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1980-1981 Session

Report of Proceedings

from 13 to 17 October 1980

Europe House, Strasbourg

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

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IN THE CHAIR: 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 19 September 1980.

2. *Membership of Parliament*

President. — Mr Buchou, Mr Debré, Mrs Dienesch, Mr Gillot and Mr Poncelet have informed me in writing of their resignations as Members of Parliament.

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

The competent Danish authorities have informed me of the appointment on 9 October 1980 of Mr Eggert Petersen as a Member of the European Parliament to replace Mrs Groes.

I welcome this new colleague and would point out that, pursuant to Rule 3 (3) of the Rules of Procedure, any Member whose credentials have not yet been veri-

fied takes his seat provisionally in Parliament and on its committees with the same rights as other Members.

3. *Composition of the political groups*

President. — Mr Erhard Jakobsen has informed me that since 1 October 1980 he no longer belongs to the European Democratic Group.

4. *Petitions*

President. — I have received four petitions, the titles and authors of which you will find listed in the minutes of this sitting.

These petitions have been referred to the Committee on the Rules of Procedure and Petitions for its consideration.

You will also find in the minutes of this sitting details of the various decisions taken with regard to these petitions.

5. *Documents received*

President. — Since the adjournment of the session I have received from the Council, the Commission, the committees of Parliament, the political groups and Members of Parliament various documents, a list of which you will find in the minutes of this sitting.

6. *Texts of treaties forwarded by the Council*

President. — I have received from the Council certified true copies of various agreements and legal acts. These documents, which you will find listed in the minutes of this sitting, will be deposited in the archives of the European Parliament.

7. *Authorization of reports — Authorization to deliver an opinion — Referral to Committees*

President. — Pursuant to Rule 38 of the Rules of Procedure I have authorized various committees to draw up reports. In the minutes of this sitting you will find details of these authorizations as well as of authorizations to committees to deliver opinions and referrals to committee.

8. *Statement on motions for resolutions*

President. — In the minutes of this sitting you will find details of a decision taken by the Committee on Transport with regard to the motion for a resolution Doc. 1-452/79.

9. *Order of business*

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

At its meeting of 2 October 1980 the enlarged Bureau drew up the draft agenda which has been distributed to you (PE 67.749/rev.).

At our meeting this morning the chairmen of the political groups authorized me to propose to Parliament the following amendments to our draft agenda:

As it was not adopted in committee, the report by Mr Ghergo on social security for migrant workers has been withdrawn from the agenda.

The allocation of speaking time for the presentation of the general budget for 1981, which has been fixed for Tuesday, would be amended as follows:

— Council	40 minutes
— Commission	40 minutes
— Mr Adonnino, rapporteur	10 minutes
— Mr Ansquer, rapporteur	10 minutes

— Spokesmen for the political groups and the non-attached Members	10 minutes each (total of 80 min.)
— Mr Lange, chairman of the Committee on Budgets	10 minutes

On Wednesday the Staff Committee and the unions representing the staff of the European Parliament are organizing, from 9.00 to 9.15 a.m., a demonstration to condemn the recent murderous attacks in Bologna, Munich, Antwerp and Paris. In order to allow time for this demonstration to take place, I propose that the beginning of Wednesday's sitting be held back until 9.30 a.m.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — The announcement you have just made concerns the decision by the Staff Committee to hold a demonstration on the terrorist attacks in Bologna, Antwerp, Munich and Paris and, I might add, the terrorist activities in Northern Ireland. All of this is greatly to be condemned by everybody.

Now it is certainly not the intention of my Group to deny anybody the opportunity of demonstrating if they so wish, but I would put it to you, Madam President, that this demonstration might take place outside the normal working hours of Parliament.

(Applause from the centre and from the right)

It might take place, perhaps, from 8.45 a.m. to 9 a.m. Nobody is more horrified than we are and, indeed, the rest of the House over what has happened in recent weeks. But I must say to you, and to any staff representatives who may be here in this Chamber, that because of this decision of theirs, Parliament is not going to be able to vote on Wednesday morning on the urgent resolution on terrorism. I would put it to them and to you and to the House that it is possible that the demonstration of our own feelings might carry a little more weight outside than theirs alone. I am sure that many colleagues will wish to take part in the demonstration. That will not disrupt our proceedings.

We have a great deal to do, a large number of urgent matters to deal with: Mr Rumor's report, Question Time and all sorts of other issues of extreme importance. With reluctance, therefore, I oppose the suggestion that we start at 9.30. We should start at 9 o'clock and the demonstration should be held before our working time. That, I think, will satisfy all of us and we will then be able to express our solidarity with the staff, and indeed with the rest of the people of Europe, against the horrific acts which have taken place and to do our utmost to see that they are stopped.

(Applause from the centre and from the right)

President. — I call Mr Pannella.

Mr Pannella. — (*F*) Madam President, I think that Mr Scott-Hopkins has made a point which needs to be considered. Where would we be heading if we were to accept a precedent of this kind? I shall confine myself to posing the question. Personally, I am grateful to the staff for making us all aware of this problem and I shall join them during their demonstration; but we can hardly agree to the work of our Assembly being held up through initiatives taken by the Staff Committee.

President. — I call Mr Arndt.

Mr Arndt. — (*D*) I should like first to thank the Staff Committee for arranging this demonstration which is really only natural. I am also grateful to the President for making it possible for everyone to take part in the demonstration by postponing the opening of the plenary sitting for half an hour. Furthermore, I wish to state, on behalf of the Socialist Group, that we shall be participating in the demonstration on the understanding that the sitting will open at 9.30 a.m.

(Applause from the left)

President. — I call Mr Fanti.

Mr Fanti. — (*I*) At the meeting of the group chairmen with the President this morning, none of my colleagues raised objections — neither Mr Scott-Hopkins nor Mr Pannella. I believe that this morning's meeting would have been the appropriate occasion to discuss the merits of the matter. This morning we all agreed to the President's proposal that the Wednesday sitting should open at 9.30 to enable the staff to use the first quarter of an hour, from 9.00 a.m. to 9.15 a.m., to demonstrate their justified indignation and protest, with which we fully concur, in face of the grave events which have occurred in certain European countries.

I therefore also support the President's proposal and invite my colleagues not to uphold their objections.

President. — I call Mr Bangemann.

Mr Bangemann. — (*D*) Madam President, Mr Fanti has rightly pointed out that this problem did not give rise at our meeting this morning to any further discussion, at least not along the lines now mentioned by Mr Scott-Hopkins. I would also like to say to Mr Arndt of the Socialist Group that there is no reason for the fears which may have led the European Democrats to make these remarks. I cannot imagine that the Staff Committee deliberately chose to hold the demonstra-

tion during working hours. On the other hand I readily imagine that the Staff Committee chose this particular time to give all Members of Parliament an opportunity to take part. If that is the case, Madam President, the Staff Committee will surely agree to extend the sitting by half an hour to make up for the time lost on Wednesday morning; we shall then be in fact losing no time at all. The thirty minutes which are lost in the morning can be made up in the evening. If you invite the whole House to take part in the demonstration on that condition, my Group will agree.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) Madam President, Mr Bange-mann's proposal is so convincing that I am prepared to withdraw my own suggestion. I should still, however, like to make my point: the actual demonstration is only due to last for 15 minutes; I therefore failed to understand this morning why we should begin the sitting half an hour later. It seems to me that the sitting could open at 9.15. But I have nothing against better proposals like the ones that have just been made.

President. — I call Mr John D. Taylor.

Mr J. D. Taylor. — Madam President, as a Member of Parliament for Northern Ireland, I am perhaps more than most other Members of this House closely associated with a community that has suffered for many years from terrorism. Only this weekend we had a further incident — two right-wing Republican terrorist explosions in Northern Ireland, one of which tragically resulted in the death of a neighbour of mine while he pursued his ordinary civilian work at a cattle market.

Therefore, I fully wish to identify myself with the motion in the name of the staff. However, I think that terrorism, which is so rife throughout this Community, is something which staff and Parliamentarians should join together to oppose, and I would like to see this particular demonstration, as Mr Scott-Hopkins and Mr Pannella have already suggested, being held at a different time so that we in this House can unite as all parties together with the staff to show united opposition as democrats to terrorist activity throughout the Community.

President. — We went into this question very thoroughly this morning. I informed the chairmen of the political groups of the request made by the Staff Committee. It is in order to permit not only the staff but also the Members of Parliament to take part in this demonstration that it was decided to propose that the beginning of the sitting be postponed.

President

However, I appreciate the points made by Mr Klepsch. Since the staff themselves feel that a quarter of an hour would provide sufficient time for the demonstration, the sitting could begin at 9.15 a. m.

I put this proposal to the vote.

That is therefore agreed.

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

Mr Baudis. — (*F*) Madam President, if the staff, to whom we have no lessons to give, has decided to take action on Wednesday morning, I fail to see why we should postpone our urgent debate until Thursday. If the matter is urgent for the staff it is urgent for us too. I therefore ask for the urgent debate to be held on the same day as the demonstration.

President. — The time when decisions are taken on urgent procedure obviously depends on the time when these decisions are requested. It is because most of the requests could not be distributed in time that we decided not to discuss any of them on Tuesday.

I call Mrs Kellett-Bowman to speak on a point of order.

Mrs Kellett-Bowman. — I merely wished to ask, Madam President, if you are going to put to the Assembly the point raised by the leader of the Liberal group that we should go on later. In this case, since we are only going to start a quarter of an hour later in the evening?

President. — A question addressed to the Council will in any case delay the end of our sitting.

I have received from Mr Ansart and others a request, pursuant to Rule 12 (2) of the Rules of Procedure, for a wider debate to be held during this part-session on the crisis in the iron and steel industry.

The chairman of the political groups, who are also anxious for a major debate on this important subject, have proposed that it be placed as of now on the agenda for the second November part-session and that the political group spokesmen should be allowed to speak for five minutes each after the Commission's statement.

This being the case, does Mr Ansart persevere with his request?

I call Mr Baillot.

Mr Baillot. — (*F*) Madam President, I note that the conference of chairmen agreed this morning to

arrange a debate on the steel industry during the November part-session. However, on behalf of my French colleagues in the Communist and Allies Group, I should like to point out that the future of the European steel industry and the fate of thousands of workers will be decided very soon, probably before our November part-session.

The first indications of the future plans have, of course, led to great anxiety, especially in my country and more particularly in the North and in Lorraine. We therefore feel that the Assembly should deliver its opinion before the Commission's new plan, which we oppose, has been decided; it certainly will have been decided by November. I therefore maintain our request for an urgent debate.

President. — I call Mr Oehler.

Mr Oehler. — (*F*) Madam President, I fully support the proposal for an urgent debate. This important problem cannot be dealt with in five minutes.

President. — I put to the vote Mr Ansart's request.

The request is rejected.

The chairman of the political groups also propose that speaking time for Wednesday's sitting should be allocated as follows:

— Council	30 minutes
— Commission	30 minutes
— Rapporteur	30 minutes
— Members: 180 minutes allocated as follows:	
Socialist Group	41 minutes
Group of the European People's Party (C-D Group)	39 minutes
European Democratic Group	26 minutes
Communist and Allies Group	19 minutes
Liberal and Democratic Group	18 minutes
Group of European Progressive Democrats	12 minutes
Group for the Technical Coordination and Defence of Independent Groups and Members	9 minutes
Non-attached Members	16 minutes

I call Mr Pannella.

Mr Pannella. — (*F*) Madam President, at the meeting of chairmen this morning I opposed this arrangement. I am sorry to have to repeat myself, but these decisions are incompatible with our Rules of Procedure. The rule in question allows speaking time to be

Pannella

allocated for a particular debate and not for a whole day. I continue to believe that this is an abuse, against which I protest.

Secondly, Madam President, what is the real purpose of a Parliament? Is it to hold genuine debates or simply to ensure that a number of decisions, regardless of their nature, are taken each day? I believe that a Parliament owes it to itself to hold full debates enabling different points of view to be heard and individual Members, rather than political groups, to express their views. On Wednesday we shall be considering an important report. I am not protesting because the independent group only has nine minutes, but because it is extremely dangerous to pretend that a debate can be held in such a summary form — without giving Members the right to ask to speak and allocating the whole speaking time to the groups and group chairmen. In the name of parliamentary rights and of our Rules of Procedure, once again I shall vote against this proposal.

President. — Mr Pannella, the speaking time thus allocated refers only to the Rumor report; we are therefore acting perfectly in accordance with the Rules of Procedure.

I call Mr Balfe.

Mr Balfe. — At the last part-session you kindly accepted a request of mine with reference to the report on European Music Year (Doc. 1-345/80). I wrote and asked whether this report could be held over to the Monday, Tuesday or Wednesday of this week, as I would not be able to be here for very much of Thursday, or to any time including late Friday morning of the next part-session. Somehow it seems to have come back on to the agenda for Thursday, and I wonder whether, in the light of my request, a mistake has been made in drawing up this agenda.

President. — Mr Balfe, if this report is to be held over until the second November part-session, we shall need the rapporteur's agreement.

I call Mr Hahn.

Mr Hahn. — (D) I should be very glad to have the report held over until the next part-session.

President. — This report is therefore held over until the second November part-session.

I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — I was unfortunately delayed in arriving because of the air

traffic controllers so that I may have misunderstood a point on the agenda. I understood that Parliament would not be taking any decisions on urgent procedure until Thursday. I want to make the point that it would create very great difficulties for the Commission if the decision were only taken as late as that, because we would have difficulty in getting our people down here. Now, obviously, there are difficulties on your side, but I wonder if we could have exchanges through the usual channels in order to try to work out a satisfactory arrangement.

President. — I have already said that requests for urgent procedure will not be discussed on Tuesday, because they will not be ready for distribution by then. Indeed the same is also true of Wednesday. We have always discussed requests for urgent procedure as soon as they become available. Furthermore, in the case of some of the questions for which urgent procedure is requested during this part-session, it would seem that the political groups will have to do further preparatory work and hold further consultations in regard to them.

In any case we already have an extremely heavy agenda for Wednesday.

Are there any other comments?

The order of business is therefore fixed*.

10. *Speaking time*

President. — For all items other than the presentation of the draft general budget for 1981, I propose that we adopt the allocation of speaking time set out in the draft agenda.

Are there any objections?

That is agreed*.

11. *Deadline for tabling amendments*

President. — I propose that we fix the deadline for tabling amendments as set out in the draft agenda, except for the Rumor report (Doc. 1-455/80), for which the deadline would be fixed for Tuesday, 14 October 1980 at 10 a.m.

Are there any objections?

That is agreed*.

* See minutes of this sitting.

President

I call Mr Harris to speak on a point of order

Mr Harris. — Madam President, may I ask if you are going to put the order of business as a whole to the vote. I ask you to do so, because I want to exercise my right to give an explanation of why I am going to vote against it.

President. — Mr Harris, the Rules of Procedure do not provide for explanations of vote on procedural matters, and you may therefore on no account explain your vote.

Mr Harris. — Madam President, I wish, with respect, to point out that you gave no opportunity for anyone to make comments. I therefore want to register a protest — perhaps it is a lone voice — over what has happened today. I think that not for the first time we have abdicated responsibility to the staff. I respect the stance taken by the staff but I would respect it much more if they agreed with me that we should have staged our demonstration at 8.30. For once I agree with Mr Pannella. I think there is a very serious point of principle here, and that we have allowed our agenda...

President. — Mr Harris, I am sorry. Parliament has already taken its decision, and the order of business has been finally fixed.

12. Procedure without report

President. — In the minutes you will find the titles of the proposals from the Commission to the Council that have been placed on the agenda of this sitting for consideration without report, pursuant to Rule 27A of the Rules of Procedure.

Unless any Member has asked leave in writing to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday next, I shall declare these proposals approved.

13. Action taken by the Commission on the opinions and proposals of Parliament

President. — The next item is the statement from the Commission on action taken on the opinions and proposals of Parliament*.

I call Mr Hord.

* See minutes of this sitting.

Mr Hord. — Madam President, on 19 September the European Parliament adopted a resolution requesting the Commission to impose an embargo on all sales of surplus agricultural products to Iran. The subsidized sales to a regime guilty of persecution and the denial of human rights is an outrageous misuse of Community funds. I would ask the Commissioner to confirm that the embargo called for by Parliament in September has in fact been effected.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Madam President, I would like to confirm that the Commission is implementing the decisions adopted by the Council following the United Nations' Security Council decision which, I think, is also in conformity with the position taken by Parliament. As a matter of fact no particular activities in regard to the country in question are at present taking place.

President. — I call Mr Harris.

Mr Harris. — Could I ask the Commissioner, in view of his statement that no activity is at present being taken, whether he can give us some assurance that the stated views of this House will be respected and that no sales of subsidized agricultural products will indeed be made to Iran.

President. — I call Mr Gundelach.

Mr Gundelach. — Madam President, I cannot undertake to give any such blanket guarantee for all eternity. I must call the attention of the House to the fact that when the United Nations' Security Council introduced and recommended a ban on exports to Iran, they specifically excluded foodstuffs and medical products. This House also referred to the decision of the United Nations when it took its own decision. I think therefore that this House — like the Commission — must respect its own decisions.

14. Implementation of the budget of the Communities for 1980

President. — The next item is the oral question with debate by Mr Notenboom, on behalf of the Group of the European People's Party (C-D Group), Mr Dankert, on behalf of the Socialist Group, Mr J. M. Taylor, on behalf of the European Democratic Group, Mrs Scrivener, on behalf of the Liberal and Democratic Group, Mr Ansquer, on behalf of the Group of European Progressive Democrats, Mr Spinelli, on behalf of

President

the Communist and Allies Group, Mr Lange, chairman of the Committee on Budgets, and Mr Aigner, chairman of the Committee on Budgetary Control, to the Commission on the implementation of the budget of the European Communities for 1980 (Doc. 1-461/80).

I call Mr Notenboom.

Mr Notenboom. — (NL) Madam President, we have gradually established a tradition of questioning the Commission about the implementation of the budget for the current year before opening the debate on next year's budget. When it comes to the adoption of the budget, our debate is with the Council because the Council and Parliament together constitute the budgetary authority. But the debate on implementation — both the final debate on the discharge and today's interim debate — is conducted with the Commission, which is the executive body while Parliament exercises powers of control. I am grateful to Commissioner Tugendhat for his readiness to answer us again, especially as the situation in 1980 differs in many respects from that of previous years.

Madam President, when you read out the names of the authors of this question it will have been immediately apparent that there is a very broad basis here: practically the whole Parliament wishes to be informed by the Commission on the implementation of the budget for the current year. The interest is so great specifically because our own powers are the issue here. Our role in respect of certain budget items cannot be compared with the position of a national Parliament in dealing with its own government on the national budget. At national level, Parliament grants authority to the government as the executive to spend no more than the amount specified in the budget. In most countries budget items constitute a figure which the executive may not exceed. In many cases it will not be a matter of importance for the national Parliament if the executive does not require the whole amount entered against a particular budget article. But that is not the case when amounts have been entered or increased in the budget specifically through action by Parliament, because in that case Parliament has, within the limited budgetary freedom of manoeuvre open to it, made a choice, which is often difficult, in order to set in motion or intensify a particular policy. Parliament will quite naturally wish to determine exactly how the executive body, in this case the European Commission, is carrying out the wishes of the budgetary authority. That is a characteristic feature of the debates which we have held in recent years in October.

As the Commissioner pointed out last year, we are naturally concerned here with the overall amounts entered against the respective articles and not merely with the increases requested by the Parliament and referred to in the question. In our question I have named the amounts which Parliament inserted in the

budget through amendments, but we are essentially concerned with responsibility for the overall amounts, because the Commission cannot make a distinction between the original amounts and the amounts added by Parliament. In the year 1980 with which we are concerned here, we naturally investigated in detail, when the budget was being prepared under the guidance of our rapporteur, Mr Dankert, whether the Commission felt that the amounts entered could actually be spent. I well recall that the question was first put to the Commissioner in respect of each item; only when the Commission answered in the affirmative did the Committee on Budgets deliver a favourable opinion. Its recommendations were largely followed by Parliament. We can thus safely say that we took steps to ascertain in advance that the amounts entered in the budget by Parliament could actually be spent by the Commission. That is an important point since we shall now be hearing the Commissioner's answer.

A further characteristic of 1980 is that our question is being put only three months after the adoption of the budget. That naturally makes it more difficult for the Commissioner to answer than was the case in previous years when the budget was adopted in December; this year the budget was only adopted in July and we are nevertheless still putting our question in October. That makes things rather more difficult for the Commissioner, and we shall be all the more grateful to him if he is willing to answer us.

Because of the altogether special situation in 1980 we have added a special question, i.e. question No 5 about how the system of provisional twelfths worked, because this was, to our knowledge, a unique experience.

Then there is a question about the legal basis, question No 3: whether the Commission considers that the budget, as adopted, constitutes the legal basis for the utilization and expenditure of funds. We know the Commission's general answer in advance; its answer is different from that given by Parliament. I concede that in the case of certain items a further legal decision is required in addition to the decision determining the budget item, but I feel that these are rare exceptions. Parliament and the Council constitute the budgetary authority and take the legal decision on the budget. The budget itself is a legal decision. But the Commission interprets it merely as an obligation to put forward proposals for regulations to the Council. The Council might then refuse to approve these proposals thus undermining the decisions of the budgetary authority of which it itself is a part. That is why our opinion on this differs from that of the Commission. Although we are familiar with the Commission's general answer, we have included question 3 again this year for two reasons; firstly, because we hope that the Commissioner will direct his answer towards the items indicated in the question; in none, or at most one, of these cases should a legal decision be necessary. But question 3 has also been included among our list of

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questions because we cannot lose any opportunity to assert our position to the Commission; we shall soon be dealing with a new Commission and we wanted to include this particular question to avoid creating any impression that we agree with the present Commission on this point. Whatever the answer given to us, we shall have to take the matter up again with the new Commission. It is a pity that the Commission and the Parliament, which are in many other respects partners, have such a fundamental difference of opinion in this important area which touches on our basic powers. I hope that it will not be long before we can settle this problem once and for all; this year's debate is therefore particularly important. In conclusion, I venture to hope that the Commissioner will answer our questions clearly so that we can study its replies in more detail in the Committee on Budgets and take account of the information given to us when we come to make the difficult choices necessary to define our strategy for the 1981 budget.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Madam President, all of us who have been engaged in the construction of Europe at one time or another are sometimes disappointed at how slow the progress is and how long it sometimes takes to place one brick upon another. But in the budgetary field, which, as Mr Notenboom pointed out, is clearly at the centre of Parliament's powers, those of us who have been concerned with the matter for some time can see how, over a period of years, progress is made, though often not as fast as one would like. For example, something which was an innovation at the beginning of the life of this Commission has now become a regular feature of the budgetary procedure. I refer, of course, to the question which Mr Notenboom has asked. Whether it is asked by one Member or another, whether it is asked from one part of the House or from another, it has now become an established part of our budgetary routine. I share the view expressed by Mr Notenboom that it has also become an important part of our budgetary routine.

