorities in the partner states or group of partner states. We do so because, quite frankly, to do otherwise would be contrary to the spirit and the letter of Lomé II, in particular Article 108 and other articles which demonstrate that it is only through partnership and cooperation that we can, in fact, effectively implement the provisions we worked out in Lomé II. The assessments — and we have made a number to date — will show that the effectiveness of the Community finance development operations depend in large measure on the national policies in the framework of which they are planned and carried out.

Should the ACP states concerned so request — because it does depend on their readiness to request and to activate this cooperation machinery — we are most willing, as this report suggests, to assist them in setting up or expanding their own assessment services to help them in the programming of their development.

We agree, as I said, almost all the way with the tenor of the draft resolutions, and I would specifically refer to some crucial and important elements in them. On paragraph 1 we agree that the annual report to the ACP-EEC Council on the management of financial and technical cooperation could serve much more as an instrument for assessing that cooperation. Assessments should, *inter alia*, be conducted jointly with the ACP States when the report is discussed by the new ACP-EEC Ministerial Committee established by Article 108 of the second Lomé Convention, to which I have already referred in detail. Let me underline that the purpose of establishing that joint ministerial committee was so that we could, in fact, get the basis for the kind of assessment recommended by Mr Michel in his report. The committee is to hold its first meeting this autumn, and obviously, in view of the role and responsibility Parliament has in this, the Commission cannot fail to give the House here an account of the proceeding of that first meeting and will, in fact, do so at the first available opportunity.

With reference to paragraph 2 of the report, the Commission feels from experience that the two following criteria are important in appraising and assessing projects. The first is: 'Are the projects calculated to help increase the partner countries' capacity for self-development?'. Obviously this has been a recurring theme in any analysis of effective cooperation in the development area in recent times. There are understandable reactions in Member States to the

impact of economic recession on their economies at this moment, but the more that may emerge, as has been underlined this morning, the more we are obliged to ensure that we can guarantee the effectiveness of what we are doing and particularly the capacity of the partner countries in the development world to ensure their own self-development. I think that element in the report is of particular importance.

The second and related criterion is: 'Will the operations remain viable after the aid ends?' As so many of you here, who have had experience directly in the field or had the opportunity of visiting these countries, know, it is not just a question of applying financial assistance. It is, in fact, very much more a question of applying technical assistance and research capacity and promoting an ability to help oneself. One has often been struck, and unfortunately almost shocked, at the wastage that has occurred where money has been deployed without ensuring the capacity of the recipient resources themselves. It is much more a question of guaranteeing, as this report indicates, that the operations remain viable after the aid ends, and that can best be done by strengthening the capacity of our partner countries to build on the foundations we provide in the early stages. These two points then are additional to the usual criteria of direct efficiency and cost-effectiveness that have been applied for some time.

With reference to paragraph 5, the Commission has already made a start on practical coordination between its own and the Member States' assessments of activities in the animal production sector and projects concerned with stock rearing, slaughterhouses and fisheries. There is regular consultation between the Commission's evaluation staff and those of five Member States to ensure that assessment is conducted on similar lines so as to yield comparable results and, if possible, common conclusions in 1982. The Commission plans to extend this coordination further in the future. Obviously we are working as a Community, but equally obviously we have bilateral programmes. It follows that we must ensure the maximum possible coordination between what we do as a Community and what we do on a bilateral basis, and I entirely agree with and endorse that recommendation.

Finally, with reference to the last two points, I'd like to single out from this very excellent report paragraph 11. The Commission has, in fact, already made a joint assessment with the European non-governmental organizations of the projects co-financed with them. This was fully conclusive and will certainly be done again, I can assure this House. From it the objective bases were worked out for improving the general conditions of co-financing with the non-governmental organizations. On Paragraph 13 the Commission considers that the European Parliament which has, I think, taken the lead from the first moment it was elected, as was evident by the presence of your President when we signed Lomé II in Lomé, could most

O'Kennedy

effectively monitor the effectiveness of Community aid, we believe, by on-the-spot visits in connection with the meetings of the Joint Committee of the ACP/EEC Consultative Assembly. The Commission will continue to give every support to the arranging of such visits by suggesting that we should, if possible, include some Joint Committee members actually from various ACP countries.

Mr President, I shall convey to my colleagues and the Commissioner responsible, Mr Pisani, the opinions and concerns which have been expressed in this debate this morning by the Members of the House. I have no doubt that Mr Pisani will analyse these in great detail and, as I said, he will be here at the earliest opportunity to report on developments in relation to this report this morning.

President. — I call Mr Pearce on a point of order.

Mr Pearce. — While we appreciate what Mr O'Kennedy has said to us, I think the House owes an apology to the Commission for having put them in a quite impossible position. We wanted the Commissioner responsible here. I regret, and I think colleagues might join me in regretting, the absurd procedure which prevented that happening, and I would like to register my view of the cynicism of the Christian-Democratic Group who caused this debate to take place now, without the right Commissioner, and who cannot even be bothered to stay. Indeed, the people at the front there, who demanded that this debate should take place now, promptly walked out of the room. That is cynical and it is shabby, and it is a poor way to treat a subject as important as this. I hope that my friend Mr Michel over there will ask the leadership of his group to come back at voting time this afternoon and apologise to the rest of the House for what they have done. I ask him to respond to that request.

President. — What you said was not a point of order.

The debate is closed. The motion for a resolution will be put to the vote at the next voting time¹.

2. *Legal expenses insurance (continuation)*

President. — The next item is the continuation² of the debate on the report (Doc. 1-320/81), drawn up by Mr De Gucht on behalf of the Legal Affairs Committee, on the

proposal from the Commission to the Council (Doc. 1-257/79) for a directive on the coordination of laws,

regulations and administrative provisions relating to legal expenses insurance.

I call the Committee on the Environment, Public Health and Consumer Protection.

Mrs Seibel-Emmerling, draughtsman of an opinion.

— (DE) Mr President, ladies and gentlemen, after detailed discussion, the Committee on the Environment, Public Health and Consumer Protection adopted opinion No PE 67 003/fin. on the Commission proposal with a large majority, i.e. 15 votes to 4. The aims of the Commission proposal were explained by the rapporteur for the Legal Affairs Committee as long ago as the July part-session and I should like therefore, in view of our timetable, to refer to what was said on that occasion and simply explain why our views differ, since our opinion is virtually identical to the draft originally submitted by the rapporteur for the Legal Affairs Committee, which was unfortunately not adopted in the Legal Affairs Committee as an equal number of votes were cast for and against. My committee and myself, as draftsman of an opinion, have looked into the question of whether this proposal is acceptable from the point of view of the consumer. Contrary to the arguments put forward by the Commission in the committee, which were unfortunately repeated by Mr Tugendhat in July, our committee regards the proposal as unacceptable from the joint point of view of the consumer. It is true that the Commission recognizes certain possible conflicts of interests, but the solutions it proposes are completely unsuitable. Separate management and accounting alone are inadequate to solve the conflict between liability and legal expenses insurance, since the drawing up of policies and accounting procedures have nothing to do with the actual handling of claims. However, this is precisely where conflicts of interests arise, although, according to the Commissioner, they would appear to arise only when both parties involved in the accident are insured with the same legal expenses insurer. The information which must be given to the insured person under Article 3 (4) would at best bring a conflict of interests to light, but would in no way contribute towards solving such conflicts. Quite apart from this, it strikes me as questionable that the insurer should be responsible for advising the insured person of the conflict against his own interests.

We should not let the free choice of lawyer, of which Mr Tugendhat made so much, delude us into forgetting that the insured person and his lawyer remain dependent. After all, in the final reckoning it is the insurer who is responsible for appointing and, above all, paying the lawyer. I leave it to your imagination to decide how free and independent this appointment is.

Secondly, the Committee looked into the question of whether the Commission proposals would in fact succeed in their objectives of harmonizing legal expenses insurance and guaranteeing free competition,

¹ *Membership of Parliament: see minutes.*

² See debates of 16 July 1981.

Seibel-Emmerling

which are in fact the purposes for which the proposals were originally drawn up.

Unlike the Commission, the committee did not look at this question from the national angle and did not consider the question of who in this Community has to turn to whom. Instead, it studied the question from the point of view of the overall interests of the consumers at the level of the European Community and concluded that neither of the objectives would be achieved. Harmonization would not be achieved because Article 3 (3) provides for the option of deviating from the norm and competition would not be opened up either because the Member States could lay down certain conditions, even if these were in themselves a kind of which the committee could wholeheartedly approve. Thus, the committee rejects, by an overwhelming majority, the Commission proposal as it stands and advocates the system of specialization for the protection of the European consumer.

The committee would also welcome a situation whereby no financial links were permitted between legal expenses insurers and other insurance companies. Unfortunately, this is far from being the case so far in any of the Member States and for this reason, the committee studied a hypothetical connection between a parent company and its subsidiaries and compared it with the kind of links which would be permissible if the Commission's proposals were adopted. In view of the degree of institutional separation between parent and subsidiary companies, the possible negative effects would appear to be substantially smaller than in the case of the Commission proposal.

The amendments I have tabled on behalf of the Committee on the Environment, Public Health and Consumer Protection reflect precisely the views adopted by an overwhelming majority, and the amendments tabled by members of the Legal Affairs Committee, such as Mr Sieglerschmidt, Mr Luster and the rapporteur, Mr De Gucht, are more in line with the view expressed in our amendments. My Committee would like to thank Mr De Gucht for taking due account of our views in the original version of his report which, as I said before, was unfortunately rejected as the votes were equally divided.

In the interests of the European consumers, I recommend this House to adopt these amendments.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Janssen van Raay. — (NL) Mr President, the question we are discussing here is a very controversial one, as can be seen from the fact that the rapporteur, as rapporteur, advocates the composite system but has also signed amendments opposing this idea. As rapporteur, he represents the Committee, as a private indi-

vidual he may co-sign amendments. I say this because certain comments were passed when we first discussed this report. I should therefore like to begin by stressing that, in my view, Mr De Gucht is morally and legally at a liberty to do what he has done.

Now to the question itself. The Group of the European People's Party has decided to vote individually rather than as a group. Thus, we have not voted on the matter since my Group was split in just the same way as the Legal Affairs Committee. I should like, therefore, to try and put forward the two viewpoints as objectively as possible. For my own part, I intend to vote in favour of the amendments by Mr Geurtsen and Mr De Gucht etc. for the simple reason that proceedings are more likely to be conducted in an honest manner if, in the case of conflicting interests, several different lawyers can be brought in. It is a strange state of affairs that, if I am run over by a lorry, I should go to company X to whom I pay Dfl 200 per year for legal expenses insurance, whereas the driver who has knocked my legs off is insured with the same company and pays an annual premium of Dfl 50 000. Obviously, it is in the interests of the insurance company to pay me as little as possible whereas I am out to get as much as I can. This is why, therefore, I support the opinion of the rapporteur in the interests of a semblance of honesty in the legal process. That then is the view of this section of my Group as devil's advocate.

We ourselves have no complaints. Those people who intend to vote against the amendments and hence in favour of the Commission proposal point out that the company itself endeavours to be as honest as possible in defending the interests of both parties. In the Netherlands, the insurance companies have even set up an independent foundation the function of which is to see to it that, in matters involving legal expenses, the interests of the injured parties are defended as well as possible. The De Gucht opinion No 2, so to speak, will undoubtedly lead to major practical difficulties for the insurance companies and this is why a number of my colleagues, and not just those of one particular nationality — intend to support the De Gucht opinion No 1.

Mr President, I shall be brief. This is in fact the crucial issue in the entire report and we shall have to wait and see how the vote turns out.

President. — I call the European Democratic Group.

Mr Tyrrell. — Mr President, it is two months since this debate was opened and the rapporteur and the Commission spoke, and it is a matter of regret that the procedures of this Parliament should lead to this kind of delay.

Now, two months ago Commissioner Tugendhat commented on amendments put down by me, and

Tyrrell

indeed by others. He did not, of course, then have the advantage of having heard the arguments whereby I wished to support those amendments, so I earnestly hope that he will now reconsider his position when he has done so.

Now, it is easy to lose sight of the main purpose of this proposal. The purpose is to open up the insurance market by removing unnecessary barriers to trade in accordance with Article 57 of the Treaty and by increasing competition, to advance the interests of Community consumers. Now the question is, does the Commission's proposal achieve that purpose? And the answer, regrettably, is that it only achieves it in part, for having granted composite insurers the right to establish themselves in any Member State by Article 33, the Commission then proceeds to say that Member States may insist on a separate company to manage claims. In other words, they take away with one hand what they have given with the other. I wholly fail to see the point of that article. If there is a conflict of interest, as Mrs Seibel-Emmerling has pointed out, that conflict arises at the point of claim, not at the point of issue of the policy and therefore there is no purpose in having a separate claims company. The separate claims company would face the same conflict within itself as the issuing company would. Thus the whole purpose of the proposal is undermined by the Commission for no purpose that one can see, except that one deduces that this is yet another case where the Commission have not had the courage of their convictions and have sought refuge in a compromise that destroys their basic purpose. Hence my Amendment No 10 is to delete paragraph 33 of the proposal.

Now, Mrs Seibel-Emmerling stressed the need for consumer protection. I agree, but the proposals in the draft directive are, in my view, perfectly adequate. A free choice of lawyer — what greater protection could the consumer have than that? Arbitration in the event of dispute is added, and an obligation on the part of the insurer to draw attention to a conflict of interest is also added. All those are in my view adequate. The Danish experience has received very little attention — it received little attention even in the Legal Affairs Committee. In Denmark there are 4 ½ million legal expense insurance policies in issue for a population of 5 million people. They have no problems, as I understand it. In the United Kingdom, where this class of insurance is quite new, there are no problems and the safeguards suggested by the Commission go further, if anything, than is strictly necessary.

Now, Mrs Seibel-Emmerling's committee has put forward a number of suggestions, but what that committee, and I fear not for the first time, forgets is that all these additional protections put forward for the consumer cost money. Who pays? It is the consumer, of course, who pays and so one has to look very carefully to see what protection is necessary and what is not; and these are not.

Now, it is said, mainly on behalf of the German insurance companies, that one needs a specialist company for this class of business. I cannot see why — a company that is specialising in this class of insurance is just as likely to have a conflict as composite companies are. Indeed, in one sense, it is even more likely to do so because there will be fewer specialist insurance companies and thus they are more likely to find that they have issued policies to both parties to the dispute. A specialist company does not advance the interests of the consumer, it adds costs, it restricts freedom of competition within the Community and for those reasons I hope that the House will accept my Amendment No 10. Apart from that, we in my group will be supporting the Commission proposals.

President. — I call the Liberal and Democratic Group.

Mr Geurtsen. — (NL) Mr President, it will be clear from the amendments we have tabled that the majority of the Liberal Group goes along with the aim of the Commission, i.e. that right of establishment should also apply in the case of legal expenses insurance, but that it nevertheless prefers a different system.

Above all, there is the question of whether harmonization will in fact be achieved if Article 3 (3) leaves the choice of making a separate claims company compulsory open to the individual Member States. Although my own conclusions are different, I agree with Mr Tyrrell that a compromise of this kind between the West German specialist system and the composite system used elsewhere would not remove unnecessary barriers but merely create different ones. It is perfectly understandable that the Commission should have endeavoured to retain the advantages of the specialist principle without actually adopting the principle itself, but unfortunately the result is hardly satisfactory.

Questions such as this simply depend on two things. Firstly, how can the interests of the insured person be best served and secondly, can the insurance companies reasonably be expected to adhere to the rules laid down? Unless the degree of separation were total even a whole series of regulations could not guarantee that conflicts of interests would not arise.

I therefore agree with the Committee on Consumer Protection which takes the view that the Commission proposal does not go far enough as regards consumer protection. As far as the insurance companies are concerned, the application of the specialist system would not present any real problems since, basically, this would not be going much further than what the Commission proposes and the same could be achieved by adopting the proposal of the Economic and Social Committee which mentions making a separate claims company compulsory as a second alternative, i.e. Article 3 (3) as an imperative rather than an option. I

Geurtsen

regard this second option as being equivalent to my own personal choice and therefore have no objections to the proposal by the Economic and Social Committee, although I should like to dissociate myself from the viewpoint of this Committee regarding saving on lawyer's fees. If a lawyer is required to defend the interests of an insured person, he must always be able to bring him in and this is the sense in which I understand Article 5, in which I take the references to defence and representation to mean the protection of the client's interests and a lawyer might well be vital even outside the legal proceedings.

Mr President, the only reason why our amendments failed to be adopted in the Legal Affairs Committee was that the votes were equally divided. I hope that the plenary Assembly will get us out of this impasse, since the consumers in Europe have a right to expect this.

President. — I call Mr Herman.

Mr Herman. — *(FR)* Mr President, ladies and gentlemen, I would like to associate myself with Mr Tyrrell's words and briefly defend the Commission proposal and the consumers, whether they like it or not. For it is true that the additional protection which we wish to give them will inevitably give rise to increased costs. In many countries, indeed in seven out of the ten, the system works and has not hitherto given rise to serious difficulties. Of course it can be changed, and I think the Commission proposals aim to do so. It is important to leave the insured person the freedom to choose his own lawyer. It is necessary to avoid a confusion of interests through certain types of legal protection; but all that can be done without the need for excessive specialization, as is the case in some countries. When a country has organized itself in this way and is operating correctly, we see no objection to this. But that is no reason to extend this system to all the other countries of the Community in which, through the modifications or amendments proposed by the Commission, the desired aims can easily be achieved. I therefore hope that our colleagues will vote for the Commission proposal and will accept the argument that consumer protection entails costs. It is clear that today many insured people, indeed many of our citizens, find that insurance costs are beginning to make a large impact on their finances. That is therefore something which must be considered before trying to achieve protection at all costs, using methods which will certainly be more expensive or which in any case, in some countries, will involve very significant restructuring of firms, which in turn entails increased costs.

That is why, in my view, we should all be set on supporting the Commission proposal.

President. — I call Mr Cecovini.

Mr Cecovini. — *(IT)* Mr President, I must first point out that I am speaking personally, since the Liberal and Democratic Group has allowed its members a free vote on such a controversial matter.

In my view the proposal for a directive with which we are dealing is the result of an intelligent effort to coordinate the various laws governing the delicate matter of legal representation insurance in the individual Member States. I therefore think we should be very careful, given that in dealing with this subject, various and often conflicting interests are affected, arousing reactions which are only partly foreseeable. This is what could happen if we uncritically accepted the suggestions contained in the Legal Affairs Committee report or some of the 16 amendments which radicalize that report, by in effect accepting a particular method, such as specialization or separate operation by legal representation insurers — i.e. the system operating in Germany.

If that were done, instead of achieving the effective benefits of coordination and greater justice for all — insurers and insured — the effect would be primarily to prevent composite companies, i.e. the majority of companies operating in the Community, from having freedom of establishment in Germany. On the other hand, the establishment of companies specializing in legal representation insurance would be encouraged, under conditions of obvious unfair competition, in the countries where the composite companies operate.

In support of this approach, the example is postulated of someone involved in an accident, who is insured with the same company both for liability and for legal representation. And it is assumed that in such an apparent conflict of interest the company will naturally tend to weaken the legal representation in order to reduce the amount to be paid to its own client. But this argument does not take account of the fact that the choice of legal representative is up to the client, not the company, and that, on the other hand, the compulsory separation of the two insurances would cause a proliferation on the market of new small companies which would be much less reliable than the composite companies, since the latter by long tradition depend for their tried credibility on the fairness, speed and reliability of their own services, including legal representation.

In Italy, where the composite company system prevails, no client has ever complained of bad service or any disadvantage of any kind.

In conclusion, I think that we can and must give full credence to the proposal for a directive extending the so-called dualist system to areas where it does not yet exist and accepting, if appropriate, the ameliorative

Cecovini

Amendments Nos 1 to 8 and 10 and forcefully rejecting Nos 9 and 11 to 16.

President. — I call Mr Janssen van Raay on a point of order.

Mr Janssen van Raay. — (NL) Mr President, as I said at the beginning of my remarks, I was the only speaker for the entire group and I tried to defend both points of view. I should like to give the remainder of my speaking time, which I have not used, to Mr Luster.

President. — I call Mr Luster.

Mr Luster. — (DE) Mr President, in its own words, not even the Commission doubts that the most effective way of avoiding conflicts of interests is to have a system of specialization. This is also the view of our Committee on the Environment, Public Health and Consumer Protection, the European Consumers Association, the Association of European Lawyers and other bodies representing lawyers and legal experts.

I cannot go into detail now, but I would like to point out one thing: the crux of the whole issue is whether the Commission proposal will help to prevent the risk of a conflict of insurance interests. This risk arises when one and the same insurance company has to incur high costs in representing an insured person's claim for damages, while on the other hand it is under an obligation to pay these damages as a third party insurer.

If we were to accept this draft, we should be asking somebody for something which he cannot in all honesty provide. I therefore strongly support — and my signature is evidence of this — the motions tabled by Mr De Gucht, Mr Geurtsen and Mr Siegler-schmidt.

(Applause)

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Because of the two-month interruption in this important debate, I have the honour today of speaking and replying on behalf of the Commission. On its behalf, also, I should first of all like to thank all the speakers and say that my main contribution to the debate will be to try to avoid repeating anything that was already said by Mr Tugendhat in July.

Let me remind you of two objectives. Firstly, the aim is to have freedom of establishment in the insurance branch, with a view to achieving a Community-wide solution in all countries, and secondly, arrangements

must be made to avoid conflicts of interest as far as possible.

In the light of today's debate, may I remind you that the Commission's commitment to freedom to provide services and to freedom of establishment throughout the Community obliges it to search for solutions at Community level. This obligation means that it cannot support amendments which would lead to differences between countries.

Consumer protection — which is a subject close to my heart, not least because I am responsible for it within the Commission — can only be fully achieved if we take into account the fact that, in future, it will be competition which determines which type of undertaking is accepted by the consumer. He will probably have three alternatives: the specialized undertaking, the composite undertaking, and the composite undertaking with separate claims management, insofar as the facilities offered by Article 3 are used.

The consumer will then decide which is the best offer, and this competition will ensure that the insurers will automatically have to study in detail what costs the insured person can be expected to put up with. In this respect, competition is probably the best way of ensuring that the consumer does not pay excessive premiums.

Mr Tugendhat spoke on a number of amendments, so I shall restrict myself to two aspects. Some of the amendments call for the proposals to include a binding scale for lawyers' fees. I would point out that this suggestion is not quite clear. If it means that only the fees for lawyers' services in connection with legal expenses insurances should be fixed, this may well not be in the interests of the consumers, since if the fees laid down are too low, good lawyers may refuse their services. On the other hand, if the aim is a general harmonization of lawyers' fees at European level, this directive is probably not the right occasion for such a debate. Separate discussions on the basis of separate initiatives would be needed on this subject.

Amendment No 15 also calls for a comment. The question of penal sanctions is a fundamental problem going far beyond proposals at present under discussion. As you know, the EEC Treaty does not yet provide for a direct system of sanctions. I will not go into whether this can remain the case for ever, since the question of whether some form of sanctions should be introduced arises in other sectors as well. However, I believe that this question is of such fundamental importance for the further process of integration that it cannot be settled without a thorough debate.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

3. Social situation

President. — The next item is a statement by the Council to wind up Tuesday's debate on the social situation in the Community.

I call the Council.

Mr Tebbit, President-in-Office of the Council. — Mr President, ladies and gentlemen, this is the first opportunity I have had of addressing the European Parliament. It is a slightly alarming experience, not only because I have been a Minister of Employment only since Monday, but because this unique Assembly represents some 250 million people of the 10 sovereign States of the Community. But although my new responsibilities are very much in my mind, it is not as the Secretary of State for Employment of the United Kingdom that I speak to you today, but as the President-in-Office of the Council for Labour and Social Affairs.

Today, therefore, as President-in-Office of the Council, I want to suggest how we can best deal with the problems of the whole Community and how we can meet the needs of the peoples of our nations.

First, I should emphasize that I hope to continue and develop the outstanding contribution made by the Netherlands presidency in the unusually difficult circumstances of the first half of 1981. The effective life of a presidency is a short one particularly, perhaps, when it falls in the second half of the year, and this must dictate a certain realism when considering what we can hope to achieve in that time. Nevertheless, whilst the United Kingdom holds the privilege and the responsibility of the presidency, we will use that office to help advance the work of the Community and to create a better working life for all its people. We hope to do this not only with our colleagues in the Council of Ministers but also in close collaboration with the other institutions of the Community, especially the Commission and the Parliament.

I believe the Parliament has an important role in the work of the Community, not least in the field of social affairs. In particular, you can act as a focus for developing a European public opinion on the major issues confronting us, and especially the twin evils, those two sides of the same coin: unemployment and inflation. This opinion is shaped through the whole range of the Parliament's activities — questions, debates, committees and reports — and must clearly be heeded by the presidency, the Council and the Commission. We see our relationship with you as one of dialogue, which we wish to see constructively developed.

The Committee on Social Affairs and Employment provides a forum where we can explore together in greater detail some of the major issues in this field. I

greatly regret that I shall be unable to attend the meeting in November, but I am pleased to tell you that my Minister of State, Michael Allison, will be seeing the committee then. He will represent the presidency, and I hope Members will use that opportunity to explore further the views I have expressed today and to seek a report from the presidency on our progress.

There is little doubt that the most dangerous, worrying and shocking immediate effect of the weakness of our economies is the appalling level of unemployment. This grave and daunting problem and the response of the Community have engaged your attention on a number of occasions.

In the Community as a whole, we now face an appalling figure of almost 9 million unemployed, a figure which has tragically increased by 2 million over the last year; on top of this, there is the considerable further number who would be without work but for the various programmes of support operated by Member States.

Unemployment is also an unevenly distributed burden as between the nations of the Community, the regions within the nations and the different groups of people in the labour market. There are often striking contrasts in unemployment rates, even within individual Community countries, reflecting a diversity of local labour-market conditions. Among different groups of people, those looking for their first job, those working in, or reliant on, traditional and labour-intensive manufacturing industries, the unskilled and the disabled are all disproportionately affected. It also becomes more difficult to improve the opportunities of women in the labour market. All these groups have seen their previous problems magnified as the result of rising unemployment, but perhaps the most worrying feature of all is the increase in unemployment among young people. In some countries, almost 50% of all the unemployed are below 25 years of age, and these are the work-force of the future. We must be concerned to ensure that, despite the unhappy experience of enforced idleness, the motivation and commitment of these young people can be preserved. The problem raises major social — indeed moral — as well as economic issues, which we must do our utmost to understand and resolve, both at Community and at national levels.

Against this challenging background, I should like to tell you how I see our work in the presidency and to give a general view of our programme and priorities.

We can never forget the present high levels of unemployment throughout the Community, and I am sure that you all share my concern at the tragic waste of human and economic potential which this represents. We should certainly not wish to neglect any opportunity of practical and effective action which the Community might be able to take to help reduce unemployment to more tolerable levels.

Tebbit

I was encouraged by the conclusion of the preceding presidency when summing up the joint meeting of Community Economic, Finance and Employment Ministers in Luxembourg in June. While there were clearly no magic formulae for solving the problem, there was found to be general agreement that a coordinated action against inflation and unemployment should be given the highest priority.

The Council also saw as the principal elements in action against unemployment, along with a reduction in the levels of inflation, an improvement in the competitiveness of firms and an increase in investment to produce higher growth and stimulate employment. In this connection, the Council put particular stress on the role which the Community, using the various Community instruments, might play in reducing structural unemployment, strengthening infrastructures and improving the economic and social situation of the least-favoured regions.

Of course, the Community's programmes are ultimately financed by the taxpayers of the Member States, and those which seek to reduce the gap between the richest and poorest regions may only transfer wealth from one citizen to another. It is therefore right that we should bear in mind the need to design our programmes to encourage increased production of wealth in the Community. If we are to do more than leave a few crumbs on the table for those in the worst-off regions and groups, then we must increase the size of our cake in Europe as represented by the total output of Member States.

I believe that the conclusions reached at Luxembourg, backed as they were by a remarkable degree of unanimity amongst member governments, even though they naturally differ widely in their individual approaches to the problem of unemployment and the remedies which we are seeking to apply, offer a useful starting point for us when considering how the Community can deploy its inevitably limited resources to best effect.

In saying this, I am naturally mindful of the important discussions on the Community budget which will be going on during our presidency. I do not think it is for me to comment on the general issues involved, which my colleague, Lord Carrington, succinctly described when he spoke to you on 8 July. I would, however, say that, amongst the range of Community instruments, I attach particular importance to the European Social Fund as a means of bringing action to bear on employment problems; and I hope to play a part in ensuring that in its forthcoming review it gets off to a good start and is addressed to the most pressing current issues. I shall have more to say on this later when I describe the main headings of the Council's work during our presidency programme. However, I should like to emphasize that we seek to approach the Community's problems in a spirit which is realistic but at the same time open-minded and willing to learn from experience.

As always in English, we have a short and simple word to describe that attitude: it is 'pragmatic'. But unhappily, that is a word which has been so misused that it is well to be quite clear what I, at least, believe it to mean.

As the Luxembourg meeting concluded, there are no magic formulae and no easy answers. We have to admit that none of us can claim to have perfect answers to the questions of how unemployment is to be remedied or the labour force adapted to the needs of the 1980s and 90s, and there are wide differences of view within, as well as between, the parties. For this reason, I attach great value to an exchange of experiences between Community countries, their governments and representatives, and particularly to ensuring that new initiatives on unemployment which may offer lessons for others are more widely known.

In the United Kingdom, for example, we have recently launched for consultation proposals on our new training initiative. It is designed to ensure that our system is able to provide appropriate training in as many skills and for as many people as are needed in industry and commerce. It seeks to provide for a proper foundation of skills, knowledge and experience for young people first entering employment, upon which in later life, as adult workers, they will be able to renew and extend their skills throughout their working lives.

None of us can afford to neglect the experiences, good or bad, of our friends elsewhere in the Community, so I believe we should exchange and compare experience. I am looking forward, therefore, to an informal discussion next week with my fellow ministers of employment about the ways in which they are tackling these problems, especially those concerning unemployment among young people.

Mr President, we live in an era of swift and wide-reaching technological change. Our industrial revolutions follow one upon the other in an era of huge political and economic shocks such as the rise in oil-prices which have repercussions throughout the world economy. We need to recognize that these lead to far-reaching changes in the economy and in the nature of the labour market. In some cases, the penalty for failure to adapt quickly enough is economic decline, inflation and unemployment. Our response must often be changes in structures and in attitudes, at the national and Community levels and throughout society, in which all parties — government, social partners, Commission and Parliament — have a part to play.

In this connection, we are closely studying the three reports on different aspects of employment problems produced by Mrs Salisch, Mr Calvez and Mr Cerauolo, which you were discussing on Tuesday in Parliament. I do not want to say anything on the content of these reports, but I can say that they cover three important fields where the Council will be expected to

Tebbit

reach decisions. Your opinion, and the detailed analysis and debate leading to it, will be an important guiding influence. I need not emphasize to you that such matters extend far beyond my personal responsibilities as Secretary for Employment, or those of my counterparts in other governments of the Community, into those of our finance ministers and indeed others both in our Community and the rest of the world.

I have had a report on your debate on Tuesday, and will be looking carefully at the record. My impression of the debate was of a strong concern expressed by all political groups over the level of unemployment in the Community, especially amongst young people, and the need to find remedies which are practical and effective. I noted particularly what a number of speakers had to say about the impact of new technology on employment, presenting both challenge and opportunity. I agree that our discussions on employment must take full account of this.

I should now like to turn to the programme for the United Kingdom presidency, which will culminate in the meeting of the Labour and Social Affairs Council on 8 December. It is too early yet for me to predict the agenda, but I hope we shall be able to make substantial progress on draft directives concerning the protection of workers from hazards connected with lead. We also hope to see progress on asbestos. The Parliament has recorded helpful comments on the need for protection from the hazards of lead, and we are grateful for that advice. We hope, too, that the Council will be able to agree upon the implementation of the regulations for reciprocal social-security cover for the self-employed and to make progress upon the improved access to unemployment benefits for migrant workers. As many of you will know, the amendment of regulations covering the self-employed is the final step in a complicated legislative proposal which has attracted widespread support over many years.

I hope also to see progress on a number of other fronts. As your debate emphasized, and as I have said, the advent of new technology is confronting the Community with a series of challenges that cannot be ignored. Although it will be no easy task to reconcile the benefits of new technology with the social and industrial problems which it brings in its wake, we have no choice but to do so. We cannot stop the process of change, and we must solve the problems it brings or they will destroy our Community. Your discussion on Tuesday showed the wide range of views which are held on this subject.

We shall be meeting the social partners in the standing employment committee in November to discuss a communication which the Commission is preparing on new technology. I hope this will help to find a constructive approach by which the Community can profit from the new technologies.

We expect to receive from the Commission a number of other reports and communications over the new few months, including one on the disabled. The United Kingdom was one of the co-sponsors of the resolution adopted by the United Nations General Assembly, that 1981 should be designated as the International Year of Disabled Persons, and, like Parliament, we fully support its principle. We attach priority to ensuring early discussion of the Commission's communication with a view to producing Council conclusions. We also expect a social security memorandum and a discussion on the annual report on the Social Fund. We will ensure that all these topics receive careful consideration.

Other subjects are, I know, of current interest to the Parliament. The draft directive on complex undertakings is presently being considered by the Committee on Social Affairs and Employment and other committees in which you are currently developing your opinions. There is also the growing concern over working-time and various forms of work-sharing, reflected in your debate on Tuesday. On behalf of the presidency, I can assure you that the proposals in these areas will receive full and proper consideration in Council groups at the due time. However, it will be necessary to take full account of the differing traditions of Member States which vary in the extent to which they think that matters of this kind should be settled by legislation rather than by voluntary agreements.

I have already made clear my concern about unemployment as a Community as well as a national problem. The Community has a major instrument for improving employment opportunities in the European Social Fund. The Council has recognized that the Fund has an important role to play in the development of a Community response to unemployment. And I would like to conclude with a few words on how we see the Fund developing.

In its present form, the Fund has dispensed large sums in response to a wide variety of needs throughout the Community, whether associated with regions, particular economic sectors or groups with special problems. It is a signal achievement of the Community that so many people have found employment, have been trained or have otherwise benefited with the help of the Social Fund; but its style and scope of operations and its objectives were set at a time when the problems faced by the Community were in many respects of a different character and certainly on a different scale from those today. The Fund must be redirected to our present and future needs and made more responsive to them. The Fund is to be reviewed by the end of next year, and this review will test the willingness and the ability of the Community to respond to its current employment problems in ways which are both practical and effective. I would not wish to anticipate or prejudice the conclusions of the review, but we shall need to consider very carefully how the Fund can best

Tebbit

be used in response to such problems as the increase in unemployment amongst young people, the large job-losses which have been experienced in many regions of the Community, including those where various manufacturing industries have traditionally been predominant, and the many adjustments which the introduction of new technology will require in employment and training.

During my tenure of the presidency, I will try to ensure that these and other issues are fully considered in the work leading to the revision of the Fund. We should not delay, for these are important matters, and I look forward to starting this work when I meet my fellow Employment Ministers and Mr Richard next week for a full but informal discussion. I hope that will guide us to the issues which the Community will need to consider over the next year.

When Lord Carrington addressed you on 8 July, he said some cogent words about the renewal of the Community as one of the general goals which the United Kingdom presidency would be pursuing, along with an enlargement and an affirmation of Community identity. Since then, at the Anglo-French bilateral talks in London, President Mitterand introduced to us the word *relancement*, which carries the same meaning, and I am sure that in each language of the Community and in each government there is a word and a programme with that same meaning.

In my former role as a Minister of Industry, I have experienced what can be achieved during a single presidency when in the spirit of the Community, under the skilled presidency of the Netherlands, we reached agreement on measures to combat the crisis in the steel industry. Although the life of the presidency is very brief and the times and circumstances exceptionally challenging, it is my earnest hope that we shall together be able, through the measures I have described, to make some contribution to the renewal of the European Community more nearly meeting our hopes and those of the many millions of people whom we represent.

(Applause from the European Democratic Group)

IN THE CHAIR: MR JAQUET

Vice-President

President. — I call the Socialist Group.

Ms Clwyd. — Mr President, you will notice as time goes on that there is no great enthusiasm on my part for the arrival of Mr Norman Tebbit on the scene and I am sure that that must be true, too, of some of his

colleagues in the benches opposite. I notice this morning that they are rather thin on the ground.

(Applause from the Socialist Group — Cries from the European Democratic Group)

I take it that the Wets have stayed away as a protest against the recent Cabinet reshuffle. Indeed, I would show more enthusiasm for Mr Tebbit's fine words if I was not constantly reminded that one-third of the unemployed in the European Community are in the United Kingdom.

I would like to remind Mr Tebbit of when we last met. It was when he was meeting with Industry Ministers in Brussels, and I took along to meet him a group of redundant steelworkers from my constituency. I think it was the first time the Council had come face to face with the people who it is affecting through its policies. Mr Tebbit was rather unhappy. He said that he was not going to argue for increased social measures unless the other governments also argued for increased social measures. I hope that he will show more initiative in his new role.

(Applause from the Socialist Group)

I am sorry, Mr Tebbit, about all the unkind things that are being said about your appointment, things like 'Churchill would turn in his grave', or even 'Get out of it', or 'He has been sent to Employment to engineer a clash with the unions'. Indeed, you were quoted recently as saying that your predecessor was a dove, but not a chicken and that you were a hawk, but not a kamikaze pilot. A hawk, of course, is a predator, which hovers and then pounces viciously on its prey. Not a characteristic to boast about, I would have thought, but then maybe your critics will be proved right after all.

The issue of unemployment, Mr Tebbit, has dominated our debates not only over the last two days, but over the last two years. Its shadow has darkened every country in the Community and in countries like the United Kingdom it is part of a national economic disaster as well as a personal tragedy for millions of people.

(Applause from the Socialist Group)

The OECD recently forecast that by the end of 1982 there will be 26 million unemployed in the West. That is equivalent to the total working population of countries like Britain. It was mass unemployment that gave us Hitlerism and all its terrors, and if the Council continues to ignore the reality then who knows what kind of future faces the people of the Community if we allow mass unemployment to persist?

But with the United Kingdom Minister in the chair it appears that the United Kingdom Government is seriously out of step with its European partners about

Clwyd

the right economic strategy to fight recession and mass unemployment. At a recent meeting of more than 20 Finance and Economic Ministers, nine out of ten EEC governments said that in future the creation of jobs should not be put in second place to the fight against inflation and only the United Kingdom government maintained its belief that success in the fight against inflation was a precondition to being able to tackle unemployment.

Indeed the Commissioner for Social Affairs said only on Tuesday of this week that the Joint Council in June, and I quote, 'sought to bury the false and costly idea that inflation can only be cured by increasing unemployment. There is now only one Community government which still persists in that view'. And he went on to say, 'We in Europe cannot afford to be inhibited any longer by dogmatic views based on somewhat fragile theories about the causes and the cures of inflation. We must be prepared to explore all possible avenues in tackling inflation', and that includes discarding prejudices about workers, Mr Tebbit.

Recently you said that your main aim was to persuade people that the best way to keep a job was to work harder and better. Well, let me explode that myth as far as the workers in the United Kingdom are concerned. EEC workers do 10% fewer hours than do United Kingdom workers. Every other EEC country has longer holidays with a shorter working week and they get paid extra for their holidays. Wages are rising faster in every other EEC country. Only Ireland and Greece are below us in the league table of earnings. Wages are rising faster in every other EEC country. Not only that, but our pensions are the worst in the EEC. So is our maternity leave. Our paid time off for study or trade union activities is the worst in the EEC.

Those are the facts. My colleagues in this Parliament are only too well aware of the great mass of public hostility in the United Kingdom towards this Community. It is being blamed totally for the massive job losses in our country, being blamed in my view very often for problems which cannot be attributed to our membership of the Community but blame can be put on the economic strategy based on monetarist policies. Some monetarists are prepared to admit the truth, that mass unemployment is not just a transitional cost but a permanent feature of the economy they seek to create. In this Socialist Group we have spoken and written many words on the subject. In our view socialism was not created by its founders just to manage capitalism but to bring about a transformation to a socialist society, including policies that do not harm working people but protect them from the problems created in a capitalist society for which they, the workers, are not responsible.

(Applause from the left)

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr von Bismarck. — *(DE)* Mr President, ladies and gentlemen, I shall not intervene in this discussion on national problems. I should simply like to advise this charming young lady to come once and spend a couple of months in Germany, in order to see how the two sides of industry which you just referred to have learned to talk to each other there. Then you will understand that it is pointless to lay accusations as you just have, because you then must bear all the inconvenience of coming to grips with the arguments which are based on the experience we have.

I should particularly like to thank the President-in-Office of the Council for having firmly situated the relationship between social and economic policy at the beginning of his speech. If we cannot grasp the fact that economic and social policy are interwoven then we shall throw away our chances of success.

(Mixed reactions)

It does not serve the interests of the workers for Parliament to act as if these were two mutually exclusive policies. On the contrary they are complementary. We in the Christian Democratic Group are convinced that economic policy must indeed be an important part of social policy, whilst remaining subordinated to it. One simply needs to understand how these two parts interact, and I am very glad to see that the President-in-Office of the Council described inflation and unemployment as two sides of the same coin. This means that inflation produces unemployment.

(Applause)

Of course, we cannot wait until inflation reaches zero again, before starting to repair the damage it has caused. If, however, one wishes to play down the problem of inflation whilst acting against unemployment, then one is damaging the chances of the unemployed of the future. Inflation is one of the main causes of unemployment, since it means that something is distributed that has not been produced and this is always to the disadvantage of the poorest! I am glad that the British Government has clearly recognized this fact and was prepared to take it upon itself to repair the consequences of earlier errors of judgment. One ought not to reproach is for this.

(Applause from the right and the centre)

Ladies and gentlemen, what does this mean in practical terms? I cannot go into details in the short time I have. We must start in this House to get what these two problems have in common into better perspective. And I repeat that economic and social policy belong together. One ought therefore not to split them up and from time to time try to use one as an excuse for the other.

Secondly, we must turn to the Institutions. In those countries in which workers and employers are on

Bismarck

opposite sides of the social fence, in some countries as in Germany with a great deal of freedom of movement, it must be made quite clear that wage deals are economic factors. And you cannot simply get out of this by saying 'those are the bosses, we are only here on a social pretext'. No, trade unions which strive to increase wages, are dealing in economic policy data. They must know this and take the responsibility for it. On the other hand, anyone who for personal reasons approves salary increases which he cannot pay, is committing just as great a sin with respect to inflation. I am pleased that the British Government is undertaking to bring home to the unions that they should bear a responsibility for tomorrow's jobs, particularly the decisions taken at the pay deal line — in Germany this is called the pay deal front, which is a bad term.

Now, however, we must come to the question of the power of the state and the Institutions. Mr President-in-Office, the Council is, in spite of the failings which we can see, the only power amongst our Institutions. If it cannot resolve to take decisive steps, if it cannot even dare to say — and I am saying this quite deliberately — that the European union exists, that there is no way back, then it will continually come up against the problem that individual Member States do not want one thing or another and will only accept package deals. What Europe is suffering from is the Council's reluctance in deciding that the union does exist and that there is no way back. The Council has developed into a national representative body, it has become the symbol of European nationalism, which can only make us all fear whether Europe will ever really reach fulfilment.

The Commission — it is not represented on the front bench today, and I think this is very regrettable — has to know that it, as the most independent body of all, must state everywhere what is needed. The citizens are represented by us, but we need the Commission. It ought to listen to us and not keep quiet when it ought to be showing courage!

(Applause)

Mr President, the Council ought to know what the Commission wants and the President-in-Office of the Council must have the courage to risk his neck — and not just to take those diplomatic initiatives which please everyone. It is a pity that I cannot tell him that to his face. Since as he is not here he doesn't have any opponent, and he needs an opponent of whom he should be a little frightened, but not one of whom he is perfectly aware that he can put to him diplomatically what he ought and ought not to do. This House ought not to let itself be denied of its right to speak to the President-in-Office on equal terms.

Whenever specific plans are put before us — and therefore this means plans which concern the consequences of inflation and how to find them — then we are indeed in a position to unite. We showed that

yesterday on a very controversial matter. We Christian Democrats will strive to see to it that Parliament can unite and say to the Council and the Commission: 'You are responsible for the present backsliding in Europe.' We shall say that publicly, not just in this House but all over Europe!

(Applause)

President. — I call the European Democratic Group.

Mr Patterson. — Mr President, it is clearly difficult to follow that superb speech by Mr von Bismarck.

If he overran his time, I would cheerfully give him some of mine. What he was saying was well worth hearing.

(Interruption)

I am neither wet nor dry; that is a sort of mythology which one likes to create about serious politics.

I would like to begin by congratulating the President-in-Office on his new national responsibilities. He will have been reminded already many times no doubt that they were described by a predecessor of his as a bed of nails. In addition to all his other problems he is faced with an opposition in his own House of Commons which makes what Mrs Clwyd just said sound even moderate and reasonable. We on this side of the House do not, however, believe in bringing national political psychosis into this forum. That is all I shall say on that matter.

(Laughter)

His other responsibility is as President for the next three months of the Labour and Social Council. On behalf of my group I welcome the programme which he announced for that short period and particularly the work that is going to be done on social security for the self-employed, something which should have happened a long time ago. However, as he himself has pointed out, he faces the problem that the Community has 9 million unemployed. As my colleague, Mr Spencer, remarked in the debate, that is 8 000 additional unemployed for each one of us since we were elected. We are aware that at national level the problems of solving unemployment without inflation are particularly acute, but this group has the belief that in any case the kind of actions that can be taken by individual national governments on their own are very limited indeed. We believe that only by acting together as a Community can the ten national states ever do anything at all to provide a real cure for unemployment. As we were reminded during the debate, we are, as a Community, the world's largest trade and aid-giving organization. We have a dominant responsibility in the whole world and we have not merely a

Patterson

responsibility to cure unemployment in Europe but in the whole of the free world. That is the measure of the responsibility which the new Secretary of State now finds thrust upon him.

He mentioned the inevitably limited resources available to the Community, so that what I say may sound rather far-fetched. However, even at this level many things can be done. The budget is being restructured, as the Secretary of State reminded us, and it is our belief, and indeed the belief of this Parliament, that more resources must be shifted into the social and regional policies and away from other matters. The Social Fund, in particular, is now almost doubly over-subscribed. Perhaps, when the time comes, he will have a word with his Treasury colleagues about the amendments which this Parliament will be putting down to the budget, bearing in mind that it is very much in the interests of the United Kingdom to see an enlargement of the Social Fund. The Social Fund is being restructured, as the President-in-Office pointed out, and, to sum up the belief of my group, I can do no better than refer him to a document from Parliament's Budgetary Control Committee, which says that the criteria should be whether or not permanent jobs will be created in sectors with a future, so as to tackle the causes of unemployment and not merely the symptoms. I think that should be the watchword in any reform of the Social Fund and indeed of the Community budget.

However, much more can be done, and the European Community as a whole has access to much larger resources, much larger possibilities, than just the budget. I commend to him the speech by my colleague, Sir David Nicholson, who pointed to the enormous possibilities for a massive programme of modernization of European industry by mobilizing the borrowing facilities of the European Community and the European Investment Bank. I commend to him the speech by Sir Fred Catherwood, who showed what could be done by this European Community to cure the world recession by mobilizing the resources of the Gulf States.

Mr President-in-Office, you mentioned that the life of the Presidency is very short. We wish you well, however, in the short time that is available and we look forward to seeing your colleague, Mr Alison, in our Social Affairs Committee. However, even if your life as President here is short, your life in national politics, I am sure, will be long and we wish you very well in your new job.

(Laughter from the left — Applause from the European Democratic Group)

President. — I call the Communist and Allies Group.

Mr Ceravolo. — *(IT)* Mr President, we all note the President-in-Office's promise that due consideration will be given to the outcome of our debate. But we feel that in addition to such consideration, which we much appreciate, now is the time for courageous decisions, for decisions on economic policy and social policy. In fact, in our debate, we did not consider that social measures alone could solve the unemployment question. The President-in-Office of the Council himself, in addition to mentioning the various aspects of unemployment, stated that it raised not just economic, but moral, cultural and social questions. This is an extremely serious problem and I think that we need to take wide-ranging decisions. We all agree that the stances differ from one Member State to another, and we do not want mere outline decisions which apply to all the States and all sectors. However, we do want a general political initiative at Community level to make progress and for the various sides of industry to meet and take specific decisions for the various sectors.