All of us, I think, are now fully conscious of the need to ensure two things; one is that the will of Parliament — the will of Council as well for that matter, but the will of Parliament in this connection — is respected, and the other is to ensure that when money is placed in the budget it is spent. This device of this question provides a means for monitoring progress as we go along.

Mr Notenboom also drew attention to the fact that 1980 is an exceptional year, because for the first six months of this year the Community operated under the provisional-twelfths system, as a result of which, particularly in the case of new activities, there have been unavoidable delays in implementation. Despite

that, as I said in some of the debates we had earlier this year, the Commission has done its utmost to ensure the smooth and efficient execution of the Community budget.

I think there is no other way round the particular issue with which we are dealing here than for me to go through the points which have been raised in fairly detailed fashion, taking them up, as far as I can, point by point. This is not an occasion for oratorical flights of fancy but for dealing with very specific points, and the quickest way of doing so is to stick very rigorously to the text which I have and which arises from the questions which Mr Notenboom laid before us. But before getting down to the questions themselves, I think perhaps the best place to start is the point to which Mr Notenboom referred — namely, the one-twelfths system, because that is the exceptional feature of this particular year.

Now the provisional-twelfths system was not designed — and I think it is very important that all of us should understand that — to make life easy. And so it proved. Life was not easy. The constraint of only being able to spend a twelfth at a time, corresponding in size not to the budget of the current year but to that of the previous year, meant that very real problems arose. The Commission, however, took an early decision to observe to the letter the limits imposed by the system and therefore only in exceptional circumstances requested additional twelfths from the budgetary authority.

Let me give an example of those exceptional circumstances. Rent and insurance contracts of the Institutions are paid on an annual basis. To have done anything else would have been very expensive indeed and would have constituted bad financial management, for which the Commission would, I think, have been open to legitimate criticism. I note that both arms of the budgetary authority, the Council and the European Parliament, in fact also requested additional twelfths.

A second instance in which we were obliged to ask for appropriations in addition to those already made was for emergency aid, and I am here referring particularly to Afghanistan, Kampuchea and Zimbabwe. We cannot, and in my view we should not, beyond a point, try to plan for catastrophes. Thus, in normal circumstances we should have been asking for transfers for such expenditure. Under the provisional-twelfths system, the budget authority did not feel able to grant a transfer but instead gave us extra appropriations, thus recognizing the legitimacy of the request being made. In connection with the revision of the Financial Regulation, the question of the circumstances under which and the extent to which transfers should be made possible — a question on which at the moment the legislation is in fact very unclear — will, I think, need looking into, and this is one of the lessons

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we have learnt from the experiences of the first six months of this year.

Lastly, in connection with the provisional twelfths, I must say something about EAGGF (Guarantee Section) expenditure. Here the Community was faced with a dilemma: on the one hand, in the absence of changes in the law, the obligation of the Community towards its creditors was, in the vast majority of expenditure lines, absolute; but, on the other hand, the monthly allocation under the provisional twelfths was known from the outset to be insufficient to meet these obligations. The House will know that the Commission took the view that the Treaty, as interpreted by Article 96 of the Financial Regulation, meant that advances were possible for commitments capable of being entered into for periods of up to three months. The Parliamentary half of the budgetary authority tended, I believe, to take a different view, though I am not sure that the House was ever called upon to take a definitive decision on the matter. What is clear is that the application of the provisional-twelfths system to EAGGF expenditure created difficulties, and that as long as the present legal obligations of the Community in relation to this kind of expenditure go on, difficulties of this sort will continue. In 1980, as the months went by, a problem was being stored up. Fortunately, it never came to a head; it never actually reached a crisis because the budget was adopted in the nick of time; but for the future, Madam President, I have to say that no amount of revision of the Financial Regulation governing provisional twelfths will solve the dilemma posed by limited financial means on the one hand and unlimited financial obligations on the other. This, too, is a lesson which we learned from the experience of the one-twelfths system, and I think the lessons which we learnt in this respect, as in some others, are ones which we need to ponder very carefully indeed.

I now turn to Question No 3 and here I only wish to confirm the Commission's position, stated in earlier debates, that the budget constitutes the necessary — and I emphasize the word 'necessary' — legal basis for the use and expenditure of appropriations but that this basis is not always in itself sufficient. That is the traditional point, as Mr Aigner clearly recognized. Mr Notenboom said that the Parliament took a different view. He put that in rather absolute terms; but my reading of what has been said in the Parliament in the past is that the position is not quite as absolute as all that. Last year, Mr Dankert for instance — who is in the House today, as indeed he always is on budgetary occasions — as the general rapporteur on the 1980 budget adopted a similar position to the one which I have stated and here I quote from his report:

Although the budget can be a sufficient basis for the authorization of expenditure, it is not possible to maintain that it is always a sufficient basis. Certain new activities for which the Treaty has not provided the necessary powers require a separate legal basis.

This year, Mr Adonnino, the general rapporteur on the 1981 budget, has noted:

The Parliament considers that the adoption of the budget constitutes by itself an authorization to effect expenditure.

He then goes on to say that 'the development of wide-ranging measures must be covered by legislative texts'. Mr Adonnino, on page 7 of his working document No 2, has suggested that this question be clarified within the framework of the current budgetary deliberations. The Commission, for its part, has in the past often suggested that a solution to the problems which have arisen ought to be sought by way of a consensus among the institutions. I think we are dealing, as Mr Notenboom said and as Mr Aigner also indicated, with a question of very considerable importance. It is important in relation not only to Parliament's powers, but also to the conduct of the whole budget. We are also dealing with something which, though certainly of considerable legal importance and complexity, is also of very considerable political importance and complexity. It is, finally, a question on which it is absolutely essential to make sure, if one possibly can, that all those concerned in the budgetary procedure are approaching the matter on the same basis, because if they don't, then clearly we are going to have the most awful misunderstandings and rows, as Mr Notenboom clearly agrees. I do urge upon the House, first that this is a very important matter; and secondly, that it is something which, while the Parliament will wish to take it up with the next Commission, needs to be dealt with as soon as possible. I hope very much that the procedures for bringing about a satisfactory solution can be launched and will be launched as soon as possible.

I now turn to the items mentioned in Mr Notenboom's questions. The Commission has every intention to implement the headings inserted or increased by Parliament within its margin. From information supplied to me by my colleagues responsible for the various portfolios, I can assure the House that the following articles and items will be used up:

Article 327: Energy balance sheets;

Article 328: Studies in the energy sector;

Item 3723: Textile industry information system;

Item 3741: Harmonization of industrial laws;

Article 376: Studies relating to industrial policy;
Item 3920: Implementation of the education programme;

Article 511: Measures for handicapped persons;

Article 942: Aid for the management of training institutes for nationals of developing countries;

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Article 945: Community contribution towards schemes concerning developing countries carried out by non-governmental organizations; and

Article 948: Evaluation of the results of Community aid.

The situation as regards the other articles and items mentioned by Mr Notenboom is as follows:

For Item 3241: Programmes for the development of new sources of energy, commitment appropriations which Parliament had reinforced by 3 m EUA will be fully utilized, whereas a carry-over of payment appropriations to next year will be unavoidable. We reckon that the carry-over in this respect will be about 14 m EUA.

Item 3030: Pilot projects on better housing for handicapped workers. Expenditure under this heading has virtually absorbed the carry-over of payment appropriations from the previous year — 323 000 EUA in fact — and a beginning has been made on the utilization of the provision in the 1980 budget, which is 575 000 EUA, including the 60 000 added by Parliament. As a result of this sizable carry-over of unused credits, and of the delays liable to affect construction projects which underlie the carry-over, it seems likely that in turn part of this year's payment appropriation will be carried forward. On the other hand, the present forecast is that the 1980 appropriation for commitment will be fully spent by the end of the year.

Article 322, transportation of radioactive material. The appropriation of 350 000 EUA, which was entered in the 1980 budget at Parliament's initiative, will be used once the current studies procedure has been approved by the Commission in mid-November.

Items 3720, operations in the ceramic sector, and 3722, textile industry technology. It has not been possible to use the appropriations for commitment entered in the budget at Parliament's initiative — 500 000 EUA at Item 3720 and 1 million EUA at Item 3722 — as the Council has still not adopted the proposals for action programmes presented by the Commission as long ago as 1979.

Item 3780. These are studies preliminary to financial aid in respect of transport infrastructure. The internal procedure for committing the appropriations, 800 000 EUA, of which 200 000 were entered at Parliament's initiative, has been initiated. As the Commission feels that this is an instance in which the appropriate budget entry constitutes an adequate legal base — I emphasize what I said: being an adequate legal base means that it is something which we act upon — these appropriations are expected to be committed in full by the end of the year. This is a new line which was shown as a token entry in the 1979 budget and thus could not be implemented under the provisional-twelfths system.

I now turn, Madam President, to the token entries. Here we have Item 3368, which is biomolecular engineering; Item 3547, protection of the marine environment; Article 351, environment aid; Item 5101, industrial reconversion; Chapter 530, measures for frontiers own workers; Chapter 54, European Coal and Steel Community contribution; Item 5601, studies in preparation for the integrated operations and Item 5602, specific Community measures in the context of integrated operations. The Commission is examining at the moment whether it might still be possible this year to enter amounts on any of these lines by means of a transfer. It appears, however, that in most cases there is a problem about the legal base.

Now that I have covered the particular questions raised, I should like to say a word about the prospects for the implementation of the budget between now and the end of the year, and about other potential problems not specifically mentioned in the question. In doing so I am again, of course, following the practice of previous years.

The EAGGF guarantee credit utilization is the first point I would like to mention here. Now here, of course, we are dealing with expenditure to the end of July and advances to the end of October. This is equivalent to 84.1 % of the available appropriations. This is to be compared with a theoretical rate of 83.3 % for ten twelfths of the year. A procedure has been introduced, as the House will know, whereby the Committee on Budgets of the Parliament is now kept up to date on utilization of these credits. Through the continued application of strict management of the market we believe it should be possible to keep EAGGF guarantee expenditure within the total available under Titles 6 and 7 appropriations for 1980.

And then, Madam President, the structural funds. As far as the Social Fund is concerned, I can assure the House that all the appropriations, both for commitments and payments, will be utilized: a considerable improvement, I would point out, on the performance of previous years. Virtually all the appropriations ought to be utilized in the EAGGF Guidance as well. Prospects are, however, less encouraging for the Regional Fund. The Council regulations governing the implementation of the non-quota section were not adopted until 7 October 1980, which is obviously too late for any expenditure to arise in 1980. Under the quota section a limited under-utilization of commitment appropriations is expected owing to a dearth of acceptable applications against the quotas of certain countries.

On the payments side, although present trends point to a fairly satisfactory uptake of credits, certain delays affecting requests from one Member State in particular will need to be remedied in order to keep on target. The Commission is actively pursuing this matter.

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Title 9, Chapter 96, dealing with cooperation with third countries, gives a good example of implementation difficulties. On 30 September 1980 26 % of commitment appropriations and 10 % of payment appropriations had been spent. As the House knows, this expenditure derives from financial protocols for the execution of which the Council has to adopt, and has so far failed to adopt, the necessary implementing regulation. That, together with delays in the ratification process in the beneficiary countries, has had the effect of slowing down expenditure very considerably.

Article 930, which is aid to non-associated developing countries, has also created problems, due largely to the absence of a basic regulation which is at present the subject of a conciliation procedure between the Council and the Parliament.

I am glad to point out, as Mr Cheysson said in the Committee on Budgets of this Parliament, that the entire commitment appropriation will be used up by the end of the year, despite the fact that the 1980 programme will not be adopted before mid-November.

Article 92, food aid, has in the past shown significant delays in execution. Efforts have been made to redress this situation and to date 76 % of the available appropriations have been committed, while 25 % have actually been paid over.

Now, Madam President, I would like to say a word about industrial policy. In order to give the House a full picture I have to point out that the Council has still not taken a decision on the basic regulation which would enable the Item 3750 appropriations remaining from 1979 to be utilized. The 1980 budget only provides a token entry. The same applies to Article 512 in the Social Fund, which is of course the social consequences of industrial restructuring, which is shown as a token entry in 1980 but on which appropriations left over from 1979 have been carried forward to 1980.

Also in the energy sector, Chapter 32, in addition to the articles and items where Parliament increased to appropriations and which I have already dealt with, reference should also be made to Item 3240, which is energy saving. Of the 35 m EUA available in appropriations for commitment, 27 are expected to be used by the end of the year for 60 projects; 13 m EUA in payment appropriations will have to be carried forward to next year.

I hope, Madam President, that I have now covered all the questions. I hope too that the information I have provided will prove useful to Parliament in assessing the real scope for Community actions and the possibilities for determining what appropriations need to be entered in the 1981 budget.

As I said at the outset, Madam President, it has been necessary to go through the points in detail. I hope

very much that the detail I have entered into, though rather ponderous to say, will provide the basis which Parliament is looking for in the decisions that it will have to take in the next few weeks and months.

President. — I call Mr Balfe.

Mr Balfe. — Madam President, being the first to follow the Commissioner, I am sure I would be echoing the feelings of this House in thanking him for the full report he has given us and the detail he has gone into, which is essential in the new budgetary procedure we are now beginning.

As he will appreciate, my reactions have to be immediate. We, as I think he knows, agree quite firmly with him that while a decision of Parliament may constitute a necessary legal base, it is not in itself always sufficient. I think it is important that Parliament itself comes to agree with that viewpoint, because clearly there must be a demarcation line between the Council and Parliament. Clearly there are areas where Parliament can vote as much expenditure as it likes, but under the Treaties it does not have the power for that expenditure to be carried out. When we commence the amendments to the new budget, I hope that the committee will not go beyond the powers which this Parliament has under the Treaties.

Having said that, I would also like to say that I am pleased at what I feel is a positive increase in the amount of endeavour which has been put into actually implementing the amendments that Parliament has put through. The picture this time last year was not as hopeful as it is now. Certainly I think that many of my colleagues will be pleased to have heard that the Social Fund monies are being committed and will be at least reasonably pleased at some of the other items, especially food aid and energy.

I would like to make this further point. As we go into the next series of budgetary amendments, I believe it is important that when token entries are put in by the committee, they are interpreted by the Commission and the Council as being a responsible method for determining whether, within the powers which Parliament has, a new programme or new heading can be opened up. It is — and the Commissioner will know I have said this in committee — a foolish exercise to put money into a budget programme that does not exist. Provided, however, that under a reasonable interpretation of the Treaties the power exists under those Treaties to put forward a programme, I do believe that it is a reasonable way of proceeding for the Committee on Budgets, on the initiative of the spending committee, to put in a token entry and then for the Commission and the Council to try and look towards a programme. After all, it is in this budgetary area that the powers, such as they are, of this Institution finally reside — the power of opening up programmes and of

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trying to float off new policies. So it is my hope that we proceed with that.

The final point I would like to make is this. It is quite clear from the Council's attitude to the budget so far that as we approach the end of own resources we are going to approach not only a considerable financial crisis but also a conflict between the compulsory and non-compulsory expenditure within this budget. Non-compulsory expenditure is increasingly going to be under attack. It was partly for this reason that many of us felt that the new Chapter 58 expenditure should be non-compulsory, because we were not too happy at a development which seemed to be saying that we will safeguard certain expenditure and leave the rest open to attack. Within this development there is clearly going to be even more pressure on any new policies that the committees of Parliament might wish to put forward. However, if at a time of deep industrial recession this Institution is going to play its part under the Treaties in developing new policies which can help at least to alleviate the social distress of Europe, it is absolutely imperative that we do retain both the budgetary and policy room for manoeuvre. I would hope that the Commission will be very firm in its dealings with the Council in order to ensure that we do not reach a point where there is an effective embargo put on new policies in the non-compulsory area, because I fear that unless we are careful, that might occur.

Having said those words, I look forward to the new budgetary round and I hope it is a little less hectic than the last one. I am sure, however, that the Commissioner will agree with me that the social situation in Europe today means that we must continue within this budget, especially in the non-compulsory area, to develop new lines of social expenditure and new policies under the powers this Parliament already has, not developing new powers but acting within the powers of the Treaty and of Parliament. We must do our utmost to show the unemployed and the socially disadvantaged in Europe that this Parliament has something to offer them.

IN THE CHAIR: MRS DE MARCH

Vice-President

President. — I call Mr Aigner.

Mr Aigner, chairman of the Committee on Budgetary Control. — (D) Madam President, ladies and gentlemen, I am very sorry that time is short this evening. On the other hand there are, of course, the difficulties which we always experience with debates of this kind on a Monday. This debate was partly prepared already in the Committee on Budgetary Control. We shall be

continuing the debate — and this to some extent makes up for our haste today — both in the Committee on Budgetary Control and above all in the other specialized committees; we shall then have to draw appropriate conclusions. Reports such as this can only be meaningful if the obstacles observed are actually discussed and lead to the submission of new proposals through which the political resolve of the European Parliament can be implemented more easily than in the past.

Madam President, first of all I thank Mr Jenkins for being with us. I believe that the Commission has been quick to understand the enormous political significance of this discussion, not merely in its individual details but in overall policy terms. We should — and I hope my colleagues will agree — propose to the new Commission a procedure whereby the Commission President will in principle submit a report three months before the end of the budgetary year showing to what extent it was able to implement the political wishes of the budgetary authority, by which I specifically mean the Parliament and Council. This report must be presented in good time i.e. at least three months in advance — to enable the experience gained during the debate to be used for the next year's budgetary consultations.

There is, of course, also the aspect of parliamentary control. Madam President, this Parliament has no legislative authority. It must therefore try all the harder to exercise parliamentary control. Control cannot consist merely in giving the discharge after two years on the basis of a book-keeping check of the budget. As I said two days ago at our congress in Naples, Mr Strasser, this Parliament must set as its political aim the gradual attainment of political control over implementation of the budget. Then the President of the Commission, rather than an individual Commissioner, will be the rapporteur in dealings with Parliament. Mr Tugendhat, you know how greatly I respect you personally, but there is one point on which we shall never agree. You adopt the position that you are administering the budget. That is not correct, you must implement the budget in accordance with the wishes of Parliament and of the Council.

I should like to quote one example here, that of the textile industry. For two years, i.e. in 1979 and 1980 and possibly too in 1978 through a token entry, the budgetary authority, i.e., Parliament and the Council, called for a new political action by the Community in this area. The Council agreed because otherwise there could have been no budget decision on this point. What then happened? The Council took no action, and after all it is the ultimate legislative body; it took no action this year and will take no action next year. But what will happen during this budgetary year? In its draft budget the Council deleted this item although it had already approved it two years previously. Mr Tugendhat, if you support this position you will be sticking to your ground, but in that case you cannot

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possibly be the dynamic body which the Commission was originally intended to be. This is a long-standing point of conflict between us, and I merely wish to remind you of our discussion last year. We saw a few years ago that different Commissioners were capable of putting diametrically opposed views to this House. On that occasion Mr Cheysson adopted a totally different view from you, Mr Tugendhat. The Commission must at long last find a common denominator. The President of the Commission must have the courage to say to the other arm of the budgetary authority: we will defend the rights of Parliament just as Parliament defends the Commission's rights. Our rights would be illusory if those of the Commission were not upheld.

We shall be continuing this debate. This is a central problem, because we are concerned here with the legal structure of the Community. I therefore find your position regrettable, Mr Tugendhat. Despite the system of provisional twelfths we have seen progress, but on the main issue there has been a retrograde step — because inaction is tantamount to regression. That is why I regret your position.

President. — I call Mr John M. Taylor.

Mr J. M. Taylor — Madam President, I take advantage of the opportunity to pose a question to the Commissioner who addressed us so comprehensively earlier today.

Those of us who actually want, care for and desire European progress and the progress of the European Community are possibly the ones who are most keenly aware of the meaning of the exhaustion of the Community's own resources and of the imminence of that event, and the prospect of possible transfers of responsibilities and resources from Member States to the Community is only likely to be at all attractive to the European taxpayer — who is also the European voter — if he feels that the Community is at least as effective a steward of his money as the Member States are. I should therefore like to ask the Commission whether, bearing in mind the fact that pro-European sentiment needs this kind of reassurance, they would be prepared to tackle — though I know it would be hard — the task of comparing the Commission as a steward of Community funds with the Member States in the performance of their similar stewardship of taxpayers' money. In short, how does the Commission stand up to a comparison with Member States in the accuracy with which it discharges and spends budgets? In the same connection one might ask whether there are any lines in Mr Notenboom's questions where nothing has been, or is likely to be spent.

In the interests of economy of intervention, Madam President, two of my colleagues asked me to enquire further, with regard to the ceramics research problem,

what the Commission might have to say about the seeming inconsistency of the position of the Council in agreeing to funds and denying legal approval to that ceramics research programme. Another of my colleagues would wish to enquire concerning the fate so far of Item 3932: Architectural heritage.

Those are detailed points. The main thrust of my enquiry is how the Community shapes up in comparison with other exchequers. A reassuring answer would be of great value to those of us who wish to join urgently in the debate on the future of the Community's own resources and the possibility of increasing transfers of responsibilities and commitments from Member States to the European Community.

President. — It is now time to adjourn this debate. It will be continued tomorrow at the beginning of the sitting.

15. *Question Time*

President. — The next item is Question Time (Doc. 1-468/80).

We shall begin with the questions addressed to the Commission.

Question No 1 by Mr Galland (H-328/80):

Since the Commission took part in the work of the INFCE, can it provide details of the main consequences of the conclusions of this Conference for the development of the Community's nuclear power industry, especially as regards relations with countries supplying uranium?

Mr Davignon, Member of the Commission. — (F) In general the Commission looks favourably on the procedures introduced in the context of this conference. We consider that a number of important points of agreement have been found in the course of these procedures, in respect both of current needs and of a more precise definition of their objectives by the industrialized countries — something which is particularly important for the Commission since we already import large amounts of uranium. It also seems that the conclusions of this conference accord with the guidelines laid down by the Council in its resolution adopted in February. I also agree on the need for technical conferences of this kind to enable us to define our position more fully. I think that this conference demonstrated the importance of the subject, as well as of the need to strike a consensus on it, and was thus a positive factor in dealing with so difficult a problem.

Mr Galland. — (F) Is it true that in the matter of uranium supplies, problems arise with countries such

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as Australia, the United States and Canada? On this particular point does the Commission find the budgetary modifications to chapter 3210 normal: 'Deletion of commitment appropriations and substantial reduction in payment appropriations for uranium prospecting activities'.

Mr Davignon. — (*F*) On the first point, there have, strictly speaking, been no difficulties with the United States, Canada and Australia. As suppliers of uranium those countries naturally hope that guarantees will be provided that the raw material will not be misused.

The Community naturally agrees on this, but it must also make sure that the Community's own prerogatives relating to freedom of movement within its territory — without interference by a third power — are guaranteed. I therefore think that these are normal difficulties and not questions of principle.

On the other hand, as regards the second part of your question concerning the substantial reduction in the programmes, the position taken by the Commission on this during the budget debate was particularly firm and opposed to the Council's decision.

Mrs Viehoff. — (*NL*) The INFCE report shows that from 1985 onwards increasing amounts of uranium will have to be produced from deposits whose existence has yet to be proved if the production level specified for the year 2000 is actually to be met. Did you take account of this in your plans?

Mr Davignon. — (*F*) In our analysis of the needs we naturally try, as far as uranium is concerned, as indeed in all other raw material sectors, to assess as accurately as possible what amounts will be available and where they will come from. But the Community has a twofold problem: it is not simply a question of knowing whether there are adequate uranium supplies in the world; we also have to consider whether, having regard to the Community's own needs, it will have a sufficient quantity of raw materials for its programmes to go ahead. The Commission's analyses therefore relate both to general availabilities and to the availability of uranium insofar as it concerns ourselves particularly.

Mr Herman. — (*D*) In proposing such a sweeping reduction of budgetary resources, has the Council given any explanation, or are we to fear that it has been essentially guided by budgetary imperatives which it is applying blindly?

Mr Davignon. — (*F*) I attended the Council's discussion of the budget and tried to obtain more detailed explanations of the positions of the respective Member

States. I insisted so strongly that at one point members of the Council protested against what they saw as an interrogation and stated that they could not agree to be subjected to a legal cross-examination. In other words the Council gave few explanations. That is why we are trying to obtain an early meeting of the Council of Energy Ministers in order to resolve the conflict between the budgetary implications on the one hand and the energy objectives on the other.

Mrs Ewing. — On the question of the countries supplying uranium, may I say, as spokesman for the Orkney Islands which possess uranium, that they are united in their opposition to uranium prospecting, which is incompatible with their only industries of agriculture and tourism, and I would remind the Commission of the undertaking by Commissioner Brunner that there would be no prospecting for uranium in the Orkney Islands without the permission of the elected representatives of the islands.

Mr Davignon. — (*F*) I am able to confirm that mineral resources are legally the property of the country concerned and that the Community has no intention of suggesting that these resources be used in a manner that might be in conflict with the law of the land or the wishes of its citizens.

Mr Calvez. — (*F*) Is it true that Spain has refused to subscribe to the non-proliferation treaty and that this is a consequence of Australia's hesitancy in the matter of uranium deliveries to the Community? For your information, allow me to state, Commissioner, that the Committee on Energy and Research will be drawing up an own-initiative report on this subject.

Mr Davignon. — (*F*) The official position of the Spanish Government on the non-proliferation treaty is that the whole matter is under review.

The agreement now being discussed between the Community and Australia does not concern Spain because it affects only Member States of the Community. When a Vice-Premier of Australia came to Brussels we had occasion to look at the different provisions of this agreement with a view to achieving progress. So I think that the two matters are not linked.

President. — Question No 2 by Mr von Wogau (H-338/80, formerly 0-36/80):

Is the Commission aware that on 3 and 4 July 1980 traffic between the Federal Republic of Germany and the Republic of France was seriously disrupted for about 50 hours at the Strasbourg/Kehl border crossing?

What action can the Commission take to prevent such disruptions of intra-Community frontier traffic?

President

How does the Commission view the suggestion that it should set up a special department to permanently monitor intra-Community frontier traffic, at least at the main border crossings?

Mr Davignon, Member of the Commission. — (F) As the honourable Member knows, the Commission has made an inquiry into this matter which concerned more specifically the difficulty experienced by an Italian circus — known in fact as the 'American circus' — in passing the frontier last July because, under French regulations on theatrical companies, the persons in charge of the Italian circus did not have the necessary authorizations.

When the Italian circus submitted a request for a licence to stage entertainments in France, the licence was granted and it was able to cross the frontier. That is what actually happened. Now for the two other questions which go further and ask what the Commission can actually do when incidents involving practices or regulations in conflict with the Treaty are referred to it. Well, it immediately opens the necessary procedures and conducts a number of local inquiries. But it is self evident that we are then dependent on requests made to us or reports submitted to us.

As to the honourable Member's suggestion about the creation of a body of Community inspectors at the frontiers we do not think that is a desirable step. We believe on the contrary that what we are actually trying to do is to establish coordinated action by the national services and that the national customs services should be responsible for verifying, through the cooperation which we initiate, the proper implementation of Community legislation with inspections carried out by us from time to time.

As I see it, that is the best method. I would add that the Commission unfortunately considers it most unlikely that we would be given the staff necessary to perform a task which does not have priority when we are not even given the personnel needed to undertake priority work.

Mr Von Wogau. — (D) Does the Commission know that the circus concerned is still having difficulties in obtaining official permission to carry on its activities and does the Commission see any way of ensuring free competition within the European Community in this particular area?

Mr Davignon. — (F) That is a difficult question because French legislation is not discriminatory on this; its requirements for foreign theatrical companies are the same as for its own nationals in the same area. This Italian undertaking is clearly having difficulty in complying with the regulations. If it considers that the legislation is being applied to it in an excessive and

inequitable manner, it should refer the matter to us, and I do not think this has been done.

Mr Purvis. — It would seem that there is no discrimination in the laws but rather in the implementation of them. Have you considered the possibility of enlisting all the customs men and frontier officials in the EEC into an EEC customs force? Hopefully this will not be approved in the budget and eliminated forthwith, so that we will have no further customs barriers or checks within the Community. Quite seriously, on the external frontiers why not an EEC force so that we can all be sure that the rules are implemented normally and fairly all around the Community?

Mr Davignon. — (F) I am always favourably impressed by the enthusiasm of those who would like to see additional bodies of officials created to ensure proper implementation of our legislation. I should even be willing to open a discussion on this with the honourable Member.

I think though that we must recognize that the tasks of our customs offices are many and varied; they undertake a whole range of activities under national legislation which have nothing whatever to do with the European Community. I think therefore that the effort currently being made with the heads of the customs administrations to create cooperation between those administrations and the possibility of rapid intervention in face of all difficulties are the best that can be done at present. Of course, this does not cope with the basic political problem which is that we still have too many barriers because Europe is not progressing sufficiently. I think this is the heart of the matter: a number of unnecessary administrative regulations continue to exist because Europe has not made enough fundamental progress. It is those regulations which must be attacked rather than the marginal aspect of control.

Mr Cottrell. — It seems to me, from dealing with complaints from constituents, that the business of crossing frontiers within the Community is a circus. It is not so much a question of discrimination, as I am sure the Commissioner would agree, as of confusion. For instance, I recently had an anguished call from a firm whose lorry had been held up for 36 hours in France as to whether or not it should be allowed to proceed. There was confusion over whether the lorry required a quota permit or not in order to continue on its way to Italy.

This was very unfortunate and caused a lot of difficulty. Worse still, we had a lorryload of ponies delayed on the Italian-French border for 8 days in rather distressing circumstances. It seems to me, the more I deal with these queries, that there is confusion among customs officials all over Europe over who needs what bit of paper.

Cottrell

Now this Community and this Parliament and this Commission should be, if anything, the enemy of frontiers. I would like to suggest to the Commission that this is an area ripe for harmonization. I would also invite the Commissioner to agree with me that the problems we now have stem from the fact that the Commission does not give transport policy the importance it deserves in this Community.

Mr Davignon. — (F) I appreciate the remarks made by the honourable Member on the situation and in tomorrow's debate on Mr von Wogau's report on administrative barriers within the Community I shall have occasion to return to the subject in detail.

President. — Question No 3 by Lord O'Hagan (H-359/80):

What action will the Commission now take against Member States which continue illegal state aids?

Mr Vouel, Member of the Commission. — (F) The measures which the Commission, having regard to the particular problems in each case, will take against Member States that continue to grant illegal aids will be those laid down in the Treaty. They may lead to the modification or elimination of such aids or even to a demand for reimbursement.

The Commission has recently sent a letter to all the Member States reminding them of their obligation to notify it of all proposals to introduce or change aid systems and to make no payments which conflict with the relevant aid provisions in the Treaty. The Member States are thus perfectly aware of the Commission's determination to ensure respect for these provisions.

Lord O'Hagan. — Does the Commission accept that its powers in this part of the Treaty constitute one of its most important weapons in maintaining the Community which must be handed on intact to the next Commission and would it, flowing from that question, take the view that action on the list recently published, which showed that 6 out of 9 Member States were infringing these provisions of the Treaty, is now urgent? What steps will be taken on that by the Commission soon, and finally, Madam President, will the Commission be taking urgent action if the Court of Auditors or anybody else proves that a single Member State, which just might happen to be France, but I do not know, were not enforcing the co-responsibility levy as it should be, because such a lack of enforcement would be a direct discrimination against the other Member States which were applying the co-responsibility levy correctly?

Mr Vouel. — (F) As regards the first two parts of the honourable Member's question. I would say that the

Commission is perfectly aware of its powers in the matter of the granting of state aid; it is perfectly well aware of the importance of that instrument and will do all it can to see that its authority is handed over intact to the new Commission.

As regards the specific action which the Commission intends to undertake on the list of infringements mentioned by the honourable Member, I think that this is apparent from the general part of its letter to the Member States.

The third part of the question falls within the terms of reference of Mr Gundelach who is here with us and will answer himself.

Mr Gundelach, Vice-President of the Commission.

— In regard to the application of the co-responsibility levy on milk, it is the Commission's obligation to see to it that all Member States administer this co-responsibility levy in such a way that it is paid as provided for in the regulation by the producers. Where a doubt had arisen in this regard the Commission adopted the effective method of subtracting from the monthly payments to Member States the sum suspected of not being paid by the producers. There were then no further difficulties.

Mr Cottrell. — I think I feel a little unhappy with Mr Gundelach's answer and I would like some assurance from him that in future the co-responsibility levy will be paid by the people who were intended to pay it. I would like an answer from him as to why it would seem that this co-responsibility levy was not paid by the producers for quite a long period.

Mr Gundelach. — My answer was fairly clear, namely that it is the responsibility of the Commission — and it takes seriously that responsibility — to ensure that Member States fulfil their obligations to have the co-responsibility levy paid by the producers in accordance with the law. I indicated one series of actions we took in a particular instance where that did not seem to be the case and the matter was rectified. The co-responsibility levy is being paid and the Commission will continue to see that it is paid for the whole of the period by the producers, as provided for in the decision.

Mr Beazley. — If Britain were to grant assistance to British horticulturists to equalize their fuel costs for British glasshouses with the Dutch gas price — as Germany and France have done —, would this action be considered as illegal state aid, and if not, would this be the only way of solving the problem of the Dutch gas price to horticulturists in all other countries.

Mr Gundelach. — It does seem to me that one is slightly wandering off the original question, and one is actually wandering into another question which I am called upon to answer later in Question Time. I do not mind at this particular time saying that if the United Kingdom were to wish to use a temporary national aid in order to adapt structures, or any other such measures, and applied for permission to the Commission — as Germany and Belgium have done —, then naturally the Commission would take the present state of the market into account in its answer to such an application.

Secondly, I do not think that the solution to the inequalities of the horticultural markets is a further diversification of national aids. It may be a measure forced upon Member States at short notice at a given moment, but it cannot be the real answer. The real answer must be the harmonization of Community policies which creates equal conditions. Where that necessitates action by the Commission under Articles 93 and 92 of the Treaty, such action will be taken.

Mr Megahy. — Since it is something like 23 years since the Common Market was founded and we are still in a situation where the Commission can report that most of the major countries, who are always preaching Community ideas, are in fact not abiding by the rules, would it not be more fruitful for the Commission, since it has so abysmally failed to ensure that the rules are being kept over the years, to look at the rules themselves and to see whether the rules enshrined in the Treaty of Rome do not need to be altered? Would that not be a better way of proceeding than trying to keep up the pretence that these rules are kept, when in fact only certain nations seem intent on keeping the rules anyway?

Mr Vouel. — (F) My answer will be in two points. I would first draw the honourable Member's attention to the fact that this question relates to an action which the Commission intends to undertake in the future, in a case of aid which has not been notified to the Commission. It is always very difficult for the Commission to act in cases which have not been brought to its attention. This is one such case and it is on this matter that the Commission has written to the Member States. It informed them of its determination to take severe action in future and even to refer to earlier instances — some of which date back to 1974 — to support a case in the Court of Justice if such a case were to be brought.

As to the honourable Member's second question, I would say that the Treaty articles on aid are still topical and we should be abolishing the Common Market if we abandoned these rules. Instead of having partitions due to taxes and customs duties as we did in the past we would then be having a series of partitions

based on dearer product prices because of the aid granted by the Member States to their undertakings.

President. — Question No 4 by Sir Peter Vanneck (H-258/80):

What steps should the Community now be taking to strengthen the international competitiveness of European aircraft manufacturers?

Mr Davignon, Member of the Commission. — (F) The Commission is convinced that Europe must do all in its power to develop its aerospace industry in the sphere of aircraft, helicopters and space launchers.

Secondly in the general context of the Community's external policy we intervene to facilitate promotion and procurement campaigns and a number of important results have been achieved in this way.

As to industrial programmes proper, the Commission found two years ago that the financing of some of these programmes by the Community led to a reduction in the aid provided by the Member States to these self-same undertakings; the Commission felt that the Community programme could not longer make a useful contribution and, that being so, should be discontinued.

Sir Peter Vanneck. — I thank the Commissioner for his answer, but it was not entirely satisfactory to my ears. My supplementary has to do with the importance for competitiveness of maximizing joint military aerospace production in the Community in the defence field.

Is the Commission fully aware that the effectiveness and indeed the actuality of a two-way street with North America depends ultimately on a common basis here for procurement and research and development and will the Commission, through the IEPG or any other organization if necessary, keep up the pressure on national governments to secure this?

Mr Davignon. — (F) I am myself far from satisfied with the situation. But I think it was correct on my part to indicate that when the Commission found that the Member States penalized undertakings which participated in the Community programme, to the extent that the Community even established a programme, there was no point in continuing on those lines.

Secondly, as regards the impact of military purchases on industrial policy, the report on that subject which the Commission has promised to submit to Parliament will be circulated before the end of October. The honourable Member will find a number of his questions dealt with in that report and I think it is prefera-

Davignon

ble to read the report as a whole instead of replying to specific questions at this stage.

Mr Seligman. — My gallant colleague stressed the military aspect of aircraft manufacture. I would like to stress the civil aspect which will command the support of all the House.

Will the Commission submit updated proposals for coordinated Community research and development in the aeronautical sector so that we can have the design tools to compete with the Americans on an equal footing?

Mr Davignon. — (*F*) Firstly the European civil aviation industry, with the successful airbus and the design studies currently being conducted by the same undertakings for other aircraft in the same category, is obviously alive, active and dynamic. Neither the undertakings nor the Member States have indicated to us a wish to add a further programme to those which exist already. I would like to state most clearly to the honourable Member that if the Commission feels action to ensure that the European aeronautics industry has its rightful market share in every sphere to be inadequate, we should certainly make proposals. In the present stage of our analysis we find on the contrary that our legislative action in the area of standards and of the encouragement of cooperation between undertakings, and also in the external sphere, has enabled us to make good some ground in the past three years and gain for our industry a far more important place than it held previously. For the time being we feel it appropriate to continue on those lines.

Mr Moreland. — Would the Commissioner agree with me that if we are to have a competitive aircraft manufacturing industry, we should also have a competitive airline industry and that if we have competition between the airlines, lower tariffs, more people travelling, we will actually have more business for our aircraft manufacturers in Europe? Will he promote that policy?

Mr Davignon. — (*F*) That is certainly true, but I am not yet altogether sure what we have done in this area. The difficulties facing us are well known. I think that some of the questions entered on the agenda of this part-session relate to this point. I am sure that the honourable Member is right and that the promotion of a particular industry must take account of all the factors in the environment of that industry; it is clear that if better use is made of airlines the consumers in the European Community will be better clients for the European aircraft industries. That is self evident. But it raises a whole series of questions which you will be discussing. I feel that Question Time does not provide the right frame for the author and for the institution

providing the answer to cover the whole field; I apologize to the honourable Member on that score.

President. — Question No 5 by Mrs Ewing (H-299/80):

Will the Commission, in its deliberations on the Common Fisheries Policy, include a provision that fishing inspectors should be exchanged among all the Member States where fish is landed to ensure that regulations as to size, quotas, etc. are not only carried out but are seen to be carried out?

Mr Gundelach, Vice-President of the Commission. — Recently the Council, on a proposal from the Commission which was supported by Parliament, decided at long last on common measures relating to conservation of fish stocks in Community waters. This was a step forward, but it will not be sufficient unless it can be ensured that the way in which fishermen observe these rules is monitored in an evenhanded and effective manner throughout the Community. This is a problem because, as things stand in the Community at present, the actual physical control function lies with the individual Member States. The Commission has, in order to overcome this difficulty, made proposals concerning harmonization of the methods of control, and I hope the Council will move on to a decisive stage in their discussions of these control measures at their forthcoming meeting. Included in these proposals for harmonization is the exchange of fishing inspectors about which the honourable Member has asked. They also provide for joint meetings where methods can be elaborated on a Community basis and for inspectors appointed by the Commission. These latter are Commission officials, who have the right to intervene at any time if they feel that something is not quite up to standard, as is the case already with the EAGGF Fund. Therefore, measures relating to common policies for monitoring the observance of fishing rules are being proposed. Incidentally, we have also incorporated the consequences of these proposals in the budget for 1981.

Mrs Ewing. — I thank Commissioner Gundelach for what I think was a fairly enthusiastic response to a plea that I have been making for a long time. All the Members of this House who represent fishing areas know that one of the major problems is mutual suspicion that somebody somewhere else is disobeying the rules either as to size of mesh or quotas. My suggestion for an exchange of fishing inspectors has been perhaps partly responded to by the Commission in the action of 8 September, when I understand that the Danes and the Scots managed to cooperate in the question of mackerel landings. Could I urge the Commission, satisfied as it may feel with the progress already made, to spell it out a little more clearly that fishery inspectors of one Member State can actually operate in another one, whenever they want, wherever

Ewing

they want, with the authority of this Parliament and this Commission. I really do believe the reduction in suspicion would take us a great step forward towards finding a common fisheries policy.

Mr Gundelach. — I agree with the honourable Member that in order to make a common fisheries policy work it is of vital importance to allay suspicions between nations or fishing populations that rules have not been respected by one or the other. The only way this can be done is to ensure the even and effective application of the rules on fishing now adopted by all Member States. Physically, as I said, the control function has to lie with the Member States, because at present the Community has neither aircraft nor boats for this purpose. It is essential that it be done at sea and in the ports in the same way and with the same efficiency by everybody. I think that the first step must be, as I said, to introduce common standards and common rules governing such control. That is why we proposed it. It is also important that there should be a Community element in execution, first and foremost — and this is the lesson we have learned in the context of the EAGGF in the battle against frauds — Community inspectors, people who on behalf of Community institutions have the right at any time to look at what is happening in the ports and at sea.

Secondly, I quite agree that suspicion would be allayed if inspectors from the individual Member States had access to ports and inspection in other Member States. That is therefore specifically proposed as a measure together with the Community inspection to which I have already referred. The Commission has even proposed that some of the expenditure for such visits or exchanges of fishing inspectors from other Member States could be financed under the Community budget.

Mr Provan. — Firstly, let me say that I am surprised to see this question on the agenda today, because it shows how much the questioner is out of touch not only with the feelings of Parliament but also with some of the helpful answers we have had from the Commission on previous occasions. I feel, however, Madam President, that we must try and probe a little deeper into this question and ask the Commissioner if he is considering in the future common fisheries policy the monitoring and recording of landings that will be necessary to get any Community assistance that might be available to the fishing industry.

Mr Gundelach. — We are now going into another question and we are thus overlapping. No control function can be carried out properly unless there is a comprehensive recording system covering catches in the various ports and also the performances of individual ships. That is why we proposed the introduction of a log book system. A quota system cannot be oper-

ated unless a number of other common measures are operated. Third country negotiations are another vital consideration. We must have a recording system which functions as a matter of law and which is open to inspection and discussion by all Community institutions.