I think that the advantage of open debate on motions for resolutions and of what I have had the honour to say today is that it highlights the fact that the Social Affairs Committee has been devoting its attention to understanding the new facts of the situation for a long time, particularly the fact that unemployment is a new structural factor and that re-stimulating the economy will not of itself be sufficient — even if this might prove to be true in the short term, which is something no one can foresee — to absorb the present levels of unemployment.

Therefore, what is needed is to find new social measures and clearly define the new structural characteristics. It seems to me, in this respect, that the data we have, both at world and Community level, do not confirm the hypothesis that the best way of fighting unemployment is simply to fight inflation. In actual fact it seems to me that, and here I am trying to think pragmatically as does the President-in-Office of the Council, that what is happening is that people are trying to fight inflation by unemployment.

We have the examples of the United States or the United Kingdom in which this economic strategy is taken to its extreme, however, the outcome of this has been to produce a huge increase in unemployment.

In fact, the problem — and in this connection I much appreciated what Mr Richard of the Commission told us about the fact that there was no need to fight inflation by unemployment — is that this unemployment is linked — and it seems to me that the President-in-Office of the Council said this — to all the various processes of technological restructuring. By supporting

Ceravolo

a reduction in work-time, we do not understand by this a drastic reduction, but a gradual reduction which guarantees the maintaining of the level of competitiveness of the Community economy and makes allowance for the specific needs of the various sectors and countries in the Community, in accordance with agreements between both sides of industry. Nonetheless, we support this notion without considering it the only strategy to be used in order to fight unemployment, and it is not intended as an encouragement to stop working or work less.

I think it is difficult to accuse us of having such an idea when the present economic processes have placed beyond the pale of the productive system, and on a long-term basis, approximately 10 million workers and when public spending is burdened down by outlay in order to pay for work not done. It is difficult to state that workers do not want to work or that they want to work less at a time in which we ought to work more.

It is the sheer momentum of the crisis which has meant that such huge levels of unemployment have lost their impact!

Not enough account is really taken of the fact that this technological revolution requires a new type of work which is superior in quality and based on a new sort of professional qualification. The real problem is one of guaranteeing the complete retraining of the workforce in order to ensure that the transformation process will be carried out with the necessary competitiveness and speed. The real problem we are now debating is not so much the amount of work, but its quality, because from the quantity viewpoint we are all trying to find the new sectors in which this mass of workers could be put to work. This is so true that we can already see in various countries, and this problem is going to worsen, an imbalance between the supply and demand of jobs precisely in the most advanced sectors, and in the new sectors which are offshoots of them and in old economic sectors which have been restructured using new technologies.

Therefore, restructuring working time with a view to job mobility, flexibility and reduction is not just a question of sectarian demands or partisan attitudes but is an operational problem both in terms of organization and of organizational techniques. What is the point, for example, of job mobility if one does not have the time needed to retrain?

Therefore we ask, as is being more and more recognized, that costs should be viewed from this wider standpoint, and that a far-sighted attitude should be adopted, that the increase in productivity and the benefits accruing from it should be used to offset the repercussions on a social plane of the pernicious effects of unemployment. In fact, if this level of unemployment should persist, then it would simply put a brake on the technological transformation of our production system.

This is why we ask that courage be shown in social measures as well as in economic measures, and that when decisions are being taken, efforts should be made to show the workers that the Community has a coherent programme for fulfilling their rightful aspiration to work.

President. — I call the Liberal and Democratic Group.

Mrs Tove Nielsen. — *(DA)* Mr President, on behalf of the Liberal and Democratic Group, I should like to thank the President-in-Office very much for his speech here today. I think it was a very well-balanced effort which testified to the seriousness with which he views a situation in which we have over nine million people unemployed. I very much hope that we are not going to get dragged into a party political free-for-all, with the Socialists riding their customary hobby-horses into battle. The unemployment situation is far too grave for us to waste time on the kind of thing Mrs Clwyd came out with just now. I absolutely and utterly dissociate myself from that kind of thing.

I should like to thank the President-in-Office for underlining the importance of viewing economic policy in conjunction with social policy. These two things are inextricably linked. That is why I said in Tuesday's debate how important it was that we should contain inflation and stress the need to restore economic stability and growth within the Community so that the companies of the Community can carry on making the kind of products the world wants to buy and ensure that we remain competitively viable. That is the only way we shall succeed in creating all the new jobs we so urgently need.

I was also pleased that the President-in-Office underlined the fact that we must regard the new technology as a challenge. We hear so much talk nowadays of technology-induced unemployment, and I would not deny that such a thing exists. The fact is that we have unemployment wherever we have not cottoned on to how to exploit the new technology or wherever we simply do not want to do so or wherever we have actually opposed the new technology. The fact that we are deriving no benefit from the new technology and that we refuse to take up the challenge presented by the new technology tends to exacerbate our unemployment problem. The root cause of technology-induced unemployment is our resistance to the new technology. We Liberals are in favour of welcoming the new technology as giving us the chance to play a part in moulding the future shape of society and improving the quality of life in that society.

I should also like to thank the President-in-Office for emphasizing the point that, as far as the question of working time is concerned, he is perfectly well aware that conditions differ from country to country. In

Nielsen

some countries, this is something which is dealt with by way of legislation, whereas in other countries it is something for which the two sides of industry are responsible. In my capacity as an MEP for Denmark, I should just like to say that this is something I am acutely aware of, because in Denmark we have a tradition whereby the question of working time and many other things to do with the labour market are the responsibility of the two sides of industry, and that is a heritage we must never destroy by trying to impose something over the heads of the two sides of industry.

Let me conclude by saying that, if we in this House persist in talking about the unemployment situation outside the Community's real terms or reference — for instance, precisely what I mentioned just now about seeking to harmonize the Member States' economic policy and seeking thereby to create jobs — we shall be running a risk of the Community being blamed for the high level of unemployment, and that too would be wrong. It is not the Community's fault that we have so many people unemployed. The real fault lies with the wrong economic policies pursued by the Member States. The Community can do something to ensure that the Member States' economic policies are coordinated and thus help to bring about the kind of economic growth and stability which will in turn engender more jobs.

(Applause from the centre and from the right)

President. — I call the Group of European Progressive Democrats.

Miss de Valera. — Mr President, dear colleagues, I find it somewhat disheartening that although there have been many debates in this Parliament on the extremely serious situation concerning employment, as yet no concrete guidelines have emerged to tackle this immense problem, which in my view is one of the most serious matters facing the Community. The unemployment situation has deteriorated dramatically. In June of this year, 8.5 million people were unemployed — that is 7.8% of the working population. I call on the European Parliament to stimulate a change in our approach to the creation of employment. We need a concerted effort in fighting the ravages of unemployment. If we as Members of this Parliament are not ready to accept this challenge then the Community institutions and European unity are at risk.

The social effects of unemployment are great and put a great strain on the fabric of society, and unless we as the elected representatives define clearly the essential general features of this crisis and propose a global strategy to combat unemployment, then I believe that the democratic system is at risk. European Progressive Democrats note that the unemployment situation has been affected by a number of factors, not least the recent population trends, the increase in the female

labour force, the enlargement of the Community and the pressure of emigration. But two factors have emerged in this crisis at which I am particularly concerned. They are the unemployment among young people and the unemployment among women.

Unemployment among young people is tending to worsen, and because of this very many young people are becoming more disillusioned with political institutions, as they feel that there is not a deep enough commitment among politicians to job creation. A programme of education, training and work opportunities for all young people after they have completed their compulsory education should therefore be immediately introduced, based on linking work and training programmes and, of course, taking into account the impact of technological innovations on the employment labour market.

In order to tackle the unemployment situation seriously, it is necessary that we in the Community link our social policy with our economic policy and philosophy. This entails a global strategy based on the need to combat inflation, to ensure monetary stability and economic growth. One essential and fundamental factor is that there can be no job creation without the stimulus of productive investment, and it is regrettable that the Economic and Social Committee in Brussels fails to attribute sufficient importance to this fact. There is a need, therefore, for increased expenditure on productive investment, directed primarily towards reconstructing industry, reducing our dependence on oil and improving infrastructures.

Community action on unemployment must be based largely on various Community financial instruments and the contribution they can make to creating and maintaining employment. To this end, I would like to see the financial resources of the Regional and Social Funds increased. At the moment aids of this type from the Social Fund are helping to improve the position of young people, but more funds must be made available to alleviate the situation which both young people and particularly women find themselves in at this particular time with regard to employment.

One short word, Mr President, with your permission, on the question of reducing workingtime. The reduction of workingtime is not a solution to the unemployment crisis. It cannot be a social policy in itself but rather the result of a successful social policy.

I wish to compliment all those who have made interventions over the past two days on the employment crisis, and my hope is that we here in this influential forum can help mould a policy to combat employment and to help relieve the suffering which unemployment has caused so many of our people.

(Applause from the centre and from the right.)

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mrs Hammerich. — (DA) Mr President, in the time between the European Parliament's last debate on unemployment in 1980 and this present debate in 1981, the number of people unemployed has risen by quite a few million. I am not claiming that there is a direct link between the number of words uttered in this House and the number of people unemployed, but I would claim that there is a link between the basic policy pursued by the European Community and developments on the labour market. I should like to confine myself here to modern integration theories. The kind of integration we have, by and large, had so far in the Community has been 'negative integration', i.e. whereby the mobility of capital has been boosted, obstacles to trade removed, Community-wide tendering introduced, and so on. Those are the kind of things we notice from day to day and which have already had repercussions, in Denmark as everywhere else.

If the financially strong companies are free to move wherever they like and to produce whatever they like, they will inevitably congregate wherever costs are lowest. The result is lopsided development and the creation of peripheral zones and islands of unemployment.

Unemployment has increased dramatically in some places, worst of all in the United Kingdom, followed by Denmark. Indeed, we might say that we have been forced to import unemployment since 1973, when the figure stood at 22 000, to now, with a total of 300 000 people out of work. This is not directly the fault of membership of the European Community, but it has been exacerbated by membership of the Community.

The effect of belonging to the European Community is that the national governments are not free to seek radical remedies. It is a fact that the national governments have surrendered certain of their economic instruments to the Community, for instance, customs duties, restrictions on movements of capital, support for firms in a particularly precarious state, government manipulation of investment, and so on. There are debatable points here, but the fact is that these are all instruments which have been surrendered by the Member States to the Community.

In other words, national governments have been weakened or neutralized, while the major companies have not been subjected to any central control. Things have not been as bad in the countries which have not surrendered these economic instruments to the European Community; for instance, no crisis in the form of mass unemployment has occurred in Norway, Sweden or Austria. In the long run, of course, none of these countries will be able to avoid a certain decline,

because they are inevitably affected by the crisis in the USA and European Community. However, they have so far managed to shield their people from mass unemployment precisely by making use of national *dirigiste* instruments. Future developments in these countries will of course also depend on what kind of government is elected into power.

But, by and large, we are bound to say that what the Community has achieved so far has been to lighten the load borne by the multinational companies and weaken the position of the national governments. Let us for a moment take a look at the Commission's proposals in this regard. What precisely is the Commission proposing?

Generally speaking, the major companies have not been called on to create any new jobs. However, there are plans for interfering in trade union negotiations. There are plans for tripartite negotiations and for price restrictions, and there are also plans concerning the effect the new technology may have on working time and on labour market conditions in general.

None of these schemes are foolish in themselves, but taken together they may result in the national trade-unions likewise being neutralized and weakened. First the national governments, then the national trade unions. And in their stead we shall have tripartite negotiations which, when all is said and done, amount to negotiations among an elite.

We are in favour of a more innovative and independent policy in place of this kind of elitist *dirigisme*. What we want is a policy which makes a serious attempt to involve a broad section of the population in society as a whole in the various social movements, and which seeks to strengthen the organization of these movements and their popularly elected forums rather than weakening them.

President. — I call the Council.

Mr Tebbit, President-in-Office of the Council. — Mr President, ladies and gentlemen, since I address the Parliament and you, Sir, as President-in-Office of the Council, I would not wish to lower the dignity of that office and of our Community, to which my Government is totally committed, by responding to attempts to drag partisan differences between the pro-European and the anti-European parties in the United Kingdom into our affairs here in the Community.

(Mixed reactions)

Mrs Clwyd therefore will understand if I assure the Parliament that I have heard what she said and if I leave the matter there. I am grateful to have heard what other Members of the Parliament have said. Particularly, I am grateful to Mr von Bismarck and to

Tebbit

Mrs Nielsen, to my countryman, Ben Patterson and to Miss De Valera, with whom of course I share the English language and share some terrible problems within our islands. I am grateful to these on the benches facing me, and to Mr Ceravolo, behind me. I hope Mr Ceravolo will not be embarrassed if I say that I agree with almost all of what he said and I thought he powerfully repeated the conclusion reached by the Council on 29 and 30 June namely that the highest priority should be accorded to coordinated action against unemployment and inflation including efforts aimed at structural adjustment.

Mr President, I have found in my work in the Community, as a minister in other departments, that there can be the greatest goodwill and the greatest constructive efforts exerted by people who come from opposite ends of the political spectrum and from opposite ends of Europe. This Assembly here, the presidency, the Council and the Commission, are devoted to increasing that spirit of comradely cooperation despite those differences across Europe. I, for my part, during the presidency, will seek to use the institutions — all of them — to that end, most notably, of course, the Social Fund, which will be my particular responsibility during these months to come.

(Applause from the centre and from the right)

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

IN THE CHAIR: MRS VEIL

President

4. *Votes*^{1, 2}

President. — The next item is voting time. We shall begin with the *Draft amending budget No 1 of the European Communities for 1981 (Doc. 1-432/81)*.

On Item 6912, I have proposed modification No 1, tabled by Mr Fanton on behalf of the European Democratic Group, with a negative opinion of the Committee on Budgets.

I call the rapporteur.

¹ The report of proceedings includes only those parts of the vote which gave rise to speeches. For a detailed account of the voting, refer to the minutes.

² *Agenda*: see minutes.

Mr Adonnino, rapporteur. — *(IT)* Madam President, I just want to announce very quickly that the Committee on Budgets was against this proposed modification because it felt it was necessary — and this came out in the debate — to adopt the amending budget No 1 at a single reading.

As for the substance here, since we are talking about the allocation of funds as a result of a decision which has already been taken by the Commission for additional distillation of wine, following the problem which has emerged between France and Italy, I think that Parliament and the Commission are hoping that the funds are already in the budget or that the Commission can specify them in the supplementary budget No 2, the presentation of which has already been announced. Consequently, we are against this proposal for the time being, since we want to have the budget adopted at a single reading, even though we agree in principle. With these words I want to say again that the Committee on Budgets is against the adoption of this proposed modification.

President. — I call Mr Fanton.

Mr Fanton. — *(FR)* Madam President, I just want to ask the Commission if it can answer Mr Adonnino's question, as this could perhaps help the proceedings.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — *(DE)* If I may, Madam President, I should like to give the following answer. The Council decided on 12 August 1981 that a second special *tranche* for wine distillation should be granted. The draft amending budget No 1/81 was adopted by the Council on 23 July 1981, i.e. before this decision.

The Commission is following the development of funds in this area with particular attention and it has already given the Council an undertaking that it will see to it that the necessary funds will be available here. On behalf of the Commission I should like to give this same undertaking to the House. An immediate and additional increase in the level of the funds is not absolutely essential, since out of the 348 million EUA available under the budget for wine distillation we still have about 135 million to play with. In any case, the preliminary draft amending budget No 2/81 is currently being drawn up, as the Commissioner with responsibility for the budget, Mr Tugendhat, informed the House on Tuesday. The adjustments which are necessary in the allocation of EAGGF funds in the guarantee section will be implemented then.

President. — I call Mr Fanton.

Mr Fanton. — (FR) Madam President, I have understood — although I am not sure that I have got it right — that the Commission gave an undertaking to enter in the amending budget No 2 the appropriations necessary to implement the decisions taken in August. In these circumstances, I withdraw the amendment.

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President. — We shall now consider the *motion for a resolution contained in the Adonnino report (Doc. 1-465/81): Draft amending budget No 1 of the European Communities for 1981.*

(...)

Paragraph 1 — Amendment No 3

Mr Adonnino, rapporteur. — (IT) Madam President, the Committee on Budgets was against this amendment since it felt that the motion simply outlines the principles which guide Parliament on the budget, without going into a detailed analysis of the policies to be followed. This would upset the thinking behind the drafting of this motion.

(...)

After paragraph 3 — Amendment No 1

Mr Adonnino, rapporteur. — (IT) The Committee on Budgets decided against this amendment, Madam President. Anyhow, I get the impression that this amendment stems from the proposed modification which Mr Fanton put forward. As this has been withdrawn, I think this amendment should also be withdrawn. If it is put to the vote, we are against it.

President. — Are you withdrawing your amendment, Mr Fanton?

Mr Fanton. — (FR) The two are not connected, Madam President, but I withdraw the amendment in view of the Commission's explanations just now.

(...)

Paragraph 4 — Amendment No 2

Mr Adonnino, rapporteur. — (IT) I am against, Madam President, because it changes the idea that the

motion is trying to express. This amendment says the exact opposite. I am therefore against its adoption.

(...)

Paragraph 6 — Amendment No 4

Mr Adonnino, rapporteur. — (IT) Here again, Madam President, ladies and gentlemen, the draft amendment submitted by Mr Pannella, even though it adds something to the text, upsets the basic idea. We are therefore against the amendment.

(...)

President. — Explanations of vote may now be given.

Mr Poniatowski. — (FR) Madam President, I shall make a personal explanation of vote.

The chairman of the Committee on Development and Cooperation finds it difficult to accept the way in which we were consulted. Of course, I fully understand all the difficulties of this budget debate: this draft budget was put before us only at the beginning of September and, as a result, the Committee could not be effectively consulted on the subject. In any case, even if it had been, it would hardly have been able to give its opinion in a useful way. Indeed, the agreement in the conciliation procedure between the Parliament delegation and the Council dealt with the various problems, and development questions were sacrificed in advance on the altar of the budgetary dispute. My last comment is that, contrary to what has been said, there was no improvement for development appropriations. There was merely an adaptation of agricultural prices, and this simply means a quantitative increase of 1 000 tonnes of sugar, the appropriations having been adapted for non-associated developing countries. This is not in fact an increase but an adaptation to appropriations already committed. That is why I personally shall abstain in this vote.

Mr Fanton. — (FR) Madam President, the European Progressive Democrats Group is not hostile to this amending budget, for we realize that large sums must not be left unused in the course of the year. But I think what Mr Poniatowski has just said about the budgetary procedure shows that it does cause problems. Moreover, the brief discussion which was devoted to appropriations for wine distillation — a decision taken this summer — shows that the concept of an amending budget must be handled with care. When we hear, precisely when we are voting on Amending Budget No 1, that there will be an Amending Budget No 2, it is impossible for us not to be somewhat concerned. At all events, the Commission must commit itself today — and that is why I used a double negative just now — to guaranteeing, in particular, the coverage of the

Fanton

agricultural expenditure which will arise before the end of the year. Just now the reply on wine was positive, but it must be clear that these amending budgets cannot be a normal method of managing the common agricultural policy.

That said, the European Progressive Democrats Group will not vote against this amending budget.

Mr Romualdi. — (IT) Madam President, I just want to say that we shall be voting in favour of the amending budget before the House.

(Parliament adopted the resolution)

President. — The procedure provided for under Article 78 of the ECSC Treaty, Article 203 of the EEC Treaty and Article 177 of the EAEC Treaty has now been concluded.

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* *

President. — We shall now consider the *Spinelli motion for a resolution (Doc. 1-466/81): Presentation of the 1982 draft budget.*

Paragraph 1 — Amendments Nos 5, 1, 3 and 2

Mr Spinelli. — (IT) Madam President, the Committee on Budgets is against these four amendments.¹

(...)

President. — Explanations of vote may now be given.

Mr Romualdi. — (IT) Madam President, we shall be voting in favour of the motion for a resolution because we are convinced of the need to review the budget structure by means of reforms in the light of the necessity to improve cooperation policy and the control of agricultural expenditure, especially with regard to surpluses and the need to exceed the 1% VAT ceiling, which is essential if we are going to finance adequately the policies which need to be pursued.

Mr Kappos. — (GR) Madam President, we Greek Communists are categorically opposed to the draft

budget for 1982 because we consider it oppressive and anti-social.

Firstly, the aim of the budget is to strengthen unification in the fiscal, monetary and economic sector, with all the negative consequences for the national sovereignty of the individual Member States.

Secondly, the budget imposes new burdens on ordinary people, particularly in the case of the co-responsibility levy on farmers.

Thirdly, it reduces expenditure on the guaranteed agricultural prices, and taken in combination with the lower increases in the prices paid to farmers, we feel this would mean an absolute worsening of the position of farmers.

Fourthly, it is not based on a policy of opening up the markets, with a view to putting an end to the system whereby agricultural produce is destroyed.

Fifthly, it makes appropriations available for military research.

Sixthly, it provides funds for a restructuring of industry which will essentially benefit the monopolies.

Finally, on this occasion we cannot but condemn the fact that the Greek Government has been haggling over the 1982 budget and distributing cheques just before the elections, maintaining that they came from the EEC. We regard this action on the part of the Greek Government as unacceptable.

Mr Notenboom. — (NL) Madam President, I should like to say on behalf of my Group that we intend to vote against, which we very much regret, since we wholeheartedly support Mr Spinelli's original resolution. However, with the adoption to the amendment to Paragraph 1 the whole resolution has taken on an anti-agricultural character, which we cannot accept. In this spirit, therefore, we support the rest, but we find that the massive alliance which has just come into being is such that we should like to sound a warning regarding the entire budgetary procedure by voting against the resolution.

(Parliament adopted the resolution)

President. — We shall now consider the *motion for a resolution contained in the Salisch report (Doc. 1-164/81): Energy problems and technological developments.*

(...)

Paragraph 2 — Amendments Nos 5 and 6

Mrs Salisch, rapporteur. — (DE) I am against both amendments, and I should like to say right away that I

¹ The author also said he was against Amendments Nos 6 and 7.

Salisch

have the feeling that Mr Galland has not properly understood the content of this report. I want the House to note the fact that this is not a report about energy problems but one about jobs.

(...)

Paragraph 4 — Amendments Nos 7 and 15

Mrs Salisch, rapporteur. — (DE) I am against the amendment, Madam President. At the same time I should like to say that I can fully understand Mr Brok's view, but the opinion of the committee is reflected better in the text of the motion.

(...)

Paragraph 8 — Amendments Nos 11, 38 and 18

Mrs Salisch, rapporteur. — (DE) I am against all three amendments, Madam President, but I would add that Mr Brok's amendment comes closest to the version by the committee.

(...)

Paragraph 9 — Amendments Nos 20 and 12

Mrs Salisch, rapporteur. — (DE) Here again, Madam President, I am against both amendments, although Mr Brok's amendment is closest to the committee view.

(...)

After Paragraph 12 — Amendment No 1

Mrs Salisch, rapporteur. — (DE) I am in favour of subparagraphs (a) and (b) but against subparagraph (c).

(...)

Paragraph 14 — Amendment No 22

Mrs Salisch, rapporteur. — (DE) I recommend rejection, Madam President, and there is a reason for this. With this amendment Mr Brok is getting away from the version by the committee, because he simply wants to ignore the short and medium-term effects of the increased use of microelectronics. In my view, this is a very important paragraph in the motion and I really feel the amendment should be rejected.

(...)

Paragraph 15 — Amendment No 34

Mrs Salisch, rapporteur. — (DE) I am against, because the original text is much clearer.

(...)

Paragraph 22 — Amendments Nos 35, 42/ corr., 45 and 23

Mrs Salisch, rapporteur. — (DE) I am against these amendments, Madam President, but would add that Amendment No 45 by Mr Modiano comes closest to the committee version.

(...)

Paragraph 27 — Amendments Nos 44/corr. and 27

Mrs Salisch, rapporteur. — (DE) I have no recommendation to make about Amendment No 27. Mr Beazley is obviously a bit worried about specific agreements between the two sides of industry and has accordingly adjusted the text slightly, but it is not a big change. On the other hand I recommend rejection of Amendment No 44/corr¹.

(...)

President. — Explanations of vote may now be given.

Mr Romualdi. — (IT) Madam President, we shall be voting in favour of this motion for a resolution tabled by Mrs Salisch on behalf of the Committee on Social Affairs and Employment because we are hoping — although this is not entirely borne out by the document — that it can help to improve the employment situation which at the present time is in a parlous state in every country of the Community. We are having to cope with bewildering technological advances, and if things are not properly controlled the employment situation could get worse rather than better, with adverse effects on the economic and social balance and set-up of society, which at the present time needs to use all its resources to pull through the crisis.

Mrs Salisch, rapporteur. — (DE) Madam President, ladies and gentlemen, I should like to make the following statement on behalf of the Socialist Group. The aim of my report was to indicate that microelectronics and the introduction of particular energy sources would have far-reaching repercussions on the job situation in Europe and that in view of the grow-

¹ The rapporteur was

— in favour of Amendments Nos 3, 4, 17, 21, 24, 26, 28, 30, 32, 33, 37 and 41;
— against Amendments Nos 2, 4, 8, 9, 10, 13, 14, 16, 19, 25, 29, 31, 36, 39 and 43/corr.

Salisch

ing army of unemployed we cannot fail to take a careful and responsible look at the problem and ask ourselves how fast we want to introduce microelectronics, so that we can see the effects it is going to have.

Parliament has altered some important parts of this resolution today. It is my view that it is quite irresponsible to say that nuclear power is the cheapest source of energy. My main reason for saying this is that I am fully aware of the disposal problems we have in Europe.

(Applause)

I just cannot understand such shortsightedness.

There are some other points — and I make no bones about it — on which as rapporteur I am almost reduced to tears. I should also like to point out that in the Committee on Social Affairs and Employment we had a tough time before we arrived at a common position. Unhappily, I now see that this position has been drastically altered. The resolution nevertheless still contains an essentially important approach in some of the crucial points and to that extent I should like to say that personally and on behalf of the Socialist Group, albeit with some degree of regret at this Parliament's shortsightedness, we shall in spite of everything be voting in favour of the resolution.

(Applause)

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution contained in the Ceravolo report (Doc. 1-425/81): Employment and the adaptation of working time¹*.

Subparagraph (b) of paragraph 6

I call Mr Enright.

Mr Enright. — Madam President, I am extremely concerned because it seemed to me that a vote was cast over there in a seat which is not occupied, by a gentleman who does not belong to that seat. We have

had that before and I think it quite disgraceful and against the repute of this House.

(Applause)

The name of the gentleman who seemed to vote from the chair behind him is Mr Klepsch.

(Protests)

President. — Each person votes here on his or her own behalf and everyone knows it. I have enough trust in the Members to be certain that each person votes solely for him or herself.

I call Mr Enright.

Mr Enright. — I am sorry, Madam President. I do agree entirely that Members should be conscientious and that we should be able to trust them but where, in fact, Members contravene the rules of this House, what penalties do we have against them and what action should we take?

(Applause)

President. — If you wish, we can take a roll-call vote because in this way the vote can be checked. As long as I have not been given any proof or have not seen with my own eyes that one of the Members voted for someone else at a seat which was not his at the same time as he voted in his own place, I can take no action. If you want to, we can call a roll-call vote.

I call Mr Enright.

Mr Enright. — It seems to me that in this case my integrity is being impugned. It is quite clear that Mr Klepsch did not leap to his feet do deny the allegation that was made and certainly had such an allegation been made against me, I would have done it instantly. It is, of course, difficult to prove inasmuch as the lights have gone off, but those who were sitting near Mr Klepsch know perfectly well what happened.

(Applause)

President. — Mr Enright, I should like this matter to be closed. There was so much confusion over the vote on subparagraph (b) of paragraph 6 that I asked for an electronic vote myself.

The two votes which took place tally and I cannot imagine that Mr Klepsch voted twice. As far as I am concerned, I did not see him vote twice. Your allegation is a serious one. We cannot accuse another Member of cheating unless we have formal proof.

¹ *Membership of Parliament: see minutes.*

President

I call Mr Harris.

Mr Harris. — Madam President, with the greatest respect the matter cannot be left there. Mr Klepsch, against whom a serious allegation has just been made, must be given an opportunity of making a personal explanation.

(Applause)

President. — I am sorry, Mr Harris, but it is up to Mr Klepsch to ask to speak or not. He simply asked for a roll-call vote.

I call Mr Klepsch.

Mr Klepsch. — *(DE)* Madam President, in reply to Mr Enright's query, Mr Ligios was standing at the back and he signalled to me because he could not manage to come forward.

(Cries)

He is here in the Chamber and you can ask him. I pressed the button for Mr Ligios because he could not cover the distance from back there down here in the time available.

(Renewed cries)

In addition, I have now myself asked for a roll-call vote.

President. — Ladies and gentlemen, I am very sorry about this incident and I think the matter should be closed. I have seen some of you walking about between the rows during the voting and every group has done it. You cannot single out any group here.

Among all the groups I have constantly seen people asking other Members to press the button for them because they were somewhere along the row. I have seen this happen in all the groups. If you do not want people to vote for another Member, say so and everyone will use only his or her card.

Mr Forth, the matter must be closed! I have seen it happen in every group. From now on, every time I see a Member in someone else's place I shall call him to order and I shall not allow any member of staff into the Chamber, so that there can be no ambiguity. I shall be quite strict, and that goes for everyone.

I call Mr Enright.

Mr Enright. — First of all may I make it entirely clear that I totally back up the position that you are

taking and I fully understand the difficulties that you are under. It does seem to me, however, extraordinary that it should take Mr Ligios so long to come down and defend his colleague, which is clearly what happened. If he was at the back he had the opportunity to explain that he had shouted down. It is also equally clear that we have made rulings in this House before. Several Vice-Presidents have pointed out that no one may vote for anyone else under any circumstances whatsoever. That is well known in this House. Of course, this House would accept an apology from Mr Klepsch instead of an excuse, but perhaps he has not got the greatness as a politician to apologise for a disgraceful act.

(Applause)

President. — No, Mr Enright, it is not a matter of asking for an apology. Please believe me when I tell you that in every group I have seen people rushing up and asking their neighbour to press the button for them when they were there, in the Chamber.

From now on, as I said just now, I shall call people to order whenever I see a Member voting for someone else or asking his neighbour to vote for him. I now ask you to consider this matter closed once and for all.

(...)

Paragraph 14 — Amendments Nos 3 and 21

Mr Ceravolo, rapporteur. — *(IT)* Madam President, I am against Amendment No 3 because the original text, compared with Mr Pininfarina's suggestion, is more precise. In the case of Amendment No 21, I am obliged as rapporteur to support the text in the motion for a resolution. This was brought in as the result of an amendment. I cannot therefore accept Amendment No 21.

(...)

After paragraph 17 — Amendment No 24

Mr Ceravolo, rapporteur. — *(IT)* In the first place, Madam President, I think there should be a split vote on paragraph 17. I think we should adopt only the essence of subparagraph (a). I should like a split vote because the last two lines are not right for a resolution in my view and only the first part from *believes* to *social partners*. I must point out, however, that in the English version there is a word which does not correspond to the Italian. The word *eventuali* in the Italian text has to be understood in the sense of possible work-sharing schemes. I shall say something later about subparagraph (b).

President. — I call Mr Spencer.

Mr Spencer. — Madam President, I am proposing to withdraw 17(b) as a new paragraph and I was agreeing with the rapporteur's position in asking you to vote on 17(a) in two parts. I do not have any authority for doing so but I think it is a sensible idea.

President. — Mr Spencer, we at least have to know where this paragraph is going to end. Could you read out the text so that we know where the break comes?

Mr Spencer. — Certainly, Madam President. It should read:

Believes that the economic cost to industry, if possible work-sharing schemes, must be carefully quantified and discussed between the social partners.

The rapporteur made the point that any adoption of work-sharing schemes by the Council was constitutionally questionable. However the first part of the paragraph is extremely valuable.

President. — I call Mr Ceravolo.

Mr Ceravolo, rapporteur. — (IT) Madam President, I thought it was clear that the second part was unsuitable and superfluous. Once the need is affirmed, the Council will not consider ...

President. — There has been a request for a split vote. We can have a split vote but we cannot change the way subparagraph 17(a) has been drafted. The most we can do is to have a split vote and not vote on the second part. We have agreed to the idea of a split vote, excluding the last part of the subparagraph, so that the Council may adopt such programmes. We just have to take a second vote on the end of the sentence on which we are voting now, and I ask those in favour to raise their hand.

(...)

Subparagraph (c) of paragraph 18 — Amendments Nos 16, 9, 27 and 28

Mr Ceravolo, rapporteur. — (IT) Madam President, I am in favour of Amendment No 16 and against Amendment No 9. As for Amendment No 27 by Mr Prag, I must point out that I endorsed the committee proposal and therefore I cannot accept this amendment. The same goes for Mr Spencer's amendment.

(...)

Subparagraph (g) of paragraph 18 — Amendments Nos 30 and 31

Mr Ceravolo, rapporteur. — (IT) Madam President, I am against Amendment No 30. In the case of Amendment No 31 by Mr Prag, if he means it as an addition, I am in favour. If it is a replacement text, I am not.

President. — I call Mr Glinne.

Mr Glinne. — (FR) I should like to know whether this amendment is an addition or a replacement, as the rapporteur has just said.

President. — It replaces Amendment No 31. The French version is in any case quite clear: seeking to replace the last phrase by the following.

I call Mr Gondikas.

Mr Gondikas. — (GR) Madam President, the Greek translation of Amendment No 31 states that it was tabled by Mr Spencer, whereas in the other versions it gives the name of Mr Prag. I mention this simply to point out that we are voting on different things.

President. — There has been a technical error, Mr Gondikas. When I think of the mountain of documents that has to be translated, I am astonished there are not more mistakes.

(Applause)

(...)

Subparagraph (h) of paragraph 18 — Amendments Nos 32, 33 and 41

Mr Ceravolo, rapporteur. — (IT) Madam President, I am in favour of Amendments Nos 41, 32 and 33. As for Amendment No 14, after this subparagraph, I shall let Parliament decide.

(...)

Paragraph 19 — Amendments Nos 10 and 34

Mr Ceravolo, rapporteur. — (IT) Madam President, I am against Amendment No 10 and I leave it up to the House to decide on Amendment No 34¹.

(...)

President. — Explanations of vote may now be given.

¹ The rapporteur was:

— in favour of Amendments Nos 6, 7, 11, 12, 13, 15, 17, 18, 22, 23, 35, 36, 37, 38, 39 and 40;
— against Amendments Nos 1, 2, 4, 5, 8, 19, 20, 25, 26 and 29.

Mr Boyes. — Madam President, while welcoming and supporting the demand of my colleagues for the introduction of a 35-hour working week, I am aware that such a measure would only have limited impact on the problem of unemployment, because of the magnitude of the present crisis in the capitalist system; a crisis that has led to ten million people being unemployed in the Community. It is totally unjust that the working class, who have no responsibility for the present problem, should be paying this heavy price. The government in the United Kingdom, however, has deliberately and calculatingly created an even greater level of unemployment in an attempt to weaken the workers' organizations that are at the forefront of the battle to prevent the punitive restructuring measures in the public sector. The most devastating result of the Conservative government's measures on unemployed people are the social and health consequences. The most dramatic manifestation of these consequences is the growing number of suicides among unemployed persons, which research demonstrates quite clearly occurs as unemployment rises. The Conservative government is guilty of cold-blooded, calculated crime in carrying out policies which are leading to the increasing number of suicides, many of which involve demoralized young people who have lost all hope of a future in my country. By any standard of judgment the government is guilty of these deaths. The solution to the problems caused by the vicious, heartless, murdering butchers of industry in the Tory government is not tinkering with capitalism, but in the introduction of a new socialist economic order. Then we shall end such data as 32% unemployment in north-west Durham, 22% in Wearside; in South Tyne, 88 people chasing each job and in the south-east of Durham 104 people for every job.

Mr Romualdi. — *(IT)* Madam President, the Members from the Italian MSI party will be voting in favour of this report which has been so excellently put together by Mr Ceravolo on the adaptation of working time. This is a problem of vital importance, political as well as social and economic, which cannot be ignored by anyone in politics and especially by our party which believes that work, in the fairest and most human sense of the word, is the prime element of life and the organization of society and the progress of civilization itself.

The adaptation of work — even allowing for the proper concern expressed by the Liberals — really must be an essential element in the tremendous challenge which the economic world or the Community has to cope with in the battle against unemployment and inflation. The adaptation of work affects labour costs, the organization of labour and, inevitably, the issue of free time, with all the economic ramifications this inevitably involves. The proposed 35 hours a week are not very many if you do not know what to do with the rest of the time, which is often used for a second job — which can have an adverse effect on other

people's jobs — and sometimes for other activities which can be laudable but which can at times be dangerous and extremely unsavoury.

If we do not want to create the opposite effect of what the Ceravolo report seeks to achieve, we are bound to bear these points in mind because the cost of every mistake in this area would inevitably be borne not by management but by the workers, and especially young people, who instead should be protected and defended.

IN THE CHAIR: MR DANKERT

Vice-President

Mr Spencer. — Mr President, I can do no better to start with than to quote the words of the President-in-Office of the Council when, summing up at the end of the session we had this morning, he said he hoped he would not embarrass Mr Ceravolo as a Communist by saying that he agreed with almost every word that he had said. I hope that if I pay a genuine tribute to the way in which Mr Ceravolo has acted as a rapporteur in seeking to gain the widest range of views on this report, he will not be similarly embarrassed.

This report on which we have just voted is much changed from that which my Group rejected in committee. It is a great deal more realistic in its attitude to the responsibilities of the social partners, it is more realistic about the costs of work-sharing, which has always been the key element, and it is considerably realistic, if not as much as I personally would have liked, about the question of Europe's international competitiveness. On that basis, and expressing considerable reservations about the details of the Commission's proposals on work-sharing which were indicated clearly by our votes on the parts of paragraph 18, — I referred to this in my speech on behalf of the Group, namely that there are certain detailed elements of work-sharing that we cannot support — we have decided that on balance the report is sufficiently developed, sufficiently changed to offer the support of our Group in encouraging the Commission to continue its efforts to think about the 9 million unemployed a year.

Mr Bonaccini. — *(IT)* Mr President, taking the realistic view you have to admit that the debate on the amendments has not improved the report either stylistically or in content. We are particularly upset about the rejection of Amendment No 15 by Mrs Salisch, but we shall vote in favour of this motion for a resolution because it opens the way to a gradual reduction and adaptation of working hours. We shall obviously be

Bonaccini

discussing this point again when the Commission announces the proposals which were mentioned here by Mr Richard. Another reason we shall be voting in favour of the motion is that it provides the workers, who will shortly be renegotiating their contracts, with a fairly important point of reference. The motion is also an encouragement for the governments which have opted for social progress in this Europe of ours.

Mrs Salisch. — (DE) On behalf of the Socialist Group, Mr President, I should like to say that we shall be voting for the report. At the same time I want to state that with today's decision Parliament is giving the weakest answer imaginable to the urgent problem of a better distribution of available work. I agree with the last speaker when he says that it is nevertheless right to vote for such a motion because it anyhow opens the way to a shorter working week.

There is one other point I should like to make, Mr President, ladies and gentlemen. If what Mr von Bismarck said this morning when the British Minister for Social Affairs was here is right, to the effect that economic policy must serve social policy, then we could clearly see throughout this afternoon's voting the isolated position of Mr von Bismarck within his own group. The way we have voted this afternoon helps us in no way towards the goal we were talking about this morning. We nevertheless have something to start with and for this reason the Socialist Group will be voting in favour, even though we are greatly saddened that the House could not find the courage to call for a 35-hour week.

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution contained in the Calvez report (Doc. 1-365/81): Community labour market policy.*

(...)

Paragraph 13 — Amendment No 3

Mr Calvez, rapporteur. — (FR) I cannot accept the deletion of *geographical* because labour mobility is a real fact. I do not like the amendment.

(...)

After paragraph 25 — Amendment No 8

Mr Calvez, rapporteur. — (FR) I do not have a copy of the amendment.

President. — I have in front of me the Dutch version of an amendment by Mrs Lizin, Mr Van Miert, Mr Glinne, Mr Delmotte, Mr Vernimmen, Mr Colla and Mr Radoux. There is also a French version of this amendment. It has been tabled according to the Rules of Procedure. We must therefore vote on it, unless Mrs Lizin wishes to withdraw it.

I call Mr Bangemann.

Mr Bangemann. — (DE) Mr President, I am afraid the pronouncement you have just made will not stand up to closer scrutiny in all respects. As I interpret the Rules of Procedure, they state that every Member must have a written copy of the necessary documents for the vote. It is therefore not enough if you have the document in front of you.

President. — Mr Bangemann, we must first of all ascertain whether the Members were in a position to obtain this important document. That is rather difficult to check from here. I therefore suggested that Mrs Lizin should withdraw the amendment.

I call Mr Glinne.

Mr Glinne. — (FR) Mr President, I am one of the co-authors of the amendment. It was tabled according to the rules. But as Members have not received copies in time, we shall table a written question and withdraw the amendment.

(...)

Paragraph 29 — Amendment No 1

Mr Calvez, rapporteur. — (FR) The Committee on Social Affairs and Employment took no decision on this point. I shall allow the House to decide.¹

(...)

(Parliament adopted the resolution)

President. — We shall now consider the *motion for a resolution contained in the von Wogau report (Doc. 1-241/81): Achievement of the customs union.*

(...)

Paragraph 4 — Amendments Nos 2 and 3

¹ The rapporteur was:

— in favour of Amendments Nos 4, 5, 6 and 7;
— against Amendments No 2.

Mr von Wogau, rapporteur. — (DE) I have in front of me Amendment No 2 by Mr Radoux to paragraph 4. The basic problem here is simply an error in translation and I would suggest the following French version: *plus homogène ou encore mieux commune*. I would thus be in favour of Mr Radoux's amendment.

President. — If I have understood the matter rightly, the problem here is an error of translation.

(...)

Paragraph 7 — Amendment No 4

Mr von Wogau, rapporteur. — (DE) Mr Provan has just agreed to delete the part in his amendment about Community: *appellation d'origine*. Subject to this deletion, I am in favour of the amendment.

President. — I do not think this can be done, Mr von Wogau. We have here an amendment with a specific text and it cannot be altered orally. You have to say whether you are for or against the amendment which has been tabled, and not whether you are for or against an altered amendment.

Mr von Wogau, rapporteur. — (DE) If no alteration is possible, I am obliged to recommend rejection.

(...)

President. — Explanations of vote may now be given.

Mr Leonardi. — (IT) Mr President, our group endorses the von Wogau report because to our mind the motion puts forward proposals for developing internal trade and achieving a more genuine common market. In specific terms, we like the motion for what it says in paragraph 5 which directly relates the development of the internal market to the task of upholding or improving the competitive position of the Community in international markets. We believe that if the Community and the individual countries that form it fail to improve their competitive position in the rest of the world, we are not going to be able to develop the internal market. The result will be that we shall be back here, year after year, voting through resolutions and proposals which have very little impact.

Although we take a favourable view, I must say that the basic point is the need to develop alongside the internal market our competitiveness with the rest of the world. What we must do, in other words, is introduce common policies which manage to bring about, develop and exploit the Community scale so that we can cope with the challenge posed by the

internal circumstances in which the Community has to operate.

Mrs Leroux. — (FR) Mr President, the von Wogau report is part of the ultra-liberal thinking which is predominant in this Assembly. By calling for frontiers to be thrown even wider open, it supports the relocation policies of the multinationals and cold-shoulders a policy for the revival of production and purchasing power in order to combat unemployment. At the same time it is paving the way for more derogations and exemptions with regard to Community preference. Such an approach is enough to justify our opposition to the report.

But there is more. This report smacks of centralizing and technocratic aims which are a blow to the freedom of action and decision at national level. The report wants a Community customs administration and paragraph 7 of the motion talks about abolishing certificates of origin. This would open the door to all kinds of abuse and it would be our quality products, our wines and our spirits, which would be affected. This would be running counter to the policy encouraging quality which is advocated by all the Community authorities. The implementation of such an arbitrary measure would be a serious blow to our producers who have managed, thanks to their hard work, to get their products known throughout the world.

These are the reasons we shall be voting against this report and we shall certainly warn the producers about these threats. We shall stand shoulder-to-shoulder with them to defend their *savoir-faire* against the *laisser-faire* of the Community.

Mr Romualdi. — (IT) Mr President, I just want to say that the Members from Italy's MSI party will be voting for this measure in the hope that it will encourage and stimulate the economy and above all foster a more solid feeling of European unity, so that its potential can be developed better and so that we can rise to all the challenges and demands which Europe has to cope with at the moment.

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution contained in the Van den Heuvel report (Doc. 1-835/81): Violation of human rights in Guatemala*.

President*First indent — Amendments Nos 1 and 3*

Mrs Van den Heuvel, rapporteur. — (NL) Mr President, I am against Amendment No 3 and in favour of Amendment No 1, but I should like to point out that there is a mistake in the Dutch version. It has to be brought in line with the English and German versions, because I see that in the French version there is a comma missing which makes the whole text unclear, although in principle I am in favour of the amendment.

President. — We shall thus consider the English and German versions decisive as regards the wording of the amendment.

(...)

After the rejection of Amendment No 1

Mr Rogers. — Mr President, I am not quite sure whether the electronics overrule the spoken voice, but the result shown up there is for Amendment No 3, and I understood we were voting on Amendment No 1.

President. — We have been voting on Amendment No 1, by Mr Galland, as I announced two or three times. I think there was no misunderstanding on the vote, but the electronic system has a different brain.

Mr Rogers. — Mr President, but I presume that on the electronic printout from the computer the heading will be Amendment No 3.

President. — There will be no printout, Mr Rogers.

(...)

Second indent — Amendment No 4

Mrs Van den Heuvel, rapporteur. — (NL) Mr President, there is no need for this amendment because I do not think that it brings any improvement, but I assume Parliament is judicious enough to decide for itself.

(...)

Third indent — Amendments Nos 9 and 5

Mrs Van den Heuvel, rapporteur. — (NL) Mr President, I am against Amendment No 5 and I find that Amendment No 9, which is actually based on new

facts, is quite in line with the committee view. I am thus in favour.

(...)

First indent of paragraph 3 — Amendments Nos 6 and 10

Mrs Van den Heuvel, rapporteur. — (NL) Mr President, I am against Amendment No 6 and in favour of Amendment No 10, for the same reasons I gave just now.

(Parliament rejected Amendment No 6)

President. — I call Mr Forth.

Mr Forth. — Under Rule 81, Mr President, I should like to have that vote checked electronically, please.

President. — If you ask to apply Rule 81, you are fully entitled to do so, and we shall have an electronic vote.

(...)

Paragraph 4 — Amendment No 8

Mrs Van den Heuvel, rapporteur. — (NL) I think it goes without saying that any delegation from this Parliament views things in an objective manner. I am thus against the amendment.

(...)

Paragraph 5 — Amendment No 12

Mrs Van den Heuvel, rapporteur. — (NL) I think this is an excellent addition, Mr President. I am therefore in favour.¹

(...)

(Parliament adopted the resolution)

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¹ The rapporteur was:
— in favour of Amendment 11;
— against Amendment No 7.

President. — We shall now consider the motion for a resolution contained in the Michel report (Doc. 1-942/80); Community development policies.

(...)

After the rejection of Amendment No 4

Mr Pannella. — (FR) Mr President, I should like to tell my fellow Members that they have rejected the 0.15% without knowing it and that now they are going on...

President. — There is nothing I can do about it, Mr Pannella.

(...)

After the rejection of Amendment No 1

Sir Fred Warner. — First vote separately on the first part down to the word *winners*.

President. — We shall first vote on the first part of Amendment No 5 by Mr Pannella, down to and including the words *Nobel prize winners*.

(...)

Before paragraph 1 — Amendments Nos 2 and 7

Mr Pannella. — (FR) I just wanted to point out, Mr President, that Mr Michel is now honouring us with his presence and he can thus express his opinion as rapporteur.

President. — Where is he?

Mr Michel, rapporteur. — (FR) I have been here all afternoon, Mr President! I was absent for two minutes for a reason everyone will understand at the precise moment my report was called. I was nevertheless at the disposal of the House at every instant.

(Laughter)

President. — The vote has gone smoothly until now, Mr Michel. We shall now continue.

(...)

Paragraph 13 — Amendment No 6

Mr Michel, rapporteur. — (FR) Mr President, I am against because it is precisely the opposite of what we

want. We want delegations to carry out investigations in the developing countries and we believe that this in fact is one of the original elements in this report. The committee feels the same way.

(...)

Paragraph 14 — Amendment No 8

Mr Michel, rapporteur. — (FR) I think the original text should be maintained. I do not think this amendment is right.¹

(...)

President. — Explanations of vote may now be given.

Mr Pearce. — Mr President, I find myself in some ways very reluctant to vote for this report. There are two reasons for this: in the first place the report which Mr Michel has prepared is not in my estimation as clear or as relevant as the resolution introduced by Sir Fred Warner upon which Mr Michel's report is in part based. Sir Fred Warner raised two critical points about development policy. One, that we are determined that development aid should be given in a more cost-effective way, and secondly that the Commission and the Council should be accountable to this Parliament for what they do with that aid. Mr Michel rather lacks the clarity and the punch of Sir Fred in this and I think it is a pity we could not have stuck to the words that Sir Fred used.

My second difficulty is perhaps more fundamental and it concerns the behaviour of certain Members of Mr Michel's group in this Parliament.

Mr President, I urge people, on this occasion reluctantly, to vote for this report just once — perhaps if the leader of that group, who brought this debate here this morning, had had the courtesy to sit here and listen to it, this Parliament might be held in more respect.

Mr Enright. — I shall be voting against this resolution. I do so because I actually believe in this Parliament and believe in making it work. If we are to work, we must work effectively and not at the whims and fancies of groups, no matter which political group it may be, even my own. The fact that this report was brought today is an absolute and utter disgrace and I am sorry to have to say this to Mr Michel, for whom I regularly have a great deal of time. But for it to be brought in the absence of Mr Pisani, when it was made clear yesterday afternoon that there were

¹ The rapporteur was also against Amendment No 3.

Enright

compelling reasons for not bringing this report today, is an utter disgrace to the Parliament. We have shown ourselves this week in a very good light; we are now showing ourselves in a very bad light, because this report is about cooperating with the Commission and, in particular, cooperating with Mr Pisani and so his cooperation is required. I shall therefore vote against the report, even though I am in sympathy with its content.

Mr Pannella. — (FR) Mr President, there are three reasons why I have decided to abstain. Firstly, let me say that this report might have been a fine idea when it was initially thought of but in the last eight months a lot of things have happened and numerous international events have come to fruition. I mean the Paris conference, UNCTAD, the forthcoming meeting at Cancun, the clarification of the views of some of the Member States, and so on. We can say therefore that this report is based on an out-of-date situation, circumstances as they were last year and not as they are now. It is for this reason, Mr Enright, that I think it was perhaps the wrong idea to discuss the matter today. At any rate, it would have been impossible to have a debate in a couple of months, after the Cancun meeting, for example. Anyway, this explains why I wanted to have a debate now, because a month from now we should just have to start all over again.

Secondly, I have to say — and here I am speaking as an MP — that this motion says we shall have to carry out on-the-spot investigations, move around a bit more and go and check on things as they are. This is not my idea of a parliament or of MPs. We have to verify things in a different manner otherwise we should have to start travelling around for the other committees as well. It would be ridiculous.

I have spoken about two of the points, Mr President, but I am not going to mention the third. Just let me say that I shall be abstaining out of consideration for the efforts and good faith of other people.

Sir Frederick Warner. — Mr President, I believe that the scope and weight of this resolution is diminished by the omission of an idea which was contained in my original resolution and which I sought to reintroduce in Amendment No 1. It is that all monies spent on overseas aid and development ultimately derive from the population of Europe, from its workers, its professional men and so on. We in this Parliament act as trustees for that money and we ought to admit it. If we speak and act as if somehow these monies were ours, as if we had no obligation to our own public, then we are not being honest and we are not being truly representative in the way that we were elected to be. I can see no earthly reason why we should not admit our role as trustees and be quite clear that that is what we

are here for. In spite of this, I shall vote for the amendment, as I am in sympathy with its general aims.

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution contained in the De Gucht report (Doc. 1-320/81): Legal expenses insurance.*

(...)

Fourth recital — Amendment No 13/corr.

Mr De Gucht, rapporteur. — (NL) Amendment No 13 is the first of a series of amendments which were signed by me as well. I must therefore stress that I am giving my opinion here as rapporteur for the Legal Affairs Committee and in that capacity I am against the amendment.¹

(...)

Article 3 — Amendment No 14

Mr Ferri, chairman of the Legal Affairs Committee. — (IT) Mr President, I wish to point out that in my view Amendment No 14, which was tabled by the same people as No 13, is in addition to everything else closely linked to No 13, because it seeks to alter the directive radically by establishing the idea of a specialist company. Since Parliament rejected this idea in the vote on the recital just now, I think we should view as out of order any vote on this issue which seeks to alter the directive. We should otherwise run the risk of having two contradictory votes.

President. — Mr Ferri, I have to assume that Parliament has a consistent voting pattern. In that case the problem will solve itself.

(...)

Written explanation of vote.

Mr Dalziel. — I shall be voting in favour of the motion for a resolution because it recognizes the desirability of insurance companies, including British, entering the important German market but without the need to set up a specialist company. The report also recognizes that where a clash of interests arises through a composite company insuring two policyholders having claims arising from the same event, that type of insurance has always

¹ The rapporteur was against all the amendments.

Dalziel

been scrupulous to see that these claims are dealt with impartially. It therefore rejects any suspicion of collusion in British composite companies.

(Parliament adopted the proposal for a directive)

President. — I can now give the floor for explanations of vote.

Mrs Seibel-Emmerling. — *(DE)* Mr President, ladies and gentlemen, this is, I think, a very dark hour for the consumers of the European Community. Once more, the Parliament has seen fit to deprive a country of consumer rights for which it has struggled, in favour of harmonization which is dubious to say the least. For this reason, I intend to vote against this report and, from this day on, to join the consumers of the Community in their struggles for increased consumer rights.

(Applause from various quarters)

Mr Van Minnen. — *(NL)* The resolution currently before us, Mr President, is a worthless proposal representing a step backwards about which the trade unions and the consumer organization have already expressed their unease. It is a report which misses the one vital point, i.e. that every citizen must be able to rely on receiving the independent and specialized legal assistance which is his right. It is this guarantee of independence which must not be messed about with. It is this guarantee which must be water-tight and which springs a leak when the defence of interests is given into the hands of insurance companies who are, as it were, conducting proceedings against themselves on behalf of the client.

Legal assistance, Mr President, should be included in the social package in the same way as the long-established medical assistance. Nor do the premium costs represent the major problem here, it is rather the lack of transparency which frequently causes difficulties. What we need is an efficient and transparent system of legal assistance which can give the people of our Community the feeling that their rights are in fact being protected and defended. Only the highest degree of objectivity is acceptable here. There must be no interweaving of functions or interests. This high standard is a reality in some countries but is unfortunately not in evidence in this motion for a resolution, which I must therefore oppose.

Mr Luster. — *(DE)* Mr President, I do not think I can vote in favour of this motion for a resolution, since with the proposal for a Council directive as it stands, the Commission would be failing to achieve the very thing it has set out to do.

(Applause from various quarters)

In particular, the methods proposed would be inadequate to ensure consumer protection in practical terms with all the necessary guarantees. Even the Commission itself would appear, from what it has said, to be in no doubt about the fact that the specialist system is the most effective way of avoiding conflicts of interest and this a view which is endorsed by various eminent institutions. Unfortunately, a directive of the kind proposed would be missing its main objective, i.e. avoiding conflicts of interest, without — and this is surely an important consideration for the Commission too — guaranteeing the harmonization of legislation which the directive is in fact intended to achieve. For this reason, I cannot give it my support.

(Applause from various quarters)

Mr Geurtsen. — *(NL)* Mr President, the majority of my Group regrets the fact that Parliament has not taken the opportunity of improving the report before us by adopting an arrangement which would take greater account of the interests of the insured person. Instead, the rejection of paragraph 5 of the motion for a resolution has made the report still worse. In spite of the fact that all our amendments have been rejected, Mr President, we do not feel that we are the losers. The real losers are the consumers in Europe and this is why the majority of my Group intends to vote against this resolution.

(Applause from various quarters)

President. — I call Mr Patterson on a point of order.

Mr Patterson. — This, for non-lawyers, is rather confusing, Mr President. Might I ask the rapporteur — perhaps under Rule 36 — to ask the Commission for its reactions before we finally vote on the resolution? It would be very good guidance for us all if we knew what the reaction of the Commission was on the amendments we have passed.

(Mixed reactions)

President. — Mr Patterson, before we started voting on the resolution I asked the rapporteur whether he wanted to speak. He said he did not. I have to accept the rapporteur's decision, and so I will now proceed to the vote on the resolution.

(Parliament adopted the resolution)

5. *British nationality bill*

President. — The next item is the report (Doc. 1-254/81), drawn up by Mr Malangré on behalf of the

President

Legal Affairs Committee, on the British nationality bill.

I call the rapporteur.

Mr Malangré, rapporteur. — (DE) Mr President, ladies and gentlemen, in presenting this report on the new British Nationality Bill, I should like to draw your attention to the report I presented a few months ago on the new conditions for immigration into the United Kingdom. The two reports are closely connected. A number of the questions which arise here were discussed in connection with the earlier report and received the support of a large majority of this House.

However, for the benefit of the legal laymen in this House, I should like briefly to explain two legal principles affecting the acquisition of a nationality: the *ius sanguinis* and the *ius soli* — in other words, the principle of whether a person derives his nationality from his parents' own nationality or from birth within the national territory. According to convention, nationality can only be acquired on the basis of one of these two principles.

I also thought it desirable — particularly for those of us who do not have the advantage of being British and of thus being acquainted with the situation at first hand — to explain briefly the historical background to the current situation, which largely boils down to the fact that the United Kingdom has bit by bit granted independence to its gigantic empire, resulting in the creation of numerous independent national States with quite different links to the motherland.

As a result of this and of the passage of time, the concepts of the right of abode and of citizenship became split, so that the legal situation is now different from what it was when the United Kingdom acceded to the European Community. This attempt in the United Kingdom to reform the legislation governing British nationality is in effect an attempt to get out of this predicament and create a system which will in the future be practicable and workable.

The Legal Affairs Committee was faced with two questions. The first of these was whether the new provisions would create situations in which, in certain cases, persons might be rendered stateless; and the second was whether the new legislation discriminated against women. You have the bill before you. It is at present before the House of Lords, which has already recommended certain amendments — of which I approve — particularly regarding the special case of Gibraltar.

In studying the provisions of the bill, I came to the conclusion that persons could be rendered stateless in two circumstances, which I have set out in points 5 and 6 of the report before you.

On the second point, I could find no evidence of discrimination against women. It may even be that the opposite is true, because it seems to me that, on one point, women are given an advantage over men.

The Legal Affairs Committee has discussed the report in detail and recommends that you give it your approval, a recommendation with which and my group and I associate ourselves.

Perhaps I may be allowed to comment briefly on the amendments which have been tabled to the motion for a resolution. Seven amendments have been tabled, six of which I could happily accept, in that they amount to cosmetic improvements and more precise formulations. I must, however, recommend rejection of Amendment No 2 on the grounds that the Legal Affairs Committee would not have adopted it in this form.

IN THE CHAIR: MR MØLLER*Vice-President*

President. — I call the Socialist Group.

Mr Megahy. — Mr President, I am told I have three minutes to speak on this. The House of Commons and the House of Lords have been speaking on it for thousands of hours over the last five or six months. This has been one of the most controversial issues in British internal politics for a very long time.

I welcome the report of Mr Malangré insofar as it goes. I have no criticism of the fact that he concentrated on its effects as far as Europe and European law are concerned, but I think I must point out that these nationality proposals have been bitterly criticized in the United Kingdom by all important groups representing minority and ethnic communities and by the churches. The Archbishop of Canterbury himself made a very bitter speech against the bill in the House of Lords. Therefore, whilst everyone would agree that there is a need to amend British nationality laws, I cannot accept the way in which it is being altered at the present time. It is nothing if not detrimental to British citizens because it has uncertainty where there ought to be certainty, it is racist in effect and has been criticized from that point of view by many responsible people in the United Kingdom.

Not unnaturally, Mr Malangré's report concentrates on two aspects that concern the European scene. It concentrates on the question of statelessness and the possibility that, because the British nationality laws

Megahy

have been altered, and others remain unaltered, we may well have a situation where persons who would normally expect under the present laws to become British citizens, are unable to do so and at the same time unable to acquire the citizenship of the other country in which they are domiciled at that time. They may therefore be stateless. There is also the possibility inside the United Kingdom that children of students or illegal immigrants for example, might find themselves in the same situation.

Now, with Mr Lomas, I put down two amendments. The first one merely tried to accentuate the very great concern felt inside the Community by British people living in Brussels and in France, many of whom have approached us to express their concern that their children's children might find it extremely difficult to acquire British citizenship, even though the British Government has made some exemptions in this respect. I find it quite ludicrous, given the affirmation of faith of the British Government in the EEC, that they do not even allow those people who work for the EEC an exemption from these provisions.

Where the question of sex discrimination is concerned — this was the only amendment that Mr Malangré said he would not accept — all I can say is that we draw different conclusions from the facts than he does, and what we say is that if you take it in conjunction with the earlier immigration act, you will find that there is discrimination against women, because their would-be husbands are excluded under the terms of the immigration act from coming in. That we see as discrimination against women.

I hope that this resolution will be carried unanimously in the House as it was in the Legal Affairs Committee, and that even at this very late stage — nine months after the original resolution was tabled — we can join with other concerned groups in the United Kingdom and elsewhere in the world in protesting against this iniquitous British Government proposal.

President. — I call the European Democratic Group.

Mr Tyrrell. — Mr President, this Nationality Bill is a brave attempt by Her Majesty's Government in the United Kingdom to bring realism into the chaotic nationality laws that have developed over the previous centuries by reason partly of our imperial past. I calculate that about eighteen different types of nationality are available in the United Kingdom today. These are being reduced to three. One of the major aspects of the bill is the extension of the transmission of nationality to the female line. In adopting this approach the British Government is placing itself in advance of Denmark, Greece and Italy, where the male line is the dominant line for transmission.

The bill is passing through Parliament at the moment. We are a democratic country. Of course amendments are being put down. They have been put down in the House of Commons. They have been accepted by the government. They have been put down in the House of Lords and some of those are outstanding and will be dealt with when the House of Lords resumes consideration of the bill later this month or early next month. These amendments have drawn attention to a number of areas where improvements can be made.

As far as we in the Community are concerned, there are three particular areas of concern. The first concerns the transmission of nationality by descent from British parents born abroad. The second concerns the possibility of statelessness for certain people born abroad. The third concerns rights of appeal. As far as these are concerned, representations have been made to Her Majesty's Government by us in the European Community, both as Members and as the public in the Community, and the government assures us that they are looking carefully at the various suggestions that have been made to see how this problem can be dealt with. One hopes that they will find an acceptable solution.

As far as statelessness is concerned, this, of course, is an international problem. The bill incorporates within it the United Nations Convention on Statelessness to which the United Kingdom is a party. But that does not go far enough. There is room here for further improvement and again the government is looking for improvement. This is an area in which the Commission could be of great assistance. It is, as I said, an international problem. One hopes that the Commission may look to see whether there is a recommendation they can make to all the Member States to see if the problem of statelessness caused by varying nationality laws between the Member States cannot be eliminated, at least within the Community.

I am about to conclude my remarks. I would like to say of the declaration on nationality annexed to the Treaty, that this of course is not a matter for the House of Commons and the House of Lords. It is a matter for the whole Community to take an interest in, and doubtless when the new definition of nationality has been reached, it will be discussed. The rapporteur's moderate and constructive report is one which I am able to commend to the House. It is a report which contributes to this important national debate and we are indeed grateful to him and to the members of the Legal Affairs Committee who gave their attention to these problems.

President. — I call the Liberal and Democratic Group.

Mr De Gucht. — (NL) Mr President, in his report, Mr Malangré rightly draws attention to the import-

De Gucht

ance of nationality in the process of European construction. Naturally, it is for the Member States to decide which individuals and undertakings have their nationality. The importance of this concept of nationality becomes clear when one speaks in concrete terms about rights, the exercise of rights or disregard for these rights. The terminology used in the British bill — particularly expressions such as 'nationals', 'citizens', 'the right of abode' and 'nationality' — is certainly not calculated to ensure clarity and hence legal protection. In traditional international private law, the two principles of *ius sanguinis* and *ius soli* are known, but nevertheless cause difficulties. However, the mind boggles at the proposals contained in this British bill. The combination of *ius sanguinis*, *ius soli* and *ius loci* will inevitably cause legal, social and domestic problems and to a far greater degree than Mr Malangré suggests in his report. The fact that this Bill would entail discrimination against women into the bargain means that it is unacceptable to this Parliament and the European Community. This is just not on in 1981 after the motions for resolutions and reports we have adopted and the decisions of the Court of Justice regarding equal rights for men and women. This Bill not only constitutes an infringement of the ban on discrimination under Article 7, but neither the letter or the spirit show much sign of a humane and reasonable attitude. I hope, therefore, that the British legislative authorities will take due account of our observations when debating this bill in the House of Commons and the House of Lords and that Mr Tyrrell's wishes in this respect may be granted.

President. — I call Dame Shelagh Roberts.

Dame Shelagh Roberts. — Mr President, I take the view myself that on any occasion when this House is disposed to criticize the actions of the government of any member nation, it should take great care to ensure that its criticisms are soundly based, that it is in the Community's interest that it should voice them and that it is not simply taking sides in what might be a domestic, partisan political dispute.

On this occasion I pay tribute to Mr Malangré and the Legal Affairs Committee for the very moderate and constructive manner in which this report has been presented. Moreover, it has taken account of the problems which face the British Government and which were so clearly outlined by Mr Tyrrell.

Nevertheless, my colleague, Mr Purvis, and I are taking what is perhaps for us the unusual step of wanting to strengthen the tone of concern contained in this report regarding the British Nationality Bill. I do so because I think it is a matter of very real regret, notwithstanding the difficulties with which the British Government has to contend, that it has a clause in this bill which would deprive the children born abroad of

British citizens born abroad of an automatic right to British citizenship — a very cherished and precious right.

Now you might say that perhaps a century ago it would have been more appropriate to engage in this sort of exercise. When people at that time set sail from their native shores to make their homes in a land on the other side of the world and when their children and later their grandchildren were born in their new home, it might well be presumed that they had left their native land and severed their connections. But that was never done, and indeed as far as the British Commonwealth is concerned, the fact that British citizenship could be retained has stood us in immensely good stead over a very long period of time.

Today I think it is even less appropriate that we should seek to take away this right when we are trying to encourage mobility both within the Community and elsewhere in the world. We want to share our experiences and take our expertise out into the rest of the world. We want to exchange knowledge about the cultures of different parts of the world and different countries within the Community, and anything which inhibits that sort of mobility cannot be in the interest of the Community.

Now I think, Mr President, that a proposal which could put an individual not only in the position of losing his automatic right to British citizenship but even possibly of becoming stateless must be a very inhibiting factor in relation to mobility within the Community and elsewhere in the world. An I think that the risk of somebody becoming stateless, although the possibility that it will occur is very rare, is not something which should be minimized, as the wording in this report tends to do.

There is another factor which causes me anxiety, and that is that there is no appeal from the discretion which is vested in the British Home Secretary as to whether to grant British citizenship to children in these circumstances. And I do not think that this is a responsibility which should be borne by any one man or woman. It is a responsibility so grave, with consequences so grave, that there should be some right of appeal from that decision.

I was encouraged to hear the rapporteur indicate that he would be prepared to recommend acceptance of all the amendments standing in the name of Mr Purvis and myself, and I very much hope that the House will accept his advice when we come to vote. I hope that it may help to influence the British Government to have further thoughts on this very difficult matter. I hope also that the Commission will be able to take note of the final amendment we are putting forward urging the harmonization of the nationality laws within the European Community, because, as Mr Tyrrell has already pointed out in his speech, there are some aspects in which the British laws are ahead of those of other member nations.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like first of all to thank Mr Malangré for his excellent report on this difficult and delicate matter. It is a subject which has given rise to a great deal of concern in this House, and I should like to address a sincere work of thanks to all those who have taken part in the debate.

As the rapporteur stressed in the preamble to his motion for a resolution, the definition of nationality is the responsibility of each Member State. It is not something which concerns the Community as such. However, legislation on nationality may have repercussions for the Community, and the rapporteur rightly brought out a number of these, including the Declaration on the definition of the term 'nationals' made by the United Kingdom at the time of signature of the Treaty of Accession, and the consequences which the planned British legislation will have on this Declaration.

The motion for a resolution also calls for the Nationality Bill to contain a clear definition of British nationality for the purposes of Community law. In this respect, the Commission takes the view, on reading the green paper, that the British Government is fully aware of its responsibility.

The green paper states that the introduction of a British nationality would make it necessary, bearing in mind the views of the other Member States of the Community, to examine the present definition of British nationals from the point of view of the European Community.

If the transitional arrangements mentioned earlier were to come into force, they would make British nationals out of many people who at present have no right to freedom of movement. This category includes citizens of the United Kingdom and colonies and those British nationals and British subjects who have been resident in the United Kingdom for less than five years and who have settled here.

In the light of the statement in the green paper, the Commission expects the British Government to give priority to revision of the Declaration so as to resolve these and other questions as soon as the bill becomes law. It would be up to the British legislative whether or not to incorporate a new Community-orientated definition into the bill itself. The Commission does not think this essential so long as the Declaration referred to earlier is amended. We do, however, take the view that a new definition or a new declaration should be made as soon as the bill becomes law. The Commission has confidence that any new declaration would not have the effect of a person having to relinquish the Community rights he enjoys under the present Declaration — in other words, that no loss of rights would be involved.

The motion for a resolution also refers to the risk that some children might be born stateless as a result of the proposed changes, and that nationals of Member States may consequently be reluctant to exercise their rights of freedom of movement and freedom of establishment. As the bill has not yet become law, the Commission hopes — bearing in mind the difficulties connected with this question — that the British Government will take note of the concern so rightly expressed in the course of this debate about the possibility of children being born stateless.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

6. *European space policy (continuation)*

President. — The next item is the continuation¹ of the debate on the report (Doc. 1-326/81), drawn up by Mr Turcat on behalf of the Committee on Energy and Research, on European space policy.

I call the Communist and Allies Group.

Mr Veronesi. — (IT) Mr President, ladies and gentlemen, at the end of last week the International Astronautics Congress ended in Rome — an event which the newspapers embellished with unbridled imagination, but at the expense of clarity. Public opinion in general was encouraged to dwell on the fantastic aspects of the subject, undoubtedly at the expense of its real scientific content.

Fortunately, our debate, on the other hand, has a solid, objective and scientifically sound basis — I refer to Mr Turcat's excellent report. He has put at our disposal a wealth of information supplemented by stimulating and thought-provoking notes. Even if it is not the first time that Parliament has tackled this problem, its new presentation by Mr Turcat has the merit of being a detailed updating of the problem and a more penetrating analysis of the prospects for industrial exploitation of the results of space research.

I do not intend to dwell on the scientific and technical question dealt with in the report, for I would have nothing to add. In this sense the document before us remains a point of reference. Instead I must now make some observations on the political aspects of the problem.

My first observation concerns the new attitude of public opinion, political forces and cultural circles towards space research. I think it can be said that resistance and doubts about its validity have now been

¹ See debates of 14 September 1981.

Veronesi

almost entirely overcome. The objection — so frequent in the past — that we should not concern ourselves with the distant stratosphere until we have solved the large-scale and tragic problems of the biosphere — hunger, disease and underdevelopment — can be regarded as no longer valid. This has occurred for two basic reasons, which our wealth of experience, now arrived at maturity, has brought out. Firstly, the wealth of technological, productive and social spin-off in the fields of medicine, telecommunications and air and maritime safety has shown that space research has brought great benefits for human society and undoubtedly holds out the prospect of enormous benefits in future. Secondly, it should be pointed out that the process of conquest and use of space is already under way, and has reached a very advanced stage. The use of space has rendered services which are essential for our modern society — those which I mentioned earlier. These services are indispensable — either we produce them ourselves or we have to buy them. It is clear that to hire them would cost just as much and would mean accepting a dependence which could be politically dangerous. Europe can and must have — and fortunately already has in part — total autonomy in this field, while still pursuing a policy of international cooperation. It is clear that the whole problem dealt with in this first observation is linked with the other problem — that of who is to manage the technologies, of their aims and methods and of the role which public opinion must play in the general policy decisions. Here I see a specific role for the political forces — both a guiding role and the taking of the necessary responsibility for decisions and monitoring.

My second observation concerns relations between the European Space Agency and the desired Community space initiative. It is a delicate question, for structural reasons, and our rapporteur alluded to it in the last part of his report. Here I think it will be necessary to clarify the problem further. The concern of Mr Davignon to look for more valid and efficient solutions seemed right to me. It will not be an easy task for the Commission and the Agency. Moreover, the latter is going through a time of organizational crisis and is not making any planning, scientific and technical proposals. For the moment the new ten-year plan, for which, among other things, funds one-third lower than those for the present plan were envisaged, has been shelved.

We Italian Communists and Allies think that responsibilities and demarcations must be clearly spelt out and that there must be neither duplication nor absurd competition, except in the quality of research. There must be a great spirit of cooperation to ensure the best use of the great cultural and human heritage upon Europe can already draw.

Finally, an observation concerning the necessary and available financial resources. It must be clear that sizeable investments are involved. As a fairly well-known

proverb states, 'kind words butter no parsnips'. If we look at the 1982 budget, currently being prepared, and above all at the spirit with which the Council has infused it, the prospects are dark and discouraging. We find that we are debating an estimate resembling a blanket which is too short. If we want to cover our feet and legs we have to uncover our head and trunk, and vice-versa!

In financial terms, a space policy must have funds comparable to those allocated to the nuclear fusion policy in the field of research on new, alternative energy sources. Mr President, Mr Commissioner, after hearing the criticisms levelled at that research by the Committee on Energy I wonder if the same will not happen later to space research.

If we are not fully committed, and determined to carry it through, there will be no point in beginning this battle. We must be aware of the financial consequences of what we are calling for today by an overwhelming majority. We shall vote in favour of the resolution and amendments, which appear to us to be acceptable, although Mr Turcat's proposal, albeit for valid reasons, seems to us to be too heavily weighted in favour of heavy launchers.

President. — I call the Liberal and Democratic Group.

Mr Calvez. — (*FR*) Mr President, ladies and gentlemen, when I applauded the first touch-down of Concorde I little suspected that the pilot, André Turcat, would one day become a Member of the European Parliament — regrettably, for an all too brief few months — and would one day be presenting us with such a remarkable report on European space policy.

There is an urgent need to formulate what the rapporteur describes as a powerful and coherent policy on both satellites and launchers, given the long delays between the conception of a programme and the political go-ahead, and then, after studies and tests, the actual operational application. It must be said, however, that all these activities create jobs.

What is the position today? Europe has shown that it can stand as a space power in its own right: will it build on this, or throw it all away? The latter possibility seems unthinkable, and in this respect it was a relief to hear what Commissioner Davignon's said on Monday.

It may not have been Europeans who walked on the moon or probed the surface of Mars, but for over 15 years Europeans have been designing and building scientific satellites which have enabled us to contribute to the advancement of knowledge in numerous areas of astronomy and geophysics. The sectors in which the

Calvez

general public is particularly interested are surely telecommunications and television. And in the space centres and in industry many people are engaged in manufacturing optical, electronic or meteorological systems of all kinds, with all the resultant technological benefits. Surely a whole new dimension has been given to scientific research when laser satellites can be used to forecast earthquakes, to monitor the state of crops and vegetation in the world and to locate plankton-rich zones for the fishing industry.

In the field of employment, materials of all kinds and heat-insulating space substances enable oil to be extracted from the polar regions and transported over great distances by pipeline. Looking to the future, space factories will give birth to new industries which will each year save hundreds of thousands of human lives. The whole world is looking towards the ambitious countries which are concerned with turning space technology to the advantage of the developing countries. We must encourage these countries to come to the Ten rather than to the United States or the Soviet Union for technical assistance when they begin to develop their own space programmes.

From the point of view of technology, no problem seems insurmountable. The main problem is finance. Like Mr Veronesi, I think this needs to be taken into account during the preparation of the Community budget. There is no denying that the cost is high, but the result will be a Europe with a commitment to space and a desire to define the major priorities of the decade in this scientific, technical and commercial age. It is in the interests of the governments, which need to invest in the future. It is also in the interests of our people, since telecommunications are vital for nations committed to justice and liberty. The Liberal Group hopes that this Parliament will finish off in style what André Turcat has begun.

President. — I call Mrs Walz.

Mrs Walz, Chairman of the Committee on Energy and Research. — (DE) Mr President, ladies and gentlemen, as Chairman of the Committee on Energy and Research I would like once again to thank Mr Turcat most sincerely for his excellent and comprehensive report, which could only have been produced by an expert of the highest order, and to say how extremely sorry we are to be losing him from the committee.

What is the objective? It is to improve cooperation on space technology in Europe, just as it will be necessary to improve cooperation in many areas of advanced technology if Europe is to supply its own markets and hold off the challenge from the USA and Japan. The successful launch of Ariane III with the weather satellites 'Meteosat 2' and 'Apple' for the Indian news agency proves that Europe has a role to play in space.

The American firm Southern Pacific Communication has already made two firm bookings for satellite launches with Ariane in 1984. This shows that we can successfully compete with the space shuttle, even in America. Other American firms — Western Union, RCA and Satellite Television Cooperation — as well as Intelsat have also booked launches with Ariane. The rising costs of the space shuttle have played a part here, since Ariane can offer cheaper terms.

The prospects are also relatively good for television satellites, although the first direct broadcasting satellite, the German TV-SAT, is not due to be launched until 15 October 1984, a year later than planned, and the French counterpart, TDF 1, two months later. However, the Americans are hot on our heels, even though the American satellite company Comsat, which is making preparations, has not yet started building.

The Japanese want to launch two satellites by 1985. However, there is something of a dilemma here. Only 90 satellites can be placed on the 36 000 km high orbit around the equator without disturbing each other. This orbit will probably be full in the second half of the decade, so there is all the more reason for European industry to get moving.

In this decade alone 5 000 million DM are earmarked for investment in this field. Space activities will involve numerous new research and production projects. This is extremely important for the job market, of which we have spoken in such great detail today, firstly because there will be a need for future generations of highly-qualified researchers and secondly because numerous ancillary industries and other industrial and service undertakings will spring up. A great many new jobs will therefore be created.

A recent example is the major impact which popular air travel has had on research and the job market. This is only one example; there are plenty of others in the field of transport, which suggests that the space programme should be no different. So once again, heartfelt thanks to Mr Turcat for his excellent work. I ask you to support his motion for a resolution.

President. — I call Mr Sassano.

Mr Sassano. — (IT) Mr President, ladies and gentlemen, the amendments tabled by me were motivated by the realization that the original resolution proposed by Mr Turcat, although based on a reasonably exhaustive and correct analysis of the problems of space activities in Europe, takes no account of the very diverse and often conflicting viewpoints expressed in the European Space Agency by the various Member States, but confines itself to reviving proposals put forward by France, on which no convergence of interest has yet emerged at the European level. Moreover, it confines itself to proposing programmes devoted solely to one

Sassano

of the many sectors into which space activities are divided — that of heavy launch vehicles.

In the last few months the management of the European Space Agency (ESA) proposed a ten-year plan divided up into the various specialized sectors, comprising not only the vehicles but also the scientific and technological programmes and the measures needed for applying them. This plan, in contrast to the motion for a resolution, would tend to limit rather than encourage the expansion of space activities in Europe, by setting a relatively low expenditure ceiling, much lower than present levels of expenditure.

However, after much discussion in the ESA Council, the plan was put on one side, because of the diverging views of the delegates of the member countries, and it is now regarded only as a reference document on activities possible within the expenditure limit envisaged. It is therefore regarded as essential that the proposed intensification of national and Community efforts in the space sector be prepared in both technical and political terms within the European Space Agency.

New directives, in accordance with the aims and orientations set out in this resolution, should be given to the ESA management to review and update the earlier ten-year plan with a view to expansion rather than reduction.

Only through careful and exhaustive preparatory work, on the lines briefly indicated here, can we hope to see a European Space Conference at ministerial level effectively deciding upon a revival of European space activities.

As to the choice of programmes to be included in the plan, the following indications could be given to the ESA management:

- 1) To give priority to the larger-scale projects which are most strongly orientated towards the future, aiming at the industrialization of space with manned and unmanned orbiting stations and platforms. For such projects it will be desirable to try to achieve wider international cooperation and make full use of the sizeable investments already made by Europe through the Spacelab project.
- 2) In the field of launchers a realistic policy must be followed, taking account of the respective capabilities and advantages of the Ariane and STS (US Space Shuttle) systems, while avoiding committing large investments to predominantly autarchic or prestige aims, and trying to draw the maximum advantage from existing or future ESA/NASA agreements.

In other words, the future certainly lies with the space shuttle, and the role of traditional vehicles must be regarded as likely to end in a few decades. I hope that my friend Mr Turcat will agree with me on this.

Europe, which already participates in the US space programme with its Spacelab, although not being able for the moment to use it directly, must now initiate a feasibility study for the development of its own space shuttle, as Japan already intends to do.

While we realize that the development of a European space shuttle may seem utopian, it will in future be a necessary and sufficient condition for the survival of European space activities.

In addition, we must maintain, in the ESA context, research and development on practical space systems for telecommunications, meteorology, earth resources, energy from space, etc.

In this case, too, we must aim at larger and more long-term projects using large platforms, and leave outside the scope of the Agency only the repetitive commercial production tasks and the management in orbit of operational satellites. The need for adoption of European programmes at the highest level, and the constantly increasing difficulties, make some form of cooperation among nations necessary.

It is therefore essential to harmonize ways of training technical staff. There are at present in Europe university institutes teaching aerospace subjects, each of which has its own programmes, structures and laboratories.

Two approaches to harmonization can be identified:

- 1) To propose the adoption of a standard course of studies in each Member State, as has been done for other sectors.
- 2) To propose the creation of a specialized space school for science graduates.

President. — I call the rapporteur.

Mr Turcat, rapporteur. — (FR) Mr President, I presented my report very briefly in order to leave time for my colleagues. I shall now attempt to answer their comments as briefly as possible since time is pressing.

I should like to thank Members for the interest they have shown in my report and begin by answering Mr Saby, who asked what had happened to the Ripamonti report. My report was in fact based on his, although the Ripamonti report was mainly concerned with applications. I believe we have entered a new era, and for that reason I wanted to examine newer applications.

Of all the points made by my colleagues, there are two which strike me as most important.

The first concerns the shuttle and the choice between manned and robot-controlled space vehicles. It is an

Turcat

important subject. I think it would be wrong to reject robots outright, but it is worth noting that the heavy launchers project which we propose does not exclude the possibility of human involvement at an intermediate stage of development and that there will always be the possibility of cooperating with the United States in this field, provided they are agreeable. Consequently, I do not think that our project necessarily means there will never be a European in space.

However, the presence of a European in space is not the main objective; the programme is really about applications, in particular those offered by heavy stations, and the acquisition of new technologies.

Various speakers mentioned the heavy launcher. I would like to remind them, and in particular the last speaker, Mr Sassano, that this is not the sole aim, and that I spoke of developing the necessary technologies for space rendezvous: assembly, robotics and recovery.

The second point I should like to mention is the question of cooperation with the United States. Far be it from me to reject such cooperation, but we must take care not to hand over the keys to our future — not even to the United States. We have had problems in the past with the United States, for example with the Aerosat programme, in which they led us up the garden path and then abandoned us. We lost everything we had invested in that programme. Consequently, we must ensure that we keep the keys to our future firmly in our own grasp. Finally, we wanted to cooperate earlier with the United States on their space shuttle project, but they refused to let us in on the programme.

We must therefore make every effort to ensure Europe's independence, while retaining the 'technological bridge' and continuing to cooperate with other countries. I should like to thank the Chairman of the Energy Committee for his comments and, to save time, to conclude by repeating what Mr Calvez said: 'It is the long term which is urgent.' Leaving aside the applications which you will have to study later in the Commission's proposals, that is my message to you.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

7. *European Foundation for the Improvement of Living and Working Conditions and European Centre for the Development of Vocational Training*

President. — The next item is a joint debate on two reports:

- report (Doc. 1-251/81), drawn up by Mr Kellett-Bowman on behalf of the Committee on Budgetary Control, on the discharge to be granted to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its appropriations for the 1979 financial year and the comments accompanying this decision;
- report (Doc. 1-350/81), drawn up by Mr Kellett-Bowman on behalf of the Committee on Budgetary Control, on the discharge to be granted to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its appropriations for the 1979 financial year and the comments accompanying this decision.

I call the rapporteur.

Mr Kellett-Bowman, rapporteur. — Mr President, the two reports before the House are accompanied by comprehensive explanatory statements and there are no amendments, so my introductory remarks can be brief.

The satellites were set up by Community regulations at a time when it was hoped to develop a Community social action programme. It was felt that Community satellites, separate from the main workplace of the Commission, could provide an appropriate organ for drafting the necessary material. To this end a Foundation for the Improvement of Living and Working Conditions was established in Dublin, while a Centre for the Development of Vocational Training was established in Berlin. Although both of these satellites are considerably removed from the main working place of the Communities, this does not adversely affect their efficiency because of the nature of their work. They are intended to provide a dynamic of research and they are expected to encourage the national research bodies to coordinate their efforts and to avoid duplication of work.

Mr President, never has there been a greater need for a body which would coordinate vocational training than at the present time. There is a vast and complicated role for the Centre in Berlin to fulfil. It must endeavour to make its impact. As regards the improvement of living and working conditions, this Foundation is essential if the Community is to be given a more human visage. It is through the Foundation that the Community could be seen to be doing something concrete outside the purely economic and agricultural markets.

Both satellites constitute fora in which representatives of the employers, the employees, Member State Governments and the Commission can meet to evolve ideas in the fields of living and working conditions and vocational training. The activities of both satellites fall into three stages and it is important that the Commission be fully involved in each of these stages, and it is

Kellett-Bowman

also important that the satellites in question should be closely involved in the formulation stage of Community social policy. As last year, the committee believes it is also important that the two satellites be more closely involved with the specialist committees of the European Parliament. In making this suggestion the Committee on Budgetary Control had in mind particularly the Committee on Social Affairs and Employment, the Committee on the Environment, Public Health and Consumer Protection and the Committee on Youth, Culture, Education, Information and Sport. It is hoped that over the months ahead the two satellites will find it possible to assist these committees in the carrying out of technical aspects of their work.

My committee is satisfied that both of these bodies are now fully operational and that they are available to carry out the responsibilities laid down in the founding regulations. However, the committee observes that the two satellites do not appear to operate effectively in the formulation of Community policy. This is due partly to the fact that the Council and the Commission do not take them into consideration at a sufficiently early stage. It is hoped that there will be an improvement in this matter in the immediate future. I look to Commissioner O'Kennedy, who is with us, to give us some examples of how these two bodies have been helpful in the designing of social policies and training policies within the Community.

If, Mr President, it emerges that these two bodies are not delivering the goods, that is, if the money spent on them is not yielding results, then our committee, as the committee responsible for seeing that good use is made of the taxpayer's money, may have to make more painful recommendations. At present the committee's view is that both these bodies are ready to do their work but that the Council and the Commission are not enabling them to discharge their roles with full efficiency. We hope that this situation will be set right without delay.

It should be clear, Mr President, to anyone looking at the accounts for the Centre and for the Foundation, that the ratios of administrative to operational expenditure are too heavily weighted on the administration side. What is lacking is the proper utilization of the two bodies' inadequate funds for the operational side. Yet the Council, in amending the budgets for 1982, took the view that the Berlin Centre, should take care to manage its expenditure more rigorously and that the Dublin Foundation should limit its operational expenditure. Apart from missing the point that employment and work conditions are the most pressing problems in the Community, it signifies the complete lack of financial understanding on the part of the Council.

The Committee on Budgetary Control recommends that this House grant discharges to both the satellites for the year 1979. The decisions in question are

accompanied by resolutions to which the attention of the House is drawn. Rather than go through each of the paragraphs in turn, I would invite any Members present who have doubt or difficulty in relation to the paragraphs to raise queries where the issue is unclear at this stage. Perhaps I will be permitted to amplify any details at the close of the debate.

With these words, Mr President, I recommend the reports to the House for adoption.

President. — I call the European People's Party (Christian-Democratic Group).

Mr Notenboom. — (NL) Mr President, eight points in telegraphic style. Firstly, the unanimity of the Committee on Budgetary Control. Our group thanks Mr Kellett-Bowman and intends to vote in favour of his report.

Secondly, the discharge. This can be granted to both institutions, since we now have all the information, although it arrived too late. If we had had this information earlier, this discharge could have been granted at the same time as the general discharge for the 1979 budgetary year which would have been more correct.

Thirdly, as we have learned from Mr Kellett-Bowman's remarks, it emerged from his study that certain points still give a certain cause for concern. Thus, the objections raised by our group, and particularly by Mr Aigner who is unfortunately unable to be here today, regarding the question of whether or not the setting up of Community satellites was in fact a good idea, have in principle proved to be justified. We had doubts about the usefulness of this idea, i.e. not about the usefulness of the work itself, but the usefulness of having separate bodies to carry out this work. We continue to have these doubts and in future, if arguments are put forward for the establishment of external institutions, these arguments should be better researched before the decision is taken to go ahead.

Fourthly, it is consequently often better for the European Commission to do the work itself internally. The preparations and warming up period for the two institutions have been extremely long.

Fifthly, as Mr Kellett-Bowman himself has pointed out, one might place a question mark by the input/output ratio which does not yet appear totally satisfactory.

Sixthly, as I said previously, the European Commission must not try to shirk its own responsibility, by setting up external institutions. The European Community continues to have a responsibility of its own, particularly a political responsibility.

Seventhly, our group also welcomes the fact that the external financial control exercised by the Court of

Notenboom

Auditors now also applies to these institutions too and Mr Kellett-Bowman was therefore able to base his excellent report on this fact.

Eighthly, our group wholeheartedly endorses the view that both the European Commission and the specialized Parliamentary Committees, not least the Committee on Social Affairs, could make still better use of the studies carried out by these two institutions.

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission. — Mr President, the Commission considers that it is very useful from time to time to stand back and look carefully at the role and performance of the so-called satellite centres or foundations which have been set up by the Community. Today we are dealing with the two which are very closely, though not exclusively, linked with the area of social policy. I would like to thank Mr Kellett-Bowman for the careful and objective way in which he approached the analysis of the Foundation for Living and Working Conditions in Dublin and the Centre for the Development of Vocational Training in Berlin. I am pleased too to have the opportunity to emphasize the importance the Commission attaches to the work of both these bodies and to stress our firm intention to build on the cooperation established with them during their existence so far. We must not forget that both the Foundation and the Centre are still relatively new institutions and that they need all our encouragement and support in planning their future programmes of work.

As regards the work of the Foundation in Dublin, it is clear that, with rapid technological changes and dramatic shifts in the structure of employment, both living and working conditions are undergoing a major revolution. The need for a body at Community level to provide forward thinking and research on these crucial subjects is now more important than ever. I need hardly underline to this Parliament that the potential of the Centre at Berlin is greater now than when it was established in 1976 because if the even greater demand in the 1980s for education and training policies to stimulate growth and innovation in the Community and to combat the savage effects of widespread unemployment.

There are two major issues raised by Mr Kellett-Bowman in connection with both bodies on which I would like to comment. The first is that these two bodies should be more closely connected with the definition of Community social policy, and the second is that the Commission does not involve itself actively enough with them to develop or exploit their findings. On the first of these issues it is important that we are clear on the role defined by the founding regulations of both bodies. To take the Foundation first, Article 2 of the regulations specifies that its mission is 'to

contribute to the conception and creation of better living and working conditions and to disseminate information and experience to this end'. The Foundation's focus is on the medium and longer term and on providing pointers about the potential for change and development in this field.

The Berlin Centre's mission on the other hand is twofold — to assist the Commission in encouraging at Community level the promotion of vocational training but also to provide a forum for all those concerned and to disseminate all useful documentation and information. The initiative for defining Community social and environmental policy, as well as for the elaboration of suitable instruments and measures to give them teeth, lies with the Commission. In preparing our ideas within the Commission we shall of course, as we have done in the past, look closely to the results of the various research projects and analyses prepared by the Foundation and the Centre.

Mr President, I think there should be no ambiguity about their role as direct participants in the Community's decision-making processes. Neither were set up as exclusive appendices of the Commission. The quadripartite structure of the two Governing Boards reflects the need to ensure that the output of both bodies is exploited in practice by the four partners acting in cooperation. We must, of course, create a favourable climate for the work so that they may be of service to the different partners involved — governments, employers, trade unions and the Commission. It was not intended that the Commission should have a monopoly of interest in either body, though it clearly has a special responsibility to draw on the results of their work in formulating policies for the future. I confirm for that reason that the Commission, for its part, will continue to explore ways and means of improving the exchange of information and experience within the Foundation and the Centre.

If I may say a brief word on the second issue, the Foundation has for some time established a forward planning approach which makes it easier to identify priorities and to adapt its work according to the changing needs. The Centre too has recently agreed to the adoption of a three-year planning cycle. We have welcomed the development and shall continue the practice whereby both receive each year an explicit indication of the Commission's priorities and plans, so that they may be taken into account by the respective Governing Boards in defining work programmes which respond to the interests of their quadripartite membership.

In May this year the Commission decided to bring together under a single directorate the previously separate departments for education and vocational training. This initiative has been widely welcomed in the Member States and will undoubtedly facilitate the streamlining of contacts between the Commission services and the Centre in Berlin.

O'Kennedy

There are also, of course, many different points of contact between the staff of the Commission and the staff of the Foundation and Centre: regular participation in their seminars and conferences and frequent missions to discuss work of common interest. We are reviewing on a continuing basis ways of systematizing these contacts for the future so as to ensure the best possible exploitation of the work and resources of the foundation and the centre.

I also welcome on behalf of the Commission, the suggestions from Mr Kellett-Bowman for closer contact between the Foundation and the Centre and the specialized committees of Parliament.

Mr President, may I turn briefly and in conclusion to an area in which I personally have a special responsibility and to which Mr Kellett-Bowman has referred in his excellent report. Article 38 of the founding regulations lays down the social security provisions for the staff employed in the Foundation. The regime is in fact quite complex in the sense that the Foundation staff have a choice of being covered by the provisions. Difficulties of an administrative nature and particularly the question of not having a uniform cover for illness were criticized by the staff and by the administrative board. I have myself for that reason, as the Commissioner responsible for Personnel and Administration, looked into this question and we have forwarded a proposal to the Council to modify the regulation in question. If this proposal is adopted by the Council, the staff of the Foundation will have a social security system analogous to that of Commission staff.

It is true to say, as I think Mr Kellett-Bowman mentioned in his report, that the discussions at the Council 'groupe statut' are proceeding very slowly and the Commission cannot but be associated with the wish of the Parliament that the work of the Council should be concluded very quickly.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

8. Fisheries

President. — The next item is the report (Doc. 1-263/81), drawn up by Mr Helms on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-878/80) for a regulation amending Regulation (EEC) No 2527/80 of 30 September 1980 laying down technical measures for the conservation of fishery resources.

I call Mr Tolman.

Mr Tolman, deputy rapporteur. — (NL) Mr President, might I begin by apologizing on behalf of Mr Helms who is unable to be present at this time on account of pressing circumstances.