President. — As its author is absent, Question No 6 will be answered in writing*.

Question No 7 by Lord Douro (H-348/80):

In answering my question No H-95/80 on 7 July 1980, the Commission stated that they had commenced proceedings against France under Article 69 of the EEC Treaty. Could they now explain why they have not decided also to commence proceedings against the Republic of Ireland?

Mr Jenkins, President of the Commission. — Madam President, with regard to the sale of racehorses, Ireland can continue to exempt this activity from VAT until the end of the transitional period.

As to training, the provisions of the directive allow the inclusion of stock minding, rearing and fattening under the flat rate scheme. There is an element of minding and rearing in the training of horses. It is also the case, as has been pointed out previously, that in Ireland the training of racehorses tends to be closely linked to general agricultural activities. However, that part of a trainer's services which must be regarded as training in the strict sense obviously has nothing to do with farming. The Commission has therefore requested that the Irish authorities review their legislation on this point and inform it of measures they could take to regularize the system.

Lord Douro. — Once again I must regret the absence of Commissioner Burke, as I understand he is the Commissioner responsible for questions of VAT. Nevertheless, I am grateful to the President of the Commission for the reply he gave.

However, the remark he made on this occasion and the remark made on another occasion concerning the connection between the training of horses and agricultural enterprises in the Republic of Ireland causes considerable surprise to many Members of this House. I wonder, therefore, whether the Commission would be prepared to define more closely, more carefully, how much of the turnover of a trainer in Ireland is exempt from VAT, considering that Irish trainers, just like trainers in other countries of course, have to grow certain agricultural products for their horses. But this still does not make them farmers.

Second, would the Commission agree that the continued absence of VAT on these training services puts

* See Annex.

Douro

trainers in other countries at a serious disadvantage vis-à-vis their Irish competitors?

Mr Jenkins. — If the honourable Member, the noble Lord, asks questions of too great a detail I shall regret the absence of the Commissioner directly responsible even more than he does.

(Loud laughter)

However, the fact that I am replying to the question will, I hope, be taken as an indication that we treat the matter seriously.

Now what seems to be the sensible approach? Clearly you can have a position in which somebody is partly engaged in training and partly engaged not in agricultural pursuits purely in relation to maintaining their resources but in more general agricultural pursuits. That, I think, is more frequently the case in Ireland than in most other countries which engage in these pursuits.

However, I am asked a direct question: what, in the view of the Commission, should Ireland do to bring its legislation into line with the provisions of the Sixth Directive? I would say that in the case of trainers who qualify to be treated as farmers by virtue of their other activities, the Irish Government should establish the proportion of their services as trainers which cannot be brought within the terms of the common flat-rate scheme and tax that proportion according to the normal VAT rules. In the case of full-time trainers, the Irish Government should suppress the facility to opt for treatment under the common flat-rate scheme. That is what we wish to see the Irish Government do. That would produce a fair answer and, I hope, satisfy the noble lord and the House.

Mr Turner. — What is the timetable for legal action that the Commission proposes if the Irish do not comply, bearing in mind that they were very prompt, I am glad to say, with France, and seem to have been extremely easygoing with Ireland?

Mr Jenkins. — I can assure the honourable Member that there are certain differences between the two cases which have led us to proceed in a different manner. However, we are at present waiting a reply to the question sent to the Irish permanent representative by the Commission department concerned on 10 August; I hope we will not have to wait very much longer for that reply. I would not like to lay down an exact timetable, but we will certainly proceed as rapidly as is reasonable.

Mr Balfour. — I am not trying to put the President of the Commission on the spot in any way, but I

wonder whether he might give us an indication of what the Commission believes to be the fattening and rearing element in the value of a racehorse that sells for a million pounds.

Mr Jenkins. — The value of the racehorses enters into this aspect of the matter as opposed to the question of whether thoroughbreds can be imported free of VAT. What I was endeavouring to do was to say how this slightly complicated provision arose; that there is a provision under a general agricultural provision and that where people are engaged in mixed opportunities there is, as I said, an element of minding and rearing, not, I think, of fattening — I do not think that is entirely appropriate in the training of horses. But I have indicated more precisely in reply to Lord Douro what we would regard as the right Irish action to deal with this.

Mr O'Leary. — Would the President of the Commission agree that, as regards the rules of the Community, Ireland is probably the best-behaved Member?

(Loud laughter)

Mr Jenkins. — Well, I would never like to draw invidious distinctions but I would certainly say that in my experience Ireland attaches great importance to its Community spirit, and I am sure that it will wish to do likewise in this particular case as well as in a great range of others.

(Applause)

President. — Question No 8 by Mr Cottrell (H-362/80):

Difficulties continue to arise with the Commission's proposals for harmonization throughout the Community of a fair and equitable system of taxation on spirituous beverages, due it seems to some Member Governments unwillingness to grant fair treatment to imported products such as Scotch whisky. In particular, the Danish system of mixed taxation continues to give cause for concern. Will the Commission state what action they propose to take to initiate progress in this area and also state a view on what progress has been achieved so far?

Mr Tugendhat, Member of the Commission. — For several years the Commission has been seeking to encourage a political solution to this question and it believes that such agreement is now long overdue. A Fiscal Council has placed the matter on its agenda for October 27, in other words later this month, and the President-in-Office has put forward compromise proposals which have the support of the Commission. As a result of the Court decisions the four Member States concerned agreed to amend the relevant regulations. Exceptionally, however, the Danish Govern-

Tugendhat

ment proposed a mixed taxation system for alcohol which departed radically from the approach of the other Member States and, indeed, of the Commission.

Mr Cottrell. — I am pleased to hear the Commissioner's remarks but I am not entirely satisfied. The Commissioner will know the problem that Scotch whisky is facing in terms of exports at the moment. I want him to answer a specific question here: what is going to be done about the mixed system of taxation in Denmark, where I understand whisky is now known as liquid gold? Is he satisfied that the French budget proposals for 1981 will in fact end discrimination there? The fall of the Italian Government probably means that the economic package which was meant to a certain extent to remove discrimination against Scotch whisky is in some doubt. And is he confident that discrimination will end early in 1981 in Ireland as promised? I have to say to the Commissioner that it seems to me that it is time that the refreshment of harmonization reached those parts where harmonization has not yet gone.

Mr Tugendhat. — I must say that the particular advertising agency that devised the Heineken slogan ought to get some sort of prize for the number of times it has been quoted. I really am in great difficulty in answering the question because clearly everything is at the moment awaiting the outcome of the Fiscal Council later this month. I share the worries expressed by the honourable Member when he draws attention to the very considerable difficulties in bringing about a satisfactory solution to these problems, and I certainly would not wish to express an inordinate amount of confidence that they can all be settled in the time scale that he laid down. But I do think that a good deal of progress has been made, and I do think that there is now a willingness in all Member States to seek a solution to the problem.

Mrs Ewing. — As the member for the area with more Scottish whisky distilleries than any other part of either Scotland or, obviously, the rest of the Community, could I say that there is a real question of economics, jobs and social problems arising if this industry is threatened in areas, villages, glens, remote places, where there are really no alternative sources of employment whatsoever. And I would just like to inject that note of reality into the problems that have to be dealt with at Community level, but also perhaps to ask the Commission to bear in mind that the Scotch whisky industry has to consider whether it has not to a large extent got itself to blame for cutting its own throat and undermining the Community's interests as well, by allowing the export of bulk malt so that some day Japan, Canada and America can cut this industry to shreds and affect the jobs in my glens and villages.

Mr Tugendhat. — I entirely agree with what the honourable Member said in the first part of her question about the social importance of Scotch whisky to the areas in which it is produced. As to the second, I would hesitate to enter into a matter of such profound technical importance, though I must say the idea that anything should be able to compete with the malts that come from the honourable lady's constituency is something which fills me with horror.

Mr Provan. — May I ask the Commissioner if the Commission are going to take up the matter of the European Court of Justice ruling against Italy with regard to discriminatory taxes, rates of VAT and state boundary taxes, etc. Does the Commission expect the Greek authorities to remove similar discriminatory practices applied to spirituous beverages in Greece? The Greek authorities said that in fact they would do this, but prior to their accession to the Community I would like to know when they are going to do it.

Mr Tugendhat. — Clearly, any country acceding to the Community would have to accept the Community rules in this matter as in all others. As the honourable Member is no doubt aware, the Commission was obliged to initiate Article 169 cases for breaches of Article 95 of the Treaty on the taxing of alcoholic drinks against France, Italy, Denmark, Ireland and indeed the UK in 1976. These cases were taken to court in August 1978 and in February of this year the Court gave its decisions on all five cases. The Court held that France, Italy and Denmark had failed to fulfil their obligations under Article 95 of the Treaty and that they must apply the same level of taxation to both home-produced and imported spirits. Likewise in the case of Ireland the Court found for the Commission and against the Irish legislation under which the time limits for payments of excise duties depend on whether the beverages in question are home-produced or imported. In the case of the UK the Court gave an interlocutory judgment. I go into that detail to show that we have been to the Court on one occasion. The Court has recently delivered a judgment and we are now seeking a political solution to the outstanding problems, as I said in my initial answer. We believe that progress will be made at the Fiscal Council later this month.

Miss Brookes. — I hope very much that this will not be regarded as a facetious question. In actual fact it is very serious. We have heard about Scotch whisky. Well, in my country, Wales, we produce a drink which is called Welsh mead. This is in fact a cottage industry at the moment. I hear laughter from the left. Please, I dislike laughter on the left, laughter on the right I do not mind, but laughter on the left is always more dangerous.

(Laughter)

Brookes

If I may refer to Welsh mead, this is a cottage industry which we have in Wales: It employs about 300 people throughout the Principality.

(Interruption)

(They are great large creatures that live under the sea, but my Wales happens to be more important than anybody else's.) If I can now be serious and if we are going to continue with this question, because I have the floor and I intend to ask my question, however long it takes me. Whoever is heckling can please be quiet. I do not mind staying here all night, even if they do. So if I can return to the question of the production of Welsh mead which employs about 300 people throughout the Principality in the rural areas, this drink at the moment is not taxed, and I hope very much that it will remain so and will not come in the same category as the taxation of Scotch whisky and other alcoholic drinks.

Mr Tugendhat. — I have never had the pleasure of drinking Welsh mead, but if the producers of Welsh mead are so fortunate as to be untaxed at the moment, I am sure that the best thing to do is not to draw this fact to the attention of the authorities!

(Laughter)

President. — Question No 9 by Mr Balfe (H-367/80):

Can the Commission state whether it has any proposals under the newly created Chapter 58 payments to provide funds for the relief of the severe social distress to be found in many of the older cities in Britain, which do not qualify for regional aid — particularly in London where in some parts of the Inner City unemployment is now as high as in some of the worst of the regions?

Mr Tugendhat, Member of the Commission. — In its proposal for a Council regulation establishing supplementary measures in Chapter 58 to which Mr Balfe referred earlier, that is in favour of the United Kingdom, the Commission suggested that one of the aims of the measures should be the renewal of urban areas through the improvement of economic and social infrastructure and that in exceptional cases the measures might also cover areas outside those qualifying for regional aid. The Commission's proposal is, as the House knows, at present under discussion in the Council.

Mr Balfe. — I wonder whether the Commissioner would accept that one of the reasons for the very high level of unpopularity of the EEC in England is that large areas of considerable poverty, including the centres of a number of very large cities — for example London, Birmingham, Bristol — do not qualify, in spite of their poverty, for anything which resembles a

realistic level of payments. Therefore these often isolated pockets of poverty in otherwise rich areas are not able to approach the Commission to seek aid. Many people in London and in other cities were very pleased to note that the Commission might be considering extending possibilities of selective assistance to this area. I wonder whether the Commissioner can give me an assurance — not only for London, but for the other large cities with pockets of poverty in them — that it will remain a priority to try and establish programmes under Chapter 58 — and hopefully later under other Chapters — to alleviate poverty within these areas, by means of payments under the Social Fund for training and other small-scale projects which are often suitable within these areas.

Mr Tugendhat. — Having had the privilege of representing the Cities of London and Westminster at one time, I know very well indeed that what the honourable Member says is true. Even in areas of very considerable prosperity one can find pockets of very considerable poverty and deprivation. This is a matter that certainly concerns the Commission. He will be aware of the particular programmes which we have recently initiated, coordinated programmes involving a number of cities, including two in the UK, though neither of them in England as it happens. We are of course faced with the problem that the Regional Fund was drawn up with a particular set of rules and criteria. The problems to which he refers have to be seen in that context. So far as Chapter 58 is concerned, much will of course depend on the nature of the proposals that the United Kingdom government actually makes to the Commission. I do assure him, however, that the difficulties of large cities, whether they are in development areas or not, are ones which the Commission is certainly well aware of, in some cases from personal experience.

Mr Price. — In approaching any submissions that it may receive from the United Kingdom Government under the heading of improvement of urban areas, would the Commission agree that the kind of problems which exist in the inner cities also exist in other kinds of urban areas, including not only small towns but the outer parts of cities and the peripheral housing estates, and will they give equal attention to that as well as the problems of the inner city?

Mr Tugendhat. — Certainly, though in the specific case of Chapter 58, the vital question is what proposals the United Kingdom Government will put forward to the Commission.

President. — Question No 10 by Miss Forster (H-377/80):

Certain issues which are germane to the block exemption regulation are being litigated before the European Court of Justice in the Maize Seed case (Nungesser and Eisele v

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Commission, Case No 258/78). Can the Commission assure us that they will not proceed with the new draft for the block exemption regulation until the Court's decision on this case is available.

Mr Vouel, Member of the Commission. — (F) The Commission is able to assure the honourable Member that it will take no final decision on the proposal for a regulation concerning the application of Article 85 (3) of the Treaty to licence contract guarantees before the Court has delivered its ruling in the maize seed case which is now pending.

Miss Forster. — I am delighted to have that answer from the Commissioner because, as I have said to him before, there is a great deal of concern about this draft regulation which does not seem to take into consideration the normal commercial procedures that go on in patent licencing. As a supplementary can I ask him when the transcript of the public hearing that was held a year ago, and which I have written to him about and received no reply, is going to be available. Secondly, when is he going to report back on this matter to the Parliament and the Committee on Economic and Monetary Affairs as he promised to do in March of this year?

Mr Vouel. — (F) The report concerning the hearings which took place about eighteen months ago should be ready in a few weeks time. As regards the submission of the report to Parliament I think that it is reasonable to add to the honourable Member that I shall not appear before the committee responsible until I have the ruling of the Court in the maize seed case and until I have had an opportunity to study the text.

Mr Turner. — Can the Commissioner undertake that his Directorate-General will reflect fully in the block exemptions, when they eventually come out, the whole of the judgment given in this case, whatever it may be, and that they will not just take a narrow point and say the rest has not been decided? Will they please make sure that all the principles enunciated by the Court, including those which are *obiter dicta*, that is those which do not give cause for the judgment but are nonetheless valuable remarks by the Court, are included in the guidelines which the block exemptions will give?

Mr Vouel. — (F) Madam President, I obviously cannot give a blanket undertaking of that kind, but it is equally true that by its attitude the Commission must not contravene a ruling of the Court on a matter of major importance.

President. — Question No 11 by Mr Lalor (H-383/80):

Will the Commission take immediate steps to regulate the trade in eggs in EEC Member States for the following reasons:

1. The egg industry in the Republic of Ireland is being seriously jeopardized by UK dumping;
2. 40 % of UK exports to EEC countries in April were exported to Ireland;
3. 25 % of all eggs sold in the Republic originate in Northern Ireland;
4. the UK is operating double standards. On the one hand it is complaining about imports to the UK from other EEC States while dumping large quantities of its own produce in the Republic of Ireland;

Mr Gundelach, Vice-President of the Commission. — The Commission has actually no evidence that eggs from Northern Ireland are being dumped, in the legal sense of that word, on the Irish market. Our figures show that the average import prices from Northern Ireland for the first eight months of this year, for example, were higher than Irish wholesale prices. The egg sector, however, is characterized by marked ups and downs in supply and consequently in prices. This is aggravated by a certain lack of transparency in the market which would be overcome in my view by better cooperation between the Commission and the egg producers. We are trying to reactivate the coordinating committee which exists for this product as for a number of other agricultural products, and consideration is being given to setting up some coordinating body which, however, would have to function in accordance with the Treaty, since there can obviously be no question of establishing anything which is a cartel or could develop into a cartel.

But better cooperation in the field of eggs and poultry does seem to be necessary in order to avoid the rather wild fluctuations we have seen in the last few years and which in particular seem to be hitting the smaller producers. I would add that there is a question of subsidies which have been paid to egg producers in Northern Ireland by the United Kingdom Government. In regard to this subsidy the Commission has already started an infraction procedure in order to get these subsidies stopped.

Finally, I would like to make a comment, and that is that the Commission is pursuing and seeking from the Council an agreement on an active restructuring policy in both Northern and Southern Ireland. We are trying to pursue that structural policy in an even-handed manner. I am making this comment because it so happens that later in the week a proposal by the Commission concerning structural aid to the egg sector for Northern Ireland will be discussed and I would not wish this later discussion to be mixed up with a market discussion nor to be considered something exceptional in regard to Northern Ireland, since it is to be seen in the broader context of the approach

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to structural reform of agriculture in Northern Ireland and in the Republic of Ireland.

Mr Lalor. — I want to thank the Commissioner for his extensive reply. I am afraid that he did not appear to have accepted what is, as we see it in the South, an established fact, namely, that dumping is taking place. On the other hand, I am pleased to hear the Commissioner accept the fact that there is an improper subsidization. But I want to ask the Commissioner at this stage what he is actually doing about a formal and detailed complaint which he received from the Irish Government on low-priced imports of eggs into the Republic of Ireland from Northern Ireland. There was a complaint lodged — I notice that the Commissioner did not refer to it — and I would be glad if he could let me know and let the House know what actually is being done about this official complaint.

Mr Gundelach. — I am aware of the unstable conditions of the egg market in various parts of the Community, including Ireland. However, I was not aware of any official complaint. Reference has been made to this instability on various occasions and the Commission is studying it, as you will have understood from my rather extensive reply. I have not found up until now that there were any pricing conditions prevailing which would permit the Commission to conclude that actual dumping was taking place. We were able to conclude that actual subsidization was taking place. In regard to the subsidies, we have started the appropriate infringement procedures in order to bring it to an end as quickly as possible.

Mr J. D. Taylor. — Whilst welcoming the Commissioner's assurance that export prices from Northern Ireland are indeed higher than Irish wholesale prices and that therefore there is no dumping as such, may I ask the Commissioner whether he agrees that intensive farming has been one of the most important elements in Northern Ireland agriculture since accession to the Community, but that since 1972 there has been a reduction of 50 % in the number of laying hens in Northern Ireland and that the total number of people employed in this sector has fallen from 15 000 to 10 000. There is considerable regret in Northern Ireland that this question has been tabled; it is a question of unfriendly nature towards Northern Ireland, and I hope the Commission will agree that the figures I have quoted prove that the competitive threat from Northern Ireland is considerably reduced and is still in decline.

Mr Gundelach. — As I indicated in my first answer, the Commission is aware that you have a particular development in the Northern Ireland industry — which, by the way, one sees in other parts of the Community as well — namely, an increased activity in

certain bigger enterprises and a decline in the activity of smaller enterprises. Actually, what lies behind the structural proposal which will be presented to Parliament later this week is a Commission report from earlier this year that Northern Ireland is the most unfavoured region with regard to the conditions governing the pricing of imported cereals and therefore has an unnatural disadvantage in regard to the output and number of products based upon cereals. I therefore believe that the ups and downs in the egg market, to which I have referred and which are a reality — there I agree with the original question which was put to me — are something which has to be tackled, and tackled in the manner I referred to in my first answer — namely, closer collaboration between the Commission and poultry-producers.

Mr Cottrell. — If I might say a word of praise to the Commissioner, who must sometimes feel that he is a one-man European court, would he agree that the progress the Commission is now making towards setting up the interprofessional body, which I believe he was referring to, will, if this body can be set up, greatly help to overcome many of the difficulties which currently exist in the cross-frontier trade in eggs?

Mr Gundelach. — I am absolutely convinced that such a body, which, as I said, naturally must scrupulously respect the rules of the Treaty, would be of immense help in overcoming the difficulties in this market.

Mr Maher. — How long is it going to take before the question of the subsidy to North of Ireland egg-producers is finally resolved? I ask this not in any way because we in the Irish Republic want to see egg-producers in the North of Ireland penalized, but because we have to accept that there is in fact no border between the Republic of Ireland and the North of Ireland, as products can flow freely back and forth, and so equilibrium can be disturbed if one set of producers is in receipt of a subsidy and another set of producers is not. So I think that, in order to have rational trade between the two areas, it is important that this question of the subsidy on one side is finally resolved — and quickly.

Mr Gundelach. — I entirely agree with Mr Maher. In connection with the settlement reached in the Council of Ministers on the basis of proposals from the Commission in regard to prices and related matters, including a number of structural measures which were ultimately decided upon as well, including the ones in favour of Northern Ireland to which I referred, it was accepted that this subsidy must go now. I therefore must expect it to disappear in the very near future, because that is not only a question of law but also of political understanding.

President. — Question No 12 by Mr Collins (H-389/80):

Is the Commission aware that much of the traffic in live food animals is in breach of regulations designed to ease the suffering of the animals in transit and will the Commission undertake to bring forward enforcement measures which will eliminate the problems of animal suffering in traffic both within the Community and from third countries?

Mr Gundelach, Vice-President of the Commission. — The Commission has received over a reasonable period of time a number of allegations of infringement of the Community rules designed to protect animals during transport. We have received complaints concerning the transport of live horses from Greece to Italy; the transport of chickens; the non-stunning of cattle prior to slaughter and so on. In each case, these allegations have been taken up with the Member States concerned, who are responsible for the day-to-day application of these rules, and action has been taken.