The question before us is a fairly simple one. The report on the proposal for a regulation amending Regulation No 2527/80 laying down technical measures for the conservation of fishery resources was adopted unanimously by the Subcommittee on Fisheries. As far as I know, no amendments have been tabled either. My group is fully in favour of this report.

I should like, however, to make the following two remarks. I would draw particular attention to paragraphs 1 and 2 of the motion for a resolution which warn against Member States discriminating against other Member States. Later, paragraph 4 refers to the resolution of 21 November 1980 and 15 January 1981. It would appear that the Council has now discussed all the aspects of the common fishery policy and I too would like to call upon the Council to lose no time in taking a decision. The current situation is unfavourable from the point of view of the fishermen, to the disadvantage of the Community and gives the public a bad impression. For this reason, therefore, I hope a decision will swiftly be reached.

President. — I call the European Democratic Group.

Mr Battersby. — Mr President, I believe that this resolution, as it stands, should be withdrawn and re-submitted for two reasons.

Firstly, the Commission has presented a further proposal amending this regulation dated 9 July 1981 which should be included in the present report and, secondly, in places, the English text of the Helms report is unclear and its meaning doubtful.

In paragraph 1 the rapporteur has implied that Member States, having agreed in Council on a point should not take advantage of the possibilities afforded under that agreement.

Now a first reading of this clause in the English text would suggest that Member States can take measures against their own fishermen but should not apply the same measures to fishermen of other Member States. It is perhaps a question of translation, but it is unclear and I believe it should be deleted.

Similarly, the English text in paragraph 5 says:

'Looks to the Council to base its decision-minded proposals submitted by the Parliament.'

It does not make sense in any way whatsoever. If the report is meant to say that the Council should base its decisions on proposals submitted by the Parliament, I

Battersby

am sure that the Council will take note of our proposals but I do not think they will necessarily base their decisions solely on Parliament's proposals. Therefore, I believe that this paragraph, in the English anyway, should be rewritten or deleted.

Now if it proves impossible to withdraw the report in its present form, I would ask that it be voted point by point otherwise we will either have a faulty resolution approved by the House or we will reject *in toto* what is basically, with these two exceptions, a sound report.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, I should like to thank Parliament's Committee on Agriculture and its rapporteur, Mr Helms, for the report on the Commission proposal to amend the regulation on technical measures. I think it is obvious why this amendment is necessary. Regulation 2527/80 of 30 September 1980 providing for certain technical measures for the conservation of fishery resources did not fully cover all the various measures required for the management and conservation of fishery resources in Community waters. It is obvious that a Community regulation for general application cannot cover all the particular aspects of fisheries in the various regions, especially in coastal waters, where there are sometimes hundreds of additional laws which are usually not passed by the central authorities, i.e. by the ministries of the Member States, but by the local authorities. The Commission has therefore put forward a proposal to amend the above-mentioned 1980 Regulation so as to allow the Member States to adopt measures or to maintain strictly local fishery regulations directly affecting the fishermen of the particular Member State, provided that such measures comply with Community law and are in conformity with the common fisheries policy. Furthermore, they are subject to approval by the Commission.

In this proposal the Commission considers that, if a Member State wishes to maintain existing measures, the Commission must be notified of this intention within a certain time. The Commission will then decide within a given period whether the measures may be maintained. This will ensure that any such national measures comply with Community law and above all that they do not lead to differences in the treatment of Community citizens nor prejudice Community conservation measures.

As regards new measures, their introduction and maintenance are subject to a similar procedure by the Commission. This procedure ensures that the measures comply with Community law and are in conformity with the common fisheries policy.

I think that this Commission control will make it impossible for local measures to be implemented which might lead to differences in the treatment of Community citizens.

I fully agree with what the report says with regard to the urgent need for agreement to be reached in the Council on the common fisheries policy. On this point, Mr President, I should like, if I may, to go into the details of the Commission's decisions during the discussion on the three motions for urgency which are down on the agenda for 9 p.m. today.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

9. Release of goods for free circulation

President. — The next item is the report (Doc. 1-258/81), drawn up by Mrs Baduel Glorioso on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-86/81) for a directive amending Directive 79/695/EEC on the harmonization of procedures for the release of goods for free circulation.

I call the rapporteur.

Mrs Baduel-Glorioso, rapporteur. — (IT) Mr President, my speech will be very short because the problem which I am raising here, via a motion for a resolution which was unanimously adopted by the Committee on Economic and Monetary Affairs, concerns a Commission Decision which seems completely logical, and likely to simplify free movement of goods within the Community, which is one of our objectives, as well as to make such free movement of goods a permanent fixture which is one of the objectives of our customs union.

In addition to wishing to congratulate the Commission, which by this proposal, which we approve, wishes to amend a previous Directive adopted, at its instigation, by the Council of Ministers two years ago, I should also like to remind you that our Committee was unanimous on the subject, there was almost no debate at all and no draft amendments were tabled. In addition, the Economic and Social Committee voted in the same manner, unanimously, at its plenary sitting of 6 May last.

What is the basic problem here? On 24 June 1979 a Council Directive was adopted relating to the harmonization procedures for the release of goods for free circulation. This Directive, however, — and this is the

Baduel-Glorioso

point we are hoping to amend now — allowed Member States to make the implementation of the Directive subject to the adoption of a subsequent Directive, on which the Council had not yet reached agreement. Our report stresses the importance of and urgent need for this final Directive which will lay down the conditions under which a person is allowed to draw up a customs declaration.

This rather technical question nonetheless has implications for the administrative procedures or various legislations of the Member States, and this has meant that it has not proved possible to implement rapidly this new part of the Directive. This, therefore, is a precondition for the implementation of the general Directive. It basically determines the fundamental objective of the Directive which is to simplify — through harmonization — the procedures for releasing goods for free circulation.

This is why we support the Commission of the European Communities' stance calling for a temporary removal of Article 27 making the implementation of the Directive subject to their second joint decision. At the same time, the Commission requests that the definitions of persons permitted to draw up customs declarations be harmonized. This second problem mainly concerns two Member States. We know however that the various Member States are in favour of the Commission proposal and therefore I feel that if we now adopt this motion it could be viewed favourably as a means of maintaining and enlarging the customs union and improving free movement of goods within the Community.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, the Commission would like to thank Mrs Baduel-Glorioso for her thorough and helpful report which it was very pleased to be able to study. This report unreservedly approves our draft directive aimed at setting a final date by which Directive 79/695 which has not yet come into force must be adopted by the Member States.

With the present wording of Article 27 of the Directive, Member States can make the implementation of this Directive subject to whether the Council adopts a draft regulation on the definition of the conditions — this draft has already been sent to the Council — under which a person may draw up a customs declaration. The adoption of Directive 79/695 formalized this interdependence because it was assumed that the draft regulation on drawing up a customs declaration would be very shortly adopted. In this way, these regulations which to a certain extent complement each other in practice, could have come into force at the same time. However, the discussions on the draft regulation I just mentioned showed that in contrast to

our original expectations as to the adoption of this text, long negotiations will still be necessary before it can be adopted. Given the significance of the provisions of Directive 79/695 on the harmonization of procedures for the release of goods for free circulation, the Commission, in complete agreement with the competent officials in all the customs authorities of the Community, considers it necessary to remove this interdependence between the two pieces of legislation and to bring the directive into force as soon as possible. This is all the more true since the directive does not stipulate that a standard regulation must exist for persons who can draw up a customs declaration.

Naturally, the Commission will continue to work unceasingly in order to have the draft regulation concerned adopted as soon as possible by the Council.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

10. *Hydraulic and rope-operated excavators, dozers and loaders*

President. — The next item is the report (Doc. 1-176/81), drawn up by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-711/80) for a directive on the limitation of noise emitted by hydraulic and rope-operated excavators and by dozers and loaders.

I call the rapporteur.

Mr Nyborg, rapporteur. — (DA) Mr President, this question was on the agenda for the June meeting without being discussed, but members of the Socialist Group referred the report back to committee in order to bring about a debate here at the plenary session. The Committee on Economic and Monetary Affairs has no objection to such a debate. On the contrary, it is welcome. Indeed, a debate on such rather technical matters is necessary if the common market is to become a reality. The Socialist Group did not explain why they wanted a debate, but a knowledge of the debate in Denmark gives me quite a clear idea of the reasons.

By way of introduction, I should like to emphasize that there is an essential difference between the motives underlying the Danish Social Democrats attitude and these underlying the attitude expressed in Mrs Squarzialupi's amendment, which to a large extent reflects the views outlined in the statement from the Committee on the Environment. The Danish Socialists want the Member States to retain the right

Nyborg

to fix regulations governing the environment. The Committee on the Environment wants the Communities' directives on the abolition of technical trade barriers to cover regulations governing worker and consumer protection to a greater extent than before — in other words they want a harmonization of environmental regulations in the Member States. There is scarcely any common ground between these attitudes, but in order to placate the Danish trade union movement it is not sufficient to harmonize at the highest level. They want to retain the possibility of national measures.

Unfortunately there is only a short time available, and for this reason I will content myself with a few brief statements of principle.

The EEC directives on the abolition of technical barriers to trade have always been seen as an attempt to prevent Member States from laying down national implementing provisions. Products should be allowed onto the market, but this does not mean that buyers should be forced to buy precisely these products. Consumers have the right to say that these products do not meet their wishes and for this reason buy completely different articles or products which meet their requirements better. The intention has never been either to attempt to prevent the competent authorities or the two sides of industry from working out provisions whereby, for example, a particular machine may only be used for a particular length of time with a view to protecting workers. Therefore, in my view, there is no great disagreement on this point, and for that reason I have tabled amendments to Article 4 of the proposal for a directive in order to make it clear that the Member States have the right to lay down provisions governing the use of the machinery. In the same breath, however, it should be added that, should the occasion arise, it will be up to the Court to decide whether Member States are abusing this possibility, and are just using environmental provisions to deliberately create technical barriers to trade.

The next big issue concerns the actual noise emissions and how and where they are measured. In a way I agree with the Committee on the Environment that the EEC provisions take too much account of the noise emitted *vis-à-vis* the environment as a whole, and too little account of the amount of noise to which the people working with the machines are exposed in the course of a working day. However, the present proposal for a directive concerns both aspects even if, of course, one can see that the Commission's proposal for measuring noise in the driver's seat is not an adequate way of assessing the noise the driver is exposed to. However, we have not got this far yet, and there is a potential need here for an amendment to the outline directive on noise emitted by contractors' equipment in general. It is not just a question of excavators.

The next fundamental question is how the noise source should be functioning during testing, in other

words whether the machine should be in operation or standing still when the noise is measured. Here the outline directive states that testing should, in principle, cover the noise emitted when the machine is idling, in other words at nominal engine speeds, as well as when loaded and when using appliances and moving parts. This condition should be laid down precisely in separate directives. It is of course possible to question whether it is appropriate that the present special directive only concerns noise emitted in an unloaded state. The Commission maintains that the reason why the so-called static method was chosen is that a sufficiently workable method for measuring noise emitted by machinery in its loaded state, the so-called dynamic method, has not yet been found. The Committee on Economic and Monetary Affairs have bowed to this argument, since the Commission in its explanatory memorandum states expressly that an attempt would be made to work out a workable method which, in addition to the main engine, would also measure the noise emitted by appliances on contractors' machinery under normal working conditions.

Allow me, Mr President, just to use an extra minute to take a stand on the amendments which have been tabled. I know that it is not normally the time to do so, but I believe that this can save time during the voting, and I have the feeling that at least where one proposal for an amendment is concerned, it should be possible to arrive at a compromise wording. Unfortunately, Mrs Squarcialupi is not new present, but I discussed this with her and she has accepted such a compromise proposal. What Mrs Squarcialupi wants is to apply the dynamic method, but as I have said, this is not particularly practicable at present, and this will be stated in my compromise amendments. As I say, I sympathize with this line of thought, but I do not think that it is realistic at the present time, because the national experts appear to agree that the static method should be selected in the first instance. I therefore gather from Mrs Squarcialupi — she told me so — that she will be withdrawing her own Amendment No 1, so that we can pass the compromise amendment which I have drafted and which I handed in today.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MRS VEIL

President

11. Fisheries

President. — The next item is the joint debate on three motions for resolutions on fisheries policy:

President

- motion for a resolution (Doc. 1-470/81/rev.) by Mr Gautier and others on behalf of the Socialist Group;
- motion for a resolution (Doc. 1-483/81) by Mr Kirk and Mr Provan on behalf of the European Democratic Group;
- motion for a resolution (Doc. 1-489/81) by Mrs Ewing on behalf of the Group of European Progressive Democrats.

I call Mr Gautier.

Mr Gautier. — (DE) Madam President, there are two reasons why the Socialist Group made a request for topical and urgent debate on the fisheries question. Firstly, we learnt last week that in 1980 100 000 tonnes of fish were purchased at intervention prices and used to produce fish-meal. This is a procedure which I personally and my group consider to be scandalous. We feel that high value foodstuffs should not simply be destroyed but must transformed into other high-protein foodstuffs.

The second reason why we submitted our motion for a resolution is that obviously, after the Commission's decision to establish a quota for the herring catch off the North-West of Scotland and to re-start fishing, a chaotic situation existed and considerable quantities of the herring catch went directly to intervention or to the fish-meal industry.

My electors and those people who sent the Socialist Members to the European Parliament feel that it is scandalous for herring fishing to be forbidden for years and then when it is restarted for these highly valuable herrings to be sent straight to intervention! The Socialist Group calls on the Council at last after the many requests made by this House, after the many motions for resolutions passed by Parliament and Parliament proposals to see to it that its negotiations are brought to a close and that this chaotic situation in the fisheries sector of the European Community is brought to an end. Our fishermen can no longer understand why there is no result forthcoming from behind those closed doors on a situation which continues to affect their livelihoods.

Furthermore, the Council must immediately take decisions on amending the fisheries market regulation, with a view, as Parliament at its February part-session requested, to sending fewer fish to intervention and ensuring that fish which go to intervention are channelled towards human consumption. Perhaps we have only a moral right to request this, but I think that the electors expect it of us!

As a Parliament we must use all the powers at our disposal to the limit. One of our powers is money, and we should like to transfer some funds for fishery intervention to Chapter 100, in order to exert some pressure. After the inter-group discussions we had yesterday between Christian-Democrats, Conservatives and

others, we are in favour of having, in Paragraph 3 of the Socialist Group's motion for a resolution, the word 'all' deleted, so that in English this will become 'some money' or in German simply 'Mittel für Fischinterventionen'. Yesterday, the major political groups agreed to vote in favour of the three motions before us today.

President. — I call Mr Kirk.

Mr Kirk. — (DA) Madam President, it is indeed fish that we are discussing here this afternoon, but if we consider the Commission's attitude here in July then I think we may as well forget fish altogether. What happened in reality is that the Commission trampled Parliament underfoot. Through the action it took in July the Commission completely disregarded Parliament's influence on the common fishery policy, completely overruled the two democratic institutions in the Communities, and through the decisions it took and its reactions *vis-à-vis* the Member States, it has in reality obliged them to respect the proposals put forward by the Commission which were not discussed in the European Parliament and on which agreement was not even reached in the Council. In reality, the Commission has provoked an institutional crisis over cooperation within the European Communities, and this is the background to the motion for a resolution we have tabled.

The fact is that, at the beginning of July, the Commission presented a proposal to the Council concerning the distribution of quotas between the Member States, without first submitting this proposal to the European Parliament for an opinion. The Council could not reach agreement at its meeting of 27 July. Three days later the Commission directed the Member States to comply with the proposal presented by the Commission. In reality, that means that, in addition to the Commission having the right to take initiatives, in addition to its having the right to present proposals, it also thinks that Article 155 of the Treaty gives it the right to order Member States to comply with the proposals which the Commission puts forward.

I must say that I was deeply shocked, and I think we in the European Parliament must condemn what the Commission has done and attempt to restore order to the situation.

Allow me to say to the Commission that I am fully aware that it was not easy for our Commissioner for Fisheries, Mr Kontogeorgis, to take over responsibility for fisheries policy. I realize that it is a very complicated area. But what we must and can demand is that the Commission, as a collegiate body, unite to support Mr Kontogeorgis in pursuing the necessary fisheries policy, so that compromises can be reached both here in Parliament and in the Council, and so that we can finally, after four years, have a common fisheries policy.

Kirk

When I analyse the situation I believe that the problem is that Mr Contogeorgis has bad advisors, that Mr Contogeorgis lacks advisors who can ensure that he does not pursue courses leading to institutional crises and which simultaneously destroy the possibilities for creating a common fisheries policy. I call therefore on the Commission as a collegiate body and on the President of the Commission, Mr Gaston Thorn, to see to it that our Commissioner for Fisheries has the advisors he requires so that we can get the common fisheries policy on its feet, so that the Commission can put forward proposals which can unite both the Parliament and the Council on a common fisheries policy. This is the crux of the matter we are discussing here.

Furthermore I agree with Mr Gautier about the chaotic situation which has arisen over herring fishing. I also agree with those who maintain that the Commission does not have the power to implement its responsibilities in respect of the fisheries sector. We are in the situation that when the Commission has the powers, when it does not need to use force, when it has responsibility, it does nothing. It is a fact that, in the first half of 1981, over 70% of total fish imports to the British market came in below the reference prices — between 6 and 12% below the reference prices — and at the same time we have brought European fishermen to the point where, as Mr Gautier said, they are forced to take their fish off the market and destroy them.

I do not think that the Commission has lived up to its responsibilities in this sphere, and the real problem is that it does not understand what is happening in the fisheries sector. There is therefore an enormous need for the Commission to come to Parliament, to come to that institution which can help to advise it on behalf of the fishing industry, so that we can ensure that the Council is given proposals which are sufficiently balanced to be effective in the industry we are discussing.

For this reason I would like to suggest to Mr Contogeorgis that he come and meet us in the Committee on Fisheries. We are willing to meet him. We have invited him repeatedly. Why doesn't he come? Why doesn't he come to hear the views of the various Member States? I invite him to come to the meeting we are having on Tuesday in Brussels in the Committee on Fisheries. If he comes and listens to us, we will try to guide him and advise him, so that the proposals which he puts forward are not technocratic, bureaucratic proposals which do not take account of what is happening in the fishing industry.

President. — I call Mrs Ewing.

Mrs Ewing. — Madam President, I am sure you must be as impressed as I am by the unity that all the spokesmen on behalf of fishing interests are showing tonight. At a meeting open to anyone interested and

attended by the three of us or more who had their names on these three resolutions, we all agreed to support each other's resolutions totally, only one change being asked for in Mr Gautier's resolution — the substitution of the word 'all' for 'some' in paragraph 3. You have heard the unity behind the speeches; we, representing different countries, are able to speak with a very united voice tonight; and if we can do that with electorates to face, it seems very strange that we should be in such a position. The resolutions tabled by myself and by Mr Kirk and Mr Provan are not very different in substance though perhaps in style, and what I tried to do in my resolution was to narrate the story chronologically for those of you who are not familiar with what took place. It is difficult, without going into too much detail, to get it all in; but here we have — and I pick out just one word from my resolution — the word 'sacrifice'. I am not saying that my Scottish fisherman — and I represent an enormous number of the fishermen of the EEC — have got halos on their heads; I am not saying that any fishermen are saints, because in fact they are hunters; what I am saying is that in those areas of my seas in particular, and others too, where herring-fishing was banned, that ban was accepted for three years, three years of sacrifice, which has meant leaving the sea and hence bankruptcy many boats and families of fishermen who have been families of fishermen for generations. That is what the word 'sacrifice' means. It was done with good will, to build up a species that was under attack; and I think we can applaud that aspect of it. Then we have to notice the way this ban was removed. Whatever the reasons for it, the way it was done, created chaos. Now it may be said that if a pedestrian creates a dangerous situation when you are driving your car and you are the one that has the pile-up it may not be your fault, and I am willing to say it is the Council that has failed to reach the decision here and so put the Commission in the situation of that pedestrian. But what I cannot say is that there was any justification whatsoever for creating chaos and endangering a stock of fish after three years of disciplined self-sacrifice by fishermen of the Community.

(Applause)

It might interest you, if you could just for once come into the West of Scotland, to see even the headlines of a variety of papers: 'Herring free-for-all!'; 'Good-bye, silver darlings!'; 'It has taken us six years to reach no decision'; 'Herring chaos!'; 'Fleet returns empty-handed!'; 'Herring war as EEC fails to agree!' The fishermen do not really understand the niceties of the Council of Ministers and the Commission and who advises who and whose fault it is; all they know is that they needed warning before this matter was changed, and they got no warning. And they could not believe what they heard. There is a man called Gilbert Buchan who is not of my party (he is a Socialist), who has led the Scottish fishermen to Europe for year after year and has met everyone who matters in Europe over those years: he came on the radio, and do you

Ewing

know what Gilbert Buchan, this patient, hopeful EEC negotiator, said? — 'My heart is broken. My life's work has been in vain.' And someone is laughing. Well, I do not know who laughed; but that will not impress the people who were the victims of the chaos.

That is what happened: no monitoring; no time to monitor; no processing; no one had had any herrings to eat for years. There was no way of dealing with the vast quantities of herring. The Scots fleet steamed out to get what they could, because the German fleet — some of them — were there already. Why not? If you create chaos, what do you expect?

That is what happened. And I will end by saying that after six years of negotiating for fishermen from my area, during which I have patiently tried to keep my hope alive, I have to go back to a situation where confidence has totally broken down. That, I am afraid, is the background to the resolution, I have had to lodge. I ask this House to support it.

President. — I call Miss Quin.

Miss Quin. — As the previous speaker pointed out, there is indeed a great deal of unity in this House which can be seen through the various texts which have been presented to justify urgency in this debate.

The Commission's action over the summer has reduced whatever credibility it had to zero among the fishing communities of the EEC, particularly the fishing communities in the area where the herring-fishing ban was lifted. I must say though, although I feel quite firmly that the Commission is to be condemned in what it did over the summer, that the Council's failure to reach a decision or to act with any foresight to prevent this situation from happening means that it too has to bear some of the blame attached to it.

I am not convinced really that a lifting of the herring ban was justified at this particular time but, as has been pointed out, if the ban was to be lifted then it had to be done in an orderly and planned manner. Like many others I am very perturbed at the way that the processing industry for herring was given no time at all in which to adapt to the lifting of the ban and respond to the new circumstances.

For this reason you have had the tragic situation whereby of the herring that has been landed in Britain, only about a third has gone on human consumption even though the ban has existed for almost four years.

If renewed fishing for herring was justified then I do not understand why it was not allowed in all the areas of the fishing zones of the North Sea. Perhaps the Commissioner could give me an answer because the fishermen in my area who had been getting good catches of herring along the North-East coast of

England could not understand why their area was excluded from the lifting of the ban and they wonder whether it was political reasons rather than economic and scientific reasons which caused this to happen.

I will conclude by saying that the events of the summer do not bode at all well for the future. The date of 1 January 1982 approaches and is getting frighteningly near and yet no fishing agreement is in sight. The Commission and the Council must act effectively, they must act now.

President. — I call Mr Clinton.

Mr Clinton. — Madam President, in my view the three resolutions before the House this evening are fully justified. The whole situation in relation to the fishing industry in the Community can only be described as chaotic.

This Parliament has done everything in its power to impress on the Commission and the Council the urgent need for action. As the House is aware, the committee responsible, that is the Committee on Agriculture, set up a fisheries working party under the able chairmanship of Mr Battersby and an immense amount of work and research went into a number of very valuable reports covering every aspect of the fishing industry and its problems. We had all hoped and expected that agreement would be reached on a common fisheries policy before the end of 1980. But now, unfortunately, that date has come and gone and nine months later the Council seem to be no nearer agreement. All this time Rome was burning — fishermen are suffering immense losses and a valuable industry is being ruined because there is neither sane management nor control.

If there ever was a case for this Parliament, directly elected by the people, being given more power — this is it! If this Parliament is to carry out its mandate it must be given sufficient power to get things done, especially when the Council has failed so hopelessly over a long period to make any progress whatsoever. Otherwise the Community in my view will fall apart.

We have also to be extremely critical of the performance of the Commission. Every member of the Commission and especially, as has been said, the President must know that this is an extremely weak area. And let me say that it is also an extremely difficult area and I have no illusions about that — I spent sometime trying to negotiate on fisheries and I have great understanding and sympathy for the Commissioner who was put into this hornet's nest.

The situation is much too serious to tolerate such poor performance any longer. I do not of course claim to be in a position to speak for fishermen in every part of the Community but I know what the situation is in Ireland. Ours is an inshore fleet that has many limita-

Clinton

tions; it is limited in the distances it can go to sea; limited in its capacity to switch from one type of fishing to another; limited in its capital for development at sea and on shore; it has the most expensive fuel and is furthest from the market. The ban on herring fishing four years ago, which was considered necessary by the experts, caused immense hardship and loss of income. Our fishermen fought very hard against a total ban because it took away almost their entire livelihood. This year the Commission lifted the ban without sufficient notice, without consultation, without the necessary preparation, without the necessary organization and staffing control to monitor or police catches. The consequences of this were, as we know, immeasurable disruption and loss. This all, of course, goes back to the failure of the Council to reach agreement on a Community policy and to the failure of all the institutions of the Community to concern themselves sufficiently with the fishing industry.

The fishermen themselves are of course not entirely blameless: they are in the main not well organized — they are hard workers and they have to face many hazards. But, as somebody has said already, they are hunters by nature and they are unaccustomed to the sort of discipline and control essential for the success of the industry.

If there ever was, as I have said, a problem where it could be said that the Community acting for all the Member States has a particular advantage over individual Members trying to take care of their own problem — this is it. But we have failed because of the lack of cooperation and the obvious selfishness of a few Member States. It is now time for the Council to reach agreement or agree to hand over total responsibility for the Community fisheries policies to the European Parliament.

President. — I call Mr Provan.

Mr Provan. — Madam President, let me first of all say how glad I am to see you in the chair yourself tonight because there is no doubt that in this Parliament fisheries debates are among the most passionate that take place here. It is a thorn in the side of the whole Community at present that we cannot reach agreement on a new common fisheries policy.

And what has taken place in the Commission on 27 July in fact highlighted one of the major problems in trying to achieve a fishing policy. Of course it is the straw that has broken the camels' back that has made this debate so urgent tonight.

There is no doubt that in this House we have agreement across the floor as to how we would like to see a common fisheries policy achieved, and there is no doubt, I believe, that amongst the fishermen themselves in the Community there could be unanimity as

to how the share-out should be achieved. But we have got a problem with the Commission and the Council. We must try as an institution of the Community to help them to reach agreement and that is what we are about tonight.

The decision to open herring fishing was wrong. It has caused chaos and it has set fisherman against fisherman and Member State against Member State. It has caused disaster and it is questionable legally whether the Commission was right to do it. I know they maintain that they were right but that might well be disputed in the future. Whether it was right for them to open it or whether it is right for them to close it, which is another question, will be tested, I have no doubt, at some time in the future. Because the day they blow the whistle and say that you can no longer in fact go and catch herring might be the legal point at which it goes to court.

What is wrong, of course, as Mrs Ewing has pointed out, is the total waste of a natural resource and one of our best species of fish. That is really criminal and that is why people who make their living by the sea detest it so much.

Now I question, as Mr Kirk has done, the reasons why the Commission arrived at this decision. I believe they were given the wrong advice through the service departments right up to the collegiate body which finally took the decision.

I had an amendment down which I was happy to withdraw and not put before this House tonight after hard and intensive discussions with the Commissioner himself. And I say to the Commissioner that the assurances that he has given me I am glad to accept and I have every confidence that he will be able to carry out the mandate that we expect of him to achieve a common fisheries policy. But he must do these things if we are going to be able to carry on and support him, because of course next month or the following month we will be able to come back at him if necessary and say that he has not carried out what we hoped he would carry out.

Fishermen are practical people and fishermen must be understood at a practical level. They do a good job and they do a hard and courageous job and they need the support of everybody and they need the understanding of everybody and it is unfortunate in the extreme, as Mrs Ewing has also said, that this has not yet been appreciated by the Commissioner.

I believe that if he comes to the fisheries group next week — and I hope he will — he will understand what Parliament really feels about fisheries matters. Let us hope from then he will be able to go out and unite fishermen and unite the Council behind what must be achieved. As I said earlier, indecision is the worst thing of all for the industry. It is a thorn in the flesh of the Community and it must not be allowed to fester any longer.

Provan

Madam President, I end by appealing to the Commission to do all in their power to achieve what must be achieved for the future and the future generations of the fishing community.

President. — I call Mr von der Vring.

Mr von der Vring. — *(DE)* Madam President, we ought in view of the forthcoming meeting of the Fisheries Council once more strongly to urge the Council at last to adopt the Common Fisheries Policy. The fact that this has been long held up in Council has already led to great losses. This is indisputably true for the German high seas fleet, the major part of which has been lying idle since 1 January 1981 and which, if this continues, is threatened by economic ruin. This is a matter, as has repeatedly been stressed, of the Community's credibility.

Parliament has already unanimously signified its approval of the EEC/Canada agreement and of other agreements. According to press reports the British Government has now established that the EEC/Canada agreement does not really conflict with British interests in the way that they had feared. Therefore, we ought and must insist on a rapid adoption of this agreement, so that the German high seas fisheries fleet can at least have two months' catch this year. This is not an unreasonable request. I ask you, therefore, to vote in favour of draft amendment No 1 to Mr Gautier's motion for a resolution drawn up by myself and Mr Helms and approved by the Christian-Democratic Group.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — *(GR)* Madam President, ladies and gentlemen, I have listened very closely to the brief but lively speeches made by the honourable Members. Essentially, these speeches concentrated on two points: the lack of a common fisheries policy and the Commission's statement of 27 July 1981 to the Council of Ministers which, despite repeated discussions last year and this year, was once again unable to reach a decision on the entire question of a common fisheries policy. On 27 July 1981, therefore, precisely because no decision was forthcoming from the Council — and because of the increased public interest and as a provisional measure while awaiting the adoption of a final decision by the Council — the Commission issued a statement calling upon the Member States to safeguard the interests of the Community and its fish resources by exercising their fishing activities in such a way as to ensure that fishing boats adhered to the total allowable catches and the national quotas being proposed by the Commission for 1981.

Subsequent to this statement — and in view of the need to monitor fishing activities during the interven-

ing period and of the fact that the Council's final decision and Parliament's opinion should in no way be prejudiced — the Commission wrote to the Member States on 28 July asking them, as a general rule, to restrict their catches to three-quarters of the total quotas being proposed by the Commission.

The Commission also reminded the Member States of their duty to conform with the provisions of Council Regulation 753/1980 and to communicate the size of the catches. Furthermore, the Commission laid down a special system for communicating catches, with particular reference to herring fishing in sub-zone 6A of the International Commission for the Exploration of the Seas. The Commission's position has its legal basis in Article 5 of the Treaty of Rome, under which the Member States have a duty to cooperate, and Article 155, which confers upon the Commission certain rights and duties of supervision — and in the interpretation of these two articles given by the Court of Justice in its finding on 8 May 1981 in case 804 of 1979. If I may say so, the Commission's actions in no way impinge upon the rights of Parliament, whose opinion on the Commission's proposals is always asked by the Council of Ministers in accordance with the normal procedure.

The Commission's actions, however, were dictated by the need to control fishing activities during the intervening period and to avoid in any way prejudicing the Council's final decision and Parliament's opinion on the TACs and quotas. For this very reason — to give the Council time and to enable Parliament to express its opinion before the final decision is reached — the Commission asked the Member States to limit their catches, as a general rule, to three-quarters of the proposed quotas.

The specific proposal to permit herring fishing off the west of Scotland was based on the independent scientific opinion of the International Commission for the Exploration of the Seas.

In the case of herring, the Commission would remind you that the ban on fishing for 1981 was imposed on the basis of national measures which had previously been approved by the Commission, and not on the basis of Council regulations or decisions.

The legal basis for this ban was becoming very weak, since it could no longer be justified as a necessary and conservatory measure after the contradictory opinion of the Committee on Science and Technology.

The Commission would like to stress that the measures taken after the Council meeting of 27 July were aimed at ensuring proper conditions for herring fishing off the west of Scotland. The Member States for whom a quota had been proposed from the stock in question not only agreed to limit their catches to only a part of the quota being proposed by the Commission, but are also fulfilling their obligation to

Contogeorgis

communicate twice a week to the Commission the size of catches taken from this stock, so that the Commission can order a complete stop to fishing immediately the limit for each Member State has been reached.

If there was any disturbance of the market as a result of allowing herring fishing off the west of Scotland, this is not the fault of the Commission. As yet, the Commission has no responsibility for regulating the rate of fishing in the Member States, and it relies mainly on the producers' organizations to ensure that fishing is carried on in such a way that the size of the catches is in agreement with the needs of the market. The Commission had every reason to believe that the producers' organizations were aware of the proposal to re-open herring fishing off the west of Scotland and that they had informed their members accordingly.

The information supplied by the Member States up to the start of September shows that, of the approximately 62 000 tonnes of herring caught, about 9 700 tonnes — i.e. 15% — was withdrawn from the market. This amount is undoubtedly higher than would normally be expected, but the Commission does not feel that this fact alone is sufficient indication of a chaotic situation. There are even signs that withdrawals in the second half of August were much lower than in the first half of the month.

As regards the future, the Commission proposals for a reform of the market organization provide for regulations which will give a greater incentive to fishermen to keep withdrawals from the market to a minimum. The Commission shares Parliament's view that, for this reform, a decision will have to be reached by the Council of Ministers as soon as possible on the basis of the Commission proposal now before it.

It must, however, be pointed out that it is never possible to avoid completely occasional withdrawals from the market. It lies in the nature of fishing that there will sometimes be catches which do not all meet the needs of the market and cannot be absorbed by it.

Finally, the motions for resolutions before the Parliament state that fisheries products have been imported into the Community over the last few months from third countries at prices lower than the reference prices. However, in such cases the Member States must keep the Commission regularly informed of the prices applied to imports from third countries, so that it can establish to what extent the reference prices are more appropriate and can propose and implement suitable measures. To give you an example, I can tell you that, approximately two months ago, on the basis of information provided by the British Government about such imports, the Commission decided to stop further imports of deep-frozen cod from third countries to the United Kingdom and Ireland. In particular, Madam President, with regard to the statement of 27 July 1981 and herring fishing — which are the two main points around which today's debate revolves — I should like

to repeat that the Commission's proposals for the TACs were based on the findings of independent scientists, and I think you will agree with me that this is the most appropriate basis. We can discuss whether other possibilities exist. I also explained to you the legal basis on which our decision to regulate fishing activities in the Member States was reached. Without the measures which the Commission adopted on 27 July there would be no discipline in the fishing sector, we would have had a 'free-for-all' with the obvious consequences, and the Commission would stand condemned of neglecting its duty. The Commission is fully aware, Madam President, of the problems caused by the lack of a decision on the part of the Council to establish a common fisheries policy covering all sectors and protecting the interests of both the Community and the fishermen. However, responsibility cannot be attributed to the Commission, since these decisions have not yet been taken. For years now, the Council has had before it Commission proposals covering all the essential principles for a global policy in the fisheries sector. These Commission proposals could form the logical basis for discussions within the Council aimed at reaching decisions acceptable to all involved. If such decisions are reached on the basis of the Commission proposals, this will regulate Community fishing activities, it will conserve fish resources, it will protect the Common Market from competition from third countries, and it will protect the interests and incomes of fishermen. These proposals also take account of the fact that, in certain sensitive areas of the Community, fishing is of particular significance and particular importance for the local fishing population. Furthermore, the proposals provide for Community aid for fishing infrastructure projects which will also contribute to an increase in producers' incomes. Unfortunately, the Council has not yet been able to reach a decision on the Commission's proposals, and the Commission shares the view expressed in this House that these proposals must be adopted as soon as possible, and that we must all — Parliament, the Member States and the Commission — make a considerable effort if this aim is to be achieved.

I can assure you that the Commission will not cease to cooperate towards this end, so that the common fisheries policy — which the Community so urgently needs in order to protect its fisheries — becomes a reality as soon as possible. In reply to Mr Kirk, I should like to say that I have already accepted the invitation and will be meeting Parliament's subcommittee on fisheries on Tuesday for as extensive and informative discussions as possible.

President. — I should like to make an appeal to the Members of the Commission. I know that the Commission's speaking time is unlimited but here in Parliament we have to deal with a lot of urgent topics between nine o'clock and midnight. Some of the groups, even the big ones, have only eight minutes and some of the Members only two minutes in which to

President

speak. I would urge the Commission to try to be brief, in order to facilitate our work.

I call Mr Kirk on a point of order.

Mr Kirk. — (DA) Madam President, I noted that the Commission said that the Commission statement of 27 July mainly concerned herring fishing. For truth's sake, it is important for Parliament, when dealing with the present proposals — I have the Commission statement before me — to know that the statement applied both to total catches and to the distribution among Member States, and it is important to know that the Commission in this connection . . .

President. — Mr Kirk, that is not a point of order. I am sorry, Mr Kirk, you no longer have the floor!

I call Mr Nielsen.

Mr Brøndlund Nielsen. — (DA) When, owing to a technical hitch, I did not get an opportunity to take the floor earlier I could in fact have refrained from doing so now, because we in the Liberal Group share the general unanimity expressed by the various speakers here. However, I think it is important to emphasize the fact that we share these viewpoints.

Now I have the possibility of speaking after the Commissioner's long speech. In Danish we have an ironic expression for such a speech — a sailor's yarn — and it appears to me that the Commissioner tried here to cover up what actually happened by giving us a long and long-winded explanation. I do not dispute that the Commission is in a very difficult situation because the Council has never been able to reach agreement. We in Parliament — I myself have been involved in this for many years, and in the former Parliament as well — have pressed for a common fisheries policy, but without success. However, as regards the Commissioner's claim that there would have been total chaos if the Commission had not intervened on 27 July, let me say that it appears to me that the Commission's motto was that, since there was going to be total chaos anyway, the Commission might as well add to it. That was more or less my impression of their reaction.

Madam President, I shall not elaborate on what other speakers said before me. But when we know what immense problems there were over herring stocks, and when we know what serious biological problems there are over herring stocks, then it is terrible to think that, just as suddenly, without any market control whatever, we let go the reins with all that followed this summer. This should never have been allowed to happen. What happened on this occasion was unparalleled bungling. Many speakers have expressed this, and I hope that this can be a serious warning to the Commission that on no account will we put up with this situation any longer. The Commission cannot be

blamed for the fact that the Council cannot reach agreement, but there is really no justification for the Commission's then totally ignoring Parliament and moreover also ignoring common sense in this fisheries question.

The Liberal Group can endorse all three proposals before the House. We can also endorse Mr von der Vring's amendment.

President. — The joint debate is closed.

We shall now vote on the *motion for a resolution (Doc. 1-470/81/rev.) by Mr Gautier and others: Organization of the market in fishery products and the fishery negotiations.*

(. . .)

After the adoption of Amendment No 1

Mr Forth. — Could I ask, please, for that vote to be checked by electronic voting?

(Parliament adopted Amendment No 1 by electronic vote)

(. . .)

(Parliament adopted the resolution)

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President. — We shall now consider the *motion for a resolution (Doc. 1-483/81) by Mr Kirk and Mr Provan: Fisheries policy.*

(Parliament adopted the resolution)

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President. — We shall now consider the *motion for a resolution (Doc. 1-489/81) by Mrs Ewing: Fisheries policy.*

(Parliament adopted the resolution)

12. Situation in the wine sector — Free movement of goods

President. — The next item is the joint debate on six motions for resolutions:

President

- motion for a resolution (Doc. 1-474/81), tabled by Mr De Pasquale and others, on the ban of imports of Italian wine into France;
- motion for a resolution (Doc. 1-477/81), tabled by Mr Ligios and others, on urgent implementation of the series of measures already proposed for restoring the balance in the wine sector;
- motion for a resolution (Doc. 1-478/81), tabled by Mr Galland and others on behalf of the Liberal and Democratic Group, on the free movement of goods within the European Community;
- motion for a resolution (Doc. 1-479/81), tabled by Mr de la Malène and others, on the wine situation and the defence of wine-growers' incomes;
- motion for a resolution (Doc. 1-484/81), tabled by Mr Gatto and others, on the crisis in the wine sector;
- motion for a resolution (Doc. 1-485/81), tabled by Mr De Keersmaecker and others on behalf of the Group of the European People's Party (CD Group), on unilateral measures taken by certain Member States to restrict the free movement of goods.

I call Mr De Pasquale.

Mr De Pasquale. — *(IT)* Madam President, the blockage at the French frontier of large quantities of Italian wine is extremely serious, particularly since it gives fresh impetus to the gradual weakening of the common market which has already been going on for a long time.

In the interests of all countries — not just Italy's — we ask for the ban to be lifted. Whatever the reasons adduced by the French Government, and even if we were to take things to extremes and admit that they are all valid ones, one fact is certain: blocking wine at the frontier does not solve any of the problems, but does cause damage and disturbances both in France and in Italy, for the present and for the future.

It is quite unacceptable that trading conflicts, which are both short and intermittent, as this one is, should be met by actions which have wide-ranging effects as damaging and dangerous as these. It should be made clear that if a precedent of this nature were to become generalized, the very foundations of the Community — which is already so weak — would be compromised with disastrous effects for all. In any case, I am quite convinced that the new French Government has the necessary talent to understand that if from now on everyone can wield customs barriers as a trade weapon, without fear of punishment, then it will have even less hope than now of setting up in Europe the new 'social area' which it so desires.

However, a bilateral controversy has become a serious Community problem. Given this fact, both the Commission and the Italian Government are severely to be rebuked for not having felt the need to ask for the Council of Ministers to meet, since this is the only body in which it would have been possible to find satisfactory solutions to the problem. Similarly, the Commissioner for Agriculture should be rebuked for not having attended the meeting of the Parliamentary Committee on Monday, since that meeting could have supplied some useful ideas.

Mr President, we are not asking that wine receive the automatic and unlimited financial support which other products enjoy. On the other hand, we do ask that genuine wine, that which is made from grapes, with sufficient alcohol level, produced in known areas, should no longer be kept within the limits set by the common market, that they should be given export support, that they should be protected not just against fraud, but also against any other type of more or less legal tampering, and particularly that they should be able to freely move within the Community.

We are convinced that if this is done there will no longer be any need to burn in our stills both wine and money and that many of the reasons for the conflict will be reduced. We must make purposeful strides forward along this path and we truly hope, Madam President, that in the coming discussions on the reform of the CAP, both the Commission and the Council will be able to assume their own responsibilities whilst observing, without bias, the principles of this Community.

(Applause)

President. — I call Mr Ligios.

Mr Ligios. — *(IT)* Madam President, I feel that, in spite of the short time available — we ought to restate some basic principles. Alas! I feel that this House ought to be united in condemning what has recently happened in France, as a patent violation of the basic principles of the Treaty of Rome. If — as has always been the case — we are convinced supporters of Europe, we cannot but exclaim together our explicit and clear-cut condemnation of this event.

I personally am not surprised that the wine-growers of the South of France should undertake this resistance movement, which we naturally do not consider justified. However, what does surprise me is that even some of the Member of this House, whilst nonetheless calling themselves supporters of Europe, should be pursuing an action which is very often difficult to understand, even if it can be justified by political or economic factors.

It is not our wish now to restart the great wine debate. We merely wish to state that we ask the Community

Ligios

and therefore the Commission and the Council, to maintain all the rules which have already been adopted, within the framework of the five-year plan, which is now being called the 1981-86 plan.

In order to correct the imbalance in the wine-growing sector, all the forecasts and all the demands which are this evening being put forward in the various motions for resolutions must be implemented. We therefore ask the Commission to implement them immediately and not to wait for everything to happen in 1985 or even later, when the situation will almost certainly have come to a head or considerably worsened. Mr De Pasquale is perfectly right to mention the fact that no Members of the Commission or the Council are present at such a tense period of conflict which could lead directly — as it did three years ago — to a drama.

Well, we are all aware what provisions are laid down in the plan we just mentioned. There is no point in reiterating them here. What we ask for is that they should be implemented because, by a very large majority, we have all said here in this House that we saw in this plan a way of correcting the imbalance in a sector which carries with it the very real danger of becoming a time bomb ticking in the heart of Europe.

I shall just make one further remark; there are some amendments which state that we ought to establish a minimum price for imports of agricultural produce into the various countries of the Community. And I should like to draw the Members' attention to the fact that this is another potentially explosive issue. If this principle is stated and adopted, we ought to ask ourselves what might happen for example in Italy, if a minimum price was applied for the entry of all agricultural produce coming from France or Germany. The principles of the Treaty of Rome and of the CAP would without a shadow of a doubt be swept aside!

President. — I call Mr Galland.

Mr Galland. — (*FR*) Madam President, ladies and gentlemen, Members from all the Groups represented in this House, with the exception of the European Democratic Group, have drawn up 6 motions for resolutions covering two topics, which in fact constitute a single subject for debate. This is a single subject because through the crisis in the wine-growing sector we have been brought face to face with the question of free movement of goods within the Community.

We, in the Liberal Group, are extremely concerned that Europe is proving so difficult to build. It is advancing only very slowly, and we are having no success in implementing new Common policies. And now we find ourselves with a Europe threatened in its very foundations because one of its basic principles, free movement of goods, is being called into question.

When, on 25 March 1957 the founding fathers of Europe signed the Treaty establishing the European Economic Community, they made this principle the cornerstone of the work they had so ably performed. Twenty four years, four months and eighteen days separate 25 March 1957 from 12 August 1981. The first date marks the surge of hope fostered by the signing of the Treaty of Rome. The second date marks the grave concern caused by the decision of the French Prime Minister and his Agriculture Minister to block Italian wine at the customs, thereby setting in motion a terrible series of events.

We immediately denounced this triggering of a tragedy, since it jeopardized the basic rules of the Treaties, and thereby left the door open for similar action by other countries of the Community, which could destroy in a few months 25 years of painstaking work. And I am not here criticizing what may come to be, but describing the hard facts.

On 1 September 1981, 18 days after the French Government's decision Britain closed its frontiers to French eggs and poultry. On 11 September, 28 days later the Italians banned imports of French champagne. And tomorrow, who will block what, ladies and gentlemen? This is the disaster we are all heading for! Should one or two other Member State Governments give in to lobbying from a specific economic sector, then we are in danger of reaching the biggest crisis the European Community has ever known.

What is more, ladies and gentlemen, good reasons can always be found which dress up protectionism! The Italians say that they are carrying out oenological assessment of French champagne. In fact, this is no more than a counter-measure to the ban on Sicilian wine by France, and we all know this. Britain wishes unilaterally to impose a new health policy in order to combat what it calls 'Newcastle disease'. Yes, I did say what it calls 'Newcastle disease'. The truth is that Britain is taking advantage of the rift opened by the French with Italian wine in order to implement a purely protectionist measure. The only aim of this is to rescue British poultrymen who are not competitive enough — one such company is the all-powerful Matthews company which provides 40% of British output in the poultry sector, a fact of which we are all aware.

Well, let me wish the British a hearty meal — you will not eat any French turkeys at Christmas! and although I am pleased that Mrs Thatcher will be visiting Parliament on 16 December, because this is a sign of confidence in Parliament, I hope that her Government will, before her visit, have seen fit to take note of our votes on this subject and the Commission's requests. One never knows. Our British friends may well yet eat French turkey at Christmas, because it is very good turkey, you know, they are healthy birds and the British Government will no doubt observe Community regulations.

Galland

As for the French, they are casting aspersions on the standards of quality of Sicilian wine. They talk about unfair competition and are suddenly demanding customs documents from the Italians which they had not required for years. Once again, ladies and gentlemen, the same old arguments are being trotted out, and they can be used again tomorrow for cars, biscuits, furniture, machine tools or even silk knickers! this is how 24 years, 4 months and 18 days of painstaking effort and constant work can be jeopardized!

I should now like to strongly condemn the two-faced attitude of the Socialist and Communist French Government. To hear it talk, it is European to the hilt. It is prepared to abolish the 1% VAT ceiling, to implement new Common policies, but in words only, because when it comes to deeds this same Government when faced with a severe sectoral problem solves it quite simply by flouting the most basic Community rule.

Naturally, the problem of French wine growers in the South of France is a serious and complicated one. In order to solve it, we will have to reorganize the common market in wine by correcting the minimum price, as the Government which we supported had the Council agree to do in April 1981. You should therefore make sure that what we had passed by this House is observed. But the Socialist Government cannot solve a difficult problem simply by abolishing competition and stopping free movement of goods.

Ladies and gentlemen, we should quake with fear, for if the French Government intends to solve all its difficult problems in this way, we have certainly not seen the last of our difficulties, and if empty rhetoric has become the ruling party's main weapon there is no more hope for Europe. Let them not come to us and say that this problem of the wine-growers in the South of France is a hangover from our days in power and that the previous government is responsible for it. This problem, ladies and gentlemen, is as old as the French Republic itself. In 1907, Georges Clemenceau, who was both President of the Council and Minister of the Interior was forced to negotiate with the then leader of the wine-growers, Marcellin Albert, because the soldiers of the 17th Infantry Regiment had gone over to their side. In spite of his difficulties Georges Clemenceau managed to negotiate in a responsible manner.

Yes, ladies and gentlemen, the problem of the wine-producers in the South of France, English poultrymen and many others must be solved. But it must be done by negotiation, with a desire to make concessions on both sides and particularly with strict observance of Community regulations and of the Treaties. To achieve this the Council must assume all its political responsibility and take decisions. The Commission must be given real and effective means of solving this type of conflict without having to have recourse to the extremely unwieldy infringement procedure.

This is why we must, first and foremost, ladies and gentlemen, vote in favour of the motion for a resolution put forward by myself and several other Members of the Liberal and Democratic Group. If this is done, we promise you that it will be a step in the right direction.

(Applause)

President. — I call Mr Junot, deputizing for Mr de la Malène.

Mr Junot. — *(FR)* Madam President, ladies and gentlemen, after the fiery statements made by Mr Galland — whose conclusions I nonetheless totally support — I should state that I am not quite as ready as he was to initiate a debate on French domestic politics, but the Group of European Progressive Democrats — like many other groups — wishes to express its concern at the serious conflict between the French and Italians on wine which compounds other problems such as the one which we shall discuss shortly on turkeys and poultry, and to so many other conflicts which have many causes, particularly the shortcomings of a Community regulation which is ill-suited to the present state of the market.

However, we are forced to observe that the attitude of the French authorities, by blocking at the customs a large quantity of Italian wine on the basis that the accompanying documents are incomplete, does not comply with European legislation. The unvarying answer to this is that these imports will be released by the customs as the documents are duly completed and received. Once more without wishing to start a discussion which, in my opinion, is somewhat out of place here, the zeal of the French authorities would seem to stem more from the new French Government's desire to be well thought of by the wine producers rather than from a genuine concern about the origin of this produce.

For our part, we have not waited until this situation developed to look into the long-standing difficulties of French wine growers and producers, particularly in the South West region of France and we are still waiting for our views to be taken into account. But the Group of European Progressive Democrats has always stated, and restates here tonight, that it is firmly attached to the principle of free movement of goods within the Community provided that this is carried out in observance of Community Regulations.

We also have the problem of an intra-Community minimum price, set by the Commission and approved by the Council, but which the latter has not yet actually implemented. It is perfectly clear that this is entirely the Council's fault, and we should once again stress its shortcomings in this matter.

Junot

The Italians ask that the Community regulations be strictly applied. I congratulate them on this and naturally enough I fully agree with them. I am not, however, totally sure they are the best ones to be bringing this lesson of strict observance home to us.

However this may be, we are extremely pleased that Parliament has seen fit, within the procedure on urgency, to hold this debate tonight because this is a serious problem requiring far-reaching and immediate steps to remedy it, because if such steps are not taken, as was pointed out a few moments ago, the problem of the Community and its basic principles as a whole may be called into question.

Is there any real need to reiterate that wine producers must have a stable and fair income, whether they be French, Italian or nationals of any other Member State. We should not forget and must stress the fact that their income has been hard hit for a number of years!

The Group of European Progressive Democrats asks that a regulation on wine be adopted post-haste which will be applicable to all producers and distributors of wine and wine products, and that this regulation should be accompanied not by distributing charity but by sufficient financial support. Once again of course the Council would have to comply with such regulations.

I should like to make perfectly clear that when I refer to regulations, in order to avoid any misunderstanding, we do not mean under any circumstances that we are asking for a European Wine Office to be set up, quite the contrary!

In the motion for a regulation by my Group, which you have before you, we list a number of measures which, although it is far from exhaustive, would go a long way towards avoiding once and for all, with a suitable regulatory framework, any recurrence in the wine sector of the types of conflicts which we have recently encountered and which recur at regular intervals.

These conflicts damage the smooth operation of the European Institutions. They may even, as a fellow Italian Member pointed out just now, lead to tragic occurrences. They destabilize wine producers' incomes and are quite the contrary of what our Group has always supported in this House, particularly on agricultural affairs. Let me quote some of these measures in order to refresh your memories. Permanent and systematic intervention at the right level, harmonization of overheads on European wine producers whose present imbalance weighs heavily on French wine producers, continuity of storage contracts, supplementary measures for distillation and a minimum price which would be actually implemented for intra-Community movement of wine, extension of Community wine export refunds and refunds for

quality wine products, and lastly boosting wine consumption.

In conclusion, Madame President, we are taking part in this debate tonight not in order to blame one party and excuse the other. Our only aim is to make a positive contribution towards the setting up of a real regulatory system for the wine sector. A regulatory system which the Group of European Progressive Democrats wishes to stress should be put into immediate and unambiguous effect.

President. — I call Mr Gatto.

Mr Gatto. — *(IT)* Madam President, the incidents at Sète and the impounding of wine exported by Sicilian wine producers have caused huge material losses to those directly concerned and have caused disappointment, trepidation and indignation amongst Italian public opinion. However, the incidents of the last few weeks are without doubt the outcome of a more profound crisis in the wine sector which has more deeply rooted causes and which involves both the Italian and French wine producers.

Rather than venturing into what has been called in the last few days, in what is a slightly absurd term, the wine war, I think that it would be more serious and useful to dwell on a diagnosis of this crisis, in order to understand its basic causes and do away with them. It is only by abolishing the causes that one can avoid their effects.

It falls, in addition, to the governments of the two countries concerned and to the Commission of the European Communities to find a rapid and suitable solution to the problem of re-establishing free movement and some specific measures to make good the losses which have already been suffered. We should therefore refuse this war between our poorer citizens and seek a lasting solution which will give guarantees not just to the parties involved in this incident but to all those who are employed in the wine producing sector in the Community who amount to more than two million workers.

In the text submitted not just by myself, but also by French Socialists and by other Socialist Members from various countries, our common involvement in this crisis is made plain, as is the need to see the long awaited reform of the CAP carried out. It seems to me that our text points out if not all, at least the main effective measures to be taken in order to progress towards a resolution of the problems of the European wine producing sector.

President. — I call Mr Tolman.

Mr Tolman. — (NL) Madam President, it is not my intention to point an accusing finger at a specific country or to speak about a specific product. I should just like to make a couple of general remarks, since we can see that, unfortunately, the free movement of goods has again come under strong pressure recently.

We have a procedure for such infringements, but it often takes far too long to apply. Which leads me to the following observation. I should like to advocate that, from now on, the procedure laid down in Article 169 of the EEC Treaty, be implemented immediately, in all cases and automatically.

There is great temptation for various countries to take similar steps to the one we are objecting to today, and a stop can be put to this state of affairs only if rapid and drastic action is taken.

However, it also seems desirable to me that Article 186 should be considered an appropriate means of action in such cases. The Court of Justice can, in fact, on the basis of Article 186, be called upon to take interim measures, in order to bring the free movement of goods back into force immediately. It is up to the Commission to assume its responsibility in this matter. It ought to protect the Community's credibility and prevent producers who have been unfairly hurt by this ban from losing all faith in the legal protection afforded by the Community.

President. — I call Mr Thareau.

Mr Thareau. — (FR) Madam President, I shall not reply to Mr Galland's remarks since this is neither the time nor the place for him to put his opposition viewpoint, and I should myself like to stay on the point.

This wine crisis was not inevitable nor was it merely an outburst of illfeeling by French wine producers. Wine growers, like many other people engaged in agriculture in the Community, see their incomes falling each year. In France, farm incomes will fall for the eighth year running this year, by approximately 7 or 8%.

There are a very large number of reasons for this, and I do not have time to explain them all. But the discontent shown by our wine producers is very easy to explain, even though some people do not wish to excuse it.

We French are, however, very attached to our good relations with Italy. We need to trade and those agricultural workers who produce wine wherever they live have a right to a decent income. We wish and ought therefore to find solutions. It is along these lines that we are pleased to have signed a motion for a resolution together with some of our Italian Socialist comrades.

Mrs Cresson, the French Minister for Agriculture, has ceaselessly intervened in the problems now facing us. This has been sufficiently reported in the press for everyone to be aware of it so I shall not go into details. Intra-Community trade ought, naturally, to be carried out in accordance with the Treaty of Rome and, it is equally true, using the regulations in force. But the requirements of such regulations must be met by all authorities and, particularly, by all those trading in wine, whether they are French or not. The present crisis is definitely an outcome of the speculation organized by large wine dealers and of the deficiencies and lack of observance of Community regulations.

This 1981 conflict means that we must act rapidly in order to organize markets in order to support Mediterranean-type producers. This is in our motion for a resolution and the view expressed tends towards an updating of the CAP. If the CAP is not revitalized, this will mean that national governments will retake control of agricultural policies. It is on these absolutely essential reforms that the atmosphere of the months and years to come will depend.

President. — I call Mr Martin.

Mr Martin. — (FR) Madam President, as early as December 1980, my friend Emmanuel Maffre-Baugé warned the French and Community authorities about the rapidly increasing volume of wine imports. Since then they have spiralled.

Once again the major dealers, encouraged by the Giscard régime, have been using imports in order to push down price levels and put pressure on the incomes of small, family wine growers. It is only by implementing a minimum price procedure — as we requested together with the wine-growers' organizations — that a stop could have been put to this rapidly worsening situation. The Commission refused this and took a few inadequate decisions too late.

The wine growers of the South of France, who are far from prepared to be sacrificed on the altar of the profits of the big wine dealers, therefore, with our support, went into action. Those same wine growers have today reason to be pleased with themselves for not having bowed to pressure since the measures taken by the French Government have led to a marked rise in prices. Contrary to what certain people would have us believe, the French wine growers did not wage a war against Italian wine growers but against the wheeling and dealing of the big wine shippers and against the deficiencies of Community regulations. They obviously hit the mark because now everyone admits that Community regulations need to be improved.

As a prerequisite to any improvement, we ask that Community regulations be applied in exactly the same manner in all Member States. The truth is that the

Martin

French wine growers are now asking themselves some questions. For example, how is it that since 1976 the area under the vines in Italy has overall remained stable, even with some replanting being done on the plains, whereas it has fallen by more than 100 000 hectares in France? How can we explain the five million hectolitre disparity between the production forecast and actual harvest in Italy, without mentioning — this has already been referred to — the fact that customs documents are lacking on the origin of some wine, a fact which fully justifies the blocking by the French customs of wine from Italy.

It would also seem, from a more general viewpoint, that adulterated, if not wholly artificial, wines are moving freely and unchecked within the Community, which is an added disturbing factor for the market.

This is why we demand more effective control of fraud and adulteration. In order to find a lasting solution to the wine problem it is in our opinion essential that Community regulations should be improved, with priority being given to the automatic application of a minimum price procedure in intra-Community transactions, so that imports may be regulated in a manner which takes account of the needs, both in volume and quality, of the market. We also demand that distillation measures be implemented at the beginning of each agricultural year as a preventive measure and also that the taxes applied by certain countries in order to discourage wine consumption be abolished.

In the interests of wine growers on family holdings, we ask the Commission to make proposals rapidly on improving regulations so that they can be applied for the 1981 grape harvest.

Lastly, I should like to say that the heightening of the crisis in the wine and fruit and vegetable sectors confirms us in our belief that negotiations on the enlargement of the Common Market should be stopped, since this enlargement would deal the death blow to French agriculture and wine production.

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — *(FR)* Madam President, I hope you will permit me to say a few words to my friend and colleague, Yves Galland. The problem of surpluses did not start in the wine-growing areas of the South of France with the Republican era. As early as 1712, Louis XIV had to issue a Royal ordinance forbidding the manuring of vineyards for the very reason that this produced surpluses. But it is true that at that time free movement of goods did not exist which made the problem even more difficult. I therefore support Yves Galland in condemning this restriction placed on free movement of goods.

I should like, this evening, to say a word in support of the difficulties endured by French wine growers and producers, and remind you that in this matter there is no out-and-out truth but only subtle differences of approach. Although I most strongly condemn the misdeeds committed by French wine growers, they nonetheless have some excuses if one remembers that the wine regulations, which everyone here is referring to throughout this debate on wine, has as its first compulsory provision that the Member States should submit a viticultural land register, make a stock declaration and after the harvest a harvest declaration.

France has in this respect strictly adhered, since the inception of the Common Market, to all its obligations and we are obliged to admit that our great friend and neighbour, Italy, has not always done as much. This means, therefore, that in order to rationalize the wine market and find a permanent solution to this problem, one must first of all observe the existing rules and then we must include in the wine market regulations a number of very basic notions. One of them has already been referred to this evening, but I had brought texts before this House on this subject long before anyone else, and that is strict control of fraud. As you know, and I shall not quote any figures this evening, I personally have the figures for the staff employed by each of the Member States for their Wine Fraud Control Department. And only France is really organized for this.

Therefore, let us this evening put an end to our squabbling, and let us instead work together towards finding solutions to this problem which we will then have an opportunity of putting on Monday to the Committee on Agriculture, and I hold out firm hope that they will settle this all too long a conflict once and for all, since the Italian and French wine producers ought to be able to agree amongst themselves and live in harmony.

President. — I call Mr Pannella.

Mr Pannella. — *(FR)* Madam President, I should like to congratulate the Groups who have put forward so many motions for a resolution on such a vital problem and who have made so many wise and important points on this matter . . .

I should also like to congratulate Mr Galland who has once more shown that there are a number of liberals who are as likeable in opposition as they were hateful in power . . .

(Laughter)

I hope that for a very long time both in France and elsewhere you will be granted the opportunity to stay in opposition, and it is naturally because we are your friends that we wish you this . . .

Pannella

Madam President, I should like to congratulate all the Groups in Parliament. What we are really doing this evening is squabbling amongst, and fooling, ourselves. What we are discussing this evening is European agriculture to which we have given all our money and which is now turning round on us to wreak its revenge like some sort of Nemesis. The fact is that we are dealing with an agricultural system which produces nothing more than the downfall of the workers in it and which not only reduces them to underhand moves but also forces political Groups to defend such cabals with a rhetoric which is both nationalistic and partisan and which makes us ashamed who feel that it is not really necessary to be a marxologist or marxist in order to know that the Third Estate is a serious matter which has endured throughout the history of every country.

But the question is, Madam President, how can one choose between these various resolutions? It is a difficult choice to make.

I am a 'plonk' consumer. I am very sorry but in the final analysis wine is just 'plonk'. I consume it and I am worried that once again what we are celebrating here is a mass against consumers. I should like, after all the important things that have been said up to now, to ask a few really superficial questions. I am not saying that this affair is a little murky, what I am saying is that it, like bad wine, is not very clear.

Madam President, why have the French customs or French authorities not published the tests they ran on Italian wine? Was all the Italian wine good? Well, was it good? I have another question to ask. Why is it that the Italian Government does not send on what are called the 'accompanying documents'? The Government still has not sent these documents. Why not? Is this because there is concern lest these tests on Italian wine might not lead in Italy to tests on certain French produce? Is it mere chance that these two Governments are rushing or pretending to rush — as a mere political stunt — into conflict with each other, tricks used both by the Government and the opposition parties, in order to extract a little more money from the Community or from who knows whom and then continue to flood the market with products whose contents it were better the consumers were unaware of?

I should therefore like shortly to hear something about the tests run on our wine. Oh, you know I am well aware that I am not one of the 'good guys' from the South of France. But I am from the South and when all is said and done I prefer in this affair not to take sides, because the real problem is quite different: it is the problem of European agriculture which is political suicide for all of us. Never at any time has agriculture been in such a state.

Here we have ten resolutions jostling for position on this matter, whereas on Turkey we hear only silence.

You remain silent when problems concerning freedom and the right to live, where fundamental problems are concerned, whereas for a problem like this each of you hopes to return to his electors with a little bundle of excerpts from his European Parliament speeches under his arm. What does anyone think he is protecting in this way? Liberalism, socialism, Christianity? I think that all we are defending here is the continuing dislocation of a Europe which is in the throes of a huge class struggle.

I shall therefore abstain from voting, Madam President. I hope you have a nice time, ladies and gentlemen, your only real problem is choosing which resolution to vote for. When you are ready to start serious discussions on the way European agriculture is organized against the interests of agricultural workers, then we shall really have reached an important moment in the life of this House and of our Community.

President. — I call Mr Curry.

Mr Curry. — Madam President, I am slightly tempted to join in the historical competition of my French colleagues and to say that our viticultural problems began when we lost Bordeaux, but happily we have reconquered it since, thus putting an end to that. I am also tempted to join Mr Galland's gastronomic quiz and suggest that when Mrs Thatcher comes here, perhaps we might serve her herring, French turkey, English lamb and a salad of over-heated Dutch tomatoes, washed down with Italian wine.

However, the essential point in this debate, Madam President, has not been touched upon. It is quite simply this: the common agricultural policy is not a policy at all. It is a series of national policies stitched together with a handful of common instruments. It is neither one thing nor the other thing, and that is the source of the problem. We have parallel agricultural policies. At one level policy is determined and carried out by the State, while at the other level the Community attempts to cope with the consequences of nationally determined policies. That is what invites the sort of abuse and the sort of distortion which we see from every single country in the Community.

Now, either we have a common policy with a common discipline and a common enforcement, or else we abandon a threadbare notion which invites precisely this abuse. If we have half a policy, we have half-hearted observance of that policy. There is a challenge in front of us, Madam President, and it will do no good to talk about individual cases. They, after all, are merely symptoms of the essential problems of an incomplete Community policy which we have never had (a) the means or (b) the will to put together into a coherent whole, endowing Community authorities with those instruments of policy-making that are essential to genuine common endeavour.

President. — I call Mr Romualdi.

Mr Romualdi. — (*IT*) Madam President, as one of the signatories of a text which, for I know not what procedural reason, is not on today's agenda — it is a text which objectively assesses the wine market question, not just the Italian or Italian French question but the European problem — we of the Italian National Right cannot but reaffirm how valid the statements we made two months ago still are, our views having been expressed through Mr Almirante during the debate and through the Colleselli report. We wish to mention this particularly because the document from the European Democratic Group which reached us late, was obviously drawn up to a great extent by the Italian Christian Democrats and is almost wholly based on the Colliselli report.

What were our views three months ago? The same as now: this present wine war with all its tragic and at times violent aspects, in the form of acts by the Southern French wine growers, have grieved us but have not made us shift from our objective assessment of the problem. The fact that the market has only a reduced capacity for absorbing the wine produced, that there is a lack of Community intervention in order to correct the imbalance caused by surpluses, that the authorizations to add saccharose to wine must have absurdly enough been granted will inevitably lead to an artificial increase in output. It is against this background that the dramatic conflict between Italy and France must be placed, this ridiculous blockage of Italian wine and the self-contradictory justification for it given by the French authorities which ought to be condemned and then set aside, the violence, the threats of retaliation and in practice violation of the basic principles of the common market.

In order to remedy this state of affairs, we ask in our motion for a resolution for a few measures by the Commission and the Council of Ministers, which in this respect has a duty to take action in a far more convincing manner. We do not ask for retaliatory measures: that would be foolish. What we feel to be necessary is, therefore, a general rearrangement of this sector, a total and non-partisan reworking of the common agricultural policy.

This wine war has laid bare some serious trends which ought to worry us. From one protectionist measure to another, from one piece of retaliation to another, today it is for wine, tomorrow for milk and butter, the day after tomorrow it will be for poultry, meat and so on, we are threatening to go from the common market, that is a situation in which free trade obtains, to a total policy of every man for himself, without anyone any more being able to justify their actions by the good old excuse of sacred national interests. The only thing we are faced with today is low, vulgar jingoism, behind which extremely sectarian interests and shameful speculation breed. And the cost of all

this is naturally borne by the law-abiding agricultural workers and producers — there are some — and we all have a duty to protect and defend them, in order to defend the prosperity of European agriculture which is not the only source of wealth in Europe but is one of its most fundamental ones.

President. — I merely wanted to point out that if the document to which you referred is not attached, it is because it only bore four signatures and not 21. It was therefore not acceptable under the Rules of Procedure.

I call Mr Almirante.

Mr Almirante. — (*IT*) Madam President, I should just like to make a polite reply to what you just said with reference to the fact that our document will not be debated, that you are perfectly right when referring to a debate on urgency. However, I think I can remember that on other occasions — even when it was only a matter of a question relating to a subject on the agenda as urgent — at the bottom of the page in the agenda the document and its signatories were quoted. This is under no circumstances a protest: it is simply a point which has led to my being forced together with Mr Romualdi to speak this evening. I would have been very glad not to, but as our document — if my information is correct — has as yet not even been translated so that the fellow members can be acquainted with it — given that what I am now about to read is the simultaneous translation of it — I shall restrict myself to reading the main items of the document, in order to give further proof that we — who are labelled nationalists in the deprecating sense of the word — are on the contrary 'nationalists of Europe' and feel sure that one can only be a good 'Italian nationalist' inasmuch as one is a good European nationalist.

The points we made are as follows: firstly, we call for exceptional authorization of the permanent distillation of wine stored since last year.

Secondly, we ask that the authorization to add saccharose to wine must be revoked.

Thirdly, we ask that measures be implemented to promote a recovery, alongside quality control, of the levels of demand which are constantly declining.

Fourthly, we ask the Council to adopt measures designed to evoke the safeguard clauses for table grapes.

Fifthly, and lastly, we call upon the Council to control the alcohol sector before the market becomes saturated.

President. — I call Mr Dalsager, Member of the Commission.

(Applause)

Mr Dalsager, Member of the Commission. — *(DA)* Madam President, the proposals we are discussing here all take the same line and adopt the same approach, and the Commission fully shares the concern expressed here by the various speakers.

There is no doubt that the measures adopted recently in this sphere by both the British and French Governments clearly contravene the principles embodied in the Treaty. The Community cannot function if countries begin to block imports in this way, even when all the necessary documents are present, or if countries, with a view to blocking imports, adopt measures disproportionate to any health risk that might exist.

As regards the wine sector, I should like to emphasize that the Commission is working to secure the principle of the free movement of goods between Member States, which is one of the pillars of our common agricultural policy. The Commission cannot be reproached for a lack of initiative in the wine sector. I can inform you that the Commission, at the end of July, undertook a thorough examination of the situation and presented proposals to the Council to increase the quantities of wine eligible for the supplementary distillation measures. At the beginning of August the Council adopted this proposal by written procedure. At the beginning of August, in the special committee on agriculture and with the aid of the written procedure, the Council took appropriate measures in the French-Italian dispute. The Commission expects an answer from the French Government, in the very near future to the Commission's letter, which the regulations oblige us to send. It was sent on 9 September. I can inform you that the Commission expects to submit a proposal to the Council on supplementing the basic regulations for the market in wine within the next few months. Next month, the Commission wants to present several proposals to the Council concerning the wine sector, partly concerning the minimum quality requirements, partly concerning obligatory low price distillation for products which cannot reach these requirements, and partly concerning the whole question of the chaptalization of wine where, in the somewhat longer term, the Commission is struggling to prohibit the use of saccharose as an additive to wine.

We have been asked to be brief, and I can well understand the President's wish that the Commission, at least, should try to be brief in such discussions. I can comply with this request particularly since I share the view which was expressed regarding the importance of restructuring areas under vines. Regulation of the market alone cannot have the desired effect as far as the quality and producers' incomes goes, unless the common market organization is also supplemented by

a number of structural measures, and already in its action programme of August 1978 the Commission presented a number of proposals, some of which were adopted by the Council last year. The most important goal of the Commission's action programme is to promote viticulture in areas which are suited to it, while accepting a decline in areas which are not really suited to viticulture. It was against this background that, in February 1980, the Council introduced far-reaching changes in the rules governing production and the control of expansion in wine-growing capacity.

With regard to the remarks and proposals contained in the honourable Members's motion for a resolution, I can observe that Parliament's attitude as expressed in this is fully in agreement with the Commission's attitude.

In conclusion let me state that the Commission is perfectly aware of the problems involved in the Community's enlargement to include Spain. The Commission is examining these problems very seriously. I can assure the honourable Members that account is taken of this situation in the proposals I have announced. We will not fail to present supplementary proposals as a follow-up to the Commission's report regarding the mandate of 30 May. A large part of my Cabinet's working time is already being spent on this, and the Commission will ensure that you are advised when the time is ripe.

I have made this short, and I have a much longer statement which I am prepared to make available if any Members are interested. Let me add that I have a meeting on Monday with your Committee on Agriculture and Fisheries, and I am sure that the wine question will be one of the points raised in the discussion between the committee and myself.

President. — I should like to thank Mr Dalsager for being so concise and for telling us that he was going to meet the Committee on Agriculture on Monday. I should also like to take this opportunity of saying how happy we are to see you back here in the Chamber after your illness. We all wish you a full recovery.

(Applause)

The debate is closed.

We shall now vote on the *motion for a resolution (Doc. 1-474/81) by Mr De Pasquale and others: Ban on imports of Italian wine into France.*

(...)

(Parliament rejected the motion for a resolution)

I call Mr Cecovini.

Mr Cecovini. — (IT) Madam President, there is something completely wrong here in my view. You cannot vote in favour of a text and then the next minute vote against the very same text. It is quite absurd.

It is odd that the preamble of a motion can be adopted and the main part rejected, but we have to go along with such an odd happening because even if it is odd the result is technically in order.

The double vote on the preamble is quite out of order, however, and I challenge anyone to prove in a court of law that it has any validity. I think we have slipped into a technical error here. If there is some procedure which allows it, we have to take another look at it. Either you vote on the whole thing, the part that was adopted and the part that was rejected, or you do not vote on anything.

President. — I call Mr Curry.

Mr Curry. — We were very startled by this remarkable lack of amendments to the previous report which is so out of character for the Parliament. Could we ask for a paragraph-by-paragraph vote on the subsequent reports, please, so that we are not caught unawares by this remarkable abstinence? The subparagraphs were relevant.

President. — Mr Curry, are you asking for a paragraph-by-paragraph vote on all the texts?

Mr Curry. — Madam President, we have taken the precaution of examining the texts in detail and we have got a point of view on each of the paragraphs, some of which we like, and some of which we do not like. However, on the Ligios document, which is the next in front of us, we are happy to vote the preamble in one text, but the operative paragraphs separately, please. And the subparagraphs were relevant.

President. — If you could, Mr Curry, please tell me before we vote when you want a split vote.

I call Mr Gautier.

Mr Gautier. — (DE) Madam President, in our capacity as a political body we should first of all vote on the Galland motion (Doc. 1-478/81). If this motion is adopted, all the other motions become invalid.

(Applause)

President. — Mr Gautier, a definite order has been fixed for the agenda and we cannot change it now.

The time to ask for a change was when the documents were presented.

I call Mrs Squarcialupi on a point of order.

Mrs Squarcialupi. — (IT) Madam President, first of all I want to object because on several occasions today I have asked to speak and I have never been given the floor. I ought to have spoken earlier, when I asked to do so in order to express my dismay at the way this Parliament carries on. Its only reason for existing seems to be to produce the lethargy, tedium and boredom which sometimes rear their heads here. The result is that we cannot even manage to be serious, let alone agree, on the paramount political problems affecting the construction of Europe.

This was part of the fabric for the construction of Europe and it has been torn down by outrageous political violence . . .

(The President called the speaker to order)

Madam President, I had asked to speak before, but as often happens you were not looking this way . . .

President. — Mrs Squarcialupi, it is not a point of order if you are going to protest about votes which have been freely expressed. Every Member is free to vote as he or she wishes, and after they have voted we cannot then complain about the way they have voted.

(Applause)

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President. — We shall now consider the *motion for a resolution (Doc. 1-477/81) by Mr Ligios and others: Restoring the balance in the wine sector.*

(. . .)

After paragraph 8 — Amendment No 7

Mr Pannella. — (FR) Madam President, either the machine is wrong or the Members have got it wrong. Please make up your mind!

As the electronic voting system had failed to operate on the first occasion, it was decided to hold a second vote)

(. . .)

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution (Doc. 1-478/81) by Mr Galland and others: Free movement of goods within the European Community.*

(...)

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution (Doc. 1-479/81) by Mr de la Malène and others: Wine situation.*

I call Mr Gautier.

Mr Gautier. — (*DE*) Madam President, we have already adopted two resolutions on the wine sector. Would it not be a good idea to consider the other motions settled? It would of course help the agenda.

President. — Mr Gautier, the Rules of Procedure require us in this instance to vote on all the motions for resolutions. If they are not consistent, then the voting has to be consistent and some of the motions may have to be rejected.

I call Mr Harris.

Mr Harris. — On a point of order, Madam President, I feel we must have votes on these subjects, all the more so because if Members of this House claim urgent procedure for particular motions and then do not bother to appear for the vote, then I think this House is entitled to show its opinion of that action.

(Applause)

President. — Of course, Mr Harris. It is what I have just said.

I call Mr Junot.

Mr Junot. — (*FR*) Madam President, I just wanted to say that our motion for a resolution is quite compatible with the resolution which has been adopted and complements it.

President. — I call Mr Simpson.

Mr Simpson. — Simply this, Madam President: we have now spent half an hour out of a three-hour period voting. There are another six matters to be

discussed. Could you not instruct the Committee on the Rules of Procedure and Petitions to consider ways whereby a large part of this period need not be spent in voting, but can be devoted to the discussion of matters which Members consider urgent?

President. — Mr Simpson, the Committee on the Rules of Procedure and Petitions has already spent a long time on these urgent procedures. The committee allocated a set time of three hours on Thursday. We are simply following the Rules of Procedure which we recently changed.

(Parliament rejected the motion for a resolution)

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President. — We shall now consider the *motion for a resolution (Doc. 1-484/81) by Mr Gatto and others: Crisis in the wine sector.*

(...)

(Parliament rejected the motion for a resolution)

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President. — We shall now consider the *motion for a resolution (Doc. 1-485/81) by Mr De Keersmaecker and others: Free movement of goods.*

(...)

(Parliament rejected the motion for a resolution)

13. Southeast Asian refugees

President. — The next item is the motion for a resolution (Doc. 1-471/81), tabled by Mrs Fullet and Mr Seefeld on behalf of the Socialist Group, on the decision taken by the Thai Government at the Bangkok conference on 23-24 July 1981 and on southeast Asian refugees.

I call Mrs Fullet.

Mrs Fullet. — (*FR*) Ladies and gentlemen, if I am proposing an urgent motion, it is because Parliament should be exerting the full extent of its moral pressure on the Thai Government to persuade it to stop rejecting the boat people, who are in a terrible situation, and to respect the most fundamental human rights. I am

Fuillet

relying on the unanimous support of the House, ladies and gentlemen. Thank you.

President. — I call Mr Maher.

Mr Maher. — My group cannot support this motion, not because we are not in sympathy with the problems of the boat people but because we do not want to condemn the Thai Government or the Thai people, for we recognize that they are in a very serious situation. If any of our countries were in the position where we had a large influx of refugees and were not able to sustain them, I think we should have a serious problem. I think it is up to us to try to support the Thai Government so that they can accommodate these refugees and even, perhaps, to take more of the refugees from this part of the world. By doing that we should be helping in a practical way to resolve this problem; but not by blaming the Thai Government.

President. — I call Mr Forth.

Mr Forth. — Madam President, on this resolution and on others to come this evening, I wish on behalf of my group to call for a roll-call vote, because yet again we are faced with the position that those other groups who have asked for urgent procedure on these resolutions have failed to turn up in this Chamber to support their requests.

(Applause)

I hope we shall make it a practice to record how many of those very people who were in favour of urgency earlier in the week came along to attend these debates and to vote. I really feel this is something that we should make public knowledge in order that they will think more carefully in the future before expressing such strong emotions early in the week and then going home on a Thursday night. That is why we want a roll-call vote.

(Applause)

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission. — Very briefly, in view of the late hour I shall endeavour to comply with your request that I be brief.

Obviously, the Commission understands the preoccupation of Members concerning the decision of the Government of Thailand about refugee camps. At the same time, the Commission feels that we must be aware of the problems created by these camps in a country which is already facing severe economic and social problems. These camps constitute a heavy finan-

cial burden for the Thai Government, a burden indeed which the government would increasingly have to meet from its own resources as international aid is phased out. We all of us are deeply concerned about this continuing tragedy, and I can assure the House that its concern and sympathy in this matter will be conveyed appropriately by the Commission.

(Parliament adopted the resolution)

14. *Situation in El Salvador*

President. — The next item is the joint debate on two motions for resolutions on El Salvador:

- motion for a resolution (Doc. 1-472/81) by Mr Glinne and others on behalf of the Socialist Group;
- motion for a resolution (Doc. 1-486/81) by Mr Klepsch and others on behalf of the Group of the European People's Party (CD Group).

I call Mrs van den Heuvel.

Mrs van den Heuvel. — *(NL)* Mr President, ladies and gentlemen, I should like to say on behalf of my group how pleased we are that we have been able, following the visit of the delegations from the Christian-Democratic and Socialist Groups, to table a joint resolution on the situation in El Salvador in the form of Amendment No 1, which is a compromise amendment pursuant to Rule 74(4) of the Rules of Procedure. The opening paragraphs of this resolution, which express concern at the plight of the people in El Salvador goes no way to reflect the emotions awakened by the violence in El Salvador. The suffering of the mothers and wives of the people who have disappeared or been imprisoned, the accounts and photographs of the Commission on Human Rights and the Archbishop of El Salvador's legal department cannot be incorporated in the articles of a motion for a resolution. Nevertheless, this resolution is a way of helping all those who have suffered from the violence and repression. They have implored us to let the world know what is going on in their country and to do what we can to try and use at least some influence to the good. In El Salvador, violence and repression — institutionalized violence and repression — are daily occurrences. The photographs we have received are solid proof of the fact that the official authorities, the army and the police are involved. Furthermore, the El Salvador Government has passed a number of decrees repealing the constitution which guarantees the rights of the citizens of El Salvador.

The most important of these is Decree No 507 which deprives political prisoners of all the rights which are taken for granted in our countries. It would be very nice, Madam President, if the members of this Parlia-

Heuvel

ment could at least show some consideration for such a serious matter as this and not just sit there telling jokes. Political prisoners can be kept in solitary confinement for more than 15 days during a six month period and, in El Salvador, they are not covered by civil but by military law. My group is pleased that, although opinions differ on certain aspects, the two groups which took part in the visit of the delegation agree that everything possible must be done with a view to putting an end to the violence in El Salvador by means of negotiations. As you know, both the World Union of Christian-Democrats and the Socialist International are prepared to act as mediators here, if necessary. In the view of my group, it is to be recommended that this striving for peace by means of negotiations initiated by the European Community should be supported by the convening of an international conference in which all the parties involved in the conflict could take part, along the lines proposed by the Foreign Ministers in connection with Afghanistan. In our view, this Parliament should conduct a more detailed debate on this subject as soon as possible on the basis of a report by the Political Affairs Committee. The humanitarian aid which we call for may at least alleviate the suffering of the people of El Salvador to a certain extent in the short term and we expect the Commission to inform this Parliament at the November part-session at the latest of what aid has been provided and how this aid could be further increased. Madam President, this Parliament is unfortunately not in a position to put an end to the sufferings of the people of El Salvador. However, we can make our own modest contribution towards a peaceful political solution and I therefore appeal to you here this evening to play your part in this contribution by adopting our joint resolution.

President. — I call Mr Vergeer.

Mr Vergeer. — (NL) Madam President, I should like to begin by saying that I share Mrs van den Heuvel's satisfaction at the fact that a compromise amendment has now in fact been submitted to Parliament in the form of a joint text. The times in which we are living are such, I think, that we cannot continue to concern ourselves exclusively with our own problems, but we also have a responsibility to consider the lot of those in the world who suffer repression in countries where terror reigns and takes innocent victims. The resolution before us, which has unfortunately come up for debate very late in the evening, reflects the points made by Mrs van den Heuvel's delegation. It describes both her findings and her impressions. It would be extremely interesting — and indeed vital — for us to go a little deeper into the problem, particularly as regards a number of political aspects. I am referring not only to the role of the United States in the whole affair, but also to the part played by the Soviet Union. There is no more getting away from the fact that Central America is threatening to become, or perhaps

is already, the victim of a struggle between the two super powers. At any rate, El Salvador is clearly the victim of such a struggle and there can be no doubt that the fact that many innocent people fall victim to this struggle every day, that terror and crime are rife and that there is an inhuman amount of suffering and distress, although I will not go into the deeper underlying causes for this now.

The compromise proposal currently before us consists of two elements: firstly, it asserts the impression received by the delegation that it is absolutely clear that a continuation of armed violence and civil war cannot provide a solution for the conflict in El Salvador and that everything possible must be done with a view to bringing about a peaceful political solution. This is the impression received by the delegation, not only on the basis of talks with official representatives of the El Salvador authorities, but also from talks with top opposition leaders.

Thus, I should like, on behalf of my Group, to recommend this motion for a resolution to Parliament since it so clearly appeals to the parties involved in the conflict to work towards a peaceful solution and to be open to initiatives from outside.

A second element in this resolution, which is undoubtedly of equal importance, is the conclusion that the people of El Salvador do not need guns. What they do need is humanitarian aid, which will permit them to build schools, hospitals and houses and to buy food for the hungry people. In my view, the Community can play an important part in this respect.

We should not hesitate to discuss the political aspects of the conflict without mincing our words, but we do think that this should be preceded by a clear and thorough study on the part of our Political Affairs Committee. Thus, we intend to table another motion for a resolution on this aspect so that a study can first of all be carried out by the Political Affairs Committee pursuant to Rule 47 or Rule 48 of the Rules of Procedure. For the moment, however, I should like to recommend the present resolution to you.

President. — I call Mrs Wieczorek-Zeul.

Mrs Wieczorek-Zeul. — (DE) Madam President, ladies and gentlemen, I was with the delegation in El Salvador, and I saw the victims of torture with my own eyes. Like Mrs van den Heuvel, I spoke to the political prisoners, to the mothers of those who have disappeared and been abducted, and every day we received notes or letters from people who were pinning their hopes on us and expecting us to get their nearest and dearest out of the dungeons and out of the police cells.

Wieczorek-Zeul

What is happening in El Salvador is not just fate — it is something political: it is state terrorism on the part of the police and the army.

It grieves me that these people who are pinning so much hope on us Europeans and on the European Parliament have had to wait so long for this House to get round to discussing the situation in El Salvador. So far, any attempt to get the issue discussed has been blocked. And — let me say quite frankly — that is the only reason why I am prepared to support this compromise motion for a resolution. I want this House to come out here and now by a large majority in favour of political mediation between the Junta and the FDR/FMLN.

It is, after all, a fact that, unless the military are involved, there can be no question of a political solution.

10 000 people have been murdered in El Salvador over recent months, a figure which is of genocidal proportions. It is the equivalent of 0.3% of the entire population, which would in my country mean 190 000 people murdered in a single year.

I should like to draw your attention to point 1 of the motion for a resolution, in which we call for political mediation and for the USA to cease its opposition to a negotiated political settlement. That is something which needs saying, because the fact is that the USA is opposing any form of political mediation. To my mind, this point also amounts to a demand that the USA should at last recognize the FDR/FMLN as a political factor and as a representative force, as the French and Mexican Governments did in their joint declaration. I only wish there were more European governments which had sufficient guts to take the same line.

The motion for a resolution names no names and makes no mention of who is to blame. All of us who were in El Salvador owe it to the people we spoke to and who are forced to suffer in that country to name names and not pretend that all this is something which is just happening and for which no-one bears any blame. The military conflict in El Salvador is being fought with the help of American helicopters and advisers, which amounts to interference on the part of the USA in the internal affairs of El Salvador. We have a duty to make this point; we cannot simply proceed on the basis of whether or not we like a particular country. It is precisely from a country like the USA, our ally in NATO, that we must expect respect for human rights and non-intervention in other countries.

In point 2 of the motion for a resolution, we condemn violations of human rights regardless of who is responsible for them. We have spoken to the *soccorso juridico*, the ecclesiastical legal aid service, who told us that 80% of violations of human rights in El Salvador, of

cases of torture and arrest are committed by government forces.

What is at stake here is the right of the people of El Salvador to self-determination, and those of us in this House who are always speaking out in defence of this right to self-determination must do so even when it does not please a number of Members in this House.

I would therefore ask you to express your unequivocal support for a political solution. Let us say quite clearly that we disapprove of the fact that our ally, the USA, has so far opposed any such political settlement. Let us add our weight to the call for negotiations between the Junta and the FDR/FMLN, to put an end to the suffering and to enable the people in El Salvador and in the whole of Central America to decide on their own destiny.

(Applause)

President. — I call Mr Langes.

Mr Langes. — *(DE)* Madam President, ladies and gentlemen, I disapprove of what Mrs Wieczorek-Zeul said just now, not because the political questions she mentioned should not be discussed in this House — after all, we Christian Democrats have tabled a motion for a resolution too and we shall be discussing this subject and the whole political background in the Political Affairs Committee. Of course, the events in El Salvador have a political background, but there is no justification in trying in a few minutes to paint a very simplistic picture of a very complex country with a very complex history of war, conflict and terror.

The aim of our joint statement is to help the people in El Salvador and not to score a few cheap debating points in the space of a few minutes. We Europeans are prepared to respond spontaneously with the first step of giving humanitarian aid to the refugees on all sides and to those who have lost their mothers or children. Let us please not close one eye to the whole picture. I was prepared to be open-minded when I was there, as you yourself can confirm. And I would ask those Members who were not in El Salvador to be just as open-minded and to confine their decision to this motion for a resolution, which is designed to help the people in El Salvador by instituting a European emergency aid programme. This is a humanitarian appeal and of course also an expression of our willingness to support any political solution which likewise involves the United States and other American states such as Mexico, Panama, Costa Rica and Venezuela. It is a curious fact, Mrs Wieczorek-Zeul, that it was precisely the democracies in Central America which refused to support the joint declaration by France and Mexico. Ladies and gentlemen, I am by all means prepared to discuss the political issues, but let us please

Langes

today give our support only to the humanitarian motion for a resolution.

(Applause)

President. — I call Mrs Baduel Glorioso.

Mrs Baduel Glorioso. — *(IT)* Madam President, I shall speak very briefly to make a few points on behalf of the Italian Communist and Allies Group. We would have preferred to vote for the motion for a resolution tabled by the Socialist Group, given that this time we have not tabled a motion for a resolution of our own, as we did in recent months. This motion for a resolution seemed to us more precise, clearer and more in line with our interpretation of the serious situation in El Salvador.

We are voting for this 'compromise' because we realize the importance of the humanitarian aid which it proposes to give to the people of El Salvador, which has been badly hit, with 7 000 killed since the beginning of the year, and torn apart by a very serious civil war. We also realize the importance of an effort at mediation made in this Parliament — we wish to acknowledge it — with a view to an overall political solution, albeit not the solution for which we would have wished and which was envisaged by the Franco-Mexican Agreement.

There is talk of self-determination for a people — Europe is trying to play a mediating role, as it has sometimes or even often done, in the interests of peace and justice, particularly for the countries of the Third World, which must not be allowed to suffer the effects of a past for which we must all feel responsible.

I repeat that we shall vote in favour of this compromise, although we would have preferred to vote for the Socialist resolution.

President. — I call Mrs Castellina.

Mrs Castellina. — *(IT)* Madam President, I was also in El Salvador — not, of course, with the Christian-Democratic and Socialist delegation — and I was able to meet the various political forces, including the FDR/FMLN opposition. Precisely for this reason I would have drawn up a different motion for a resolution.

However, I understand that when one is faced with a compromise one must accept it, even if it is a negative compromise or an only slightly positive compromise. It is for that reason that, on behalf of my Italian colleagues in the Group for the Technical Coordination and Defence of Independent Groups and Members, I declare that we shall vote in favour of this resolution.

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission. — Madam President, I will have to be very brief in view of the time, but I just want to say at this point on behalf of the Commission that we do share the concern, preoccupation and determination expressed here in Parliament this evening. I had prepared a detailed account for Parliament of how the Commission was endeavouring to discharge its responsibility, but in view of the hour I do not think I can give it.

I would only say that in the case of El Salvador we do take the view that only a politically negotiated solution by all the democratic groupings in the country, rather than military force, can return it to economic stability under a democratic and pluralistic form of government. We have made considerable efforts to assist the refugees both inside the country and in the neighbouring States. We will, in fact, be looking to every possibility of increasing the level of our aid. I propose to communicate to the sponsors of the motion some further details of what we are doing and what we propose to do. However, I can assure the House that, here as elsewhere, we condemn the violation of human rights wherever it occurs. Of course, we recognize equally that some of these are complex problems and that the one way in which we can help is through the implementation of aid proposals to relieve the suffering and problems of those who are unfortunately involved in this terrible human tragedy.

President. — I call Sir James Scott-Hopkins on a point of order.

Sir James Scott-Hopkins. — Madam President, I only want to ask what happens now.

As it is now after midnight, presumably the urgency debates are closed and we have not yet reached some items on the agenda. Do we vote on them without debate, or do they automatically go on to the agenda for next month? If they do go on the agenda for next month, do we then vote on them on the Wednesday if there is opposition to this, or do they just fall by the wayside?

Again, if time has run out and a debate has not been finished, such as this debate on Angola right now, are you then going to contravene the rules of the House and put it to the vote? As you are perfectly aware, the time for this debate is from 9 to 12 p.m. That is what is quite strictly laid down, and I submit to you on a point of order that after 12 o'clock it is quite out of order to put any kind of vote or any kind of question to the House.

It is quite clearly after 12 o'clock now, and therefore I put to you plainly that no vote should be put to the

Scott-Hopkins

House on any further motion arising from the urgency debate.

President. — Sir James, we are holding a debate which is going to end in two minutes. I propose that we vote right away on the present debate, and the other matters will be deferred to the next part-session.

I call Mr Rogers.

Mr Rogers. — Madam President, I did ask to speak on a point of order before Sir James Scott-Hopkins.

When you explained what you were going to do I was going to defer my point of order. But it ill becomes a political group leader to filibuster in this way. On the basis of your ruling we can now take the vote and then, as normally happens, the other cases of urgency will be placed on the agenda for the next part-session. But the shame of it was that the Conservatives demanded a vote paragraph by paragraph on the wine resolutions in order to ensure that we would run out of time. I do think that was a pretty dirty trick.

President. — I call Mr Pannella.

Mr Pannella. — *(FR)* I just want to say very quickly, Madam President, that I really admire those Members who know how to get the best use out of the Rules of Procedure. It explains why I have a lot of admiration for Sir James. But really, Sir James, I do not think there is any need to cheat when you are strong. You started speaking at two minutes to midnight so that you could set up the situation which you complained about shortly afterwards. In my view, Madam President, you took a wise decision in upholding Parliament's rights.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — *(GR)* Madam President, I simply wanted to say that, if this motion for a resolution was included among the topics for urgent debate and some Members want it to be dealt with without a debate, since it is also the last item and I do not think anyone will want to speak on it, I am very much in favour of our proceeding without debate.

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — *(FR)* I want to point out from this side of the House that when it came to the vote on the security of our ocean supply routes you employed

delaying tactics regarding the quorum. You are hardly in a position to preach to Sir James.

(Applause)

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — I am not, of course, querying your judgement and your decision at all. You have said that we will vote, therefore we will vote. I only question you on a point of order, i.e. does what you have just decided mean that if we are half-way through a debate on one of the urgencies we still take a vote, or do we go on to the end of it past 12 midnight, in which case what is the point of having the 12 o'clock rule if what you are saying is going to happen? Really, I would suggest, let us not argue about it anymore tonight. Let us refer this to the Committee on the Rules of Procedure and get a ruling from them. Really, it is not satisfactory the way it is left at the moment. But I am not querying your decision to take a vote now.