As regards further measures for implementing the existing directive, the Commission has already presented a proposal to the Council to this end, but so far, unfortunately, no decision has been taken in the Council. I can confirm that travel between Member States and to and from third countries is covered by these proposals.

Mr Collins. — When Mr Gundelach says that the Commission has taken up various matters with Member States, I should remind him that prevention is usually better than cure. The Commission must be aware by this time of the brutal and quite disgraceful conditions that animals are transported under both in the European Community and between the Community and third countries. In spite of assurances that I have had, I wonder whether the Commission would agree with me that it would be desirable first of all to ensure that the slaughter of animals takes place as close as possible to where they were reared, since this would have the effect of eliminating the transport of the animals live, and, secondly, that one ought to enforce at the time the minimum conditions in the trucks and wagons and so on that are used for this purpose rather than take up cases after the offence has occurred. Will Mr Gundelach undertake to investigate this matter further along these lines?

Mr Gundelach. — Certainly we will pursue these matters further, because you will have noted from my first reply that we are not only seeking the application of existing rules and pursuing matters which are not in conformity with existing rules. We are also trying — and this is prevention rather than cure — to build up these rules, and we have proposals in front of the Council on the mode of transport and the loading of

animals into transport vehicles. This specific question was raised.

In this context one has also discussed and is discussing the problem of whether there should be a rule on the question of exactly how many hours an animal can be transported from where it has been reared to where it is being slaughtered. Obviously this is relevant both from the point of view of protection of animals and also from an economic point of view. I think it is difficult to decide on a very specific number of hours. We had a proposal from one side for a maximum of 12 hours. Now possibilities of transport inside the Community are quite different in various parts of the Community, and therefore to harmonize on such a limited standard would make life awfully difficult for a number of farmers throughout the Community. Therefore one has to go about it in a somewhat more flexible manner without losing sight of the concept itself. I think we are about to overcome this particular difficulty, which I feel is one of the few outstanding issues holding up the Council's adoption of the directive to which I have referred.

Mr Welsh. — As the source of one of the complaints to which the Commissioner referred, namely that concerning the transport and death of chickens at the Italian frontier, which he has very kindly undertaken to investigate, would he agree with me that a major problem with the enforcement of the present regulations is the fact that only the country of dispatch can be held responsible and that there is effectively no control in the countries of transit or the country of receipt? Could he assure us that the new regulations that he is proposing to the Council will take account of this major loophole in the regulation?

Mr Gundelach. — First we are trying in the application of this directive, irrespective of the legal loopholes to which reference has been made, to make all the countries concerned in the voyage responsible. Secondly, I can confirm to the honourable Member, as I think I already indicated in my original statement, that what we are proposing for the future does cover the whole span of the freight route, even including third countries.

President. — Since they are on related subjects, I shall call together

— Question No 13 by Mrs Squarzialupi (H-392/80):

Homogenized and lyophilized meat-based products for infants have been withdrawn from the market in Italy as they contained oestrogen that has caused tissue to swell dangerously. What has the Commission done so far and what does it intend to do in the future to ensure that beef and veal containing oestrogen are not put on the market in view of the fact that the animals used for the products seized in Italy were generally imported slaughtered from

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the countries of the EEC and that it was therefore impossible to detect the oestrogen content?

— Question No 18 by Mrs Scrivener (H-403/80):

Is the Commission aware that the use of synthetic hormones in feed for calves has caused concern among consumers, and does it contemplate proposing Community legislation and inspection procedures applicable to all producers, which is the only way to avoid conflict between consumers and producers?

— Question No 27 by Mr Remilly (H-416/80):

To deal with the crisis in the veal market, does the Commission intend as a matter of urgency to propose legislation prohibiting the use of artificial hormones and anabolic steroids, promoting the use of natural hormones and encouraging producers to feed calves on untreated milk?

Mr Gundelach, Vice-President of the Commission. — There can be no doubt that Community action, in this case within the common agricultural policy, must have as a priority consideration the protection of human health and the quality of the products presented to the consumers. The question of hormones in meat — in this particular case it is calf meat, but we will have to deal with it in regard to other meats as well — is one which has occupied the Community for some time. It was about ten years ago that a ban was introduced on the use of hormones in the fodder of calves. Most of the Member States have in the course of that period introduced fairly strict rules concerning the use in particular of synthetic hormones, but also of natural hormones added for growth reasons, i.e. natural hormones in processed form. The difficulty has been that control measures have not always been equal and not always sufficiently well-developed.

This is what has brought about a very great deal of concern in this area. A few years ago when the Commission established an integrated programme concerning human health and the quality of food products, it concentrated on control, because without control no bans are worth the name. The work in regard to control measures has advanced considerably. We are actually in a position in the very near future to propose to the Council common Community control measures. It is particularly vital in regard to the artificial hormones, the synthetic hormones, but it must also be done in regard to the added natural hormones, because there are levels of so-called natural hormones which bring about health risk and difficulties.

However, you will immediately realize that the difficulties of control are more pronounced in regard to natural hormones than in regard to the synthetic hormones, because the word natural hormones rightly indicates that a calf or any other animal which is grazing or drinking milk is getting a certain amount of natural hormone in its natural fodder. How then do we distinguish between what it receives in a natural

way and what it receives as a natural hormone added to its fodder? It is not all that easy, but it is feasible when one deals with levels of concentration of hormone in the meat products. It does presuppose however that the control is carried out not only in the slaughterhouse but already at farm level.

The Commission, as I said, will bring forward proposals in regard to a ban on the use of hormones as growth promoters. What is important in order to secure even standards and thereby also fair competition throughout the Community is to have Community control measures, as opposed to the situation which we have had up until today and which has failed, i.e. a system of national control measures. In this way we believe that we will be able to deal with an important subject in an evenhanded manner and in a manner which fully respects the interest of the consumer. The product will be a better product, but I must also indicate that it will be a more expensive product.

Mrs Squarcialupi. — (I) I am rather surprised by the Commissioner's statement in the first half of his answer that it is pointless to take decisions when they cannot be applied. Apart from that remark I should like to know what the next action by the Commission will be; this action should include a total ban on the use of oestrogens in animal farming because there is a real danger, even if the Commission has tried surprisingly to minimize it.

Mr Gundelach. — I have most definitely not minimized the importance of this problem. I think the honourable Member had not quite understood what we are dealing with here. The use of these hormones is banned in most Member States. But since these bans cannot be properly controlled what are they worth? What I was saying was that we should have the ban but we should also have control measures in order to make the ban effective. These are the control measures we are going to propose, and until now nobody else has been able to put them forward.

Mr Diana. — (I) Has this matter been considered in other countries which have a long tradition of animal health care, because the arrangements adopted by them are quite different from those in force in the Community? We import meat or at least we compete on the same meat market.

Does the Commission not therefore think that a serious survey should be carried out in the first place of the practices adopted by the other countries and of the possibility of controlling meat imported from those countries where the use of oestrogens is authorized in some forms at least?

Mr Gundelach. — I fully agree with the honourable Member that this exercise cannot be carried out without taking into account our trade in meat products, in particular calfmeat — since that is what we are talking about at the moment — but other meats which will come on our table too. We are importing, we are exporting and we have consequently had to harmonize this matter also in relation to our trading partners.

President. — The first part of Question Time is closed*.

16. *Agenda for the next sitting*

President. — The next sitting will be held tomorrow Tuesday, 14 October 1980 from 9 a.m. to 1 p.m. and 3 p.m. to 7 p.m., with the following agenda:

- continuation of the debate on the oral question with debate to the Commission on the implementation of the Communities' budget for 1980
- presentation of the draft general budget of the Communities for 1981
- Commission statement on the situation in the iron and steel industry
- joint debate on an O'Connell report and an oral question to the Commission on consumer policy
- joint debate on a von Wogau report on the customs union and an interim von Wogau report on barriers to trade
- Newton Dunn report on harmful exposure to lead
- Muntingh report on whale products

3 p.m.: Voting time

The sitting is closed.

(The sitting was closed at 8.10 p.m.)

* See Annex.

ANNEX

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

1. As agreed with the Bureau, the Commission informs Members at the beginning of each part-session of the action it has taken on opinions adopted by Parliament in response to consultation at the previous part-session.
2. At its September part-session Parliament delivered 6 opinions in response to Council requests for consultation.
3. At the same part-session it debated the following 2 reports on which it gave opinions in favour or did not request formal amendments:
 - report by Mr von Wogau on three proposals relating to the safety of motor vehicles;
 - a second report by Mr Blaney on two proposals relating to the flax and hemp industry and to the use of flax fibre bundles.

4. In 4 cases it called on the Commission to alter its proposal pursuant to Article 149/2 of the Treaty and passed amendments.

At the debates on

— the report by Mr von Wogau on two proposals relating to:

- (i) the fuel consumption of motor vehicles;
- (ii) the engine power of motor vehicles,

the Commission explained to the House its reasons for wishing to leave its proposal as it stood.

In the three cases in which the Commission has declared its readiness to accept Parliament's amendments in whole or in part, the state of play is as follows:

— report by Mr Dankert on two proposals relating to:

- (i) convergence of the economies of the Member States;
- (ii) creation of a financial mechanism:

the Commission has accepted most of the amendments requested by Parliament and has presented them to, and defended them before, the Council bodies. The Council endorsed the views of the Commission and Parliament on most of these amendments at its session of 7 October, although no formal decision has yet emerged;

— report by Mr Sassano on a proposal relating to financial support for schemes to exploit alternative energy sources:

an amended proposal will be adopted this week for immediate transmission to the Council and to Parliament;

— report by Mr Turner on a proposal to coordinate the laws, regulations and administrative provisions governing insurance policies:

the Commission is preparing to alter its proposal for a directive. The new version will incorporate those amendments proposed by Parliament which the Commission has accepted. As regards certain other points, the Commission sees a need to consider in advance the possible implications of the suggested amendments for the balance of the proposal as a whole, and as it relates to the Council's deliberations on the second coordinating directive — the directive on the provision of services.

5. The Commission takes this opportunity to inform Parliament of the following disaster aid it has provided since the previous part-session:

(a) financial aid

- (i) on 8 October 1980 it decided to grant 500 000 EUA to France for the victims of the flooding in the Departments of Haute-Loire, Ardèche, Aveyron, Gard, Lozère and Haute-Savoie;

- (ii) on 1 October the Commission decided to grant 1 200 EUA to Kenya to alleviate the effects of the drought;
- (iii) on 30 September additional aid was granted for the victims of Hurricane Allen, as follows:
 - 700 000 EUA to St Lucia,
 - 200 000 EUA to St Vincent
 - and 300 000 EUA to Dominica.
- (b) emergency food aid
 The Commission also decided to grant emergency food aid to three countries hit by Hurricane Allen, as follows:
 - 200 tonnes of skimmed milk powder to Grenada,
 - 1 500 tonnes of cereals, 200 tonnes of skimmed milk powder and 200 tonnes of butteroil to Jamaica
 - and 1 400 tonnes of cereals and 500 tonnes of skimmed milk powder to Haiti.

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

Question No 6 by Mr Van Aerssen (H-300/80)

Subject: Theft of goods transported over the French/Spanish border

Attacks on vehicles carrying fruit and vegetables from Spain have recently increased in the French/Spanish border area. What is the Commission doing to prevent such outrages in the future and to ensure that the law is respected on the roads of Europe?

Answer

The Commission deplores acts of violence such as those described by the Honourable Member, but it is solely the responsibility of Member States to maintain law and order in their own respective territories.

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Question No 14 by Mr Møller (H-398/80)

Subject: Danish duty on spirits

In its ruling of 27. 2. 1980 the Court of Justice of the European Communities ordered Denmark to amend its legislation on spirit duty. Denmark did so in a law dated 6. 5. 1980 which places foreign and Danish spirits on an equal footing. Even before the new law was adopted, however, Commissioner Burke announced that the Commission could not accept it. How does the Commission justify this attitude?

Answer

As regards Commission initiatives in this sector, I should point out that the resumption of Council discussions came about in response to the Commission's communication (COM (77) 338) of 27 July 1977. These discussions resulted in a report to the Committee of Permanent Representatives in December 1978, identifying the major outstanding problems. The Commission then proposed, in its communication of 22 June 1979 (COM (79) 261), a compromise solution to these problems. Unfortunately, the Fiscal Council of 16 October 1979 was unable to agree to this solution.

Subsequently, the decisions of the Court of Justice of 27 February 1980, on four of the five infringement cases brought by the Commission improved the possibilities for agreement by removing a number of the discriminations in this sector.

The President-in-Office of the Council has placed this issue on the agenda of a Fiscal Council on 27 October and has formulated further compromise proposals, which the Commission fully supports. A political solution is long overdue, and the Commission hopes that the Council will now be able to agree.

It is in the light of these considerations that the mixed taxation system for alcohol set up by Denmark falls to be considered. This new law departs radically from the Commission's approach to this matter, an approach approved by eight of the nine Member States and consisting of the application to alcohol of a single specific rate of duty. The compromise proposal now before the Council is in line with the Commission's approach.

It is for this reason that Commissioner Burke reacted immediately on being informed of the draft Danish law.

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Question No 15 by Miss Brookes (H-399/80)

Subject: Unfair competition

In view of the very high level of unemployment in the UK and, in particular, North Wales, I am deeply concerned about the increase in the amount of dumping of subsidized products on the UK market, which is seriously aggravating the employment situation.

It appears that subsidized Italian washing machines are to be dumped on the UK market and this could seriously affect the viability of some of the UK products. Can the Commission tell me whether any action can be taken against this grossly unfair competition?

Answer

The Commission assumes that the Honourable Member is referring to the aid now under consideration by the Italian Government to rescue a large undertaking producing washing machines and other household electrical appliances. According to the information available to the Commission, no decision has yet been taken by the Italian government.

If a decision to grant such aid is taken, the Italian Government would be required to notify it as a project to the Commission which would then evaluate it with regard to, *inter alia*, its potential effects on trade and intra-Community competition.

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Question No 17 by Mr Didó (H-402/80)

Subject: Crisis in the car sector and Community intervention

What measures does the Commission intend putting forward to combat the crisis in the car sector in the Member States? Does the Commission not consider that there is an urgent need for a Community strategy to support this sector, based on cooperation between manufacturers on research and the joint production of some components, either with financial support from the EEC or by coordinating national aid, through the establishment of appropriate Community intervention instruments, with the added purpose of laying down rules for relations between Community countries and third countries?

Answer

The Commission thanks the Honourable Member for his question but wishes to point that it has recently forwarded to the Committee on Economic and Monetary Affairs and to the Committee on External Economic Relations a document containing an assessment of the situation in the motor vehicle industry.

That document was prepared to encourage a broad debate in Parliament and the two Committees have already begun their work on this subject.

The Commission believes that the Community institutions must turn their attention immediately to the motor vehicle industry. Consideration of the document forwarded by us must enable, as the Honourable Member wishes, suitable measures enabling the European motor vehicle industry to retain its rightful place in the world to be highlighted.

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Question No 19 by Mr Martinet (H-404/80): withdrawn

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Question No 20 by Mr Patterson (H-405/80): deferred

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Question No 21 by Mr Moreland (H-407/80)

Subject: Trading agreements with Indonesia

Because Indonesia does not like restrictions placed on imports into the Community on textiles it is discriminating against certain imports into Indonesia from the Community. What action has the Commission taken to force Indonesia to end its discriminatory policy and does this action include making it clear to the Government of Indonesia that any review of the present bilateral agreement is dependent on the ending of discrimination against certain Community exports?

Answer

The Honourable Member will be aware that the Commission has opened consultations with the Indonesian authorities to try to resolve the problems relating to textiles in accordance with the terms of bilateral agreement on trade in this sector between the Community and Indonesia, with the last series of consultations taking place at the beginning of October.

The Commission hopes that these consultations will enable a solution to the current disputes to be found, without excluding a review of the agreement if necessary, and that Indonesia will then cease to apply restrictive measures to imports from the Community.

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Question No 22 by Mr Newton Dunn (H-408/80)

Subject: Fishing

What is the month for which all nine Member States have now notified to the Commission quantities of species landed in their ports, or landed outside the Community or transhipped by their fishermen and why has the information for this latest complete month and for all previous months not yet been published to the European Parliament, as was promised by the President of the Commission during Question Time in July?

Answer

1. There is a legal basis for the requesting and the dissemination of information on catches of the MS, and the Commission has been battling to get this information. At the present time our data is still too incomplete to give a clear and accurate picture, and is not as yet suitable for publication.
2. When we have a Community fisheries policy this problem will disappear because such reporting will become part of the normal procedure. In the meantime we are doing what we can with the legal

instruments at our disposal to get this information which is necessary not only an accurate quota system in our fish policy but also to fulfil our obligations to third countries.

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Question No 23 by Mrs de March (H-409/80)

Subject: Consequences for the female employment market of the various plans for industrial reorganization and of the enlargement of the EEC to include the 3 applicant countries

Will the Commission provide with all due speed a study of the number of jobs for women which have disappeared or are about to disappear in certain sectors, and sectors dependent on them, as a result of plans for industrial reorganization, and a study in respect of France, Spain, Greece and Portugal of the number of jobs for women likely to disappear in industry and agriculture as a consequence of the EEC's enlargement to include the 3 applicant countries?

Answer

1. This question must be seen against the background of the structural changes which will take place in the European Community in the next few years and also against the background of the fact that unemployment in the EEC is tending towards 7 million registered unemployed.
2. One factor which is relevant here, particularly in the case of unemployment among women, is the influence of new technology (micro-processors) on employment opportunities. The Commission submitted the report on this subject at the beginning of the year and that report was discussed at the meeting of the standing Committee on Employment on 26 February 1980. The Committee felt that the introduction of micro-processors would undoubtedly lead to far-reaching changes in the production process and in employment structures but that the nature and scale of these changes could not yet be defined with clarity.
3. To overcome this weakness in the analysis and gain a better overall insight, the Commission has set up a pool for European analyses and studies which will be open to all interested parties. In the EEC women represent no less than 45 percent of the overall figure for unemployment. This implies that the level of unemployment among women is significantly higher than among men. Special attention must therefore be given to this aspect in the analyses and studies.
4. I do not altogether share the view that enlargement of the Community will lead to lower employment opportunities for women in industry and agriculture. It is an established fact that sensitive sectors such as textiles, clothing, and footwear, in which women represent between 32 % and 85 % of the work force, may increasingly suffer from competition from the applicant countries. I would, however, point out that this competition already exists. Industry is not therefore unprepared. Moreover, the Community does have instruments at its disposal to alleviate the consequences of opening its market, both before and after accession.

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Question No 24 by Mr Schinzel (H-410/80)

Subject: Transborder school visits in the Community

What obstacles exist, to the Commission's knowledge, in the border regions of the Community to school visits to neighbouring countries, e.g. visits by Dutch children to the Federal Republic or by German children to Belgium, and what steps is the Commission taking to facilitate such visits?

Answer

1. The Commission has prepared a study indicating the general problems confronting the organizers of school visits and school exchanges. This study gave rise to a major conference on the subject of 'School visits and school exchanges' organized by the Commission in conjunction with the national Ministries of Education in Venice in 1977. The results were published in the Commission's educational series.

The Commission has recognized the specific potential of school exchanges between member countries but has not yet looked into the specific problems of frontier regions. So far the Commission has concentrated on an inquiry into the overall situation of pupil exchanges in the Community in order to outline the potential for action at Community level.

It will continue its technical work in this area and make more detailed studies of this important matter in its future programme.

2. A presentation of the Commission's proposals for Community action with a view to practical support for school visits and school exchange programmes (including exchange programmes in frontier regions) will be found in the Commission's communication to the Council on language teaching in the Community dated 22 June 1978.¹

The Commission is actively supporting the interest shown by the Parliamentary Committee on Youth, Culture, Education, Information and Sport in this matter and hopes that the Resolution now being prepared on educational and youth exchange visits will lead to stronger exchange programmes in the Community. This is extremely important in the light of the aim of bringing the peoples of the Community closer together.

To make the problems and possibilities better known in the meantime and disseminate the information which is already available, the Commission will be publishing in 1981 the first Community handbook on youth and educational exchanges. Again in 1981, the Commission will be publishing case studies in its educational series showing how problems can be solved through the successful organization of school visits and school exchange programmes of many different kinds.

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Question No 25 by Mr Welsh (H-411/80)

Subject: Aids for the horticultural sector

In reply to written question 296/80 by Mr Newton Dunn² Vice President Gundelach states 'The Commission . . . has in fact asked the Member States to discontinue all aid measures including those connected with production costs in horticulture except during two periods when oil prices rose suddenly (1974-75 and 1980). Strict conditions have been attached on each occasion to the authorization of aids'.

Recent reports have mentioned proposals for: 5 % interest subsidy on oil purchases for Belgian growers and 12 % for German growers; improvement credits worth FF 45 million for French growers from the French government for fuel conversion; an export subsidy scheme for Guernsey tomato growers; restrictions on the export of Dutch horticultural products to Denmark; a HFL 32 million research programme into fuel conversion in Holland where subsidized prices for natural gas continue to be available.

In the light of this, does the Commission not consider that the time has come to make detailed proposals to replace all national aids by a single Community system?

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Question Nr 36 by Mr Beazley (H-432/80)

Subject: Energy costs in horticulture

In view of the answers provided to my previous questions on this subject and the apparent failure of the Dutch Government to agree the complete harmonization of energy costs in horticulture before 1981, despite Article 93.1 procedure having been invoked, would the Commission now indicate the measures it will take to achieve its objective of providing a genuine common market in horticultural products?

Joint answer

The Commission finds that there is a clear distortion of competition in this sector caused by the special tariff applied for gas supplied to the Dutch horticulture. Therefore the Commission has now

¹ Com (78) 222 final, Annex B and Financial Schedule Annex D.