President. — I have received a compromise amendment, tabled by Mr Glinne and others on behalf of the Socialist Group and by Mr Klepsch and others on behalf of the Group of the European People's Party (CD Group), seeking to replace the two motions for resolutions by a single motion for a resolution.

Pursuant to Rule 74 of the new Rules of Procedure, I must ask if Parliament agrees that this amendment be put to the vote.

(Parliament agreed to the vote and adopted the compromise amendment)

I call Mr Patterson.

Mr Patterson. — I do ask you to call for abstentions as well because I wish to abstain.

President. — I call Mr Hord.

Mr Hord. — Under Rule 71, Madam President, I would like to call for a quorum in view of the unsatisfactory circumstances that prevail this evening.

President. — It is too late, Mr Hord.

The proceedings will now be suspended.¹

(The sitting was closed at 12. 10. a.m.)

¹ *Agenda for next sitting: see minutes.*

SITTING OF FRIDAY, 18 SEPTEMBER 1981

Contents

1. <i>Approval of the minutes (continuation)</i>	
<i>Mr Klepsch; Mr Pannella; Sir James Scott-Hopkins</i>	262
<i>Point of order: Mr von der Vring</i>	263
2. <i>Votes</i>	
• <i>Donnez report (Doc. 1-419/81): Mutual recognition of diplomas in medicine</i>	
<i>Adoption of the resolution</i>	263
• <i>Malangré report (Doc. 1-254/81): British Nationality Bill</i>	
<i>Explanation of vote: Mr Lomas</i>	263
<i>Adoption of the resolution</i>	263
• <i>Turcat report (Doc. 1-326/81): European space policy</i>	
<i>Mr Turcat, rapporteur</i>	263
<i>Adoption of the resolution</i>	264
• <i>Kellett-Bowman reports (Docs 1-251/81 and 1-350/81): European Foundation for the Improvement of Living and Working Conditions and European Centre for the Development of Vocational Training</i>	
<i>Mr Kellett-Bowman, rapporteur</i>	264
<i>Adoption of the various documents</i>	264
• <i>Helms report (Doc. 1-263/81): Conservation of fishery resources</i>	
<i>Adoption of the proposal for a regulation</i>	
<i>Mr Battersby</i>	264
<i>Adoption of the resolution</i>	264
• <i>Baduel Glorioso report (Doc. 1-258/81): Release of goods for free circulation</i>	
<i>Adoption of the various documents</i>	264
3. <i>Hydraulic and rope-operated excavators, dozers and loaders — Report by Mr Nyborg (Doc. 1-176/81) (continuation)</i>	
<i>Sir James Scott-Hopkins</i>	265
<i>Mr Fich; Mrs Squarcialupi; Mr Dalsager (Commission); Mr Nyborg; Mr Kirk</i>	265
<i>Adoption of the various documents</i>	267
4. <i>Regulation on the definition of the customs territory of the Community — Report by Mrs Fourcade (Committee on External Economic Relations) (Doc. 1-234/81)</i>	
<i>Mrs Fourcade, rapporteur</i>	267
<i>Mr Seeler (S); Mr van Aerssen (EPP); Mr Johnson (ED); Mr Kappos (COM); Mrs Pruvot (L); Mr Pannella (TC); Mr Bournias (non-attached); Mr Plaskovitis; Mr Welsh; Mr Papaefstration; Mr Nikalaou; Mr Almirante; Mr Gondikas; Mrs Vayssade (Legal Affairs Committee); Mr Dalsager (Commission); Mrs Fourcade</i>	269
<i>Explanations of vote: Mr Kappos; Mr Romualdi; Mr Bournias</i>	277
<i>Adoption of the resolution</i>	277
<i>Mrs Fourcade</i>	277
5. <i>Appointment of four members of the Court of Auditors — Report by Mr Aigner (Committee on Budgetary Control) (Doc. 1-469/81)</i>	
<i>Mr Dankert, deputy rapporteur</i>	277
<i>Mr Kellett-Bowman</i>	278
<i>Adoption of the resolution</i>	278
6. <i>Concept of a public service in transport — Report by Mr Doublet (Committee on Transport) (Doc. 1-244/81)</i>	
<i>Mr Junot, deputy rapporteur</i>	278
<i>Mrs von Alemann (L); Mr O'Kennedy (Commission)</i>	279
<i>Adoption of the various documents</i>	279
7. <i>Directive and regulation on combined transport — Report by Mr Gabert (Committee on Transport) (Doc. 1-395/81)</i>	
<i>Mr Gabert, rapporteur</i>	279
<i>Mr Albers (S); Mr Janssen van Raay (EPP); Mr Cottrell (ED); Mrs von Alemann (L); Mr O'Kennedy (Commission)</i>	280
<i>Adoption of the various documents</i>	284
8. <i>Summertime — Report by Mr Baudis (Committee on Transport) (Doc. 1-356/81)</i>	
<i>Mr Baudis, rapporteur</i>	284
<i>Mr Hutton (ED); Mrs von Alemann; Mr O'Kennedy (Commission)</i>	284
<i>Explanations of vote: Mr Megahy; Mrs Ewing</i>	286
<i>Rejection of the motion for a resolution</i>	286

9. <i>Education of the children of migrant workers — Report by Mrs Viehoff (Committee on Youth, Culture, Education, Information and Sport) (Doc. 1-329/81)</i>		<i>Community to the development of Europe — Report by Mrs Weiss (Committee on Youth, Culture, Education, Information and Sport) (Doc. 1-328/81)</i>	
<i>Mrs Viehoff, rapporteur</i>	286	<i>Mrs Weiss, rapporteur</i>	293
<i>Mr Schwencke (S); Mr Del Duca (EPP); Mr Patterson (ED); Mr Almirante (non-attached); Mr Brok; Mr Kappos; Mr Bour-nias; Mr Gondikas; Mr Eisma; Mr O'Kennedy (Commission); Mrs Viehoff; Mr Forth; Mrs Viehoff</i>	287	<i>Mr Schwencke (S); Mr Hahn (EPP); Mr Harris (ED); Mr Bøgh; Mr Habsburg; Mr Møller; Mr Dalsager (Commission); Mr Hutton; Mr Brok; Mrs Weiss; Mr de Courcy Ling; Mr Hahn</i>	294
<i>Explanations of vote: Mr Albers; Mrs Viehoff</i>	293	<i>Explanations of vote: Mr Forth; Miss Brookes; Mr Prag; Mr Brok</i>	298
<i>Adoption of the resolution</i>	293	<i>Adoption of the resolution</i>	299
10. <i>Exhibition on the contribution of the</i>		11. <i>Adjournment of the session</i>	299

IN THE CHAIR: MR DANKERT

Vice-President

(The sitting was opened at 9 a.m.)¹

1. *Approval of the minutes (continuation)*

President. — I call Mr Klepsch.

Mr Klepsch. — *(DE)* Mr President, I should like to say something about the minutes of yesterday's sitting.

I have given careful consideration to our new Rules of Procedure, the practices usual in this House and the President's decision yesterday and I have come to the conclusion that the decision I took yesterday was mistaken. However, there had been no objection to the practice in question until yesterday.

On the incident itself I should like to say that my colleague, Mr Ligios, on whose behalf I am also speaking now, had left his place for a short time to discuss an important matter with Mr Ghergo somewhere else in the Chamber. During this time an electronic vote was taken, and as had been standard practice until then, after making contact with him and Mr Ghergo, I pressed his button, convinced that this complied with the practice in this House. In the subsequent roll-call vote Mr Ligios did the same.

¹ For the following items see the minutes of the sitting: *Minutes — Documents — Petitions — Membership of Parliament — Rule 49 of the Rules of Procedure.*

During the debate, however, the President then came to the unambiguous decision that in future Members must themselves vote from their own seats. My group and I — and I hope the whole House — will regard this unambiguous decision as binding in future, and I should like to thank Mr Enright for raising this point, which has now clarified the position. I wish to apologize to the House for this incident.

(Applause from various quarters)

President. — I call Mr Pannella, but no debate can be allowed on this personal statement relating to the minutes.

Mr Pannella. — *(FR)* Mr President, I do not quite see what Mr Klepsch's intervention has to do with the minutes. However, if it has, perhaps I could for my part point out that voting by proxy is unknown in any other parliament in the world, that to have accepted a vote by proxy was a mistake and that I find it incredible that a Member, even a new Member, which is not the case, should say . . .

President. — Mr Pannella, the Rules of Procedure are clear and need no interpretation. Mr Klepsch has made a personal statement on the minutes, which has been noted.

I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — Mr President, I have just noticed that the minutes of yesterday's sitting merely say that the sitting was closed at 10 minutes past midnight. I would hope that the minutes could also include my request that the President refer to the Committee on the Rules of Procedure and Petitions

Scott-Hopkins

the question of when and how we close debates at midnight on items being dealt with by urgent procedure. I raised the matter last night and I would just like it recorded in the minutes that the question should be examined by the Committee on the Rules of Procedure and Petitions.

President. — Your request will be complied with.

I call Mr von der Vring to speak on a point of order.

Mr von der Vring. — (DE) Mr President, five minutes ago you stated that the minutes had been approved. Nonetheless, a debate is now beginning on the subject. I do not understand how this is possible.

President. — You are right, Mr von der Vring. We did take the business of approving the minutes rather quickly. Of course, I myself was aware beforehand that Mr Klepsch wished to make a personal statement on the subject of the minutes. From the strictly formal point of view, however, you are quite right.

Mr von der Vring. — (DE) Mr President, I should like to add that at this time most Members have not yet read the minutes. Although I do not understand Dutch, I know that the minutes have been approved, because this is done very quickly every Friday morning. This may not be very sensible, but we just happen to have this provision in the Rules of Procedure. I have absolutely no objection to Mr Klepsch making a statement. But what I cannot understand is that Sir James Scott-Hopkins, who is known to be an early bird, should want to change the minutes after they have been approved.

(Laughter)

2. Votes

President. — The next item on the agenda is the vote¹ on the motions for resolutions contained in the reports on which the debate has been closed.

We shall begin with the *Donnez report (Doc. 1-419/81)*²: *Mutual recognition of diplomas in medicine*.

(Parliament adopted the resolution)

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* *

¹ The Report of Proceedings records only those parts of the vote that gave rise to speeches. For details of the voting the reader is referred to the minutes of the sitting.

² Without debate

President. — We shall now consider the *Malangré report (Doc. 1-254/81): British Nationality Bill*.

(...)³

I call Mr Lomas to give an explanation of vote.

Mr Lomas. — Mr President, I will, of course, vote for this motion, but I do so with some misgivings because it is undoubtedly an intrusion into matters which are rightfully being decided by a Member State. However, the Bill is so bad — and I am glad we have got virtual unanimity in the House on this — that it is impossible to let the occasion go by without doing something to try to prevent it. I think everyone agrees that the Bill is both racist and sexist and would have the effect of making people stateless. Subject therefore to the reservation I made at the beginning, I shall vote for it in the hope that, even at this late stage in the passing of this Bill, the British Government will bow to the considerable pressure and opposition and amend it to make it into a decent humane Nationality Act.

(Parliament adopted the resolution)

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* *

President. — We shall now go on to *the report by Mr Turcat (Doc. 1-326/81): European space policy. After paragraph 4 — Amendments Nos 6, 7, 4 and 5*

Mr Turcat, rapporteur. — (FR) Mr President, I am against all four amendments, but particularly Amendments Nos. 6 and 4, which would distort the meaning of the text to the point that it would no longer be my report!

(...)

After paragraph 5 — Amendments Nos 8/rev. and 9/rev.

Mr Turcat, rapporteur. — (FR) I am in favour of Amendment No. 8; as for Amendment No. 9 I will rely on the wisdom of the House.

(...)

Paragraph 7 — Amendment No 10

³ The rapporteur was:

— for Amendments Nos 1, 3, 4, 5, 6 and 7
— against Amendment No 2.

Mr Turcat, rapporteur. — (FR) I am not in favour, but in the event that it is adopted I would suggest placing it after the new paragraph proposed by Mr Hahn, of which I am very much in favour.

(...)

Paragraph 8 — Amendment No 12

Mr Turcat, rapporteur. — (FR) Mr Sassano's amendment has nothing new to add and instead does away with two ideas that I feel are important, namely those of motivation and of a peaceful and civilizing presence in space. I am against the amendment¹.

(...)

(Parliament adopted the resolution)

President. — We shall now consider the *Kellett-Bowman reports (Docs 1-251/81 and 1-350/81): European Foundation for the Improvement of Living and Working Conditions — European Centre for the Development of Vocational Training.*

I call Mr Kellett-Bowman.

Mr Kellett-Bowman, rapporteur. — Mr President, I wonder if you would permit me to make a brief statement on a semiformal approach made to me last evening, following my presentation of two resolutions on behalf of the Committee on Budgetary Control. They were Documents 1251/81 and 1350/81. The story is, Mr President, that the Council has issued texts which purport to grant discharge for these two satellites. The Council texts are not referred to in the resolutions before the House, because they are not covered by the Treaty of 22 July 1975. The grant of a discharge, Mr President, — as I am sure you know very well — is a matter for Parliament, not the Council. Last year the House, when moving similar reports, called for an amendment to the special regulations covering the two satellites. These amendments would have permitted the Council to observe the provisions of Article 206 (b) of the EEC Treaty. I urge the Commission to put forward, without further delay, the necessary proposal for amendment so that the normal discharge procedure can take place. In which case, we will be able to grant discharge if we think fit, following a recommendation from the Council.

¹ The rapporteur was also
— for Amendment No 1
— against Amendment No 11/rev.

President. — The Commission is absent, but I am sure that your statement will be noted.

(...)

(Parliament adopted the various documents)

*

* *

President. — We shall now consider the *Helms report (Doc 1-263/81): Conservation of fishery resources.*

(...)

After the adoption of the proposal for a regulation

Mr Battersby. — Mr President, I did point out yesterday that the English text contained certain nonsenses, so that we are carrying out a pointless exercise. I therefore requested yesterday that the vote be taken paragraph by paragraph.

President. — I think this point has to be taken up with the Commission, because if I understand it correctly it is a linguistic problem mainly.

Mr Battersby. — There are two faults. The first one is a linguistic one; it just does not make sense at all and I think the same applies in all the other languages. The other one is a point of principle. The meaning of the rapporteur is completely unclear on the first point.

President. — That is another problem. We cannot vote on that any more.

(...)

(Parliament adopted the motion for a resolution)

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* *

President. — We shall conclude then by taking the *Baduel Glorioso report (Doc 1-258/81): Release of goods for free circulation.*

(Parliament adopted the various documents)

3. *Hydraulic and rope-operated excavators, dozers and loaders (continuation)*

President. — The next item is the continuation of the debate on the report by Mr Nyborg (Doc 1-176/81)¹.

I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — We are now starting the debates, Mr President, and I have not got to my feet until now because I thought that it would give time for one of the Commissioners to come down and attend the deliberations of this House. I hope that one of the aides is going to do that. If this were in any national parliament — certainly my own parliament — I would ask for an adjournment until the Minister had the courtesy to come along and take part in the debates. The same thing applies to the Commissioner here. But as we are here in Strasbourg, perhaps one of the Commissioners is lurking in the corridor. I do not suggest that we should suspend the sitting until he arrives but I hope you as President will make it quite clear that Fridays are a normal working day for us and for the Commission.

(Applause from various quarters)

President. — What you say is perfectly true, Sir James.

I call Mr Fich.

Mr Fich. — *(DA)* I entirely agree with Sir James Scott-Hopkins. One would expect the Commission to be present so that we could obtain immediate answers to questions raised during the debate.

This proposal is for one of a whole series of directives, which at first sight deal with technical barriers to trade but in some cases also affect the working environment. That is true of this proposal. This has given rise to controversy in several Member States as to whether a country may introduce rules on the use of the machinery in question so as to prevent the working environment from being degraded by directives for the removal of technical barriers to trade. In other words, is it possible both to remove technical barriers to trade and to protect the working environment created in certain countries or to allow them to make further improvements if they wish?

Among the Member States of the Community only the Danish Government believes, albeit with the backing of a decision by the ETUC at its Munich Congress some years ago, that rules on the working environment can never be regarded as technical barriers to

trade. The strength of the opposition within the Commission to this principle is surprising. The Commission has so far refused to agree that technical barriers to trade should be removed, while at the same time the working environment is protected. I find this most regrettable. This debate is taking place now because the proposal was removed from the agenda for July, in which it was entered for procedure without debate. I am glad we have obtained this debate, not simply for its own sake but because of the various amendments which have been tabled in the meantime both to the directive and the motion for a resolution, representing improvements to both. Article 4 of the Commission's proposal is extremely vague in its original version. Some scope is offered for national rules to protect the working environment, but without any details of the conditions on which this may be done. The amendments tabled by the rapporteur and Mr Kirk tighten up this article very satisfactorily, and I should like so say on behalf of the Socialist Group that we will be supporting them. This is the first occasion on which we may, as I hope, obtain broad agreement on the need to avoid harming the working environment by the adoption of directives for the removal of technical barriers to trade.

Mr Nyborg said yesterday that there was some disagreement between the Committee on Consumer Protection and those who held the views I have just put. This is true. There are two ways of looking at this problem, but at least both groups are agreed that the Commission's present proposal for a directive is unacceptable.

In conclusion, I can assure you that it is no part of the Socialist Group's intentions to hinder the free exchange of goods. We are definitely in favour of the abolition of technical barriers to trade. But in return I should like to hear the Right confirm that it has no intention of hampering progress towards better working conditions, or destroying what has already been gained in that field. We shall see the answer in the voting, which will, I hope, confirm this. It would augur well for the future. But, of course, the problem of the Commission remains, and I hope that we shall obtain a clear statement from them today that they will change their previous attitude, so that in future it will be clearly understood that directives of this nature do not restrict the Member States' right to protect workers by applying or introducing legislative or administrative provisions on the use of products covered by directives. If the Commission were to confirm this here and now, it would eliminate one major problem, and I believe that rapid progress towards the removal of technical barriers to trade would then be possible.

President. — I see that Commissioner Dalsager has arrived in the meantime. I bid him a hearty welcome, but I must point out to him on behalf of the House that it would be a good thing perhaps if the Commission realized that the Friday morning sitting begins at

¹ See Debates of 17. 9. 1981

President

9 a.m., that Friday is a normal working day and that during the voting it may be necessary for the Commission to give its opinion on amendments. This is not intended as a reflection on Mr Dalsager personally, but is addressed to the Commission as a whole. I hope that from now on a Member of the Commission will be present at 9 o'clock.

I call Mrs Squarcialupi.

Mrs Squarcialupi. — *(IT)* Mr President, I believe it is unnecessary on this occasion to emphasize the harm that can be caused by noise; I have no time to do so, and I can only hope that my colleagues have read the document distributed to them. Deafness, which is the first consequence of noise, is the most widespread social infirmity, and it is — we must stress this — irreversible. For such damage there is no remedy.

The directive before us is a cautious one, perhaps too cautious. The amendments presented by members of the various national parliaments demonstrate that in many countries the minimum and maximum noise levels indicated in the directive have already been surpassed. Moreover, the directive lays down provisions to be enacted over very lengthy periods of time — the so-called 5-year stages. It is to be hoped that the Commission — to which I appeal most particularly — will on its own initiative modify the directive so as to speed up its application, for, as I said before, damage to hearing is irreversible and the amount of time provided for in the directive will leave yet another generation to be threatened by deafness and hearing impairments.

Furthermore, there are many discrepancies between measurements of the noise made by machines when stationary and that made by machines in motion.

Bulldozers and excavating machines are mentioned; these are both machines that move, and it is therefore useless to measure their noise level when the machines are not in motion.

I would like now to address the Council, although it appears to be very sparsely represented here today: the Council renders useless not only all efforts made by Parliament, but also the feeble efforts made by the Commission.

There is a general directive, lauded in 1974, which is still awaiting approval. There are also four specific directives — this is the fifth — on particular machines which have been awaiting approval for at least five years. I think that each effort on our part, as well as — I repeat — the feeble efforts of the Commission, should elicit a real response from the Council in order to demonstrate that we are not being made fun of and, above all, that a social disease such as deafness is not being underestimated.

I had tabled some amendments, but I withdraw them in favour of the compromise amendment tabled by Mr Nyborg. I will therefore conclude this very brief speech by calling upon the Council to do its duty, that is, to approve the directives which follow the guidelines indicated by the Council itself.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — *(DA)* I am very sorry that the Commission was not represented from the beginning of the sitting, but there was a misunderstanding. I was even up and about myself at 6 a.m., not knowing what to do, and I might as well have been here if I had known I was wanted. I did not realize that, but I shall now make amends. Thank you for the opportunity to speak on this matter.

First of all, speaking on behalf of my colleague on the Commission with the primary responsibility for this subject, I should like to thank Mr Nyborg for his excellent report and the members of the Committee on Economic and Monetary Affairs for their contribution. As the rapporteur has pointed out, the objects of this proposal are to protect the environment, along with economic considerations, in the removal of barriers to trade. These proposals are part of the Commission's programme of measures against noise. The Council has already adopted some proposals, on motor vehicles, motor cycles etc., and is considering others, while yet others are being drafted in the Commission. In view of present legislation in some Member States allowing medium-sized undertakings to adapt to new production regulations, the Commission has proposed that the provisions regarding noise be split into two stages. As the report points out, the Committee on the Environment, Public Health and Consumer Protection believes that the first stage should be shorter, while the Committee on Economic and Monetary Affairs believes that the standards set in the proposal are too harsh. The Commission has attempted to find the golden mean between environmental and economic considerations in respect of construction equipment. In the matter of working conditions, the Commission believes that it would be better to separate the whole question of noise emission by machines from the problem of exposure to noise, which does not depend entirely on the machines themselves but also on how and where they are used. The Commission is drafting proposals laying down permissible levels of noise at the work place. I shall pass on what has been said here today to the proper quarters.

President. — The debate is closed.

We shall now take the vote.

Proposal for a directive — Amendments Nos 3 and 5

Mr Nyborg, rapporteur. — (DA) Mr President, I think we should vote for Amendment No 3, which I tabled and for which I gave my reasons during the debate yesterday. If that is adopted, Amendment No 5 becomes superfluous, as the words mentioned in it would then be deleted from the text. I therefore recommend that the House vote for Amendment No 3 and that Amendment No 5 be withdrawn.¹

President. — Is Mr Kirk prepared to withdraw this amendment?

Mr Kirk. — (DA) Mr President, it would be completely pointless to withdraw Amendment No 5. If Amendment No 3 is rejected, I shall, of course, stand by my Amendment No 5 and see whether we can obtain a majority for it in its turn.

(Parliament adopted the various documents)

4. Regulation on the definition of the customs territory of the Community

President. — The next item is the report (Doc. 1-234/81) by Mrs Fourcade, on behalf of the Committee on External Economic Relations, on the

proposal from the Commission to the Council (Doc. 1-630/80) for a regulation on the definition of the customs territory of the Community.

Included in the debate is the oral question with debate by Mr van Aerssen and others to the Commission.

Subject: Third UN Conference on the Law of the Sea

— The Community's responsibilities under the Rome Treaties in the area of the exploitation of the resources of the sea bed were stressed in Parliament's resolution of 9 April 1981.

— In its answer to Written Question No 24 (H-847/80)² of April 1981 the Commission stated that for the moment there was no justification for autonomous Community rules for deep-sea mining operations.

— There is no likelihood of a thorough review of all that has been achieved so far in the negotiations within the framework of the Third UN Conference on the Law of the Sea, although the USA has reserved the right to revise its position, and as a result the consensus principle will continue to dominate the further development of international law.

The pre-enactment-exploration stage of private-enterprise deep-sea mining is now beginning, and this will have an impact on the availability and, ultimately, the commercial exploitation of sea-bed deposits from 1988 onwards.

The Commission can assume an important role in balancing the international interests of North and South through the Lomé conventions. The Lomé II Convention provides an appropriate framework for agreeing coordinated political solutions to the unresolved questions of deep-sea mining.

We therefore consider it necessary to make use of all possible legal and economic means, which will also, as far as the Community is concerned, strengthen the principle of making agreement by consensus in the North-South Dialogue, in order to make deep-sea mining more economically viable in the approved areas.

1. Is the Commission merely making use, in the context of its overall responsibility in the maritime sector, of the powers available to it in the areas of customs territory and economic policy, or is it also exerting a stronger influence on the exploitation of raw materials from the sea?

2. Will the future co-signing by the Community of the Law of the Sea convention encourage the Community to find its own ways of using the sea's resources?

3. Is the Commission aware of the proposals for a specific European initiative in formulating international law by means of:

a) exemplary Community guarantees for investments made by joint ventures involving European firms and deep-sea mining interests in countries signatory to the Lomé Convention, and

b) financial support for basic research which could be carried out within the framework of joint ventures of this kind?

4. Could the idea of joint ventures of this kind not form part of the Commission's efforts to try to harmonize the interim laws on deep-sea mining adopted by various Western countries?

I call the rapporteur.

Mrs Fourcade, rapporteur. — (FR) Mr President, it is generally agreed that customs union is the cornerstone in the construction of Europe, that it is central to the process of European integration and that it is now complete, with the exception of Greece, our new partner in the Community.

Since it has been implemented in stages, there was no

¹ The rapporteur also recommended adoption of Amendment No 4.

² Debates of the European Parliament No 270.

Fourcade

question of our being able until now, if only on the grounds of the difficulties encountered, to deal with the nevertheless essential aspect of its scope, particularly from the point of view of the geographical limits within which the Customs Union is to operate.

While a certain number of customs regulations have been harmonized, steps must now be taken to define the customs territory of the Community, restricted hitherto to land frontiers. Now, one cannot but deplore the state of the law in this matter.

This, in fact, is still all too often vague, and that at a time when advances in science and technology lead one to suppose — to use a euphemism — that, any day now, not only the land but also the sky and above all the sea will be the scene of intense economic rivalry.

It would appear to be extremely desirable and urgent, therefore, to remove any potential source of conflict between Member States by properly defining the customs territory of the Community in terms of its three components: land, sea and air.

I should not wish at this time, especially as I have unfortunately to be brief, to go over point by point the legal and political arguments which in our view recommend the Commission's proposals for adoption. One could — and of course we ourselves do — take the view that these proposals form an entity and that it would therefore be detrimental to the proposals as a whole to consider each of them in isolation. One could also regard the individual parts as being detachable from the whole and deal with them one at a time.

In the first place, then, it seems to be generally agreed that the territorial waters of a Member State are an integral part of its territory and, therefore, of the customs territory of the Community.

For this concept to be fully effective in law it is necessary to rescind Article 4 of EEC Regulation No 1496/68, which could give rise to a number of undesirable distortions, particularly as regards applicable customs procedures. On this point we can only express our full agreement with the Commission.

Coming now to the inclusion of the airspace of the Member States in the customs territory of the Community — and we are still with the Commission on this — it might reasonably be thought that no such provision is necessary to the extent that airspace does not seem to be an area of special interest. However, there is now every reason to suppose that airspace could in the near future become an area of economic rivalry. I am speaking — and I should like to mention it in order to underline the point — of airspace and not of extra-atmospheric space. And so, we are calling for the inclusion of airspace in the customs territory, but we are also calling for a definitive definition of airspace to replace the several we have now — before we can include it, we have to define it.

I should like to move on now to my proposal for including the continental shelf in the customs territory of the Community. Given the sensitive nature of the problem, one hears on every occasion that the question will not be raised. Those who want the question not to be raised do so, moreover, for contradictory reasons, hence a paradox. For some the problem does not exist, for others the problem is such that it is preferable not to meet it head-on — hence a strategy of skirting the issue.

The suggestion is, in effect, that, in accordance with EEC Regulation 802/68 of the Council on the common definition of the concept of the origin of goods, 'products taken from the sea-bed or beneath the sea-bed outside territorial waters' originate from a Member State of the Community 'if that country has, for the purposes of exploitation, exclusive rights to such soil or subsoil'. Now, Article 2 of the Geneva Convention lays it down very clearly, and I quote, 'The coastal state exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources'. Thus, all products extracted from the soil and sub-soil of the continental shelf adjacent to a Member State belong to the Community, with the exception of oil (EEC Regulation No 802, Article 3).

The problem seems to be settled and indeed would be, if there was an objective definition of the continental shelf. No such definition exists, or rather there are several, which is liable to add to the confusion. Indeed, where does the continental shelf stop? Article 1 of this same Geneva Convention refers to a depth of 200 metres, but also to the point where the depth of the adjacent waters allows the exploitation of natural resources. In short, the continental shelf starts where technology stops. The problem is that, these days in particular, there are no physical barriers that can stand in the way of technology. It is necessary therefore to raise legal barriers to clearly define the geographical area thus understood.

In laying down a clear definition of the continental shelf and in underlining the legal distinctions between the powers of the Community and those of the Member States, the European Community would be achieving two objectives. The first, though of no lesser importance, would be to allow the high seas to remain the common heritage of all humanity. The second, also important, would be to avoid the difficulties we are presently experiencing in certain maritime sectors being repeated, but on a much worse scale, in relation to the distribution of products extracted from the soil and subsoil of the continental shelf. Clearly we need to give consideration, in this context, to Member States of the EEC that are at a geographical disadvantage, and it is desirable that the Community should start thinking now about the machinery for compensating these states which it is, in our opinion, our inescapable duty to institute.

Fourcade

It is for all the reasons I have just given you that I am calling for the deletion of the second part of the second recital of the Commission's proposal, which states that 'there is no justification for integrating the continental shelf adjacent to the Member States into the customs territory of the Community'. Now, to our way of thinking, there is every justification for it, indeed it is for us an urgent necessity.

Finally, as regards the free zones, it goes without saying that Council Directive 69/75 of 4 March 1969 should be retained in its present form.

In conclusion, in the more than likely event that other problems arise that I have not covered in my report, let us understand, since we are breaking new ground, that to govern means to foresee and to assure our future as best we can. It is high time the Member States realized that what may serve their interests in a few exceptional or innocent subterfuges only serves to impair their ability to map out a really sound European approach capable of fulfilling the objectives of the Treaty of Rome. It would, I feel, be a tremendous feather in its cap for the Committee on External Economic Relations, which adopted this report, to have been the prime mover in such an undertaking. I thank the committee most sincerely for having, by its initiative, given me this valuable opportunity to make my contribution to it.

(Applause)

President. — I call the Socialist Group.

Mr Seeler. — *(DE)* Mr President, ladies and gentlemen, I should like to begin by thanking the rapporteur very sincerely for the very careful and thorough work she has done on this difficult subject. My group will be voting for this report.

If the European Economic Community is to function smoothly, it is extremely important for the customs frontiers to be accurately defined. Above all, ambiguities and doubts must be avoided, where possible. Such ambiguities and doubts may arise, for example, if the coastline of a state makes the accurate definition of sea frontiers impossible. In particular, the situation must be absolutely clear when the regulations now being prepared by the UN Conference on the Law of the Sea enter into force. I am referring above all to the uniform fixing of the Member States' territorial limits at twelve nautical miles and their economic zones at 200 nautical miles. On the frontiers in the North Sea coast and in the Channel we already have decisions from the Hague Court.

But this is a very difficult matter for states whose territory includes a large number of islands. I feel there can be no doubt that the same principle of territorial waters up to twelve nautical miles and an economic

zone up to 200 nautical miles off the coast must also apply to islands, large or small.

Where these lines cross, which happens relatively often, the present principles of international law must apply and the middle line must be accepted as the frontier, unless the states concerned come to a different arrangement. This is true of the Italian and French islands in the Mediterranean — Corsica, Sardinia and Sicily — of Denmark, with its many islands in the Baltic Sea, and particularly of Greece with its numerous islands in the Aegean. In practice, this ruling will mean the Aegean will largely form part of the Greek and therefore the European economic area, unless Greece and Turkey agree otherwise.

As many of us know, this question is a matter of dispute between Greece and Turkey, but in fact almost all the islands form part of Greek territory, and even if the principles of the Hague judgment on the definition of territorial waters in the Channel and around the Channel Islands are applied to the dispute between Greece and Turkey, the lines drawn are therefore unlikely to be different or more favourable for Turkey. But none of this will be relevant until the outcome of the UN Conference on the law of the Sea becomes international law.

As you know, ladies and gentlemen, the United States has blocked the agreement generally expected to be concluded in Geneva this summer, so that negotiations can continue on the utilization of maritime resources and it can improve its position.

On behalf of my group and, I hope, on behalf of the whole House, I would urge all concerned, and in particular the USA and the other industrial countries, to waste no more time in approving the solution that has been found and the compromises that have been reached. The right of the stronger should not continue to hold sway. Rich and poor should join in a fair partnership to exploit the riches of the seas. The industrial countries have had the riches of the world virtually to themselves long enough to the benefit of their citizens. It is now time to adopt a new course. I therefore call on the countries participating in the UN Conference on the Law of the Sea to conclude their negotiations without delay, so that a new chapter in international law can begin.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr van Aerssen. — *(DA)* Mr President, ladies and gentlemen, the Christian-Democratic Group will be voting for the report by Mrs Fourcade and the resolution it contains. We wish to thank the rapporteur and very much regret that internal decisions by the party she was elected to represent here are forcing her to give up her seat in this House today. From the

Aerssen

Committee on External Economic Relations we know her to be a committed and cooperative colleague, and we are happy to have the opportunity to stress this once again today.

(Applause from various quarters)

Mr President, to make it absolutely clear, we consider it right that Mrs Fourcade should reject the decisive passages of the Commission's proposal in her report, because not to include territorial waters and airspace in the customs area of the European Community, as the Commission proposes, means the abandonment of clear and unambiguous positions that stem from the Treaties of Rome and would have pronounced adverse economic and regional repercussions. Mrs Fourcade has quite rightly made it clear in her report that it is important for us to take the Treaties of Rome as a basis and use the legal instruments to arrive at a common commercial maritime policy. If account is taken of the situation, on which Mr Seeler has correctly reported here, at the Third UN Conference on the Law of the Sea, the territorial waters of the European Community will be doubled, as will the influence of this European Community with its 270 million inhabitants in an area which everyone knows will be of cardinal importance in the future in the creation of new jobs and the introduction of advanced technology. It also means that we must be aware of the consequences — such as safeguarding the freedom of establishment, freedom of competition and freedom of research — once the Third UN Conference on the Law of the Sea has doubled our territorial waters.

As the European Community as such is now certain to take part in the Third UN Conference on the Law of the Sea — and I believe this is due to the constant urging of many Members of this Parliament — as ten different voices representing the ten Member States will not therefore be heard at the Conference, as, then, the European Community, represented by the Commission, will be notifying us of the outcome of the UN Conference on the Law of the Sea and can therefore defend here the positions it adopts, my group will be insisting on there being further discussions on this subject to make it quite clear what positions we are adopting, so that this notification is a detailed one. Our question to the Commission is quite clear: What does it intend to do once the decision has been taken and our territorial waters have increased in size and we have access to more of the Continental shelf? A further question is: Will it establish a programme of financial assistance to enable the exploitation of the opportunities we shall then quite clearly have? We should also consider, I feel, how we can set up joint ventures with our partners in the developing countries under the Lomé II Convention, because they too will have new opportunities as a result of the UN Conference on the Law of the Sea, and how these opportunities can be exploited even now.

Mr President, as you undoubtedly know, the Federal

Republic of Germany and the United Kingdom are now in the process of enacting national legislation as a provisional solution to this problem until the results of the UN Conference on the law of the Sea have been ratified. It is very important that this Parliament should be alert to the possibility of nations going it alone at a time when things need to be dovetailed to ensure overall coordination.

Mr Seeler and Mrs Fourcade have once again made it clear that there is no question of anyone wishing to influence the problems between Greece and Turkey in any way. I believe we and the Commission agree that what we have here are not new but traditional legal concepts, as they are being discussed at the UN Conference on the Law of the Sea, and that nothing discussed in this connection should be deemed to prejudice or regarded as a prior decision on the very difficult issue of Greek and Turkish territorial waters.

To summarize, Mr President, these matters, which may sound very technical to some people, are of tremendous importance for the future of the European Community, and we therefore welcome the fact that Mrs Fourcade has touched on the core of the problem in her report. My group is unanimous in its decision to vote for her report.

President. — I call the European Democratic Group.

Mr Johnson. — Mr President, I welcome this report. I think we need to be quite clear that we are not trying to solve the thorny problem of the Aegean with this report. I think there has been some misunderstanding here, partly perhaps, and I speak for myself, because of the explanatory statement. That is, of course, not a matter for the Parliament itself — the Parliament does not adopt the explanatory statement — but I think that paragraph 65, and I say this with great respect to Mrs Fourcade, is a little simplistic in its assumption that the equidistant principle by itself is going to solve the longstanding problem between Greece and Turkey in the Mediterranean. It would not be right, I think, to try and settle the dispute by this mechanism — there are other fora for that.

Having said that, Mr President, I would like simply to repeat what I have said in earlier debates, following on Mr van Aerssen's proposal: I think that it is more urgent than ever that there be a Community regime now as far as deep-sea mining is concerned. We have a situation where the UK, Germany and now, I think, France are all introducing unilateral legislations which are not necessarily compatible with each other and not necessarily compatible with the emerging regime in the Law of the Sea Conference and certainly not necessarily compatible with the principles of environmental protection.

So, more than ever, I would beg the Commission to

Johnson

reconsider the answer they gave me in April, which is referred to in the oral question put down by Mr van Aerssen and others, and reconsider their position with a view to introducing as soon as possible a Community regime as far as deep-sea mining is concerned. It is the last grab for the oceans which I am worried about, and unless we get it right a great deal of danger may result.

President. — I call the Communist and Allies Group.

Mr Kappos. — (*GR*) Mr President, the Greek Communists believe that differences over the question of the Continental Shelf, deep-sea mining and other related topics must be solved peacefully through discussion instead of unilateral action and on the basis of the rules of international law, as accepted by the overwhelming majority of states. It was this that led us in a previous part-session of Parliament to call for measures to be taken by EEC countries and by the EEC as a whole to further the UN Law of the Sea Conference and to put a stop to the subversive role of the USA there so as to enable the conference to reach concrete decisions contributing to a solution to these problems. We are coming back to our proposal in today's debate. As far as the report under discussion is concerned, Mr President, we endorse those items embodying the rules of international law on the sea, those items, that is, which are not contrary to the UN Conference on the Law of the Sea. We are, however, opposed to that item conferring the role of arbitrator on the EEC in disputes between states. We believe that our position on this point will be more readily understood if judged in the light of the attitude taken by the EEC as a whole and by the individual Member States to the other major problem facing my country — the Cyprus issue. It is an attitude hostile to the interests of the people of Cyprus. From what has been said, Mr President, it must be clear to all that we will vote for the report but with reservations.

President. — I call the Liberal and Democratic Group.

Mrs Pruvot. — (*FR*) Mr President, the members of the Liberal and Democratic Group are fundamentally in agreement with Mrs Fourcade's resolution. This resolution deals most eloquently with a problem that has certain decidedly technical, legal and economic aspects. We fully subscribe to the view that the customs territory of the Community should include the territorial waters of all the Member States. It is quite evident that, apart from normal fishing activities, territorial waters have over the last decade seen a steady development of various other exploitation activities such as prospecting for oil and the search for other materials. At the moment such exploitation of the sea-bed and subsoil is not yet subject to Community law, and we feel that the committee is

therefore quite justified in taking the initiative it is bringing before us today.

The Liberal and Democratic Group shares Mrs Fourcade's concern to clarify the regulations on the question of the continental shelves by defining these as forming part of the customs territory. We understand the reasons advanced by the Commission which suggest this to be unnecessary, given the fact that under the terms of the Council Regulation of 1978 products originating in the continental shelf are regarded as Community products. However, we go along with the conclusions of the Committee on External Economic Relations as formulated by Mrs Fourcade on the basis of an in-depth analysis. In fact, we regard it as illogical to have to repeat, for every sector of Community legislation, that the latter is equally applicable to the continental shelf, as had to be done, for example, in the case of the Luxembourg Convention of 1975 on industrial property in the Community.

I must point out that my group has serious reservations concerning the first part of paragraph 8 of the resolution. In the first place, we think it would be rather unwise to try to alter the definition of the continental shelf as it is generally accepted. This is not to say that we do not foresee some complex problems arising out of any further extension of the economic zones, but we do not believe that we would have any interest in extending beyond what is internationally accepted the definition of a continental shelf which, in the eyes of Parliament, should constitute a part of the customs territory.

I should like, in conclusion, to draw your attention to the remarks concerning the Greek islands in the Aegean and their right to a recognized continental shelf in view of the fact that they indisputably form a chain. On this particular question I have no wish to engage in a debate on the problems associated with securing recognition of a continental shelf for these islands. I simply want to sound a general warning to Parliament to beware of adopting the practice of dealing with such a complex and difficult problem as this by means of a single sentence on the penultimate page of a report on an entirely different question. I will repeat once again; I am not saying that these Greek islands do not have a continental shelf. What I am saying is that this is an international problem and that, short of devoting a special study to this problem, it would have been wiser to leave it to one side and not to apply to it in such clearcut terms a particular definition that has to do with an entirely different matter.

I am, besides, convinced that our Greek friends are quite capable of resolving this problem amicably with their Turkish neighbours.

Let me end by paying tribute to the work done by Mrs Fourcade and by repeating that my last remark was intended simply as a caution to Parliament against

Pruvot

these long explanatory statements which touch on marginal issues on which Parliament has not yet adopted a position. We shall therefore be voting in favour of this resolution.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Pannella. — (*FR*) Mr President, I share with the Communist Group the distinction of not having received from the Turkish Permanent Delegation to the European Communities — a rather pompous title to describe the representatives of generals put in power by a pronunciamento — the suggestions they have seen fit to make and the statement giving the point of view of the illegal and anti-democratic government of Turkey.

Mrs Fourcade has ably drawn our attention not only to traditional points of view but also to the new aspects that we must take into consideration as regards the law in these matters, law which is still in the extremely delicate process of development. In particular, I believe I have come to understand, thanks to Mrs Fourcade, the reasons that may have inspired Turkish democracy and the Turkish people.

When the time comes for us to take a decision, we shall have to do it with impartiality, in the knowledge that any law is open to different interpretations, even in good faith, and that there are certain specific situations — like the one we are discussing now — which require the law to be tempered with friendship and loyalty, especially when it is a question of the right of a people to create peace and live in peace. When one hears people talk of exclusive economic zones — going, it would appear, beyond the concept of the continental shelf — these new terms seem somehow outmoded, sound a little odd to our ears, for we should like to believe that there is no such thing as an exclusive economic zone and that the law must increasingly take account of the complexity of things at the economic level. One must at least hope that that may be the case.

I should like therefore simply to say that I understand these very interesting and courageous motivations. That is what we as a parliament have to do; we have to assume our responsibilities. Nevertheless I trust Mrs Fourcade will allow me to say to her that the fact of not having laid down a decree for all time is what will enable us to vote for the content of this resolution. Having said that, Mr President, may I add that we are delighted to add our support to this resolution, and that for another reason: Mrs Fourcade is, apparently, about to leave us. I shall remain hopeful up to the last minute that she will change her mind, although, it would seem, she has had enough of us. As far as I am concerned, I have to say that it would be impossible

for me ever to tire of Mrs Fourcade, her youth, her courage, her humanity. Let me conclude by wishing that Mrs Fourcade could remain among us, not only working with her customary energy and dedication but also continuing to grace our Parliament with her physical presence.

(*Applause*)

President. — I call the non-attached Members.

Mr Bournias. — (*GR*) Mr President, I, too, should like to congratulate Mrs Fourcade on behalf of the Greek New Democracy Party for her detailed and objective report on a matter of Community interest. The other groups too have offered their congratulations, stating that they would vote for the report, with the exception, I regret to say, of the Greek Communist Party. In an otherwise unanimous body of opinion (it was the same in the committee as it is today), this was the only group harbouring reservations and which will vote with reservations. And so I congratulate Mrs Fourcade for offering us Community-minded solutions. It is a Community topic, dear colleagues, that we are discussing, an economic topic regarding the Community, and here I am speaking both to my supporters and to the Socialist Group and the other Members who addressed us on the differences between Greece and Turkey over the question of the continental shelf and airspace. This is not a problem that will be solved here. This problem will be solved according to international rules, according to the law as it exists today, despite the differences, of opinion over the Law of the Sea which emerged during the UN Law of the Sea Conference. And the issue is constantly under discussion. A solution will be found, I repeat, a solution will be found according to the law, because one-third of my country — one-third of Greece — consists of islands and it is internationally acknowledged that islands too have territorial zones and sovereign rights just like the mainland. It is a universally accepted law that land, air and sea frontiers extend beyond the territory of each individual country. Now that the committee has already given its opinion, I have no doubt that this House, too, will vote unanimously, as occurred with one abstention only when the report was submitted to the committee.

This was called for because the accession to the Community of Britain, Ireland, Denmark and now Greece creates the need to amend Article 1 of Regulation No 1496/68 to regulate the Community Customs Territory on a definite basis. It was the need to include the territory of these countries in the Community customs regime that made this necessary. Steps are already being taken to replace the present regime so as to settle the problems over sea and air space, over the continental shelf and the issue of free zones linked with Community Customs Territory. The report quite rightly draws attention to the need for an exact defini-

Bournias

tion of the Community sea area and for a distribution of national zones within this area. The report is equally right to mention in paragraph 6 that islands belonging to Member States, such as Corsica, Sardinia and Sicily as well as the Greek Aegean Islands, must also be entitled to territorial waters, to a continental shelf and to an economic zone in general. As far as the continental shelf is concerned, paragraphs 7 and 8 of the proposal state quite clearly that it must be included in the Community Customs area. All these issues, dear colleagues, together with that of free zones, are subjects on which there is an international consensus. Thus it is that Greece too has a bill before Parliament which owing to the dissolution of Parliament could not be put to the vote — a bill establishing that the land, air and sea frontiers of a country come under the sovereignty of this country. In this sense I expect Mrs Fourcade's resolution to be adopted unanimously.

IN THE CHAIR: MRS VEIL

President

President. — I call Mr Plaskovitis.

Mr Plaskovitis. — (GR) Madam President, dear colleagues, Mrs Fourcade's report, submitted on behalf of the Committee on External Economic Relations, aims to define the rules for establishing the customs frontiers of the Community. In this sense, it is clear that it is dealing with an issue of mainly technical importance as far as relations between the ten and their interests are concerned — an issue, moreover, which the European Community is fully entitled and competent to decide on, regardless of whether or not we view this as constituting any kind of guarantee in another sector. As regards this arrangement and the discussion on Mrs Fourcade's report on this subject in the European Parliament, it seems entirely, logical that they were based on the present state of affairs in regard to the sovereign rights of each of the ten countries in the Community, a state of affairs resulting from international treaties and popular struggles for liberation in earlier periods of history.

It was therefore only to be expected that the action by the Committee on External Economic Relations would be merely a confirmation of the present state of affairs and would not concern itself with tackling the problem of defining the frontiers of the individual countries. We approve the committee's action and within these limits we are satisfied with the report submitted by Mrs Fourcade, our eminent and knowledgeable colleague. We shall thus vote for the report without amendment. This question, Madam President, could already have been solved by us and would no

longer require your attention, if it were not for the uncalled-for and provocative action by a third country which is not a member of the Community. Here I am referring to the action taken by the Turkish Government, which interfered with the aim firstly of challenging the competence of the European Community and of questioning its right to decide on issues of customs control regarding it, and secondly of creating the impression within the European Parliament that there are so-called differences with Greece over her sovereign rights in the Aegean Sea and in the airspace of the two and a half thousand or so Greek islands geographically located in that sea, indissolubly bound to and forming a whole with the territory of the rest of the Greek State, sovereign rights consolidated by international treaties steadily implemented over many years so as to be beyond all doubt. The attempt by the Turkish Government believing that here too in the European Parliament it has found a forum for airing its grievances is in vain, and might even be considered simply impertinent in the light of the threats it made in a document which it dared address to the leaders of political groups, threats that it would start a dispute with Greece if my country, exercising its rights according to international agreements, decided to fix the territorial waters of the Aegean islands at 12 miles. We are under no obligation here to follow the Turkish leaders in their reasoning and to concern ourselves in this House with their proposals and with these non-existent issues. It must be emphasized that there is no Greco-Turkish dispute. I would like to make it quite clear in view of what my friend Mr Seeler and Mrs Pruvot have said — Mr Bournias also made some allusions in this direction — that there is no dispute over the sovereign rights of Greece over the Aegean islands, together with the sea, the sea-bed and the airspace surrounding them, rights guaranteed absolutely by international law. The term 'Greco-Turkish dispute' is purely a Turkish invention, and here I take the opportunity once more to state that Greece has absolutely no claims against Turkey, where as Turkey still has troops occupying a large part of the territory of the Independent Republic of Cyprus following a violent and aggressive attack which came near to causing war to break out in the Mediterranean in 1974, an action which remains an infringement of international law and a violation of civilised values.

We therefore regard it as self-evident that the European Parliament should ignore the inopportune attempt by the Turkish Government to influence its decision-making on the question of defining the Community customs territory, a question that is exclusively within the competence of the Community, and I expect this House to vote in favour of Mrs Fourcade's report without amendment as we ourselves shall do. It is wholly unacceptable, Madam President, and an affront to all of us and especially to our excellent colleague, Mrs Fourcade, that a third party from outside the European Community should seek to show us how we should vote on our internal problems and should even attempt to intimidate us so that we vote in

Plaskovitis

one way or another. You, Madam President, and all of us here are responsible only to our peoples, to those who elected us and we are accountable only to them. I believe that the Turkish Foreign Minister, *Mr Türkmen*, should have been more circumspect when he said yesterday after his meeting with Lord Carrington that a decision on this question by the European Parliament, a question regarding the European Community, would be of no importance whatsoever. I welcome Mrs Fourcade's report and I congratulate her on her competent work and on the care with which she studied the question and I repeat that we will vote for this report without amendment.

(Applause)

President. — I call Mr Welsh.

Mr Welsh. — Madam President, I only wish to say, on behalf of my group, that we support Mrs Fourcade's report, as we did in committee. We shall, in fact, vote for the amendments tabled by the Legal Affairs Committee, which we regard as very largely technical and perhaps just tightening up the English version of the text.

I should also like to say that Mrs Fourcade has been a great ornament of our committee. Like all great ladies, she has many young admirers. We are very sorry she is going and we shall miss her very much indeed.

(Applause)

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — *(GR)* Madam President, I should merely like to say that I welcome the commendable report submitted by Mrs Fourcade on behalf of the Committee on External Economic Relations; it gives a clear and well-documented analysis of the question of defining the customs frontier of the European Economic Community. The swift development of technology and the rapid increase in business and in the exchange of goods make it necessary for the gap which has existed hitherto to be filled.

I draw your attention to the fact that sea area too is included in the Community customs territory — and quite rightly so. The report and the motion are also right to include the inalienable right of islands belonging to Member States to enjoy the advantages of territorial waters, of a continental shelf and of an economic zone. Several colleagues mentioned the possibility of Greco-Turkish differences over this question. My country is a firm respecter of the rules of international law, and in our opinion there is no dispute whatsoever. There is absolutely no justification for the Turkish aim to extend its continental shelf to include the stretches

of open sea in the Aegean between the islands, because the islands have an undisputed right to have a continuous continental shelf between them. This right is endorsed too by the decision of the International Court on the question of the continental shelf in the North Sea. This Court decided that in drawing a dividing line between two shores the median line between them would be implemented.

In the same decision the International Court laid down that equity did not necessarily imply equality, adding that under no circumstances could there be a redefining of geographical boundaries. These last two principles were confirmed by the Anglo-French arbitration court in its decision of 1977. All that remains for me to say is that I shall support the motion without amendment, and I sincerely congratulate our eminent colleague, Mrs Fourcade, on her well-documented analysis of the subject.

(Applause)

President. — I call Mr Nicolaou.

Mr Nicolaou. — *(GR)* Madam President, what I have to say has been already stated by colleagues of the Socialist Group and by fellow Greeks of other political groupings. I should only like very cordially to congratulate Mrs Fourcade, whom I met in my capacity as a member of the Committee on External Economic Relations, on the meticulous work she presented to us here. I should like to come back to something said by Mr Plaskovitis and to elucidate it. There has been a lot of talk about Greco-Turkish differences in this House. The term 'Greco-Turkish dispute', if it exists, was created in 1974 when Turkey invaded Cyprus, as a result, that is, of a specific attack by one side. The Greek side, on the other hand, makes no claims whatsoever. All the demands come from the Turkish side. Since Greece has no claims to make, it does not accept even the existence of the term 'Greco-Turkish dispute'. We make no claims; we have no demands. We are prepared to work and live together in peace with Turkey as a friendly neighbouring state, and it is a friendly state despite the present regime, which we do not recognize. The inhabitants of Turkey are a friendly people and 'speaking as a Greek' who has lived in the EEC for some years, I should like to say that Greeks and Turks co-exist here in a harmonious and friendly fashion and that nothing divides us from the Turkish people. It is with the present regime that we have a dispute, but we believe that even these so-called 'differences' can find a peaceful solution.

(Applause)

President. — I call Mr Almirante.

Mr Almirante. — *(IT)* Madam President, when Mrs Fourcade — to whom we express our solidarity and, if we may, our affection and admiration for what she has done and is doing — drew up her report and when the committee approved it, the serious events in the Mediterranean, which directly concern my country, had not yet occurred.

For this reason, while we express our full solidarity with our Greek colleagues, I think we should bear in mind that Italy, and in particular Sicily, has borne serious insults and threats which still exist and which are due in part to the fact that the issue of territorial waters has not been defined. In the table included in the Fourcade report it is noted that territorial waters vary from 3 nautical miles to 6, and even 12, among the various countries which make up the Community. According to another country which is not part of the Community and which, in my opinion, is not even part of the civilized world after having committed such a violation, territorial waters would extend 200 miles; and this country would even assert a sort of absolute dominion over the Gulf of Sidra.

Please do not tell me that such problems are beyond the scope of this report, which deals only with customs problems. In the Mediterranean basin the situation, apart from these recent incidents, has been deteriorating for years because it is held that Italian fishermen cannot operate in certain areas which, we believe, are part of Italian territorial waters, or which in any case are not the territorial waters of anyone else, while interpretations from other quarters, imposed by violence and criminal acts, are not rejected absolutely. Therefore, we are totally in favour of the Fourcade report and of the position unanimously adopted by the committee. We particularly express our solidarity with the Greek members, so many of whom have spoken, and we are sorry that Italian speakers were not so numerous. In fact, I believe I am the first Italian to speak here and now on this serious problem.

I repeat, we consider the Fourcade report and the position deriving from it as a necessary, important and, I hope, decisive first step towards opening negotiations and formulating agreements between the countries of the Community and other nations, with the authority of the Council and the Commission, so that anarchy, aggression and crime may be banished, especially in the Mediterranean basin.

President. — I call Mr Gondicas.

Mr Gondicas. — *(GR)* Madam President, I believe that this important topic has been exhausted by previous speakers, whatever their political grouping. But I consider it useful to emphasize once more how important the issue is for the Community and to remind you of the confirmation given in this House, and it could not be otherwise, that our decisions are based on the principles of the rule of law. I, too,

should like to thank Mrs Fourcade and to wish her a peaceful but creative retirement.

(Applause)

President. — I call the Legal Affairs Committee.

Mrs Vayssade. — *(FR)* Madam President, the Legal Affairs Committee has tabled four amendments. To some Members of this Parliament they may perhaps smack of a slightly excessive supercilious legalism, but we should have preferred not to have to table them but to have been asked to submit an opinion on a subject which raised so many legal problems. In the event we were not approached until after Mrs Fourcade had prepared her report. I have to make it clear that I imply no criticism of Mrs Fourcade's work. We did not challenge the solutions she offered or the conclusions she came to, but we did feel that on certain points the law had not been altogether complied with.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — *(DA)* Madam President, the Commission has been most interested and grateful to note Mrs Fourcade's report and motion for a resolution, accepting the principles behind the proposal for a regulation on the definition of the customs territory of the Community. The Commission submitted this proposal to the Council in order to clear up a number of inconsistencies in the Council regulation on the matter. The Commission takes the view that the geographical area in which the Community's customs legislation shall apply, i.e., land, sea and airspace, must be defined as accurately as possible in order to avoid inconsistent treatment of the Community's economic operators. The Commission therefore wishes to remove the inconsistency arising from Article 4 of Regulation 1496/68, which states that: 'This Regulation shall not affect the customs system applicable to the continental shelf or that applicable to the waters and foreshores situated between the coast or shore and the limit of territorial waters or the provisions applicable in accordance with Community rules to be adopted with regard to free zones.' As Council Directive 69/75 of 4 March 1969 established the Community rules applicable in free zones, there is no reason for retaining any reference to free zones in Regulation 1496/68. As to the waters and foreshores situated between the coast or shore and the limit of territorial waters — international legal jargon for the territorial waters along the Member States' coastlines — the same customs rules shall apply as to the land territory of the Community, subject to exemptions under international law for, for example, free passage of merchant ships. The Member States' territorial waters are part of their territory, and there is no justification for applying different customs rules,

Dalsager

depending on whether economic or commercial transactions take place there or in the rest of their territory.

The Commission confirms that on both these points, the free zones and territorial waters, it and the European Parliament's Committee on External Economic Relations are in full agreement. The same is true of the inclusion of the Member States' airspace in the Community's customs territory; that airspace, as pointed out in the motion for a resolution, must, of course, be defined in the light of present-day technical innovation.

However, the Commission disagrees with the Committee on External Economic Relations' views on the legal status of the continental shelf beyond the limit of territorial waters. The committee wishes to see it incorporated in the Community's customs territory. The Commission would point out that the continental shelf does not form part of the Member States' territory and that, under Article 2, para. 1, of the Geneva Convention of April 1958, they exercise sovereign rights over that area solely for the purpose of exploring it and exploiting its natural resources. The continental shelf beyond the territory of the Member States is therefore not covered by Article 227 of the EEC Treaty, which defines the geographical area to which Community legislation shall apply with reference to the territory of the Member States.

Moreover, there can be no economic sense in applying the Community's customs rules with their different zones, supervision procedures, customs tariff, customs procedures for items of commercial value, despatch procedures etc., on the continental shelf. What is important on the other hand is that the products of the exploitation of the continental shelf, over which the Member States have sovereign rights solely for exploration and exploitation, be regarded as Community products, and therefore exempted of duty under the common customs tariff and other measures applying to imports from third countries. Article 4, 2 (h) of Regulation 802/68 already achieves this result, as it states that 'products taken from the sea-bed or beneath the sea-bed outside territorial waters, if that country has, for the purposes of exploitation, exclusive rights to such soil or subsoil' shall be regarded as goods wholly obtained or produced in that country. There is therefore no need to incorporate the continental shelf in the Community's customs territory for that purpose. Nor would it be appropriate, or even imaginable, to incorporate the high seas in the Community's customs territory so that fish caught by ships registered or recorded in and flying the flag of a Member State might be regarded as wholly obtained or produced in a Member State. Article 4, 2 (f) of Regulation 802/68 specifically deals with this point. The Commission cannot therefore endorse the view, expressed in paragraph 7 of the motion for a resolution, that the continental shelf should be included in the customs territory of the Community.

In conclusion, I would point out that the Commission's proposal contains no new terms or definitions, but bases itself on existing international and national law.

President. — The debate is closed.

We shall now proceed to the vote.

(...)

Motion for a resolution

Paragraph 4 — Amendment No 1

Mrs Fourcade, rapporteur. — (FR) Madam President, I thought that it would be better to say that I accept the words 'take note of' rather than ask for it to be repealed. I am therefore in agreement.

(...)

Paragraph 5 — Amendment No 2

Mrs Fourcade, rapporteur. — (FR) Following the line proposed by the Legal Affairs Committee would, I fear, lead to the removal from the code of an argument that the Commission itself considers essential.

The explanatory memorandum on which the Commission based its proposal for a regulation stipulates that, in accordance with Article 4 of EEC Regulation No 1496/68, the present regulation does not prejudice the rules applicable to territorial waters. This suggests that the Member States are entitled to apply different customs regulations in regard to them, i.e. not only different from each other's regulations but also from the regulations applicable in the land customs territory of the Community. The memorandum adds that such a concept, which would give rise to unequal treatment for different economic operators in the Community, is clearly unacceptable.

That is the reason why I cannot accept this amendment. However, as a compromise with the Legal Affairs Committee we could perhaps replace the expression 'arising from the non-inclusion of territorial waters in the customs territory of the Community' by the rather more moderate 'which might arise from the non-inclusion'.

President. — Mrs Fourcade, since our Parliament, for reasons that have to do with the interpreting and translation system, does not permit oral amendments to be put forward during the sitting, I regret that I cannot accept your proposed compromise.

(...)

President*Paragraph 9 — Amendment No 3*

Mrs Fourcade, rapporteur. — (FR) I still say that I wholly approve the Commission's proposal for a regulation on the enlargement of the customs territory. It goes without saying that both the Commission and the Council will take Parliament's opinion into account, subject to this report being adopted. I therefore think it would be a little risky for me to make my approval conditional on receiving a quick reply from the Commission. You will understand, Mrs Vayssade, that that would, if anything, be liable to delay the adoption of the present proposal indefinitely¹.

President. — I shall now accept explanations of vote.

Mr Kappos. — (GR) Madam President, my colleague, Mr Bournias, attempted in his speech to bring discredit on me and on my party, the Communist Party of Greece. There are many things that I could answer him here, but I shall restrict myself to saying the following. It is not for our opponents to judge our policies and our actions but for the people and the working class. This has been so in the past and will remain so in the future, and they have found our policies, up to now, just and good, not to say glorious. But now that Mr Bournias has taken umbrage at our refusal to recognize the EEC as an arbitrator, I should like to ask him this — what was the position adopted by the EEC Member States without exception in the United Nations on the Cyprus question? When did they ever vote in the interests of the people of Cyprus?

Mr Romualdi. — Madam President, for the reasons given by the speaker for our group, we shall be voting in favour of Mrs Fourcade's report.

Mr Bournias. — (GR) Madam President, I believe that when we meet here we should leave our political differences outside. Mr Kappos answered me as if I had some dispute with him. I have one set of political beliefs, he another. The point, however, is this: the whole Parliament voted in favour of the motion, so why did he have reservations? As far as the other issues are concerned, the Cyprus question etc., they are beyond the scope of today's discussion, but even here our policies are superior to those of the Communist Party.

(Applause)

(Parliament adopted the resolution)

President. — Now that this resolution has been adopted unanimously, I believe, I should like to offer Mrs Fourcade our thanks for the work she has done in this Assembly. We have all greatly valued her courtesy, her kindness and her zeal, and while we regret her departure, we tender to her our sincerest good wishes.

(Loud applause)

Mrs Fourcade. — (FR) I wish to thank you all. I am, of course, very moved, but I am not leaving you: no one can leave work like that! So today I am only saying 'au revoir' with all the affection which I have for you and which will remain in my heart.

(Applause)

5. Appointment of four members of the Court of Auditors

President. — The next item is the report (Doc. 1-469/81) by Mr Aigner, on behalf of the Committee on Budgetary Control, concerning the consultation of Parliament on the appointment of four members of the Court of Auditors of the European Communities (Article 78(e)(4) ECSC, Article 206(4) EEC, Article 180(4) EAEC).

I call the rapporteur.

Mr Dankert, deputy rapporteur. — (FR) Madam President, I should like first to apologize on behalf of Mr Aigner, who, for reasons of health, cannot be with us today.

As you will have been able to see from the document, the Committee on Budgetary Control is proposing to Parliament the renewal of the appointment of four members of the Court of Auditors.

It is not the usual practice for Parliament to be involved in such nominations or appointments. Our committee was therefore extremely conscious of the importance of this participation in the appointment procedure and of the implications of this participation for inter-institutional relations in the future.

It therefore studied Mr Aigner's report with a great deal of attention. Every expression was carefully weighed, and where it was thought necessary, the wording was changed. The final text was adopted unanimously, and I simply wish to take this opportunity to mention two aspects which played an important part in the discussion.

Firstly, the formal aspect of the procedure is intended to underline Parliament's effective participation in the appointment of members of the Court of Auditors, as

¹ The rapporteur was also in favour of Amendment No 4.

Dankert

intended by the 1975 Treaty. The agreement reached at that time in the negotiations between Council and Parliament was that the two institutions would endeavour to arrive at a consensus, if necessary through a conciliation procedure.

Our work has essentially been made simpler by the fact that the Council proposed renewing the mandates of Mr Angioi, Mr Gaudy, Mr Johansen and Mr Murphy. The individuals and their work were thus well known to the members of the Committee on Budgetary Control, who had met with them on frequent occasions and been able to appreciate their qualities.

The discussion which took place during last Monday's meeting revolved therefore as much around their past experience as around the future work of the committee.

At the same time, the committee wanted to use the opportunity to express its confidence in and gratitude to the Court of Auditors as a whole for the cooperation and assistance it gave in exercising its political control over the utilization of Community funds. It is these sentiments that I should like to repeat now.

President. — I call Mr Kellett-Bowman.

Mr Kellett-Bowman. — Madam President, I should like to endorse what Mr Dankert has said about the Court of Auditors. They are our partners in the very important work we have to do. But there is just one matter which I should like to bring before you, Madam President and the House, and that is that we should treat a fellow Institution a little more courteously than we do. When we have the discharge debate, the President of the Court has to find a seat in the gallery, if there is one available. I do feel that when we are discussing the discharge, which is based upon reports submitted to Parliament by the Court of Auditors, the President or his representatives should be invited to take a seat in the Chamber.

President. — Mr Kellett-Bowman, there is no difficulty about that. The President and the members of the Court of Auditors occupy seats reserved for them in the gallery.

The debate is closed.

We shall now go on to the vote.

(Parliament adopted the resolution)

6. *Concept of a public service in transport*

President. — The next item is the report (Doc. 1-

244/81) by Mr Doublet, on behalf of the Committee on Transport, on the

proposal from the Commission to the Council (Doc. 1-946/80) for a regulation amending Regulation (EEC) No 1191/69 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway.

I call the rapporteur.

Mr Junot, deputy rapporteur. — (FR) Madam President, the concept of a public service in transport, which we should like to see harmonized at Member State level, is quite clearly linked with the differences in the transport market between individual Member States. That is why it is fitting that we should pay tribute — and I am happy to do so now — to the Community's efforts to achieve, for example, a financial balance of the railways.

In fact, the improvement in the provision of services favouring certain social categories is putting the commercial policies of national undertakings into considerable disarray.

Hitherto, the old regulation has been based on three criteria defining the notion of public service. Firstly, public interest, secondly, the availability of other means of transport, and thirdly, the standard of transport and tariffs offered to users.

The new regulation proposed by the Commission now lays down, in the Annex, not only the three criteria of the old regulation, but also, in a second part, principles of lowest cost to the Community.

That is why the Committee on Transport is proposing two amendments designed to strengthen the Commission's proposals. Amendment No 1 simply seeks to ensure that this Annex is not considered to be exhaustive and therefore restrictive, that is all. Amendment No 2 challenges the date of entry into force, set at 1 July 1981, of a common regulation for the Member States. Indeed, given the date on which we are discussing it, the amendment is all the more valid and we are proposing that the date in question be moved back to 1 January 1983.

The rapporteur, for whom I am standing in today, makes the point that the Commission has based its approach on mathematical reasoning; this is something with which one cannot argue. However, the factors used for the purposes of calculation are not necessarily common to the Member States, if we take into consideration their different identities, circumstances and practices.

I should therefore like to conclude by expressing the hope that each of the Member States will try out this harmonization of a common regulation for a trial period which we propose will end on 1 January 1983.

Junot

Subject to these two minor modifications, the rapporteur asks Parliament to adopt the motion for a resolution laid before it by the Committee on Transport.

President. — I call the Liberal and Democratic Group.

Mrs von Alemann. — (DE) Madam President, the Liberal and Democratic Group agrees with the Commission that the current provisions of Regulation (EEC) No 1191/69 can as a whole be regarded as satisfactory. In his explanatory statement the rapporteur refers to the advantages to be gained from a clearer definition of the criteria for assessing decisions on terminating or maintaining public service obligations. I need add nothing to that. But to conclude, I would urge the Commission to keep down the costs of the procedure it proposes for assessing the lowest costs of an imposed service for the public in the form of a cost-benefit analysis. The Liberal and Democratic Group otherwise approves this motion for a resolution.

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission. — Madam President, Regulation (EEC) No 1191/69 has now been in force for 12 years and already it lays down ways of providing sufficient transport capacity at minimum cost to the public. This must be assessed in the light of, first, the general interest, secondly the possibility of using other forms of transport and their ability to satisfy the transport needs in question, and thirdly the rates and conditions of carriage that can be offered to users. The annex now proposed simply provides guidelines for applying the above principles systematically and more thoroughly. I therefore do not see why these guidelines should not be enforced immediately and I would consequently advise against the need for the introduction of a two-year trial period as proposed in Amendment No 2.

Furthermore, the proposal for a regulation should be taken together with the proposal on the financial balance of the railways at present before your Committee on Transport. If the aim is to ensure that the working and financial programme is to be drawn up from 1 January 1983, taking into account the measures needed to implement this proposed regulation, and if the railways must be in balance financially in 1990, it would in the Commission's view be somewhat inadvisable to put back the operative date.

The first amendment is largely a point of detail. It is clear that the annex consists of broad guidelines and therefore there could not be any question of the list being exhaustive. Overall therefore, Madam President, I would urge the Assembly to vote in favour of the resolution without amendment. As far as the question

of cost is concerned, I would advise that there is very little cost involved in this because it simply provides guidelines.

President. — The debate is closed.

We shall now proceed to the vote.

(Parliament adopted the various documents)

7. Directive and regulation on combined transport

President. — The next item is the report (Doc. 1-395/81) by Mr Gabert, on behalf of the Committee on Transport, on the

proposals from the Commission to the Council (Doc. 1-848/80) for

- I a directive on certain measures to promote the development of combined transport
- II a regulation amending Regulation (EEC) No 1107/70 with a view to supplementing the system for the granting of aids for transport by rail, road and inland waterway by the addition of provisions on combined transport.

I call the rapporteur.

Mr Gabert, rapporteur. — (DE) Madam President, ladies and gentlemen, on 5 December 1980 the Commission submitted two proposals to the Council, one for a Council directive on measures to promote combined transport and the other for a Council regulation amending Regulation No 1107/70 to supplement the system of aids granted to the various carriers. By letter of 29 January 1981 the Council requested the European Parliament to deliver an opinion. On 9 February 1981 Parliament referred these proposals to the Committee on Transport. The Commission's proposals and the report were considered by the Committee on Transport on 22 April, 14 May and 25 June.

During these detailed discussions it was unanimously agreed that in some parts of the Community and in some third countries combined transport already plays an important part in the transport sector. Loading road vehicles on to rail wagons, inland waterway vessels or aeroplanes removes some of the load from the roads, thus helping to reduce road-building costs, to protect the environment and agriculture and to improve road safety. The trend in the fuel sector will very soon make combined transport indispensable. Full electrification of the European rail network is certainly a basic requirement, because this will make the railways the only means of transport to run on energy generated by coal-fired, nuclear, hydroelectric or alternative power stations. If this is to be achieved,

Gabert

however, all the technical requirements for the smooth running of combined transport operations must be satisfied. The industries which make the vehicles used in combined transport must bear their technical interdependence in mind. If combined transport can be made economical and profitable, it can help to reduce the railways' deficit. It is essential for obstacles at the frontiers to be removed. Many more road vehicles could already be loaded on to the railways if a large number of bureaucratic obstacles did not stand in the way. The Committee on Transport therefore welcomes the Commission's intention to get rid of these obstacles.

Combined transport is most effective over long distances. It will therefore be largely confined to international transport operations, which is why the promotion of combined transport is a European matter. In the Member States of the Community and in third countries through which international transit traffic from the Community passes, investments in transport infrastructure must comply with the European standards on combined transport.

The Committee on Transport was unanimous in feeling that sea and air transport must in future be included in the Community's measures to promote combined transport. But the Commission has said that the drafting of measures to promote the inclusion of sea and air transport in combined transport operations is extremely complicated. The Committee on Transport has therefore decided to refrain from calling for this directive and this regulation to be extended to include sea and air transport. But it has called on the Commission to submit appropriate proposals for the promotion of the combinations of sea and road transport and air and road transport without delay. The committee has also pointed out that, if combined transport is to be successful, the Council must quickly adopt the Community legislation on the maximum admissible dimensions and weights of motor vehicles, albeit in the amended version approved by Parliament. The Commission has, of course, informed Parliament this week that it will be proposing a change in the maximum weight of 40 tonnes to the Council. I believe that this will enable the Council at last to take what is a very important decision for the European transport sector.

I do not want to discuss the amendments in detail, because they were all unanimously approved in the Committee on Transport. The committee was also unanimous in approving the motion for a resolution and the proposal as amended. I call on the House to emulate the committee and similarly to adopt the resolution unanimously. Parliament will thus be making a major contribution to the solution of future transport problems.

(Applause)

President. — I call the Socialist Group.

Mr Albers. — *(NL)* Madam President, the Socialist Group considers this Commission proposal to be extremely important and welcomes it wholeheartedly. It is probably one of the most important proposals that has been submitted to us recently, because, as the Commission also argues, the promotion of combined transport will automatically result in an improvement of working conditions.

In future drivers will be under less of an obligation to cover long distances. Energy conservation is also involved. As the rapporteur has already said, this will mean less dependence on imported oil. The transport capacity of the railways will be better utilized. There will be better opportunities for container transport. In combined transport, containers can be removed from the roads to the railways, although a major difficulty remains in this respect. As we all know, a fully laden 40-foot container weighs 42 tonnes. The compromise we have reached thus means that 40-foot containers will be at a disadvantage in combined transport, since it will not be possible to transport these 40-foot containers fully laden by road, and some transport by road will continue to be necessary. This is another point that will have to be looked at more closely.

This step will also improve safety on the roads if heavy loads can be gradually removed from the roads to the railways.

The Commission raises the question in its explanatory memorandum of whether it is, in fact, admissible to influence the market economy with official support in this way. Does this not constitute interference with the conditions of free competition? The Commission itself comes to the conclusion that in this case it is a matter of general interest and that such influence must undoubtedly be tolerated.

But if we look at this question in this way, realizing that road transport is extremely important for employment, we must appreciate that at the moment 84% of goods transported go by road and only 10% by rail. It has been calculated that the flow of goods is likely to double by the year 2000. The plan is therefore to move the future increase in the quantity of goods transported from the roads to the railways. This is another useful aspect of the proposal, and even though it might be seen as a slight encroachment on the freedom to transport goods by road, there will still be the committee which is to be set up, and on which the shippers and carriers will also be represented, for the discussion of any problems that may arise.

So this is a sound proposal we have before us, but extremely important — and this is something we must not overlook — is the necessary infrastructure. The question is whether the governments of the Member States will be prepared to find some money in their already very tight budgets for the establishment of the infrastructure needed for combined transport operations. But this is so important, for employment for

Albers

example, that we must give the proposal our full support and urge the national parliaments to join with us in taking appropriate action.

Madam President, the amendments the Committee on Transport proposes have the full support of the Socialist Group. We should also like to see the proposal extended to cover inland waterway, sea and air transport as soon as possible, and we feel it is extremely important that the trade unions and the employees' organizations should be represented on the committee.

I will conclude by congratulating the rapporteur, Mr Gabert, on what is indeed an excellent report, which has the full support of the Socialist Group.

President. — I call the European People's Party (Christian-Democratic Group).

Mr Janssen van Raay. — (NL) Madam President, ladies and gentlemen, we have before us Mr Gabert's report, a short, clear and important report. What more do you want? We therefore congratulate Mr Gabert on this excellent piece of work, and I can say in advance that the Christian-Democratic Group will be voting for both the report and the amendments it proposes.

I have said this is an important report. Why is this so? We often discuss, and rightly so, matters of importance to the world: Guatemala, El Salvador and so on. But we do well not to overlook the European Parliament's immediate work for the Community market. I am always very pleased to act as my group's spokesman on a subject which affects the European citizen, and therefore the European elector, whom we shall be needing again in 1984, and that is the case here. A second important aspect is that, as regular as clockwork, we members of the Committee on Transport complain about the Cinderella treatment accorded us, not by the Commission but by the Council. We are therefore particularly pleased that the Commission has taken this important initiative in the transport sector, and we very much hope that the Council will adopt this proposal and also, we would point out, the proposal on the harmonization of dimensions and weights at the earliest possible date, if possible under the British Presidency.

Why is this so important? One of the complaints we are always making is that when the European citizen reaches the frontiers of the Member States of the Community, he finds precious little evidence of the common market. Every time the Committee on Transport comes across an obstacle at a frontier, we intend to protest as vociferously as possible. This is another example. The Commission rightly points out that combined transport can only succeed if all obstacles to this type of transport operation are eliminated. We wholeheartedly endorse this, and I hope, of

course, that the Commission will agree to all the amendments, especially Amendment No 5, which refers specifically to this adjustment to the common market.

I am aware that price alone will determine whether this piece of legislation is complied with in industry. Let us be completely realistic, ladies and gentlemen. A road haulier is not going to put his lorry on a rail wagon unless it is cheaper to do so, unless it saves him petrol. The proposal rightly points out that there will be saving in motor vehicle tax. I completely agree with the contention that this is not a concealed subsidy, because a lorry travelling by rail is not damaging the roads and the motor vehicle tax is levied for a specific purpose and is intended to be used to improve the roads. Exemption from motor tax is in fact one of the financial factors that must be used to persuade the road haulier to opt for this combined method of transport, with all the advantages it brings for the environment, conserving energy and so on.

To conclude, I sometimes wonder whether the authors of the European Treaties, who really wanted to create a single common market for the European countries and laid down all the legislation needed to create a single market — abolition of customs barriers, abolition of measures having the same effect — realized how efficient bureaucracies are at creating new obstacles in some bureaucratic way. Although there is no article in the Treaty on the subject, it is nevertheless completely in keeping with the goal of a common market for us to attack any bureaucratic obstacles we may encounter with the same vigour as measures of a similar nature. The Commission also says in its proposal, and rightly so, that these bureaucratic obstacles must be abolished.

President. — I call the European Democratic Group.

Mr Cottrell. — Madam President, in opening my remarks, may I observe that once again a debate on transport is taking place in this House in the absence of the Commissioner? Now, I fully appreciate that there are difficulties with the Commissioner's portfolio. But it seems to me that fish and transport are hardly a reasonable combination. However, perhaps it is also partly our fault because, if we as a Parliament really wish to work closely with the Commission, we should not meet 200 miles away from them. It would be a great deal easier for Commissioners who do have difficult portfolios to attend meetings if this parliament met in Brussels.

Turning to the subject of the report, the European Democratic Group wholeheartedly welcomes it. We believe that this is a constructive and positive proposal by the Commission. We could go further and say that it is perhaps one of the first realistic planks in the construction of what we all hope will eventually be the common transport policy.

Cottrell

We fully approve all amendments which have been made by the Committee on Transport and we draw the attention of the House to those in particular which deal with inland waterways and shipping. It is hardly surprising that as an island we favour those. We believe that the inclusion of shipping is also important to Ireland and Greece.

I think the interesting background to the proposal is that it is the first proposal which actually views transport in Europe as an integral unit. It is the first one which sees that apart from competition there is also great advantage in cooperation. The neglect of transport infrastructure in Europe in the past will, however, in our view, require certain mechanisms in future far beyond the simple proposals of the transport infrastructure fund which would simply benefit transfrontier links, important though they are. We look forward to the day when we shall have a financing instrument which could be used in partnership with this proposal. Therefore, Madam President, my group congratulates the Commission on producing an excellent proposal. We congratulate the rapporteur on his work and we shall vote for it with enthusiasm.

President. — I call the Liberal and Democratic Group.

Mrs von Alemann. — (*DE*) Madam President, ladies and gentlemen, we agree with what Mr Cottrell has just said, that it is not easy to combine transport and fisheries policy. All of us in the Committee on Transport hope that it will perhaps be easier for the Commissioner to attend a meeting of our committee in Brussels than here in Strasbourg, although personally I would not necessarily regard the distance as an obstacle.

It has just been said that cooperation with the Commission has recently had its pleasant side for us members of the Committee on Transport, in that the Commission has agreed to the compromise proposal the committee put forward for the total admissible weight of lorries, 40 tonnes. We should really be very grateful for that. There were probably long discussions on the subject in the Commission.

This shows that we have adopted the reasonable course of cooperation we need. To take up what Mr Janssen van Raay has just said: what are we asked about at our evening meetings with our constituents? We are asked what we are actually doing to make things better in 1984, when elections will again be held, than they are now. What, ladies and gentlemen, could be more down to earth than transport policy, if the attempt is really being made to abolish frontier checks or to solve transport problems which can no longer be solved at national level?

The Liberal and Democratic Group would like to

congratulate Mr Gabert on his report. We consider it to be a very good, very precise, very short report, and we shall vote for it along with the amendments which have been submitted with the unanimous approval of the Committee on Transport.

I should like to say very briefly why we too find it so important that this report should be adopted. Combined transport will make it possible to enjoy the benefits in terms of cost and performance offered both by road transport, consisting in the local collection and delivery of goods, and by rail transport, which is particularly suitable for carrying large quantities of goods over long distances.

Combined road-and-rail transport offers the general public a number of general economic advantages, important among them being the removal of heavy traffic from the roads, the improvement of traffic on the transit routes, the prevention of damage to the environment and of accidents and the conservation of energy. These are quite certainly benefits which are to be welcomed, which we want and which we need today rather than in a few years' time.

As an example I might perhaps quote my own country, the Federal Republic of Germany. Until about twelve years ago combined transport was possible only on various experimental routes, and the quantities transported were completely insignificant. This changed very quickly with the advent of the Federal Government's transport programme for the years 1969 to 1972. Combined road-and-rail transport was encouraged with investment aids and tax concessions. With financial support from the Federal Government, the German Federal Railways invested a great deal in goods stations, special wagons and containers.

The success of these measures is evident from the considerable growth in combined road-and-rail transport from 3 million tonnes in 1970 to 10.7 million tonnes in 1980. By 1985 it is hoped that 6 million tonnes will be transported by the piggyback system and 12.5 million tonnes in rail containers in the Federal Republic. This will mean a saving of some 1.1 million long-distance lorry journeys. This will also have a major effect on the environment.

It cannot be said that we have been spoiled by the Council of Ministers with decisions on transport policy, and we have seldom had cause for jubilation. Perhaps we shall be somewhat luckier this time, because the Council of Ministers of the European Conference of Transport Ministers did decide in Paris in the autumn of last year to press ahead with transfrontier combined transport operations in Europe. The Council of Ministers also called on the railways to develop the main routes in such a way that tractor-trailer units and semi-trailers can be transported by rail. There was also an appeal for international cooperation in the standardization of equipment and technology. If 19 ministers can take a decision such as this, surely it must be possi-

Alemann

ble for the 10 Transport Ministers of the Community to come to an agreement and to do so as quickly as possible.

I should just like to refer very briefly to the inclusion in the Community legislation of the combination of transport by inland waterway and road. For the moment at least I feel this is a somewhat difficult question. For example, if criteria are not established for road journeys to and from inland ports for which a licence is not required, the advantages offered by inland waterway transport might be forfeited. As I have already said, the Liberal and Democratic Group will be voting for the motion for a resolution and the amendments.

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission.

— Madam President, first of all let me thank Parliament for its warm response to the Commission's proposal and also join with the other speakers this morning in thanking and complimenting Mr Gabert and his colleagues on the Transport Committee for their thorough review of the Commission's proposal and for the welcome support they offer for this important extension of combined transport policy. It hardly needs to be said that it is most important to the Commission that we do have the full understanding and the full support of Parliament in this matter.

I agree entirely that we are talking here about an area of immediate and practical impact for the citizens of our Member States. Many of the things that understandably preoccupy Parliament and the Council and even the Commission have broader political implications, but it is in an area such as this, which may not have a high political profile in the normally accepted sense of the word but which has a real and immediate impact on the well-being and lifestyle of our citizens, that the real progress can be made. As has been demonstrated this morning, it is an area where Parliament and Commission are cooperating very effectively in improving the conditions of our citizens. We are convinced that combined transport is crucial to the effective implementation of the common transport policy, whose major objectives include resolving problems arising in the areas of energy, the environment, road safety and social progress, as well as improving the quality of services, particularly long-distance services, and the general position of the railways.

I would at the same time counsel caution on the timing of certain amendments. The Commission's proposal before you is already, as you appreciate and have said, a major extension of existing thinking on combined transport. It applies now for the first time to domestic transport, to inland waterways for containers and to a new range of policy instruments, including pricing, taxation and own-account transport. To extend it

further, particularly when the practical effects are not immediately apparent, might just prejudice the success of the current proposals.

The Commission's hesitation concerning certain suggestions in the report and in the amendments does not arise — and let me state this very clearly — from any basic divergence of opinion, but rather perhaps from a different attitude with regard to timing. The resolution itself — and I would like to acknowledge its objectivity — is cautious regarding the immediate extension of combined transport to the sea and air sectors and invites the Commission, and I believe correctly, to consider further action in a separate directive.

Similarly the Commission considers it inopportune at this time, and particularly before the practical implications are studied fully, to extend, for instance, the area of application to inland waterways for traffic other than containers, as in Amendments No 6 and 7, and tax exemptions, as in Amendment No 8. The position is, in fact, that traffic other than container movement is practically non-existent at present. The Commission is also wondering whether it is opportune to extend it at this time to the relaxation in tax rules for vehicles used partially in combined transport, as suggested in Amendment No 4, and to making such general reduction compulsory rather than optional, as in Amendment No 9. In this instance the practical difficulties in Article 3 (2) could result in a situation where the costs would largely outweigh the benefits, particularly by including the partial use of vehicles (Amendment No 4) and the compulsory application of Article 3 (2) in all cases, as referred to and suggested in Amendment No 9.

In taking this position, however, let me at the same time emphasize again that this is not an expression of difference of principle. In principle, and to a very considerable extent in detail, we are of one mind and differ only in our appreciation of the timing and of the practical difficulties involved in amending the current proposals in the manner suggested. In general the report is a significant contribution to the development of this form of transport, particularly given the important benefits, so eloquently stated by Mr Gabert, which will accrue to users, transporters and the general public. The Commission will obviously give full consideration to all the amendments.

If I may just comment on some precise points that have been made on the amendments, there was first of all the reference by Mr Albers to the consequence of the Commission's acceptance of the amendment of axle weights. This will, in fact, give rise to a problem, as far as we understand, for about 2% of traffic, particularly around the ports. I believe Mr Albers has been right to draw our attention to this. We are looking into it, and the Commission is examining how this can be overcome and will, of course, remain in the closest consultation with the committee here in that matter.

O'Kennedy

I would like to endorse entirely what Mr Janssen van Raay has said in relation to Amendment No 5. We fully and wholeheartedly support that proposal on facilitating frontier crossing and we can warmly support what has been suggested in that area. Mr Cottrell rightly drew attention to the fact that the European Community is not an island. We are, I think, making considerable progress within the European Community, but we are also opening negotiations now, on the basis of a Council mandate along the lines he suggests, with the neighbouring countries, and we hope that we can make progress along the lines that we have commonly identified in these areas.

Finally, to Madam von Alemann I would reply that it is of vital importance to recognize and emphasize the growth potential of combined transport. I believe the Commission's proposal is moving in that direction, but Mr Gabert's very excellent report, with its detailed, objective and expert analysis, will help us to make even further progress in this area.

(Applause)

President. — The debate is closed.

We shall now proceed to the vote.

(Parliament adopted the various documents)

8. *Summertime*

President. — The next item is the report (Doc. 1-356/81) by Mr Baudis, on behalf of the Committee on Transport, on the

proposal from the Commission to the Council (Doc. 1-163/81) for a second directive on summertime arrangements.

I call the rapporteur¹.

Mr Baudis, rapporteur. — *(FR)* Madam President, the idea of harmonizing the dates on which summertime begins and ends is based on concepts of logic and efficiency. That is why the Commission of the European Communities forwarded to the Council in February 1976 a proposal for a directive intended to synchronize the commencement and end of summertime in the Member States in the years from 1983 to 2000.

On the basis of an initial proposal for a directive by the Commission and acting on a report compiled by our chairman, Mr Seefeld, the Commission proposed uniform arrangements for the start of summertime in

1981 and 1982. However, the Council was unable to reach agreement on a date for the end of summertime. The date will therefore be 27 September in Belgium, Denmark, Germany, France, Greece, Italy, the Netherlands and Luxembourg, but a month later, on 25 October, in Ireland and the United Kingdom. In the absence of a single time zone, this reform has the advantage of preventing unfortunate confusion as regards alterations to international road, rail and air timetables.

Moreover, this coordination does ease the problem of telecommunications between the Member States, as well as putting back by one hour the time when artificial lighting has to be switched on, thus ensuring savings in energy. The Commission found that the Member States had different preferences as regards the date for the ending of summertime. After discussion, the members of the Committee on Transport, for which I am the rapporteur, adopted the Commission's position concerning the start of summertime, which will be on the first Sunday in March, unless it happens to coincide with Easter Sunday, in which case it would be brought forward to the preceding Sunday. The Committee on Transport also felt that the second Sunday in October was too late for the end of summertime and proposed instead, in the form of amendments which will be presented to you shortly, to adopt the last Sunday in September or the first Sunday in October.

This position of the Committee on Transport is a logical one, since eight of the ten Member States have already decided to adopt the last Sunday in September. The Committee on Transport wishes to underline the real advantages of this reform and approves the proposal for a directive, subject to the amendments concerning the end of summertime being adopted. Let me say, in conclusion, that the introduction of uniform Community provisions with this Parliament's participation will serve as concrete evidence of European solidarity in an area that concerns us all.

President. — I call the European Democratic Group.

Mr Hutton. — Madam President, I wish that the European Parliament had the power to regulate the length and the brilliance of summertime in Europe. Sadly neither we nor anybody else can do that, and after some of the awful summers we have had, at least in Scotland, I wish we had.

But since we cannot, this little proposal is not a bad substitute. It is a piece of straightforward common-sense which will save a lot of money and, if the right dates are decided, will save a lot of time and temper. If anybody thinks that I am exaggerating about the money involved, British Airways alone calculates that it costs £ 5 million a year in extra printing of time tables etc., aeroplanes in the wrong place and extra

¹ *Membership of Parliament: see the minutes of this sitting.*

Hutton

flights, all as a consequence of the different dates for the ending of summertime which could all be perfectly easily avoided by this proposal. I shudder to think, Madam President, what it costs all over the rest of Europe if that is what it costs one firm. It makes it very difficult to do business if you do not know whether you are an hour ahead or behind or at the same time this week and different times next week.

Summertime regulations are comparatively new in most of the Member States. Italy is a little more experienced than most, but the United Kingdom and Ireland introduced regulations for summertime in 1916, so we have a lot of experience in these matters and they are old and tried regulations in our countries. Mr Baudis told you how confusing the present position is, and I must say that I do think that, in view of the positions in the various Member States, the Commission has come up with the obvious common-sense solution.

In this group we appreciate the difficulties which colleagues from other Member States fear. We are aware of the concern felt, for example, in the Federal Republic of Germany about children going to school in the dark. But we are not going to make headway on even a comparatively small issue by taking a solely national view on what is a Community matter if ever there was one.

In the United Kingdom we are happy to meet our partners half way, and so we are perplexed by this amendment from the Committee on Transport which wants to amend the directive by setting the date at the end of September — a change which suits some Member States but makes absolutely no recognition of the position and the experience of other Member States. It is not helpful, it is not Community minded, it is against the whole point and spirit of the European Community that we are trying to build and it would simply hand free ammunition to those people who want to break up and destroy the Community that we have got. It would be in the spirit of European cooperation if the Members of this House rejected the non-Community minded amendment from the Committee on Transport and accepted those other amendments supporting the Commission's thoroughly commonsense proposal.

(Applause)

President. — I call Mrs von Alemann.

Mrs von Alemann. — Madam President, I would just like to reply to my British colleague. It is most certainly not wise and not right to suddenly make this into a very tragic and particularly dramatic issue by saying that Europe would break up if the end of summertime is fixed according to geographical positions. The position of Germany geographically is such

that it would be very difficult to explain to my voters, and particularly to the parents of young children, why on earth we have to adopt a regulation which would be very very detrimental to them.

President. — I call the Commission.

Mr O'Kennedy, Member of the Commission. — Madam President, clearly the continuing discussion here behind me indicates that this matter has practical implications in Member States. In fact, that is the reasoning behind the Commission's proposal. Let me say in that context that there is very little for me to add, for that reason, to the rapporteur's excellent exposé in which he explained clearly and precisely the essential points of our directive.

But I would be grateful, Madam President, nonetheless if you will allow me to dwell just for a moment on the amendment proposed in the report that suggests that the date for the end of summertime should be brought forward by a week or two. I do not think it will have escaped the attention of the House — indeed your rapporteur clearly emphasized the point, and I think it is implicit in what Mr Hutton has been saying as well — that the dates proposed by the Commission for the beginning and the end of summertime are the result of a compromise between various and often widely differing points of view expressed during the preliminary negotiations.

The Commission felt for that reason that it should submit this proposal, as it would have the best chance of being accepted by all parties. I therefore believe that this would be frankly an inopportune moment to change our proposal for a directive. In fact, I think if we did we should run the risk of causing parties to harden their positions even further. For that reason the Commission considers that the date for the end of summertime suggested by the Committee on Transport — the last Sunday in September or the first in October, — is, frankly, too different from the date favoured by two Member States to be an acceptable and reasonable basis for the compromise we are seeking. The date proposed by the Commission, namely, the second Sunday in October, lies half way between the dates favoured by the various Member States and would, in our view, seem to have the best chance of being ultimately adopted.

We all agree that it is an area where we should harmonize. Let me say particularly that I do not think we are just talking in terms of adhering to existing positions in our Member States for the sake of so doing. As Mr Hutton has quite correctly pointed out, there are financial implications involved in this, very significant ones for transport carriers, airline companies and others.

Apart from the financial implications involved, there is

O'Kennedy

the fact that we cannot organize our people in such a way as to make them react immediately and efficiently to changes that they are not accustomed to. I am quite sure there are a lot of grannies and sons and daughters who often find themselves turning up at airports later than they should because of lack of the harmonization we are now trying to achieve. Now, for that reason we in the Commission believe that that the proposal for the second Sunday in October is, in fact, the more suitable and realistic. Mrs von Alemann pointed out that we cannot, of course, change the physical location of our countries in Europe in such a way that the sun will rise and set in each at the same time. But that is obviously not the point of the harmonization we have in mind here. Even when we get the agreed date, we will still have a difference of about one hour between the countries in the eastern part of our Community and those in the west and northwestern part. So, we are not harmonizing to the extent of ignoring the realities of nature. What we are doing is, within those realities, trying to ensure that what we propose will lessen the financial cost to those who are engaged in transport and, of course, the inconvenience to our citizens.

President. — The debate is closed.

We shall now go on to take the vote

(...)¹

I shall now accept explanations of vote.

Mr Megahy. — Madam President, summertime is too important to be left to transport experts whose only conception of the world is to harmonize railway and air timetables. Life is about other things than air timetables, and I am totally opposed to stealing any of our British summertime. We do not get so much as it is, and this is a diabolical plot. I am opposed to the Commission trying to steal two weeks of it, and I think that the Committee on Transport is absolutely mad to think that the British people would ever put up with a month less summertime at the end of a year. And I can tell our friends in the southern countries that this is only the start, because the next thing we will see is the harmonization of siesta time. And then the Greeks will start wondering about that, because the logic is the same. It is no use getting to another country at the same time if you discover they are all sleeping. So I am totally opposed. I have voted against everything proposed here, and I am quite certain the British people will never accept these diabolical proposals.

(Applause)

President. — I call Mrs Ewing.

Mrs Ewing. — Madam President, my card was removed, and I have tried three times to get up and draw your attention to it. As long as I get my vote recorded, I do not really mind how you do it.

(Parliament rejected the motion for a resolution)¹

9. Education of the children of migrant workers

President. — The next item is the report (Doc. 1-329/81) by Mrs Viehoff, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on the education of the children of migrant workers.

I call the rapporteur.