² OJ, C 183, 27. 7.1980, p. 63.

decided to engage the State aid procedure foreseen in Article 93, paragraph 2, of the Treaty against the Netherlands.

As an example of the distortion taking place I can mention that the Dutch export of tomatoes to the UK during the first 6 months of this year has increased by 85 % and of lettuce to the UK has increased by 50 % in the same period.

I should add that the present case is the sort of thing that results from a lack of harmonization of energy prices. The price increase for energy should go fully through to consumers and this should also be the case for Community horticulture. This indicates that only a Community energy policy can eliminate problems of this kind. Until we have a policy, we must do what we can with the instruments at our disposal.

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Question No 26 by Mr Deleau (H-415/80): withdrawn

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Question No 29 by Mrs Dienesch (H-418/80)

Subject: Urgent measures to support pig-meat prices

In view of the serious fall in pig-meat prices which is threatening the livelihood of many producers, particularly in western France, what emergency measures does the Commission intend to take to ensure respect for Community preference and to eliminate distortions of competition within the European Economic Community?

Answer

Support measures taken by the Commission include:

- an extension of aid for private storage until the beginning of October and this has taken more than 30 000 tonnes of pig-meat of the market,
- additional import levies on certain products from certain third countries,
- increased export refunds from the beginning of September.

Together these measures have strengthened the Community pig-meat market. Prices have risen steadily since the beginning of September, going from 83.9 % of the basic price to 86.5 % at the end of the month.

However imports have shown an unhealthy development lately and the Commission is looking into the possibility of strengthening the sluice-gate price system.

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Question No 30 by Mrs Nielsen (H-420/80): deferred

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Question No 31 by Mr Giunmarra (H-423/80)

Subject: Crisis in the wine sector

In view of the very serious crisis in the wine sector and the disquieting prospects for the new wine marketing year, does not the Commission consider it essential to take action to cancel authorizations

to add sucrose, to remove taxation penalizing wine consumption, to respect the principles of the preference scheme, to protect the produce traditionally grown in the southern areas, to increase the level of refunds, to encourage promotional campaigns and to ensure the enforcement of Court of Justice rulings?

Answer

There is already in effect a new Community wine policy which takes care of the concerns evoked by Mr Giummarra, and which I have described to the House on several occasions. This wine action programme includes structural as well as commercial elements and provides a whole range of measures including a recommendation to Member States that they reduce wine excise taxes. A number of specific actions have been taken to provide extra support for the market as a result of this year's high level of production, including special distillation and the 'garantie de bonne fin'.

When these points are taken into account, together with the fact that next year's wine production will be lower than this year's, I cannot agree that there is a crisis in the wine market. The Commission's wine policy will support producers' incomes at a time when an unusually large stock would normally cause prices to drop significantly.

So far as the specific questions are concerned:

- the Commission has made important progress this year towards a much greater limitation on the use of sucrose,
- Community preference is assured by a reference price and the possibility of compensatory taxes,
- export restitutions ensure access to third country market,
- the Commission believes that producers themselves should organize publicity campaigns for their wines.

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Question No 32 by Miss Qmin (H-425/80)

Subject: Procedure for considering and approving applications under the Regional and Social Funds

Is the Commission satisfied with its present procedure for considering and approving applications for Regional and Social Fund assistance, and, if not, what changes would it wish to see?

Answer

Experience with the functioning of the Regional and Social Funds during the last few years has shown that the procedures for considering applications for assistance can be, in the aggregate, considered satisfactory. Nevertheless, certain aspects still need to be improved.

In the Regional Fund these aspects concern for example the description of a project's regional impact, its link with the regional development programmes, and the presentation of small projects. These aspects will be considered in the preparation of the next revision of the Regional Fund Regulation.

In the Social Fund there have been problems of delays in the handling of applications, due to several factors, including the frequent need to consult Member States for further information. In 1979, however, the Commission succeeded in speeding up the decision-making procedure. Further efforts in this direction will be made in collaboration with the Social Fund Committee and the Member States.

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Question No 33 by Mrs Castle (H-426/80)

Subject: Apples

Is the Commission aware that during Parliament's plenary sessions in Strasbourg the only type of apples served in the restaurants is the French 'Golden Delicious'. Can the Commission confirm that

this non-communautaire discrimination against other excellent apples such as the Cox's Orange Pippin does not exist in the Commission's own restaurants and will they ensure that a variety of Community apples is on sale in them?

Answer

The Commission runs its own restaurants and has to balance revenue and expenditure. 'Dessert apples' are bought on the open market each day. No variety is specified, price being the sole determining factor. The Commission does not therefore set out to discriminate between varieties.

The restaurants operating during Parliament's plenary sessions in Strasbourg are run by a catering firm which selects its own produce.

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Question No 34 by Mr Maher (H-427/80): deferred

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Question No 35 by Mr Maffre-Baugé (H-430/80)

Subject: Table grapes

Since producers of table grapes apparently do not benefit from adequate arrangements, their income is falling as a result of the absence of any measures to prevent excessive market fluctuations.

There is a need to find a use for table grapes withdrawn from the market in order to guarantee quality and stability, since Community regulations restrict to a minimum the amount which may be turned into wine.

Two avenues might be explored:

- (a) A Community regulation providing for the grant of aid amounting to FF 0.35 per litre to producers of grape juice. Such aid would not be linked to any guaranteed minimum producer price, whereas aid granted to producers of other products is linked to guaranteed minimum prices.

For example:

	crop price (per 100 kg net at the farm gate)	EEC aid (per 100 kg)
Peaches	184.65	152.37
Williams pears	172.37	135.01
Prunes	810.22	280.07
Morello cherries	436.19	181.90
Other cherries	388.24	170.79

- (b) Alternatively, the grapes withdrawn by recognized producer groups should be sent for processing rather than be destroyed. In that case, the processor could make up the inadequate withdrawal price (around FF 0.08) by a premium which would bring the producer price up to FF 1.20.

I should therefore like to ask the Commission whether these proposed changes would not help to protect the table grapes market and producers' incomes?

Answer

The Commission does not agree that market support measures for table grapes are insufficient. Several points can be made.

- The basic market regulation provides for withdrawals from the market. This measure has been used a few times in Italy.

- The close link between grape musts and wine means that the price of grape must is largely supported by measures in the wine sector.
- The Community has set up, as of the present campaign, aids for the use of must in grape juice.

In the light of these facts the Commission cannot accept, Mrs Chairman, that there are not sufficient measures to support the income of table grape producers.

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Question No 37 by Mr Adam (H-433/80): deferred

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Question No 38 by Mr Combe (H-438/80): deferred

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Question No 39 by Mr De Keersmaeker (H-440/80)

Subject: Ban on entry into France of articulated motor coaches exceeding 15.5 metres in length

Is the Commission aware that with effect from 1 October 1980 the French Government is imposing a ban on entry into its territory of articulated motor coaches exceeding 15.5 metres in length, and does it not feel that such legislation violates the provisions of the EEC Treaty on free competition, with consequent adverse effects for motor coach undertakings and manufacturers in other countries?

Answer

The French Government has informed the Commission of Decree No 80/648 of 2 September 1980, which entered into force on 1 October and modifies certain provisions of the 'Code de la Route'.

Under this Decree, the maximum permitted length of articulated vehicles (including lorries and buses) is increased from 15 metres to 15.5 metres.

There exists a derogation which allows the use of articulated buses up to a maximum length of 18 metres. The French authorities have issued a circular, separate from the Decree already mentioned, which restricts this derogation to buses in urban transport.

The Commission is aware of the fact that the diversity of national limits on weights and dimensions of vehicles poses serious problems both for the transport sector and for vehicle manufacturers. It has therefore proposed to harmonize national laws and regulations in this respect.

The maximum length of 15.5 metres provided for in the French Decree accords with the Commission's proposals on this point.

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Question No 40 by Mr Bonaccini (H-441/80)

Subject: Eurocontrol's powers

What steps does the Commission of the European Communities intend to take to prevent the Eurocontrol Commission of Ministers from deciding next November to withdraw from that organization all legal powers in the field of air traffic control?

Answer

In 1978 the Commission proposed to include air traffic control on the priority list of topics for examination in a Community framework. This was refused by the Council. Under these circumstances, the

Commission does not feel that it would serve any useful purpose to make proposals to the Council concerning Eurocontrol.

The Commission is, however, following the matter closely in view of the importance of a coordinated high level ATC system for air transport activities in the Community and has concluded a cooperation agreement with Eurocontrol.

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Question No 41 by Mr Diana (H-443/80)

Subject: Aid following natural disasters

On 22 September 1980 the province of Savona was struck by an exceptionally heavy hailstorm. This natural disaster affected a total of almost 300 hectares under glass and about 2 000 farms producing mostly winter fruit and vegetables and flowers mainly for export. Does the Commission not consider that aid is urgently needed to help to offset the loss of crops and equipment estimated to be equivalent to some 150 000 million lire?

Answer

The Commission services are in contact with the relevant Italian authorities in order to obtain further information about the events described by the Honourable Member before assessing whether the damage meets the strictly limited criteria under which disaster aid may be granted.

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Question No 42 by Mr Radoux (H-444/80): deferred

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Question No 43 by Sir Frederick Warner (H-445/80): deferred

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Question No 44 by Miss Hooper (H-449/80)

Subject: International Sugar Agreement

Has any progress been made since last March to ensure the Community's membership in the International Sugar Agreement?

Answer

1. Yes, some progress has been made.
2. The International Sugar Council has now¹ made clear its desire to enter constructively into negotiations to secure Community membership of the Agreement as quickly as possible, though not on any basis which would exclude a fixed limit for Community exports when quota restrictions were in force under the Agreement.
3. The Commission has requested a mandate² from the Council of Ministers to undertake such negotiations, and it has framed its proposals³ for the new Community internal sugar regime in such a

¹ Letter of 2 June 1980 from Executive Director of ISC to the Commission.

² COM (80) 475 final of 30 July 1980.

³ COM (80) 753 of 30 September 1980.

way that this would be compatible with the obligations of membership, if the negotiations were successful.

4. However, the Council of Ministers has still to decide on these proposals.

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Question No 45 by Mr Seligman (H-450/80)

Subject: Civil defence measures

What measures does the Commission plan to take in order to coordinate an effective civil defence of the Community against nuclear attack?

Answer

Civil defence measures are a matter for Member States, and not the responsibility of the Commission.

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Question No 46 by Mr Kavanagh (H-452/80)

Subject: Community policy for the development of smaller ports

Will the Commission state its policies relating to, and the aids available for, the development of smaller ports particularly in the lesser developed regions of the Community where they are an essential element in the infrastructure necessary for further economic development?

Answer

The Commission considers that port infrastructures in general are an important factor in the development of the less-favoured maritime regions. Thus, provided that they have satisfied Regional Fund eligibility criteria, applications for aid for port infrastructure projects submitted to the Fund have almost always resulted in decisions to grant aid.

The Commission would however draw the Honourable Member's attention to the fact that under the terms of the Fund Regulation, applications for aid must be submitted to the Fund by the Member States and that consequently Fund aid for small port infrastructure projects is conditional on such applications.

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Question No 47 by Mrs Desmond (H-454/80)

Subject: Cuts in Regional Fund aid to Ireland

Will the Commission clarify its position relating to its recent proposals for revising downwards the quotas of the Member States, to allow for Greek entry, particularly for Ireland, where this Fund is of considerable significance, and will it propose instead considerable expansion of the Regional Fund?

Answer

The inclusion of Greece in the Regional Fund quota system as from 1 January 1981 obviously raised the problem of proportional adjustments to the quotas of the present Member States.

In the document which it has just forwarded to the Council and to Parliament,¹ the Commission has proposed a quota for Greece equal to 15 % of the amount of the ERDF quota section. This figure is based on a comparative analysis of the situation of Greece compared to that of the other Member States of the Community.

As regards adjustments to other Member States' quotas, the Commission has tried to ensure that the least prosperous Member States will be least affected. Instead of proposing a simple linear adjustment, it drew up proposals in accordance with a distribution scale based on the deviation of per capita gross domestic product in each Member State from the Community average.

The Commission also shares the Honourable Member's view on the need to increase the resources of the ERDF, and would point out in particular that on the basis of its proposals for the 1981 budget, the amounts available for each Member State under the Regional Fund have risen in absolute terms despite the reduction quotas expressed as a percentage of Fund resources.

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Question No 48 by Mr Hume (H-455/80)

Subject: Commission proposals in favour of small farmers in Northern Ireland

Given the urgency of the situation facing small farmers in Northern Ireland, will the Commission report on the recent discussions in Council on the Commission's proposals for structural and other measures in favour of Northern Ireland farmers?

Answer

Discussion of the two proposals of the Commission relating to the development of agriculture in Northern Ireland is continuing in the Council within the framework of the overall discussions on the structural package. A decision by the Council on this package is anticipated in the near future.

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Question No 49 by Mr de la Malène (H-457/80)

Subject: Agreements between Italian and Japanese motor vehicle manufacturers

How does the Commission view the technical and financial agreements which have been concluded or are about to be concluded between Italian motor vehicle manufacturers, specifically Alfa Romeo, and the Japanese motor vehicle industry, represented by the Nissan company; is this agreement not likely to lead in the long term to a cut-back in jobs among competing Italian companies, particularly Fiat, and also among some French manufacturers?

Answer

The Commission has been informed of the progress of discussions concerning the Alfa-Nissan agreement during talks with the main parties involved. The proposed operation comprises a series of industrial and commercial measures over a period of several years. The Commission has not yet completed its examination of the agreement which was only approved at the end of September and cannot therefore give its opinion for the moment:

- on the subject of the compatibility of this agreement with the rules of competition;
- on the possible repercussions on the distribution of employment within the Community.

¹ COM (80) 368 final, 6 October 1980, proposal for a Council regulation (EEC) amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund.

The Honourable Member may also refer to the answer to Question No 1103/80 by Mr Pedini and to the document containing a factual review of the situation in the motor vehicle industry as a background text for the forthcoming debate on this topic.

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Question No 50 by Mr Boyes (H-461/80)

Subject: Integrated Operations Areas

Would the Commissioner explain to the Parliament how to determine which area should be designated as Integrated Operations Area? Further would they say any areas in Country Durham could be so designated and particularly the town of Consett where unemployment is expected to be 50 %?

Answer

1. The 'integrated operations' approach is still only in an experimental stage.

The Commission cannot therefore establish rigid criteria as yet for determining what areas should be designated Integrated Operations Areas, although it is now working on the establishment of one such operation in Naples; a second is also being considered for Belfast. Given the limitations on the activities open to the Commission in terms of resources and staff, it is quite out of the question for the launching of any further projects of this kind to be considered at present.

2. At a more general level the Commission can, however, specify a number of conditions that it feels must be met before an area can be considered for classification as an 'Integrated Operations Area'. It must:

- be covered by the regional development programme;
- have especially severe employment and development problems, and at the same time constitute a region of significant economic activity and population in relation to the Community as a whole;
- be in receipt of considerable current or projected financial aid from its national government or local authority;
- meet the conditions necessary for action by a number of Community financial mechanisms.

3. As to the question of whether certain areas of County Durham (population 600 000) can be classified as Integrated Operations Areas, it would be premature, given the current experimental stage of Integrated Operations, to give a definitive answer. The determination of Integrated Operations Areas is, at all events, based on data and guidelines provided by the Member State concerned. The Commission would also point out that it has already shown an interest in the Consett region, where several Community mechanisms are in operation (in particular the ERDF and the Social Fund).

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Question No 51, by Mr Van Miert (H-462/80)

Subject: Cultivation of witloof chicory

Can the Commission confirm that France applies certain support measures for the cultivation of witloof chicory which have a discriminatory effect in particular on Belgian chicory producers and what does it intend to do to stop this discrimination?

Answer

The Commission has not been informed of the granting of specific aids for the production of witloof chicory in France contrary to the rules of competition laid down in the Treaty.

In France as in other Member States, investment aid is granted for agricultural products at the level of the farm holdings and this also applies to the cultivation of witloof chicory; this aid falls within the context of Directive No 72/159/EEC on the modernization of farm holdings.

SITTING OF TUESDAY, 14 OCTOBER 1980

1. Approval of minutes	44	10. Consumer policy — Joint debate on the report by Mr O'Connell, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-450/80) and of the Oral Question with debate by Mrs Scrivener (L) (Doc. 1-435/80): Mr O'Connell, rapporteur	78
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3. Membership of committees	44	11. Customs union — Barriers to trade — Joint debate on two reports by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs (Docs 1-339/80 and 1-440/80): Mr von Wogau, rapporteur	94
4. Implementation of the Communities' budget for 1980 — Oral Question with debate (Doc. 1-461/80) (continuation): Mr Dankert; Mr Tugendhat (Commission)	44	Mr Delors; Mr Beumer; Mr de Ferranti; Mr Leonardi; Mrs Nielsen; Mr Nyborg; Mr Turner; Mr Beazley; Mr Purvis; Mr Davignon (Commission); Mr von Wogau	95
5. Presentation of the draft general budget of the Communities for 1981: Mr Santer (Council)	47	12. Directive on the protection of workers from harmful exposure to lead — Report by Mr Newton Dunn, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-453/80): Mr Newton Dunn, rapporteur	104
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6. Commission statement on the situation in the iron and steel industry: Mr Jenkins (Commission)	67		
Mr Delors; Mr Glinne; Mr Pedini; Miss Forster; Mr Frischmann; Mr Calvez; Mr Deleau	69		
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9. Commission statement on the situation in the iron and steel industry (continuation): Mr Skovmand; Mr Coppeters; Mr Davignon (Commission)	75		

IN THE CHAIR: MRS VEIL

President

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

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I received various documents which can be found set out in the minutes.

3. *Membership of committees*

President. — I have received from the European Democratic Group a request to appoint Mr Moreland to the Committee on Energy and Research, to replace Sir Peter Vanneck.

Are there any comments?

The appointment is ratified.

4. *Implementation of the Communities' budget for 1980*
(continuation)

President. — The next item is the continuation of the debate, begun yesterday, on the oral question by Mr Notenboom and others (Doc. 1-461/80).

I call Mr Dankert.

Mr Dankert. — (NL) The statement Commissioner Tugendhat made yesterday on the utilization of the amounts entered in the budget by Parliament by means of amendments was, in my view, fairly satisfactory. That was no great hardship this year, because Parliament adopted very few amendments during the last

round. The only exception, to which Mr Aigner has also referred, was perhaps the question of the ceramics and textile industries, and I wonder whether, despite the absence of a legal basis, the Commission could not have found a way of using these amounts by means of 'specific actions'. That has been done in the past. I did not hear the Commission say during the voting on these amendments that expenditure in this field was impossible.

Madam President, as happens every year, we are again faced with the fact that 100 % or more of compulsory expenditure, particularly that on agriculture, is being utilized, while some of the appropriations approved in the non-compulsory sector have again not been used. The result is a worsening of the balance in the budget. And I should like to ask the Commissioner a few more direct questions on the development of agricultural expenditure than the ones he answered yesterday. According to the Commissioner, expenditure up to October amounts to 83.3 %, slightly above what is required when a budget runs its normal course. I would be very interested in hearing from him whether, in view of likely developments in the months to come, it can now definitely be said that there will be no supplementary budget or that there will be no substantial conversion of non-compulsory into compulsory expenditure. I would like to be sure about this because I believe that we must not find ourselves in the same situation as last year, with a supplementary budget being rushed through Parliament at the last moment, with all kinds of unpleasant consequences — I am referring, of course, to the 203 m. I should therefore like precise details not only on the present situation, but also on what is expected to happen in the few months to come.

I have two more comments to make, Madam President. The first concerns what Commissioner Tugendhat said yesterday about transfers under the system of provisional twelfths. He said that this system has not really worked satisfactorily in the Commission's view and that, in connection with the review of the Financial Regulation, for example, it therefore feels it will have to revert to this matter. I thought both Parliament and the Council were of the opinion that the position regarding the transfer to the articles concerned was extremely clear and that a review of this aspect of the Regulation was superfluous, although a problem did arise, for instance, as regards the Commission's power to divide agricultural expenditure into commitment appropriations and payment appropriations and thus to operate a system of advances which it could not use where advances were made on a twelve-monthly basis because the total budget would automatically be exceeded. I feel this is a matter which requires somewhat closer attention, since the legal services find that the necessary lack of clarity exists in this respect.

My second question is as follows: can the Commission state whether it is completely or fairly sure that budget-

Dankert

ary funds will be required this financial year following the declaration of a manifest crisis in the steel sector, or is this a situation which will occur only in 1981, and what amounts does the Commission think will be involved?

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Madam President, you caught me slightly unawares and, I must confess, slightly before I was ready, because the questions asked particularly by Mr Dankert are not only important but also very specific. However, let me begin at the beginning of the debate, or even before the beginning of the debate when I was asked a very specific question by Mr Patterson, concerning the heritage.

The problem here is, of course, that it was a new item and therefore got caught up in the twelfths. But we are certainly hoping that we will be able to spend the money and we will try to provide him with additional information on this point subsequently.

I was also asked a question by Mr Aigner about the nature of the Commission's position on a legal base. Now, I felt that we were in danger of running into a disagreement where none existed, or at any rate that we were in danger of running into a disagreement where the differences between us were not as great as appeared to be the case in the debate. I laid out, in answer to Mr Notenboom, the Commission's traditional position that the budget is an absolutely necessary but not in itself always sufficient condition for expenditure. I drew attention to various statements made by parliamentarians which, in my view, were of a similar nature.

None the less, as Mr Aigner said, there is an area of very considerable uncertainty here, that certainly needs to be very much more carefully and specifically defined than it has been in the past. Our strong view is that it is important for the institutions to reach a political settlement on this matter. I hope very much that, in view of the strong feelings expressed on this occasion by Mr Aigner, but on other occasions by other Members, that Parliament will consider the advisability of launching a conciliation procedure on this point. It is a point that needs to be cleared up and it is something, as I think Mr Notenboom agreed from the way in which he nodded his head when I was speaking yesterday, that can only function effectively if both arms of the budgetary authority and ourselves as well, are in agreement on the interpretation, because if there isn't agreement on the interpretation one could find oneself in a very difficult situation indeed.