Mrs Viehoff, rapporteur. — (NL) Madam President, some may ask, why this report? After all, there is a directive which entered into force on 25 July, a directive which requires the Member States to provide education both in the language of the host country and in the native language of the children concerned. There are not yet any accurate figures or information to show whether this directive is being partly or completely observed in the Member States, but the information which is available leads us to fear the worst. Hence this report.

The information available produces the following general picture. Compared with other countries, Germany is a clear front-runner. There are many publications; a great deal is being put into teacher training. The teaching of native languages is usually done on an individual basis. The situation in the Netherlands is comparable with that in Germany, except that rather more must be done in the native language and coordination leaves something to be desired. In both countries plenty of criticism is still being voiced by the people involved in this kind of education, so the situation is not yet ideal. What is being done in Denmark is not worth mentioning. Ireland does not have the problem of migrant workers, and little can therefore be said about education there. In Britain teacher training is well organized, but there is little teaching in native languages. The fact that most immigrants come from the former colonies and can more or less — and I stress, more or less — make themselves understood in English is probably the basic reason for this. English is not the native language of some 30% of the population of London, although 95% of this group are British nationals. This makes the problem even more complicated. There is little education in native languages.

¹ The rapporteur was against Amendments Nos 1 and 2.

¹ Membership of committees: see the minutes of this sitting.

Viehoff

On paper France has done everything perfectly. There are splendid brochures and circulars, but apart from experiments, inspired by the trade union movement and the European Community, little or nothing is being done, and it also seems that education in native languages must be financed privately. In Belgium something is being done, but rather unsystematically. A number of experiments are being carried out, for example in Limburg with help from the Commission. Teacher training is in an experimental phase, and little teaching is done in native languages. Little is known about Luxembourg. There is a small brochure, but it is to be feared that this is just about all that has been done.

That leaves Italy and Greece. Both countries are very seriously concerned about what is happening to their nationals in the other Member States, but little or nothing is done about the education of foreigners in Italy and Greece. I repeat: these are generalizations. There will certainly be examples of things being done, and done well, in the various countries. Generalizations they may be, but they are alarming enough. We hope that the Commission will be producing a report within the next twelve months and that this report will dispel our fears.

Madam President, my report does not repeat what was said in the reports by Mr Albers of 31 June 1975 and Mrs Caretoni Romagnoli of 12 November 1975. This report is intended as an urgent appeal to the governments of the Member States to take seriously and to make haste with the implementation of the directive. Earlier this week, when speaking about youth unemployment, I referred to the even more limited opportunities for the children of migrant workers. This is a source of unrest and the stuff conflict is made of, even among young people themselves. The actual implementation of the directive will make it possible to ensure mutual respect for each other's culture and language in Europe, which is what we are advocating. In the Committee on Youth, Culture, Education, Information and Sport a report on the European Schools is in preparation. We must consider how we can involve these schools in the education of the children of migrant workers. There are two new elements in the resolution, Madam President, the first being the request that the field of application of the directive be extended to cover the children of migrant workers from third countries. The Council of Ministers has expressed itself as basically in agreement with this, but a legal basis has yet to be given to this statement.

Secondly, the resolution requests that the directive should be extended to encompass nursery school education. This is very important, because it has been shown that the education gap between children who have attended nursery schools and local children is very narrow. Paragraph 4 calls for an extension of the role of the Social Fund so that applications for the financing of pilot projects can be accepted, and particularly at this time, with the directive about to enter

into force and Greece having acceded to the Community, we are in great need of the money.

Madam President, there is never enough time to say everything you want to say, to make distinctions where they are needed and to find the arguments to show exactly why this kind of thing is so important. I will close by stressing that we are talking about children here, real live children, not lifeless figures in statistics that we simply pass by, children who cannot wait until action is taken in the future, because they will not be children then but, I fear, underprivileged young people.

(Applause)

President. — I call the Socialist Group.

Mr Schwencke. — *(DE)* Madam President, ladies and gentlemen, Mrs Viehoff's report primarily concerns the Council directive on the education of the children of migrant workers, which was adopted as long ago as 1977 but did not enter into force until the summer of this year. The problem now is that by no means all the Member States have complied with all the provisions of this directive or vouch for such compliance. As Mrs Viehoff has already said, favourable information has been received from the Netherlands and the German Federal Republic, but other countries in the Community still have a great deal to do. What is the educational purpose of this directive? The principal aim is simply to require the host country to offer the children of migrant workers bilingual or, in other words, bicultural education. This Community directive was drawn up following intensive studies of the subject and contains the only correct and decisive concept for the education of this category of pupils.

As we have so little time available, I refer you to the educational basis provided mainly by numerous studies carried out by the Council of Europe and submitted some time ago on the recommendation of its Parliamentary Assembly.

I would refer you in particular to a Council of Europe publication entitled 'The education of children of migrant workers in Europe, interculturism and teacher training', 1981, Strasbourg, which appeared a few days ago. The title itself contains two elements that are essential to the successful education of the children of migrant workers: the proper training of teachers and conscious acceptance of interculturism. This means that give and take are politically very important, that the foreign *and* the local children derive equal benefit from this development.

To summarize, I should like to emphasize three factors:

The alternatives in the education of the children of

Schwencke

migrant workers must not be 'you learn the language of the host country and become integrated in its culture' or 'you learn your own language, with the idea that you may eventually go home'. These are poor and educationally fatal alternatives. They must be rejected and are indeed rejected by this directive.

Secondly, the host population must be prepared fully to accept the migrant worker and not regard him, for example, as someone whose children have to be carried. They must try to integrate the migrant worker, with his cultural and linguistic identity, and so learn from this intercultural process.

Europe lives on the multiplicity of its cultures, and this must also be ensured in the education of the children of migrant workers.

We needed workers, particularly in the Federal Republic of Germany, and we got people. These people have now settled in our countries. They have their children, and there is no greater educational obligation than to ensure that these children receive an adequate education. The directive is an important step in this direction. The Socialist Group therefore endorses the motion for a resolution tabled by Mrs Viehoff.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Del Duca. — (*IT*) Madam President, ladies and gentlemen, we have before us a resolution which cannot fail to find the strongest support from all members of this Assembly who believe, as we all do, that the future is always bound to the cultural progress of the new generations.

The right to study, which has become in all Community countries the stimulus for all political philosophies, has produced and is producing positive results for the new generations beginning productive life: in the area of work, the area of choices, in the area of individual responsibilities.

It was therefore wise to issue immediately a series of directives to deal with the differences in the arrangements of the various Member States, precisely at a time when Europe itself was emerging, based on the principles of free movement not only for goods and capital but also for people.

We must say immediately that we think that this directive, which has existed since 1977 and which provides for education for the young children of emigrant workers, should have been applied sooner. Some Member States have still not implemented the necessary measures, or they have done so only partially.

We are discussing this directive and hoping for its adoption at the very time when the schools are reopening after the summer holidays. With these schools are connected hopes for a better life and disillusionment with programmes which are still far from the reality of daily life. Whatever the case, these schools provide the start in life for the new generations.

It is for this reason that we must insist strongly on the universal application of this directive, and we recommend that States which continue to delay the application of measures having to do with the quality of life and civilization be taken before the Court of Justice.

It should be our objective to avoid alienating the young people who live abroad and to attempt to place them in schools of the type found in their native countries.

I feel that a vital part of this resolution is paragraph 5, which seeks to extend the directive to apply also to young people from non-Community countries, in order to prevent different treatment for children of workers from third countries.

In conclusion, I thank Mrs Viehoff for the work she has done and express my full support for the resolution. I do insist that countries which have not applied the directive be brought before the Court of Justice, for Parliament should no longer permit itself to be ignored with impunity.

President. — I call the European Democratic Group.

Mr Patterson. — Madam President, in view of your appeal for brevity I will make three quick points. The first concerns the timing of this debate. Mrs Viehoff's report is a victim of the way our agendas keep changing. It was put through committee quickly in order to be ready in time for the meeting of the Education Ministers in July. That meeting is long over, and here we are in September, so that much of the force of the report is lost. Secondly, there is the question whether the directive now in force is not being observed by any Member State. I would like to hear from the Commission whether in fact any Member State is in breach of the directive. In view of what Mrs Viehoff said about nothing happening in the United Kingdom, could I particularly ask the Commission to confirm that in the United Kingdom the directive is being applied completely and that we are not in breach of it. This is rather important.

Finally, could I come to the question of whether the directive should be extended to third countries, particularly as it affects mother-tongue teaching. We have certain problems in the United Kingdom, with the multiplicity of non-European languages to which this would apply. For example, my wife used to teach in a

Patterson

school in South London where there were over thirty languages spoken by the children in her class. You can readily appreciate the difficulty with limited resources of applying mother-tongue teaching in that kind of situation.

Furthermore, there is the question of difference between migrants and immigrants. Migrants are people who intend to return to their home country, either a Community country or a third country. Immigrants are people who come to stay permanently. I think the Commission might well address itself to the question of whether it is sensible to plan for a permanent group of people in any Community country, speaking for example of Hindi or Urdu or any language of the Indian subcontinent. This is something which bears thinking about before rushing into an extension of this directive. Local authorities in the United Kingdom are quite willing to provide mother-tongue teaching in third country languages, but of course they have very little in the way of resources to do so. Perhaps this is something the Commission could bear in mind when it next comes to the budget.

President. — I should like merely to point out that the delay referred to cannot be put down to difficulties with our agenda but to the summer recess. The report was adopted in June, but the time needed for translation meant that this was the first part-session at which it could be put before the House.

I call the non-attached Members.

Mr Almirante. — *(IT)* Madam President, one can only approve this praiseworthy resolution, on condition however that it is adopted both in the letter and the spirit. I would also hope that it will be accepted in the spirit in which it was put forward, namely, to act as a stimulus and also to furnish painful proofs of the partial or total failure on the part of certain Member States to apply this directive. The names of the defaulting Member States are indicated in the written report; further details were given in her oral presentation by our esteemed colleague, to whom we extend our sincere thanks.

I speak as a representative of Italy, the country which, I believe, has the largest number of emigrants in the various parts of the Community and which therefore has the greatest interest in the solution of this problem. For this reason I am also particularly in favour of one of the proposals, namely, that these provisions be extended to children of pre-school age, i.e. children in nursery schools.

I am somewhat puzzled by the reasons which have been given for an immediate extension to include third countries, for I think that Europe should solve its own problems first. I say this as an Italian, representing a country which more than any other, I feel, suffers at

present from the failure of its own and other authorities to shoulder their responsibilities.

President. — I call Mr Brok.

Mr Brok. — *(DE)* Madam President, ladies and gentlemen, as the previous speaker has said, we should really see this report as merely providing an impulse.

This Parliament must perform a far more extensive monitoring function in this area. It is bad enough that the great principle of freedom of movement in the European Community is applied out of social necessity, but it is far more consternating to find that the principle of freedom of movement can also penalize children. We must therefore translate the legal possibilities open to us in the European Community into reality, so that the people to whom they apply are not penalized.

This also means that we must not consider the subject of the children of migrant workers in isolation but in conjunction with other areas, so that we may find the necessary solutions. If, for example, second-generation children of migrant workers obtain certain diplomas or qualifications as skilled workers in certain countries and we are unable to ensure the mutual recognition of diplomas and examinations, they will be worse off, should they return to their home countries, than the children and young people living there.

Furthermore, we must in all fairness get down to discussing at some time the question of how we are to cope with the situation of migrant workers and their children from countries with different cultures. In many cases, the problems with these third countries are so serious that there is no real way of solving the problems raised by the children of migrant workers from within the European Community. I feel that this is a subject which merits the kind of reflection that produces a greater degree of honesty on all sides.

I can assure you that my group has given a great deal of thought to this matter, particularly in the context of the children of migrant workers, and that we therefore regard this report merely as a beginning, which we endorse, although in the coming months we should continue to build on these beginnings.

President. — I call Mr Kappos.

Mr Kappos. — *(GR)* Madam President, we approve the motion and stress the urgent need for the directive in question to be implemented immediately, so as to improve the prospects for children below school age but also for the children of immigrants coming from third countries. It is high time that we put an end to the unacceptable situation whereby immigrants' children remain illiterate to all intents and purposes and

Kappos

are thus predestined to find a job at the lower end of the social scale. It is the norm, Madam President, for Greek children in the Federal Republic of Germany and in Belgium, for instance, to learn Greek in afternoon classes, with all the unfortunate consequences that entails for their education. The Greek Communists maintain that immigrants' children should be entitled to a real education while at the same time learning their mother tongue together with the preservation and the cultivation of the cultural traditions of their people, so as to enable them to become educated adults and to make a career either in their country of residence or in their country of origin. And here I take the opportunity to point out that the Greek Communists are, as a matter of principle, opposed to immigration because they see the human workforce as the living wealth of a country. It is for this reason that they struggle and will continue to struggle for immigrants to return to Greece where they can contribute to the real development of the country for the real progress of her people.

President. — I call Mr Bournias.

Mr Bournias. — (GR) The education of the children of immigrant workers is an issue which cannot fail to arouse the interests of the Community and of my country, Greece, in particular, where there has been large-scale immigration from the first quarter of the century until recently. Greece experienced the problems arising from immigration chiefly in relation to the children. It is a fact that it is children who suffer most from any change in their environment, when they suddenly find themselves in a foreign country where they have to come to terms with strange people, strange customs and a strange language, all of which affect them more than they affect adults. Fortunately, however, they also have the innate ability to adapt quickly to the new environment and to grow up to be worthy citizens of their second country. But we are not concerned here today with the traditional immigrants, those, that is, who for one reason or another elected to emigrate permanently to a foreign country. Today we are discussing a relatively recent phenomenon — a product of the last decade, namely the worker who migrates for a time and then returns to his mother country. The children of this kind of migrant workers are in a difficult position. Not only are they required to adapt to the new environment, to learn their mother tongue alongside a foreign language and to associate with foreign children for a certain period of time, but they must at the same time preserve their national identity, so that when their parents return to their home country they are able to adapt once more. Of course, if, instead of this, their parents settle in a third country the children's problems start all over again. In view of all this, it is clear that a carefully considered plan and a programme are required. The education of workers' children is a matter of urgent necessity and this programme must be standardized to

a certain degree in all the Community countries, especially in those that receive immigrant workers from various other countries.

It is clear that a programme of this kind, and the considerable expenditure required to implement it adequately, are beyond the capacity of the economy of individual countries. Agreements concluded between the country of origin and the host country are not the answer either, but, given that the whole issue is of fundamental concern to EEC Member States, it is for us as an institution of the Community to ensure that these plans are implemented as quickly and as completely as possible. We will thus be achieving two things; on the one hand, we will be providing a kind of solution immediately to the problems of these children and on the other hand, we will be ensuring that they become not only good citizens but also good Europeans in tomorrow's world. They will make a great contribution to a better understanding between our peoples and they will certainly be the best ambassadors for the idea of a united Europe. This in itself would certainly be sufficient to justify the finance needed to put this plan into practice, because it would be, in my opinion, one of the best investments for the future of the Community. Naturally, I warmly support paragraph 5 of the proposal, regarding the children of immigrant workers from third countries, suggesting that all receive the same treatment, and I congratulate the rapporteur on her very important report.

President. — I call Mr Gondicas.

Mr Gondicas. — (GR) Madam President, it is with particular satisfaction that I studied Mrs Viehoff's report and I congratulate her on her sincerity and on her initiative on certain issues. We must not either lose sight of the fact that there are still, unfortunately, Member States who have not complied with the Council directive of 25 July 1977. Four years have passed since then, and we are forced to admit that as far as the national education of immigrants' children is concerned, little has been done in those countries which benefit most from the labour of the immigrant parents. I entirely agree that national education and national school training should be provided from the kindergarten on, because these are precisely the years when children have the greatest need to learn their mother tongue, their habits and customs, for only in this way can they avoid being entirely absorbed by their host country. I am aware of the political and economic difficulties posed by this issue, but I believe that it is our duty to secure the Community resources so that the problem can readily be tackled in the near future by all countries acting in unison.

Madam President, I must, in particular, thank Mrs Viehoff for the special mention she made in her report of my country, Greece, because the problems facing Greek education — facing the children of our immigrant workers — are very acute.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Madam President, I shall comply with your request and be brief. I shall not therefore be going too deeply into the contents of this report, because I am in complete agreement with it and with the previous documents to which Mrs Viehoff has referred. I believe the most important thing this report has to say is that the Council directive of July 1977 has not yet been implemented, and I therefore regret that the Council of Education Ministers did not have this subject on the agenda for their July meeting.

I am thus underlining what the report says on page 8, that it is unfortunate that this problem was not included in the agenda for the meeting of the Ministers of Education in July 1981. If the Ministers had discussed this problem, pressure could have been exerted on the governments of those Member States which have as yet done too little to fulfil their obligations under the directive. Unless the Council of Education Ministers places this item on its agenda, the results of the meetings of this Council will always be disappointing, something we have grown accustomed to in the past.

May I therefore very sincerely request the Commission and above all the Council to reconvene the Education Council as soon as possible and to ensure that the meeting is better prepared and in particular given more substance, so that greater justice may be done to this aspect of Community policy.

President. — I should like to make it clear that since the report was adopted only on 23 June, the time needed for printing, distributing and discussing it meant that we could not have it before now. The Commission would have had to adopt it in advance if it were to be put before the House in a previous session.

I call the Commission.

Mr O'Kennedy, Member of the Commission. — I think I should join with every other contributor to the debate this morning by also expressing the Commission's appreciation to Mrs Viehoff for the direct approach she adopted in her report and in her contribution this morning to the problems affecting the education of migrant workers' children in the Community. She has indeed drawn a very concise and realistic picture of the situation, and I should like to tell her that the Commission will make a most careful analysis of the conclusions and the proposals in her report. If I may, Madam President, I should like to give a brief outline, in view of the time, of the current position in regard to current present action programmes. I hope, nonetheless that it can be appreciated that even the briefest of outlines on this very important issue that has been touched upon this morning may require more than just a few minutes.

An estimated 2 million immigrant children are attending educational establishments — nursery schools, primary and secondary schools and fulltime vocational training — in the Community.

This number is steadily increasing in absolute terms first of all, but above all in relative terms. In highly industrialized regions the birthrate of the indigenous population is about half that of the immigrant population, so that immigrant children will soon account for more than 30% or 40% of the school population in large cities, if in fact they do not already do so. It is evident then that educational structures and teaching methods must be adapted to the composition of the school population. While the present situation is an improvement over 1975, it is, as has been said here this morning and as is clear from the report, far from satisfactory.

At Community level Regulation No 1612/68 was the first attempt to deal with the educational problems of immigrant children in a practical way. The Member States cannot, however, be said to have adopted measures in the light of this regulation that are sufficiently broad in scope to enable immigrant children to follow general educational, apprenticeship and vocational training courses in the most effective manner. The Council resolution of 21 January 1974 on the Social Action Programme for 1974/76 extends Community action to immigrants from non-member countries and makes specific reference to education. In July 1975 the Commission put before the Council a draft directive on the education of the children of migrant workers. When it adopted the directive in July 1977, the Council restricted its application to the children of Community nationals while at the same time affirming the political will of the Member States not to set up discriminatory educational structures. The directive came into force this July.

In the near future the Commission will publish all the legal and administrative provisions in effect in the Community countries relative to the education of migrant workers' children. Towards the end of next year the Commission will report to the Council and Parliament on the application of the directive, and I can tell Mr Patterson and others who have raised this that we will be presenting to Parliament in November a manual of the administrative arrangements at present in force in the Member States. We will not be offering a judgment at that time, however, on how the Member States are complying with the directive. That, as I said, will be reported on to Parliament and to the Council next year. The Commission also plans to organize periodical exchanges of views between representatives of the Member States, so that they may compare the measures adopted pursuant to the directive in the light of the changing situation.

I should like to state also, Madam President, that since 1976 the Commission has been engaged in a programme of pilot projects devoted to subjects

O'Kennedy

directly linked to the aims of this directive. An exceptionally careful evaluation has made it possible to learn a great deal from the first pilot projects. However — and Parliament, I think, would be extremely conscious of this — the severe cuts made by the Council in the Commission's budgetary proposals for 1982 are forcing the Commission to pare down the future programme of projects, although the success of the operations carried out and the seriousness of the situation as demonstrated by Mrs Viehoff's report indicate that, on the contrary, the programme should be extended. The Social Fund can now contribute to the additional costs arising from the measures adopted for the education of migrant workers' children and the cost of training teachers for these children. I am convinced that educational and vocational training for young people is still one of the most effective means of combating unemployment today and the best preparation for the economic life to tomorrow. The Social Fund was set up to encourage workers' mobility. It is therefore logical and necessary that the Fund should contribute to the effort to improve the education provided for these workers' children.

The Commission believes that in order to correct a situation that has been allowed to deteriorate, two other measures could effectively supplement the action provided for under the directive. The first concerns early childhood. All investigations into pre-school education for immigrant children have confirmed its effectiveness. Between the ages of 3 and 5 these children learn the language of the host country remarkably quickly and well. May I say that I have personal experience of that in my own family at the moment, where I tend to envy the uninhibited capacity of my 4 year old daughter to relate immediately and to communicate effectively with an accent that I am afraid I myself will never properly acquire. Aontúim le gach a duirt Madam Viehoff. Sa mheid seo ta me ar aon aigne lei. As I said, I agree entirely with her in all of this. I am of one mind with her and I believe this is a very important element of the report and the matters that we have to consider. We propose for that reason to recommend that Member States open the doors of their pre-school institutions as widely as possible to immigrant children.

Secondly, energetic action is called for in the field of educational and vocational guidance for immigrant children. At present thousands of young immigrants make the transition to working life in conditions that are extremely difficult for themselves, their families and society at large. The Commission would therefore propose that the Member States make greater efforts to tailor the educational and vocational guidance services to the needs of young immigrants. A key factor in this field is the training of staff for guidance sectors. All too often our Community is being thought of as a common market. It is not a common market on which our citizens are available as something to be bought and sold. It certainly cannot be that. The Community consists above all else of the peoples of

our 10 nations, and the free movement of goods is a means to that end. But the true aims of the Treaty setting up the Community are the wellbeing and the equal rights of our citizens. I believe then, Madam President, that this report under debate here today will contribute significantly to the achievement of these objectives.

President. — The debate is closed.

We shall now proceed to the vote.

(. . .)

Paragraph 2 — Amendment No 6

Mrs Viehoff, rapporteur. — (NL) Madam President, I am not opposed to the purport of this amendment. I am afraid, however, that it conflicts with Article 5 of the directive, which says that the Member States must report within five years on progress made. I would therefore recommend that this amendment should not be adopted.

(The President announced that the amendment had been rejected)

Mr Forth. — Could I ask for the result to be checked by a roll-call vote? It was very close.

(Parliament adopted the amendment)

Paragraph 3 — Amendment No 3

Mrs Viehoff, rapporteur. — (NL) I am opposed to this amendment, Madam President, because pilot projects are particularly useful in this area.

(. . .)

(Paragraph 4 — Amendment No 4)

Mrs Viehoff, rapporteur. — (NL) I am in favour of this amendment, Madam President. The wording is correct, now that 25 July 1981 is past.

(. . .)

(Paragraph 5 — Amendments Nos 5 and 1)

Mrs Viehoff, rapporteur. — (NL) Madam President, I am opposed to Amendment No 5. In my presentation I stressed the importance of the education of small children. I am also opposed to Amendment No 1. I quite see the difficulties to which Mr Patterson refers, but it seems extremely dangerous to me to include this point,

Viehoff

because it might also be used as an excuse in cases where it is difficult but still possible to do something. I am therefore opposed to both amendments.

(...)

(Paragraph 6 — Amendment No 7)

Mrs Viehoff, rapporteur. — *(NL)* I am in favour of this amendment, Madam President. It is always useful for individual Members to obtain more information which they can use in their own countries to exert pressure on their governments.

(...)

President. — I shall now accept explanations of vote.

Mr Albers. — *(NL)* Madam President, I attach considerable importance to explaining my vote on this subject. I was the rapporteur at the time this directive was proposed, and in the ensuing years I have found that precious little has been done about implementing the good intentions expressed here in 1973, 1974 and 1975 as regards helping migrant workers and their children, as they suffer the pressure of the economic difficulties. It is a bitter experience for me to find a fairly moderate resolution meeting with opposition as a result of rather one-sided Conservative interpretations of the problem we face within the European Community. I cannot, of course, blame the European Democrats for having a majority here in certain cases on a Friday morning. It is they least of all who are to blame for this. It is this side of the House which should be reproached. But I considered it necessary to give an explanation of vote. I might have found it necessary to vote against this resolution, but fortunately it has not been watered to such an extent as to force me to do this. I find it sad that, to the accompaniment of scornful laughter, it should be established with the aid of the electronic system that this Assembly is not prepared to give its wholehearted support to the children of migrant workers and to tackle the problems we face. I shall nevertheless vote for this resolution.

Mrs Viehoff, rapporteur. — *(NL)* Madam President, I am very sorry that the word 'deploras' has been removed from this resolution. Like Mr Albers, I am also sorry that the British Conservatives, who are so often full of the European idea and European action here, should concentrate so completely on the problems in their own country — of which I am also aware — in order to weaken this resolution. But there is enough left. The resolution still appeals to the governments of the Member States to do something. I shall not therefore vote against, although I was very close to doing so.

(Parliament adopted the resolution)

10. *Exhibition on the contribution of the Community to the development of Europe*

President. — The next item is the report (Doc 1-328/81) by Mrs Weiss, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on organizing an information exhibition on the contribution of the Community to the development of Europe prior to establishing a museum of the history of European unification.

I call the rapporteur.

Mrs Weiss, rapporteur. — *(FR)* Madam President, it is my privilege to present to you, on behalf of the Committee on Youth, Culture, Education, Information and Sport, the report on organizing an exhibition on the contribution of the Community to the development of Europe as a first step to establishing a museum of the history of European unification.

The limited time at my disposal does not allow me to enter into all the details of this so very timely, necessary and topical project, given the Community's desire to increase public awareness and that of the Member States of its motives, its strength, its achievements and its aspirations. Let me therefore simply bring to your attention the following points about this initiative, which will be an inspiration to us all.

Firstly, the idea of a museum of the history of European unification was born of a proposal put forward by our eminent colleagues, Mr Pedini and Mr Bange-mann. However, a museum of this kind cannot be set up overnight and, besides, it will always have to remain adaptable. Our committee, before whom the project for this museum was laid, felt therefore that it could be developed from a series of exhibitions, the material from which would be retained for the purpose.

Secondly, the committee thought that in proposing to you this initial theme for an exhibition, namely, as I have already said but will say again, a presentation of the contributions of our Community to the progress of its members, it would be helping towards the success of the celebrations planned for the 25th anniversary of the Treaty of Rome, for which funds have already been earmarked. There is, therefore, a need for haste and a need to secure right away your agreement in principle, so that action can be taken immediately in accordance with an outline plan which you will be hearing about at a later date but for which the documents have already been or could very quickly be drawn up.

Our committee will be in touch with the Committee on Budgets regarding the very modest financing required, since the documents are available or will be supplied from Brussels by the Commission itself. I

Weiss

believe this is something we need to give some thought to, as in this exhibition our image will be at stake.

Thirdly, in accordance with the wishes of the Committee on Youth and Culture and of the authors of the amendments that have been tabled, whom I should like to thank for their understanding and kindness, this project will enable us to call on the support of the institutions of the Council of Europe, private bodies and organizations, and even private individuals.

Fourthly, you will have noticed the large number of individual visitors and groups who come to Strasbourg to learn about our Parliament and its work. The enthusiasm we see on their faces should be an encouragement to us. Often we have not the time we need to spend with them, to show them around or to inform them, and these thousands of well-wishers go away from us a little frustrated. Our exhibition, and later the museum, would welcome them; it would be an essential complement to our Parliament. The exhibition would do even more than that; by preserving documents that are at present dispersed and liable to be lost forever but which could be collected and entrusted to it, it would ensure that a complete and accurate historical record can be kept.

Fifthly, the City of Strasbourg has let it be known, as I told you, that it would place the necessary premises at our disposal.

I beg the Members of this Parliament to put their hearts into this project, because it is what the public has been waiting for. Documents and detailed plans will be submitted to you. You will be able to see and judge for yourselves how modest they are, for it is you who will finally decide on the shape this exhibition will take.

(Applause)

President. — I call the Socialist Group.

Mr Schwencke. — *(DE)* Madam President, ladies and gentlemen, 'Europe lives', as it says in the report by our oldest Member, Mrs Weiss. It lives in our 300 million fellow-citizens, in all the joy and sorrow they experience every day and in all that we politicians expect of them. At present, they obviously have little cause to feel joyful and more reason to be afraid, particularly perhaps in the light of that new means of mass annihilation, the neutron bomb. Fear is rife in Europe.

But I do not believe that Europe's contribution to peace should be confined to parliamentary speeches and political bargaining. It must be clearly seen by everyone. For it is my deep conviction that Europe still ranks high among our fellow European citizens. There can be no overlooking a certain realization of the need

for unification. But, ladies and gentlemen, can it already be said that there is European awareness? It may be present in a few people, but not in the majority. Without the support of its citizens Europe cannot be built. Nor, as I see it, has this Parliament done a great deal to change the situation in over two years of activity.

This Parliament in Strasbourg has not yet become the real centre of Europe and its citizens, of their thoughts and hopes. This, Madam President, is the starting-point of the report by Mrs Weiss and the resolution unanimously adopted by the Committee on Youth, Culture, Education, Information and Sport. The Socialist Group calls on you to adopt the report in this form.

What is the object of this report? Everywhere in the world there are enormous arsenals of weapons ready for use and in many places also displays of historical weapons for the curious to see. There are so many war museums and museums of weapons, but there is no peace museum. Such a museum could record thirty years of positive development in this part of Europe. We need something like an arsenal of peace or, as the journalist Claus Schöndube, the originator of this idea, put it, an *arsenal européen de la paix*.

Ladies and gentlemen, Madam President, I believe we would be making a considerable contribution to the identity of Europe. In this part of Europe, in which there has been a positive development towards humane, benevolent and peaceful attitudes amongst our peoples, we must provide our visitors with visible evidence of this. This development of peace in Europe must be seen as something that can be progressively emulated by everyone else. It is a process that began with the Council of Europe, which was followed by the Human Rights Convention, the Treaties of Rome and finally the constitution of this Parliament. We now need documentation of this genuinely humane progress. An arsenal of peace, possibly including a travelling exhibition, will be a start.

Madam President, ladies and gentlemen, we are certainly agreed that Europe is more than the brief moments in which 50 000 citizens visited this House last year and spent an hour in the gallery and a further hour being told about Europe by the Members. These brief moments are not enough for Strasbourg. This museum will provide our citizens with an opportunity to build upon what has been achieved in the past and what has led to this positive development. We need an arsenal of peace which should be prepared in close conjunction with the Council of Europe and set up here in Strasbourg. The Socialist Group fully endorses this initiative.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Hahn. — (*DE*) Mr President, ladies and gentlemen, we wish to thank Mrs Weiss, our oldest Member, who has devoted her whole life to the cause of European unification, for this report. The Group of the European People's Party not only welcomes this report, it calls for immediate action to ensure that the exhibition on European unification can be opened in time for the 25th anniversary of the Treaties of Rome in March 1982 by the President of the European Parliament here in Strasbourg.

European unification is the most significant political event since the Second World War. Most of the Members of this Parliament will agree with this sentiment, even though we feel at this particular moment that the process of unification is far from complete. But if we were to ask the citizens of Europe which decisions they regarded as very significant since the Second World War, they would be hardly likely to mention European unification. The importance of what has happened here has not yet been recognized by the majority of our citizens. Consequently, it does not have enough political support from them, but Europe will be unified only if Europeans really want unification.

The motion for a resolution we are discussing today calls for a two-stage programme: initially, a large exhibition on European unification and later, a museum of the history of European unification, to be set up here in Strasbourg. The plan is, as I have said, to open the exhibition on the 25th anniversary of the signing of the Treaties of Rome. It is to take the form of a travelling exhibition so that it can be shown anywhere in Europe. The object is to give visitors to the European Parliament a visual impression of European unification: a visit to Parliament is often a very fleeting experience. The exhibition is also to show the evolution of Europe up to the present day, even though this cannot be properly done until the museum has been established.

The exhibition must not be museum-like. It must illustrate the long, often painful historical process from the original unity of Europe through its development in different directions, its disasters, its cultural unity, the impact it has had on world history, especially its intellectual achievements, to the movements seeking its unification. The great figures who have fought for unification should come alive. Ladies and gentlemen, this is not a fossilized past; it shows where we have stood in history and is an appeal for responsibility to

be shared for the achievement of the unification of Europe.

There is a great deal to be done. There is not really enough time between now and March 1982 for the preparations, because it takes a great deal of time and a very great deal of work to organize a large exhibition. The European People's Party has therefore tabled a number of amendments designed to make it possible for rapid action to be taken. For example, Parliament should decide to include a financial contribution towards the exhibition in the 1982 budget. The Commission should have a plan for the exhibition drawn up as quickly as possible. Historians and experts will have to be consulted, and it must be decided what objects are to be exhibited. Negotiations must begin very quickly on the exhibits to be made available by the services of the European Community and also by museums and archives in the Member States. Such negotiations take a long time. And we would also ask the city of Strasbourg to look into the question of premises.

We ask that everything be done to ensure that the exhibition opens on the scheduled date.

President. — I call the European Democratic Group.

Mr Harris. — Mr President, I shall be quick and brief and I hope I am not striking too jarring a note in this debate. I in no way question the very fine sentiments that are being expressed here today. But I do with all sincerity doubt whether the means which are now being proposed will, in fact, further the sentiments of European unity and peace. I really do not believe we shall build Europe by building a museum. For my part, I think we should be conscious of how much money this is going to cost. I think that in this Parliament we sometimes ignore this factor in our deliberations. We take no account of it. This report does not mention cost in any respect. The rapporteur said we would make a very modest start. Yes, a modest start, but Mr Hahn says the exhibition should travel everywhere through Europe; and then we have a museum.

With you in the chair in particular, Mr President, we appreciate the generosity of your town and what it has done and we gather that it would provide buildings. But there is also the question of staff, and I do not think a responsible authority like this should just adopt — on the nod, as it were — proposals to start in this way without looking really deeply into what is involved. In conclusion, I doubt most sincerely the sentiments expressed in part of the report, namely, that the citizens of Europe will feel their common destiny more strongly by acquiring a knowledge of the historic documents dating from the time of the first steps towards integration in Europe. I do not think, with great respect, that European ideals will be furthered in that particular way.

President. — I call Mr Bøgh.

Mr Bøgh. — (DA) Mr President, no effort and no expense should be spared to preserve objects linked to great historical events, but what kind of things are the sponsors of this museum of European unification and the 'Europe Lives' exhibition planning to preserve for posterity? The robe Charlemagne wore at his coronation in 800? Erasmus of Rotterdam's suitcase? the cigar butt Churchill threw away before delivering his great speech on Europe? Adenauer's Homburg hat? Monnet's fountain-pen, or the microphone Mrs Weiss used to deliver the opening speech here in 1979? No, they are not, for these articles do not exist. All they will have is documents, and documents belong in archives, not in museums. And on top of that the authors maintain that their aim is not to preserve the testimony of history, but to use history for everyday propaganda purposes. That amounts to a prostitution of history. It is a revealing coincidence that this museum may well be opened in 1984, the year which gave George Orwell the title for his novel on European society in the future. His book even deals with the use of history for propaganda. The principle character is employed in the Ministry of Truth, working on a continual revision of the past, so that it always appears to coincide with current political requirements. Is that not rather akin to the purpose of these plans for a museum, namely, to act as propaganda for young people who have been so reluctant to take an interest in the EEC in the past? That is no way to treat history. But it is not unusual in this Assembly. Every day the actions of the majority here are subordinated to an ideology amounting to a continuous rewriting of history just as Orwell describes it in '1984'. When 10 of the many nations in this part of the world try to monopolize the name of Europe, and then in its name put forward a tendentious interpretation of European history, that amounts to the manipulation of history. The history of our part of the world is more absurd, more terrifying and more demonic than any other and it is irresponsible to draw consistent historical conclusions from what are no more than cosmetics.

Every time I hear a Member utter the familiar cry that 'Europe is looking to this Parliament'. I wonder who is this Europe that is capable of such expectations? Surely it cannot be the little band of voters who took the trouble to go to the polls in nine Western European countries in 1979 to elect us. Clearly we are dealing here with some mythical mother figure on whom we are still completely dependent. At all events her attitudes are nearly always reactionary. When I saw the singular bronze fertility goddess placed in the vestibule of Parliament last part-session, I imagined that this had to be the lady so often invoked in the past. I think this Parliament needs to weed out its clichés. We should list the historical factors common to those European countries trying to monopolize the name of Europe to find what it is they have in common that the others do not, and the obvious ones are that most of

them fell under the rule of imperial Rome in the past and themselves subjected other countries in the colonial era. These two shared historical experiences may even today give rise to shared sentiments and joint initiatives and may incidentally help explain why countries more on the periphery of that historical heritage are less enthusiastic for ideological cooperation, but they are no justification for the emotive concept of Europe behind the plans for a museum of European unification and the 'Europe Lives' exhibition. I must vote against.

President. — I call Mr Habsburg.

Mr Habsburg. — (DE) Mr President, I really would not have thought that so worthwhile a proposal would have resulted in this Parliament listening to the voice of the oldest and most calcified nationalism it has heard for a long time. What is the rejection of Europe, which we must infer from what we have just heard, if it is not the voice of past centuries again putting the nation state before Europe?

It has often been claimed that this European Parliament and Europe in general do not go in for enough public relations. I can only agree that this claim is understandable, for it has rightly been said that enthusiasm for Europe has been buried beneath the statistics on the Community. This proposal from Mrs Weiss is designed specifically to appeal to the intellectual side of Europe, to that European idea that promises the only real future for our peoples, to that European patriotism that we must feel in view of the history of Europe. That is the purpose the museum is intended to serve.

We have been told that the exhibition is to be opened not in 1984 but in 1982, on the 25th anniversary of the signing of the Treaties of Rome. I should simply like to point out that we shall be celebrating another anniversary next year, the 60th anniversary of the first declaration on European unification, made by Richard von Coudenhove-Kalergi. This European movement has a history not of a mere 25 years but of 60 years. Anyone who has looked at the history of Coudenhove-Kalergi will also know that if the ideas of Coudenhove, Briand and Stresemann had come true, the Second World War would not have taken place.

That too should be in evidence in the museum.

I would therefore ask Mr Harris to think again very carefully. What we want, after all, is a Europe with an intellectual message. In this, certain calculations are perhaps not quite appropriate. We have been all too ready to refer to statistics in the past, and we have neglected the spirit of Europe.

I shall conclude in French by thanking Mrs Weiss, who started us off so admirably with the speech she gave as the oldest Member at our very first sitting, for

Habsburg

being prepared to put forward this motion. I should like to tell her how happy I am that this debate is taking place, unfortunately in far too empty a Chamber, while the Chair is occupied by the Mayor of Strasbourg, who will one day provide a home for what will be the true museum of Europe for all those who come here to see Parliament and the other institutions.

(Applause)

President. — I call Mr Møller.

Mr Møller. — *(DA)* Mr President, I wish to speak, as I do not think it proper that the only Danish speech should be the bilious views of Dean Bøgh. He, a dean in the Danish Established Church, claims not to know what Europe is nor what Europe has in common. He does not even see that, for example, the Church, Christianity and Christ's ideas are something the European nations share. Is not the religion we all adhere to, whether we call ourselves Catholics or Protestants, important enough to a dean in the Danish Church for him to realise that it provides a common cultural heritage for this Europe and our Community?

(Applause)

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — *(DA)* Mr President, on behalf of the Commission I wish to thank Mrs Weiss for this report and for her efforts in this matter; the Commission has followed the tabling of this report with great interest.

A project of this type and scope requires close examination. At this point in the discussions I should simply like to give the Commission's immediate reaction.

The first thing I noticed is that the object is on the one hand to organize an exhibition which might then become a travelling exhibition, and on the other to lay the groundwork for a museum on Europe unification. I think the the funding and timescale for this ambitious project need investigation. These two aspects are closely linked, as the execution and scope of the project depend on the money available. I am thinking here both of the appropriations available to the European Parliament in the 1982 budget and funds which might be obtained through cooperation with other institutions and the City of Strasbourg. A modest start could be made, in accordance with Mrs Weiss' wishes, in March 1982 on the occasion of the 25th anniversary of the Treaty of Rome. There might be a historical and political section illustrated by posters, documents and other exhibits and another section describing the present situation in the Community. The report takes the same line as did my colleague, Vice-President Natali, in his speech on 15 January during the debate

on the Schall report on information policy. I do not wish to bring budgetary considerations into the present debate, but if we are going to talk about a travelling exhibition we must realize that we are dealing with an effective modern means of communication, but an expensive one. The Commission has valuable experience in this field and would of course make it available. Over the past two years, on several occasions and in several different countries, the Directorate General for Information has helped organize exhibition vehicles moving from town to town in support of information campaigns.

In conclusion I should like to thank Mrs Weiss once more for tabling this report. The Commission will be interested to follow the progress of this European project and lend its support.

President. — The debate is closed.

We shall now proceed to the vote. Mr Hutton?

Mr Hutton. — Mr President, in view of what the Commissioner has said and in view of the reservations expressed in the House I would like to ask you to refer this report back to the committee for financial assessment and to put a time limit of three months on that assessment.

President. — I call Mr Brok.

Mr Brok. — *(DE)* Mr President, ladies and gentlemen, I call on the Members on the other side of the House to withdraw their request. If we look at the calendar and consider the date of the 25th anniversary of the signing of the Treaties of Rome, we can see that there is a danger that we will not be ready to go ahead with this plan on the date in question if this report is referred back to committee. I would therefore ask the House to consider whether it is not possible to take a decision now, so that preparations can begin.

President. — I call the rapporteur.

Mrs Weiss, rapporteur. — *(FR)* In my view, to refer this report back to committee would delay the decision in principle that had been asked for. We did say that we would, after further work in committee, come forward with very detailed proposals, together with a financial assessment in order to allay the anxieties that have been expressed. I admit that I was also asking you for a decision in principle on the question of this museum, the intention being subsequently, after further work in committee, to let you have actual plans between which you would be able to choose, together with detailed estimates of expenditure. We have already collected together so many documents, and others can readily be got hold of to fill any gaps

Weiss

there may be. We already have premises, which the city of Strasbourg with its usual generosity has made available. So any worries about finance can be put out of your minds.

As for distorting history, which is an argument I have heard here, this idea seems to me to be totally wrong and one that should be immediately contested. A document or any number of documents do not represent a distortion of history but a necessary means of establishing the complete historical truth for the future.

Finally, I also feel that it is extremely important to remind you of what a number of speakers have mentioned, namely, that this first exhibition and this museum must show Europe and the Member States what each one has gained from membership of the Community. There are, incidentally, 10 Member States and not nine, as one speaker said just now. I believe that this museum and this exhibition would be of great benefit to the visitors to our Parliament, who do not always find the information and the inspiration they seek here with such enthusiasm.

I therefore think that we must vote on this question of principle.

(Applause)

President. — I call Mr de Courcy Ling.

Mr de Courcy Ling. — Mr President, I wanted to explain that the difficulty for our Group, for which Mr Hutton is spokesman on the relevant committee, is that this Group is unwilling to take a decision of principle on an extremely important matter without having first considered the financial implications of it in a responsible manner. It seems to us as a Group to be particularly important when we, as one of the two main budgetary authorities of the European Economic Community, have a scheme which is important for public opinion in Europe, to consider carefully the practical consequences of what we are proposing in order to ensure its greater success. May I therefore reassure Mrs Weiss, Mr von Habsburg and Mr Brok, with whose sentiments most of us here entirely agree, that the best way to pursue their noble cause is to treat the proposal with financial responsibility. Let them go back to the committee, do the arithmetic and then come forward again with more specific proposals on which the Commission will find it easier to work. So I hope that Mrs Weiss will reconsider her position and support the proposal by Mr Hutton that this be referred back to committee.

President. — According to the Rules of Procedure we must have one speaker for and one speaker against. We have also heard the rapporteur.

I put to the vote therefore Mr Hutton's request that the report be referred back to committee.

(The request for referral to committee was rejected)

I call Mr Hahn.

Mr Hahn. — *(DE)* Mr President, to simplify the proceedings and to enable a basic decision to be taken, Mr Brok and I withdraw our four amendments.

(Applause)

President. — I shall now accept explanations of vote.

Mr Forth. — Mr President, I should start by saying that it must be obvious to the House that the views in my group are divided on this matter. There is no point in my trying to conceal that. I am unable to support this initiative, and that for several reasons. The first reason is that it is precisely this sort of thing that is going to strengthen the hand of those, particularly in my country and, I suspect, in Denmark, who are against the Community. This is precisely the kind of proposal that those who are against the Community, its furtherance and its development, hold up as an example of what is not relevant to the people of Europe.

The second point is this: I believe, and I believe it very strongly, Mr President, that I was not sent here to vote to spend taxpayers' and citizens' money on telling them what a wonderful job I am doing. I believe that the way to convince them of this institution's value and the value of the Community is for us to do good work on behalf of the people of Europe, not setting up exhibitions which will purport to show how good we are. Let our actions show how good we are. I particularly want to say this with you, Mr Pflimlin, in the chair, that this very building and the work we do in this building constitute a sufficient exhibition and a sufficient museum to the work of the Community. We have now, this week, an exhibition in our IPE building next door. Surely we have here the material to demonstrate to people the value of Europe. Surely we do not need travelling exhibitions and the like. It is here, and we can use it. We must demonstrate our commonsense. Actions, not words and exhibitions, will advance the future of Europe. That is why I am against this report.

Miss Brookes. — Mr President, I pay tribute to Mrs Weiss as a dedicated European and a respected Member of this House. I regret, however, that I must abstain when this report as a whole is put to the vote.

The reason I do this, Mr President, is that machinery already exists for exhibitions and for public information services. I will not go into detail because there is not time. I would like to see the information services

Brookes

that exist at the moment, set up by the Commission and the various institutions in the capitals, such as London, Cardiff, etc., made more efficient and more capable of reaching the people who are seeking information about Europe. That will not be brought about by a museum. The machinery is in existence; let us use it and make it more efficient than it is. If this House had agreed on the question of a museum, buildings are already available, not only in this Parliament but also in the United Kingdom, particularly in a certain part of Wales, and in Italy. Those buildings could be used and are ready.

The development of Europe as a whole and of the philosophy of Europe is going to depend on those people who serve in the Commission, those people who represent constituents in this House and all the people who can go out in the highways and byways and convince the citizens that Europe can succeed and will succeed. It is not going to succeed by building a museum. Therefore, with respect, I abstain on this resolution.

Mr Prag. — Mine is going to be just an explanation of vote, Mr President, and not a speech. I shall vote for the proposal, because I fear that those who oppose the very modest expenditure required for projects like this would build a very cold and horribly utilitarian world. The unification of Europe is one of the great political achievements of our time. It is right that not only its mementos but also the intimate intellectual content and feeling behind it and the ideals of its founding fathers should be shown to today's public and also embodied for future generations in the way proposed by Mrs Weiss.

(Applause)

Mr Brok. — *(DE)* Mr President, ladies and gentlemen, among young people in particular Europe suffers

from the fact that it still presents itself only as a Europe of shopkeepers and farmers and that its intellectual dimension has disappeared from view. Although various countries are in difficulty, by which I mean the United Kingdom and Denmark, I would appeal to Mr Forth not to see things solely in terms of something cultural like this only costing money and not therefore being popular. He is afraid he will not be able to make Europe popular in Birmingham. Europe can only be made popular if we go over to the offensive and also depict the intellectual dimension of Europe, even in areas where this is difficult. I shall therefore be voting for Mrs Weiss's report, so that Europe becomes popular among the younger generation.

(Parliament adopted the resolution)

11. *Adjournment of the session*¹

President. — I declare the session of the European Parliament adjourned.

(The sitting was closed at 2.10 p.m.)

¹ For the following items see the minutes of the sitting: *Membership of Parliament — Forwarding of resolutions adopted during this sitting — Motions for resolutions entered in the register under Rule 49 of the Rules of Procedure — Deadline for tabling amendments — Dates for next sitting.*

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