So, I would urge on the House, in the light of Mr Aigner's exhortations — though, as I say, they are in line with what other Members from other parts of the

House have said in the past — that a conciliation procedure ought to take place on this and that we all ought to seek to work towards a common understanding of this difficult and important point.

Now, Mr Taylor also put a specific question when he asked me whether I felt that the Commission — or the Community I think he said — was as effective a steward of its money as the Member States. Well, it would be very dangerous, I think, to be too dogmatic on that subject, Madam President, but when I look around the Member States and see the difficulties which some of them have got into in calculating their estimates and the way in which in some Member States, even despite the greatest efforts on the parts of Ministers of Finance and others, expenditure appears to rise more rapidly than those Ministers would wish, I think that I can safely say that we compare favourably with Member States. I would not want to claim more than that. No doubt some are better but I am not sure I would say that all of them are.

I would also point out that we are very dependent on the Member States themselves in the implementation of our budget. Indeed, when I went through the list of items in my speech late last night, I pointed out how on some of them we had been unable to spend because of the absence of action in the Council; on others we had not spent as much as we would have wished because there had been a delay in receiving applications from the Member States.

In some respects, on some of the funds, we cannot be better than the Member States themselves because if they do not send in the applications and the receipts and so forth, we are unable to spend the money — that, of course, is a reason why we must try to improve the performance of these funds; it is a point that Parliament has been very concerned about ever since I have been here and I think in the last year we have managed to make a really substantial improvement.

I drew attention particularly in my remarks — but I do so again because it is a slightly different group of people in the audience than was the case yesterday — to the great improvement made in the Social Fund. Now the Social Fund has always been an area where payments have been, rather slow. We recently introduced a new system for making payments; this year — and, of course, it is very relevant to the 1981 budget procedure — we believe that there will not be any carry-over from the Social Fund into next year. The Social Fund has, of course, always been important, but its importance is perhaps particularly underlined by some of the difficulties facing European industry at the moment. Mr Dankert referred to the steel industry where the Social Fund has a role to play.

Now, on other specific questions: I was asked a question by Mr Aigner concerning lines 3720, which is action in the ceramics sector, and 3722 — textile industry technology. Mr Aigner claimed that the

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Commission ought to have implemented these lines as 'action ponctuelle'. The situation is in fact as follows: initially the Commission suggested programmes which would require a legal base. Now, it is true that in the course of discussion there was talk of turning these programmes into studies which the Commission could then have implemented, but that would have required a change in the commentary. We were of course beginning to run up against deadlines.

The basic point is that it had taken a long time in the Council to get any progress at all! So I hope that that explains why we were unable to move quite as fast as Mr Aigner would have liked. As the House will be aware, changes in the commentary are not an absolutely straightforward business.

Mr Dankert asked me some specific questions with regard to agriculture. I will do my best to answer them. But, as he will appreciate, it is more important to get the answers right even if I do not answer them immediately, than to provide an immediate answer and get them wrong. That was why I was hoping that there might be one or two more speakers between the time Mr Dankert sat down and the time I stood up.

None the less, in the case of agriculture, total credits amount to 11 507 m EUA. Advances until October accounted for 9 679 m EUA, so the balance for November and December on that basis is 1 828 m EUA.

Our latest information is that payments in September have not only been lower than expected, but that payments in September were less than the Member States expected when they made their requests for advances and therefore the surplus money from September should be taken into account for the last three months of the year.

I have said before, and I say again in answer to Mr Dankert's specific question, that we do not expect, we do not wish, we do not believe that there will be a supplementary budget. There is a saying in English, a language which Mr Dankert speaks very well, that one should never say 'never' in politics. I think in general it is wise. If I had not got that exhortation ringing in my ears, that one should never say 'never' in politics, I think I would be prepared to give the absolute assurance that he is asking for. But I think it is unwise to be as absolute as that. I really do not believe there will be one. We are confident that we can live within the limits and it is certainly our strong view that there should not be one.

Obviously there will have to be transfers within Titles 6 and 7 this year as in the past. That is normal procedure. But I take his point about there being a difference between the transfers between compulsory and compulsory on the one hand and between non-compulsory and compulsory on the other.

Certainly, our view is that there should not be transfers between non-compulsory and compulsory. So I hope that that provides the answer that he needs.

Now, that concerns agriculture. I have gone as far as I possibly can on saying there will not be a supplementary budget, and I have made the point about transfers from within the budget as well. Of course, this means that we should make sure that the necessary measures are taken to fulfil what I have said though, as Mr Dankert recognizes, we are dependent on the Member States for information and sometimes there is a dangerous time-lag between a change becoming apparent and action being taken. The changes are not always in the same favourable direction as they were in September.

Now, he also asked a question about manifest crisis. Of course, you will be aware that, whatever one's view of the steel industry may be — it may indeed be in a state of manifest crisis — the formal state of manifest crisis has not in fact been declared. I need to make that important distinction. In any case, our view is that we can get by in 1980 with the existing credits. The House has, of course, in the past — I do not see Madam Hoff at this moment, but it is her name that comes most readily to mind on this subject — emphasized the very great importance that it attaches to measures in this area, and we certainly believe that if action was necessary earlier, it is even more necessary now and it is likely to be still more necessary in the future. The social consequences of the rundown in the steel industry are profound. They are not limited by any means to one Member State nor are they limited to one area of our Community. I think that in dealing with the steel crisis and with the production and the prices and the sales and all the rest of it, one must give equal attention to the social aspects of the crisis, and one must seek to mitigate the consequences of what is happening as far as is humanly possible. I wish that Madam Hoff were here on this occasion. But that at any rate is the situation.

On the final point about the provisional twelfths, as I said in my remarks at the beginning, I think we all learned a good deal from our first — I do not know whether it will be the last — exercise with the provisional twelfths system, and I drew attention to the problems that arose from having limited finances on the other. Certainly, I think we are going to have to ponder very carefully the lessons which have been learnt. Perhaps the framework within which to ponder them is in the revision of the Financial Regulation which is an exercise in which all of us will be participating.

Madam President, that brings me to the end of my remarks. I hope I have dealt with all the points which were raised in the debate yesterday and today. If there are further points which I have not been able to cover

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in the short time available, if Members would draw them to our attention, we will write formal replies to them.

President. — The debate is closed.

5. *Presentation of the draft general budget of the Communities for 1981*

President. — The next item is the presentation by the Council of the draft general budget of the European Communities for 1981 (Doc. 1-465/80).

I call Mr Santer.

Mr Santer, President-in-Office of the Council. — (F) Madam President, on 24 September, after nineteen hours of deliberations, the Council established the draft general budget of the European Communities for the 1981 financial year, which I today have the honour of presenting to the European Parliament.

I believe I am not exaggerating when I say that the deliberations that night of 23 and 24 September were amongst the most difficult ever experienced in the budgetary field within the Council.

The Council was in fact faced with various awkward choices.

While, on the one hand, it wanted to provide the Communities with appropriate resources in 1981, with account also taken of the accession of Greece, it could not, on the other hand, overlook the growing economic difficulties of the Member States, which are also reflected in the national budgets, which, owing to the downward economic trend, are subject to increasingly severe constraints. The margin for manoeuvre which the governments of the Member States have in areas as essential as social policy, defence, and, in particular, new activities is extremely small, if not virtually non-existent. Inevitably, this situation is reflected in the attitudes of the governments of the Member States towards the Community budget.

While it is true that the deliberations leading to the establishment of the draft budget were difficult and laborious, because of the restrictions on the Council and the sometimes differing interests of the Member States, I would warn against drawing hasty conclusions on the outcome of the Council's discussions.

I was also somewhat surprised to read in the European press on 24 September that the Communities were heading for a new budgetary crisis, since I myself felt that we had in fact avoided one the previous day.

For the first time, the Commission felt it must dissociate itself from the Council's decisions on the grounds

that the draft budget established by the Council would not properly reflect the Community's priorities.

I shall come back to this criticism in a moment.

But firstly, to permit the Members of the European Parliament to make a better assessment of the context in which the Council acted, I should like to make a few introductory comments and then refer to a number of chapters of the draft budget which will undoubtedly interest Parliament most.

My first comment is this:

The natural and immediate reaction of all those who, since 23 September, have expressed their views on the draft budget established by the Council, was to compare it with the preliminary draft submitted to us by the Commission in July. Without a doubt, that will also be the reaction of the Members of this Parliament who, in their various committees, will be finding out what this draft budget proposes to give to the areas which interest them and comparing it with the hopes awakened by the preliminary draft budget. That is the natural reaction, and one which I personally understand.

But I would ask you to put yourselves for a moment in the shoes of the Finance and Budget Ministers, who are called upon in the Council to consider the budget for the year to come. There was also a natural immediate reaction: they compared what is being asked of them for 1981 with what was allocated in 1980, calculated the difference and then asked for reasons to support this difference.

A practical example will perhaps show precisely what I mean. In the preliminary draft the Commission proposed increases over 1980 of 25.48 % in the case of commitment appropriations and of 27.85 % in the case of payment appropriations. I hardly need to point out, Madam President, that in several Member States there will be no increase in public spending in 1981 over 1980, and in some there will be a reduction.

And it is not therefore surprising that, in the circumstances, there should be a movement within the Council to reduce these percentage increases to levels that are more acceptable to the majority of the Member States.

But what has become of these growth percentages in the draft budget established by the Council?

In spite of everything, Madam President, the draft budget represents an overall increase of 3 580 m EUA in commitment appropriations and of 3 550 m in payment appropriations, compared with the 1980 budget, or of almost 21 % and almost 23 % respectively. These percentage increases are far higher than the rates of expansion of the national budgets.

Santer

The most analytical criticism levelled at the Council's draft budget — and it is clearly derived from the Commission's statement to which I have already referred — is that, by reducing non-compulsory expenditure, the Council has upset the balance which the Commission had tried to strike in the preliminary draft by increasing such expenditure and thus reducing the relative share of agricultural expenditure.

Well, what is the present situation? The agricultural sector taken as a whole, in other words the Guarantee Section of the EAGGF, including food aid refunds, the Guidance Section of the EAGGF, the fisheries and maritime policies, and certain agricultural appropriations entered in Title 3 of the budget, has been allotted 69.9 % of the payment appropriations included in the 1981 draft budget. It seems to me that, compared with the 75.5 % that was the agricultural sector's share of the payment appropriations in the 1980 budget, on which Parliament and the Council agreed barely three months ago, this is a significant development in the direction which Parliament considers necessary.

I should like to emphasize at this point that the Council fully shares the European Parliament's view that agricultural spending must be brought under control, particularly as regards the cost of surplus production, and it feels that it has already provided evidence of its conviction.

In the autumn of last year, Parliament called for the entry in Chapter 100 of the 1980 budget of an amount corresponding to the increase in the co-responsibility levy on dairy products, which was then 0.5 %. Even though it did not immediately act on this request because a formal decision had not yet been taken on the essence of the matter, the Council did express its sympathy with Parliament's concern and subsequently demonstrated that this sympathy was sincerely felt.

As you know, the Council has since then quadrupled the standard co-responsibility levy to 2 %, the rate being 1.5 % for the first 60 000 litres produced by farmers in less-favoured areas. Moreover, the Council has decided that, if milk supplies increase by 1.5 % or more in 1980 compared with 1979, a supplementary co-responsibility levy will apply.

The draft budget forwarded to the European Parliament therefore includes, where the co-responsibility levy is concerned, an additional saving of 286 m EUA compared with 1980 and of 415 m EUA compared with 1979, 175 m EUA of which can be ascribed to the supplementary levy.

In addition, expenditure for the support of agricultural markets (Guarantee Section of the EAGGF) has been increased by 12 % in the 1981 draft budget compared with 1980, which is very clearly an improvement over previous years (1975-1979), when the increase averaged 23 % a year. And this despite the fact that the

1981 draft budget includes expenditure relating to new market organizations.

This 12 % increase must also be compared with the overall increases in commitment and payment appropriations in 1981, which, I would point out, are 20.69 % and 22.68 % respectively.

I would also remind the House that the European Council instructed the Commission to submit by the end of the first half of 1981 proposals for structural modifications designed to ensure the more balanced development of common policies. In these circumstances, I feel it would be wrong at this stage to anticipate the important debate that must take place in the months to come on the introduction of these structural modifications.

Other criticisms have drawn attention to the fact that the draft budget does not include appropriations to allow action to be taken on the decisions on agricultural prices and associated measures for the 1981/82 marketing year.

In this regard, the Council noted that, in Volume 7A of its preliminary draft budget, the Commission stated that when drawing up price proposals 'it will at the same time make proposals for financing which, it stresses, will have to be found by savings to ensure that neither the balance of the budget is upset nor the 1 % ceiling is exceeded'.

I am sure that these proposals will be examined by the Council and by Parliament with all the interest and promptness they deserve.

In this context, I would recall an important passage in the conclusions on which the Council agreed in February 1980, when it was considering the financial implications of the measures envisaged by the Commission for the common agricultural policy. The Council stated at that time that it was absolutely essential for the common agricultural policy to be better organized so that the rate of increase in agricultural spending might be appreciably reduced and also, having regard to the resources which must be allocated to other policies, so that the 1 % limit on own resources would not be exceeded.

Before concluding this general part of my statement, I should like to remind Parliament that the draft budget is established by a qualified majority. What you have before you is the outcome of the application of this procedure.

Although the results of the Council's deliberations may appear disappointing to Parliament in certain respects, I would ask you not to forget that they are the best on which an agreement could be reached by a qualified majority.

Santer

In fact, since the Council is obliged to submit the draft budget to Parliament before 5 October, most of the delegations had to agree to sacrifices so that compromise solutions likely to obtain a qualified majority might be found and the Council might then take a decision.

All those who pass judgment on the 'Council's attitude' would do well to bear these factors in mind.

I should now like, Madam President, to refer to some of the other chapters of the draft budget on which Parliament will undoubtedly be focussing its attention.

The social and regional sectors of the draft budget will benefit by a considerable increase in payment appropriations in 1981 over 1980. In terms of the total budget, these appropriations will rise from 6.4 % to over 12 % in 1981. This phenomenon has two principal causes. Firstly, there is the introduction of systems which will allow Social Fund and Regional Fund payments to be made more quickly, and secondly, the entry of over 1000 m EUA in Chapter 58 of the budget, Supplementary measures in favour of the United Kingdom.

The Council emphasizes that the supplementary measures are of an exceptional nature and the outcome of a political agreement within the Council. They have been included in Title V of the budget because they will certainly contribute to the social and economic development of the United Kingdom and to Community integration.

In commitment appropriations the endowment of the Regional Fund also rises, in the draft budget, from the 1165 m EUA on which the Council and Parliament agreed in June, to 1400 m EUA, an increase by more than 20 %.

I am aware that many of you feel that this amount should have been even higher. I am sure that this will be one of the principal topics in the dialogue between Parliament and the Council.

I would point out, however, that the basic ERDF regulation has to be revised by the end of this year, principally to adjust the quotas in view of the accession of Greece.

Commitment appropriations for the Social Fund will increase, it must be admitted, only very slightly. But it should be pointed out that the Fund gives definite priority to activities in favour of young people and aimed at improving the employment situation in certain regions.

In this context, I feel I should stress that, despite a marked increase, the opportunities offered by the Community budget for taking action are extremely limited, all the more so as the volume of available revenue is restricted and there is even a danger of the

ceiling on VAT resources being reached in the near future.

If only because of this restriction, it must be remembered that the Community budget cannot, on its own, provide a solution to the Community's cyclical and structural problems.

Consequently, structural policy action must continue to be taken principally through the national budgets. At present, the Community's financial effort chiefly plays a supportive and stimulating role, which must be gradually strengthened in the years to come.

Parliament will note that, in two major sectors, the appropriations adopted by the Council have been reduced compared with 1980.

These are, firstly, the development cooperation sector, where the payment appropriations have in recent years been utilized rather slowly. The reason for the 9 % reduction in payment appropriations allocated to this sector compared with the 1980 financial year is that the Council does not want to see the budget bulging with appropriations which, to judge from experience, are unlikely to be disbursed during the financial year.

The major part of the appropriations in this area is, as usual, earmarked for food aid, the Council having accepted the Commission's proposals for the 1981 programme on cereals and skimmed milk powder. In the case of butter oil and sugar, on the other hand, it has entered the same quantities as in 1980.

The commitment appropriations in Article 930 — Financial and technical Cooperation with non-associated developing countries — have been fixed by the Council at 100 m EUA. The Council took account of the fact that a substantial 1980 appropriation will in all likelihood still be available in 1981.

The second sector in which there is a reduction compared with 1980, although for a different reason, is the energy, industry and transport sector. What these three areas have in common is that they are spheres of Community activity in which we have not yet been able to agree on genuine common policies. It has therefore proved impossible, at this stage, to provide resources for activities on which the Council has not yet taken any basic decisions and for which there is therefore no legal basis for a budget entry. The Council's attitude in this respect in no way prejudices the position it will adopt in due course on activities in these areas.

In view of the period of austerity we are now experiencing, the Council has studied with particular care the appropriations for operating expenditure, which it has reduced by an appreciable amount, taking its inspiration from various amendments adopted by the European Parliament last year.

Santer

As regards staff, the Council has allocated a total of 216 permanent posts, including 113 converted temporary posts, to the Commission in view of the accession of Greece, it being understood that the recruitment of Greek officials will continue after the 1981 financial year.

On the other hand, not wishing in any way to prejudice the outcome of the examination of the implications of the Spierenburg report, the Council has not at this stage allocated new posts to the Commission for what the latter has referred to as exceptional requirements.

I would point out that the Council has examined the estimates of the other institutions with a particularly critical eye and has made substantial reductions to a number of budgetary lines, particularly the appropriations included in its own budgetary estimates.

The Council has, however, confined itself to noting the Assembly's estimates, since it feels that it is for this institution itself to judge whether, in this period of austerity that hangs over the establishment of all public budgets, certain estimates for 1980 should be revised.

Madam President, the budgetization of borrowing and lending activities is, I know, a subject which provokes lively reactions in this Parliament. The Council has confined itself to the presentation of borrowing and lending operations adopted for the 1980 budget, but, as I said to the parliamentary delegation which met the Council before its deliberations on 23 September, I can assure you that the Presidency is making every effort to ensure that a frank and sincere dialogue can be conducted with your institution on this subject.

I should also like to point out that the Council will shortly be adopting a letter of amendment to this draft budget aimed at including an appropriation as aid in preparation for Portugal's accession, in view of the decisions taken by the Council in this regard on 7 October.

Madam President, I am aware that I have devoted much of this statement to various political subjects and perhaps not enough to the content of the draft budget itself.

But I felt it necessary to recall certain factors we should bear in mind.

The scale of the challenge the Community will face over the next few months is such that 1981 will be a turning point for the future of Europe. We should therefore begin to consider the problems awaiting us in a spirit of calm.

I call on Parliament to take account, when considering this draft budget, of the difficult context within which it has been established and of the fact that we are now at the first stage of the procedure leading ultimately to the 1981 budget.

For my part, I shall do everything in my power to ensure that the dialogue between the two parts of the budgetary authority results, in December, in the final adoption of the general budget of the Communities for 1981.

President. — I call Mr Adonnino.

Mr Adonnino, rapporteur. — (I) Madam President, ladies and gentlemen, the representative of the President-in-Office of the Council has in his speech given more attention to certain current political factors than to the technical contents of the budget. I agree that at this point the political questions should be emphasized, insofar as they arise from technical aspects whose importance should not be understated.

Madam President, an examination of the draft budget inevitably raises questions regarding its juridical and political role, and the political philosophy which inspires it. As we look at these pages, which provide many statistics but explain few motives, we have to ask if the Council is aware that the budgetary procedure is the annual opportunity for the Community and all the institutions to re-examine their policies and political objectives as well as the means of achieving them. An examination of the technical contents of the budget demonstrates that the Council has a different view of the role of the budget and, consequently, of the annual budgetary procedure. It regards it as a mere administrative record of decisions made elsewhere and only included in the document for technical purposes of authorization and implementation.

The precision, courtesy, and good will shown by the representative of the Council can do nothing to alter the hard realities of the figures themselves. We all realize that this is a particularly complex and difficult budget, which must take into account the accession of Greece to the Community, the foreseeable but serious growth problems exemplified by the financial difficulties of Great Britain, and the need to coordinate agricultural and other Community policies through a review of agricultural spending.

The Council has been subject to three kinds of constraint, in particular the fact that we will soon reach the VAT ceiling and the consequent exhaustion of our own resources. Also pertinent is the fact that this budget makes no provision for the future impact of agricultural prices and the need to be able to deal with them at the proper time. Thirdly, the economic crises in the Member States and especially the alarming growth in public spending raise an important point: it is impossible to arrive at a healthy policy by correlating the patterns and rates of growth in public spending in the separate countries with those of the Community as a whole. Community policies should not be mere hindrances or addenda to national policies, but should rather constitute intelligent, supplementary action

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aimed at solving structural and short-term problems at the national level. Lastly, the expectation of proposals to be made by the Commission in the coming year for the restructuring of policies and the settling of underlying financial problems has also affected the Council's deliberations to a considerable extent.

This viewpoint, undoubtedly a political one, becomes apparent from the extremely restrictive use of the rate of increase provided by the Treaties, where a rate of growth is calculated according to determined factors, but may be raised through action by the two arms of the budget authority. The Council has in fact kept well below this growth rate, apparently because it wishes to leave Parliament with as little room to maneuver as possible.

At this point the President-in-Office of the Council's representative must acknowledge that it is legitimate to wonder whether the Council and Parliament as the budgetary authorities are really expected to provide a concerted impetus to this procedure after a proper debate. The policies which must be drawn up in consideration of a rate that has been politically predetermined and established in a manner that severely restricts the powers of the Parliament cannot be other than mutilated. It was a reaction to this method which led one of the Member States to give a negative vote when the Council was in the process of approving the budget on 23 September. Under the circumstances, it appears more probable that the desire for broader and more energetic action cloaks an intention to pursue quite different objectives. It would have been much more logical to choose the policies first, and then to examine their financial and economic compatibility before reaching a final decision.

Parliament must resist a political attitude which is clearly aimed at restricting its powers. The rigorously used by the Council in distinguishing compulsory from non-compulsory expenditure can no longer be attributed to the reasons which made the distinction a logical one when the budgetary procedure was created.

The President-in-Office of the Council's representative has sought to demonstrate how the scope of the budget has been enlarged through the Council's action, but this demonstration fails to correspond with reality on several points. The increase rate for the 1981 budget is considerably reduced in relation to that of the previous year, in regard to both commitments and payments. The cuts made by the Council amount to 829 million EUA for commitments and 812 million EUA for payments, resulting in the use of only .88 % of the 1 % maximum VAT instead of the former .95 % and in turn reducing the remaining margin from 552 million to 1364. A true evaluation of these cuts would have to state that in the final analysis the increases in respect to 1980 amount to 20.7 % for commitment appropriations and to 22.7 % for payment appropriations.

These figures must also be interpreted, however, and when we consider the influence of the financial compensation in favour of Great Britain, which make up approximately 8 % of the entire budget, it is immediately apparent that the real increase, whether in commitments or in payments, is about 2 000 million EUAs or 10 %. If we take into account the 10 % mean rate of inflation established by the Commission itself, this means that in real terms there is no growth at all over 1980.

To speak of growth, of new orientations, of increases in public spending aimed at balancing Community and national trends, has no meaning whatsoever in the light of this budget.

An examination of the manner in which the cuts are distributed between compulsory and non-compulsory expenditure reveals that non-compulsory expenditure comprises 14.7 % of the budget in regard to payment appropriations and 20.7 % in regard to commitment appropriations. Thus the cuts have all been made in the area of non-compulsory expenditure, where Parliament has little power to intervene and where the whole orientation of Community policy on agricultural spending is determined. It is in this area that measures could have been taken to avoid situations like those which led to the United Kingdom's financial problems.

It is true that the Regional Fund appears to have been increased by 20 % for commitments and 24 % for payments, but because from 1981 Greece will have the right to its own quota, the real increase falls to barely 2.1 % for commitments and 5.4 % for payments. Again we find that in real terms we have not even reached the level of the preceding budget, and this in an area which is basic to Community policies. Moreover, I should like to point out that the Commission's proposal for a 1 to 2 relationship between commitments and payments in the Regional Fund was altered and weakened by the Council, which changed the proportion to 1 to 3 which shows that in this instance it underestimated the Commission's ability to make payments, something which in other cases has been used as a pretext for cut-backs.

The President himself has admitted that the 1.5 % increase for the Social Fund is absurd, especially in the light of the programmes involved, but what about the cuts made in spending for energy and research? The Venice Summit emphasized the need to take action in this area, and all the political groups in this Parliament have given energy spending top priority, yet it is this policy which is most seriously weakened in the proposals made by the Commission and the cuts made by the Council. Time does not permit a discussion of those policies which are still virtually non-existent, such as those regarding industry, transport, et cetera.

It is not necessary to consider particular items; a general preliminary examination of this draft budget

Adonnino

reveals it as unacceptable, even taking into account the use Parliament could make, given the necessary majority, of its own margin for maneuver. Community policies must be defined, and the budget quantitatively and qualitatively improved. I hope that the President-in-Office of the Council's recent offer of cooperation will help to remove these obstacles and establish the necessary atmosphere of conciliation and agreement between the Council and the Parliament. A more detailed examination of the budget is naturally a prerequisite for well-formulated decisions on agricultural spending, especially regarding structural surplus production, about which Parliament is particularly concerned.

Another pertinent point is the fact you are only capable of reaching a decision after an exchange of this kind has taken place. Parliament cannot abdicate its role and forego the exercise of its prerogatives, and it is therefore only after close consideration that it can decide on the attitude to adopt towards a draft budget which is certainly unacceptable at the present time.

President. — I call Mr Ansquer.

Mr Ansquer, rapporteur. — (F) Madam President, ladies and gentlemen, as we have been told by its President, the Council has adopted a restrictive decision on all the administrative budgets of the European institutions. In a period of austerity that extends to all our Member States, it is normal for administrative budgets forming part of the general budget to be subjected to the same restrictions as they are at national level. However, these restrictions must not affect the smooth functioning of the institutions. As regards the budgets of the two parts of the budgetary authority, the Assembly and the Council have respected the gentleman's agreement not to interfere in each other's affairs. I feel that the greatest possible transparency should exist in this respect. In its own budget the Council has made various reductions in appropriations, which enable it to limit the rate of increase in its expenditure to 3.6 %. As regards the Assembly, I myself proposed when our estimates were being drawn up a number of cuts to allow us to limit the institutions' total budget to less than 200 m EUA. I proposed, for example, a 5 % reduction across the board, for all items, and a 10 % reduction on 19 budgetary lines, where I had found the utilization of appropriations had been relatively limited. I followed up this exercise by requesting that the Committee on Budgets be provided with a statement on the utilization of appropriations on a monthly basis — and I wish to thank the Secretariat for submitting a statement of this kind on 30 September.

But the principal cause of the increase in Parliament's budget, Madam President, ladies and gentlemen, is the requirement that all work be done in six languages,

soon to be seven, and also that this work be done at three places. Parliament is in no way responsible for these two factors. I would point out that the places of work account for 15 % of all Parliament's appropriations. And we appeal to the Council to take a decision on this as soon as possible.

Efforts must also be made to ensure greater rationalization and better organization of the institution's services. I therefore consider it essential for all the bodies concerned — the Bureau, the President, the Working Party on Structures chaired by Mr Vandewiele and the Committee on Budgets — to continue their efforts to improve the operations of the institution within the limits of the present organization. What is needed is concerted action, and the Committee on Budgets does not intend, for its part, to interfere with the Bureau's decisions. It simply wants to cooperate with it in improving the organization of Parliament's work.

As regards the other institutions, the Court of Justice, the Court of Auditors and the Economic and Social Committee, the reductions in appropriations made by the Council might also be considered justifiable in terms of national austerity. However, I do not think that the number of new posts allocated by the Council to these three bodies corresponds to their needs and more specifically to the requirements created by the accession of Greece. I would point out that Parliament has requested and received from the Court of Justice, the Court of Auditors and the Economic and Social Committee all the specific details justifying each of the posts requested and comments on each of these posts. This information allowed a fair assessment to be made of the grounds for these requests. On the other hand, the Council has decided to allocate far fewer posts than those requested without giving any specific justification. I therefore feel that the budgetary authority must do its duty and consider all the justifications in detail so that it can act in full knowledge of the facts. The Committee on Budgets has consequently instructed me to maintain contact with the other institutions, so that agreement can be reached on proposals for new posts, keeping, of course, to the limits of the appropriations included in the draft budget.

I feel sure that the European Parliament in particular will respond favourably to various of the requests made by the Court of Auditors to strengthen the means at its disposal so that it may successfully perform the tasks with which it has been entrusted. The Court of Auditors has become an essential aid in the role we play as a budgetary authority and the ultimate control body. As regards these administrative budgets, the Committee on Budgets therefore hopes to be able to present at the next part-session a limited number of proposals which — I hope — will enable all the Community institutions to fulfill their responsibilities as laid down in the Treaties.

President

I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission.
— Madam President, I can begin by saying something which I think will be music to your ears and I hope, to those of the House as well, which is that I certainly will not be using all the time allocated to the Commission for my remarks, even taking account of the need to sum up at the end. In that respect, at least, I can increase the Parliament's margin for manoeuvre, even if it depends on the Council whether it can be exercised in other respects.

Now, Madam President, I presented the preliminary draft budget last July and on that occasion I spelt out in detail the Commission's thinking and the rationale behind our proposals. This is an occasion today for the Council to present its draft budget to Parliament and for Parliament to respond. It is essentially an occasion involving the Council and Parliament, and for that reason among others my remarks can be kept brief. I will not go over all I said in July, but I do feel the need to make a number of comments in order that both the Council and Parliament can understand our position. I should like to begin by saying a very few words on the thinking that underlay the preliminary draft budget, because I think it is very important that it should be borne in mind in the context of this exchange and this debate.

First of all, we drew up our preliminary draft budget taking very full account of the financial constraints that apply to our situation at the moment and of the financial constraints that apply within the Member States — and I will have a word to say about that in a moment. I would like to emphasize the constraints. I should also like to emphasize the fact that we took very close account of the need in this year to remain within the 1 % limit. Indeed, after we had drawn up our proposals, despite the difficulties, we made a cut in our propositions in order to increase the margin between that which we had proposed and the 1 % limit itself. I do want to emphasize that we took close account of financial constraints and close account of the need to remain within the 1 % margin.

However, we do not believe that either of those factors, important as they are, means that the Community actually has to come to a halt today. We believe that it is still necessary, within the framework which I have described, to continue to develop the policies which exist. Some of those — and we were talking about the Social Fund in the earlier debate — are more important than ever. We also believe that it is necessary for the Community to continue to take new initiatives. The climate of financial constraint and the need to remain within the 1 % limit are both very important, and we have been keenly aware of both of them, but within that context it is necessary to develop existing policies and take new initiatives.

We know — I think, I can say this with confidence — that this is in line with the views of Parliament, and I certainly do not know of anything ever said by the Council to suggest that it would take a different view. Indeed, on many occasions — not, I must confess, when Budget Ministers are meeting, but on many occasions when ministers in charge of other portfolios are meeting — one finds the view expressed very strongly that a policy should be developed or a new initiative taken. In drawing up our budget therefore we were, I think, following very closely both the realities of the situation and the wishes of the two arms of the budgetary authority, as well as our own view on what should be done.

Now, as I said, the financial constraints and the 1 % limit bore very heavily upon us, and we also took very close account of all that had been said in Parliament, as well as in the Council, about the need to ensure that money entered on the line should be spent. I have drawn attention in the earlier *Notenboom* debate to the fact that in a number of important areas the performance in that respect has recently improved very substantially, and I particularly mentioned the Social Fund. We were very careful therefore on this occasion to refrain from allocating funds to budget lines lacking a legal base. In doing so, we consciously took the risk of reducing the impact of the preliminary draft budget as a policy document, but we felt that it was right, in the light of all that had been said within the Parliament and in the light of Mr Dankert's excellent report on last year's budget, to take very particular care in that regard. Thus, any area in which cuts have often been made in the past does not exist on this occasion.

I emphasize those points, Madam President, because I want it to be clearly understood on all sides that rigour in the drawing up of the estimates for 1981 is no one's monopoly in this Community. It is not the monopoly of the Member States as opposed to the Commission; it is not the monopoly of the Council as opposed to the Commission nor, indeed, the monopoly of the Council as opposed to Parliament. We have taken full account of the general economic circumstances and the other factors that need to be taken into account.

This also prompts me to make a few remarks, very briefly, on the speech made by Mr Santer. First of all I must remind the House, though I am sure it is not necessary, that the figures he gave for the respective increases in the Community budget do, of course, include the increases which have been made in agricultural expenditure. It is right that they should because, of course, the budget includes agriculture. It is also right, however, to remember that those are decisions taken by ministers rather than by Parliament and it is very important indeed that decisions taken by ministers should not be allowed to pre-empt entirely the leeway for Parliament. It is very important that decisions taken by ministers in one area should not be allowed simply to push out or diminish the room for

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decisions involving both arms of the budgetary authority in other areas.

Secondly, I must also point out that the Community is not entirely the same as a Member State. Of course, I understand the problems of Finance Ministers, and I think the remarks I have already made show that; of course, I understand the difficulties which face the Finance Ministers in their Member States; of course, I recognize — and I have said this on many occasions in the past — that at a time of financial stringency one cannot expect the Community to be exempted. However, one must remember first of all that the Community is not a fully formed entity like the United Kingdom or the French Republic or the Federal Republic or Italy or whatever it might be. The Community is still a developing organism and in some areas it has not developed very far. It is still taking on new responsibilities and therefore a direct comparison between a fully formed entity and an entity which is still developing cannot in my view be made. I must also warn against the very dangerous error of talking in terms of percentages, because when one is looking at Community policies, some of which are barely embryonic, an increase from 1 million units of account to 2 million is a 100 % increase.

But that is not the same as the increases that take place in a number of large spending programmes within the Member States. When one looks at our regional policies, our social policies, our industrial policies and so forth, it is very important to bear in mind the total size of those policies as well as the percentages. If one talks only in percentages one gets a very misleading impression.

The next point, Madam President, which I would like to make is the following. The Commission recognizes — I say this in the most formal sense that I can — the Council's right, and indeed the Parliament's right, as part of the budgetary authority to modify and amend the Commission's preliminary draft budget. Of course we do. But the Commission in turn has the duty to point out the implications of certain of the choices made.

The two arms of the budgetary authority have their job to do. Our task is to produce the preliminary draft budget, but our task is also to draw the attention of the Community to the consequences of certain actions. This year we have done that to a very considerable degree and I would like to tell the House exactly what we did. Mr Aigner raised in the Committee on Budgets the question of whether the Commission was just going to keep quiet or whether the Commission was going to make its views clear. So let me place on the record what we have done.

First of all, before the Council meeting actually took place I went to the COREPER meeting in Brussels in sufficient time for what I said to be taken into account when Ministers came to Brussels. I went to CORE-

PER and talked to them about the priorities we had laid out and my fears about what was happening in the light of discussions that had been taking place within the Council machinery.

So we laid it on the line on that occasion. Then, at the conclusion of the Council meeting in the small hours of the night, after I had argued strongly for many lines in the budget, and after I had expressed our dissatisfaction with what had been done, I placed formally on the record my disagreement with what had been decided.

I gave due warning, therefore, to the Council. I said that the Commission reserved its position and that we would consider the matter at our meeting later on that morning. When the Commission met later on that morning, after we had discussed what had happened during the course of the night, the Commission issued a statement dissociating itself from the Council's actions.

In addition to those points the House ought also to know that the President of the Commission repeated the Commission's view in front of Foreign Ministers last week and urged the Council to show flexibility at the second reading of the budget. I want the House to know very clearly exactly what we have done so that nobody can say that we have been hiding our light under a bushel. Our light has certainly been clearly there for all to see. It is a light, too, which will continue to burn. In my capacity as Budget Commissioner I underline the exhortation the President of the Commission made when he spoke to the Foreign Ministers in the Council.

Now, while the Council have acted as in the past by cutting non-compulsory expenditure there have none the less been new elements in this year's budget. The first innovation is the long comment in the explanatory memorandum about agriculture guarantees. I found it extremely gratifying that the Council should have chosen to quote in full one of the most important policy statements made by the Commission about the agricultural envelope and next year's prices settlement. I refer, of course, to the passage where the Commission stressed that, together with its price proposals for the next marketing year, the Commission would

make proposals for financing which will have to be found by savings to ensure that neither the balance of the budget is upset, nor the 1 % ceiling exceeded.

What is missing, of course, in the Council's explanatory memorandum is an explicit confirmation that it endorses this strategy. I listened carefully — to the interpretation, not to his own words — to what Mr Santer said, but I listened in vain for that explicit confirmation. No doubt, if he did give it, he will be able to repeat it later on. What the Council does is simply recall the effort already made by the Agricul-

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ture Ministers in providing for the setting up of a super co-responsibility levy.

The second new element is that the unprecedented cuts in payment appropriations in the Social and Regional Fund — that is 420 million EUA — are not, and I underline the word 'not', this year accompanied by any statement by the Council to the effect that, should the need arise, it would be prepared to provide extra finance if in the course of the year, it became clear that payment appropriations were insufficient to meet the commitments previously entered into. This is another innovation.

Despite our budgetary constraints, I think this is a guarantee that the Community needs to have. This is especially the case when this year, for the first time, the Commission will be able to show that the Social Fund in particular will have used up all the payment appropriations which are available — that is about 600 million EUA — including carry-overs from last year. Thus when for 1981 the Commission proposed 710 million EUA in payment appropriations for the Social Fund, it was keeping its request to the indispensable minimum which would enable only a small amount of payments to be made against new commitments. I really think it would be impossible for anybody to argue that the importance of the Social Fund is less this year than in the past. The Social Fund is obviously something which all of us must have very much in mind.

After years of urging the Commission to improve its management of the Funds and speed up payments, I hope the Council does not expect us simply to go into reverse and slow them down in order just to make the money last longer. I know that the Council took a very different view last year when we ran into difficulties on the agriculture front and there was nobody then in the Council urging us to slow payments down. The argument was very much more that we should find the money somewhere so long as the money kept flowing. I hope very much that nobody will suggest that we should undo all the good work which we have done in recent years to improve the management of these funds. Obviously the Member States could, if they so desire, slow down their claims under the structural funds, though such action would not of course abolish the real need of potential recipients. It would simply mask that need. The need would remain and it would not be met. I really wonder if in 1981 a downturn in the activity of the Social Fund in particular is an appropriate response on the part of the Community to the present economic and social climate. I really do not believe that one could hold that position.

(Applause)

Another striking example, Madam President, of a blind cut is to be found on the line dealing with aid to non-associated developing countries. 22 million EUA have been allocated in payment appropriations instead

of the 65 which had been requested. This amount will be entirely used in the first two months of the year for a special delivery of fertilizers to India. Again, it is true that payments have been slow in recent years but the Council was duly warned that the commitments which have been accumulated over a number of years now give rise to substantial payments.

Finally, Madam President, under this heading I would just like to make a reference to the token entries and dashes which have been entered by the Council. I could not possibly go through the whole list — that would take too long. But I do want to draw the House's attention to the fact that there is a dash instead of a token entry for the social measures in relation to the restructuring of the steel industry — Chapter 54 — and a token entry instead of 1 million European units of account for a study in telematics which was specifically requested by the last European Council, so I was very surprised to see the Budget Ministers take that out, I must say.

Then, Madam President, there is the big question — and there is not time to enter into detail now but I would be failing in my duty if I did not draw attention to it — of the inconsistency between the guidelines laid down at the highest level by the Heads of State or Government and the budgetary decisions which have been taken at a different level.

The Heads of State or Government meeting in the European Council open up marvellous new perspectives for the Community in the full glare of arc-lights and publicity, at press conferences and all the rest. It really is a dangerous source of cynicism and disillusionment if we have on the one hand these marvellous new perspectives opened up before the arc-lights by the Heads of State and Government and then the Budget Ministers coming along behind in the watches of the night, after the press has gone to bed, and chopping all the lines in the Budget which would give us an opportunity to actually drive down those new perspectives.

(Applause)

It is a dangerous source of disillusionment and cynicism and I hope very much, Madam President, that the Council will bear that point in mind.

Finally, before I turn to the institutional aspects, I must, Madam President, say a word about staff. Following the Spierenburg report, which the Commission asked for on its own initiative, the Commission has made a serious and extremely extensive effort to improve and streamline its internal structure. We have cut 50 administrative units; we have strengthened our capacity to monitor the use and deployment of staff and conducted a stringent inquiry into existing staff use before actually asking for any more.

We asked the Council, and we now ask Parliament, to consider our staff request very seriously. We are ready

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to supply any supplementary information that the House may require. Let me underline the fact that, despite the roadside accidents, one might say, that have befallen our staff request for 2 years running, this year's request is small. So far the Council has refused the budgetary support necessary for the 1981 staff request and it has refused the budgetary support necessary for the implementation of the Spierenburg measures.

I do not think it was right, if I may say so, for the Minister to say that the Council was suspending judgment; the Council unfortunately took a judgment, though mercifully our budgetary procedure provides time for that judgment to be reconsidered at a later stage.

But I would draw attention to the importance of getting on with the implementation of the Spierenburg measures. And I would also in this context draw attention to the fact that it really is vitally important for the Community as a whole, and for the Greeks in particular, that proper provision should be made for Greek staff in the new Commission. If we do not get the position of Greek staff right at the outset, it will be very much harder to get it right later on, and I speak with some understanding of that particular point, coming as I do from one of the last wave of new Member States. I hope very much indeed that the question both of Spierenburg and of the Greek staff will be looked at again by the Council.

I hope, too, that it will remember that there really is no point in repeatedly urging us to reform ourselves; repeatedly criticizing us; repeatedly subjecting us to every conceivable kind of disparaging remark and then, when we really do seek to undertake a fundamental restructuring of our service, denying us the means of doing so.

Madam President, in all budgetary debates one tends to conclude with the institutional points, not because they are less important than the rest, but because they are in a class slightly apart from the rest. Now, we also attach, and I repeat here what I have said before, very great importance to the Council using the time at its disposal profitably to do the necessary work to enable it to undertake its already long overdue decisions on the adoption of a common position on the budgetization of borrowing and lending operations. That is one subject which has been with us for far too long already. Another point which I would quite specifically draw attention to on this occasion is the classification of expenditure as well.

Lastly, Madam President, may I share the wish expressed by Mr Santer and Mr Adonnino in their very different speeches that we can bring the budgetary procedure to a successful conclusion in December. We have raised the storm flags because we believe that a storm is blowing up; because we believe that actions that are being taken could bring about the sort of

storm which we have had to contend with in recent years.

It is our earnest desire that storms and disputes of that sort should be avoided.

We believe that it is very important indeed for the Community that this year the budget should be adopted on time and according to the normal procedures. However, it is also absolutely essential that, within the constraints within which we all have to operate, the budget should be one that meets the needs of the Community as it enters 1981. It should have the support, not only of the qualified majority in the Council, to which the President-in-Office drew attention, but also of the other arm of the budgetary authority as well, since unless both arms of the budgetary authority are prepared to give it their agreement, we do not have a budget at all. The qualified majority certainly has to be taken into account, but so also does Parliament. It is very important indeed for the Community as a whole that a budget should be put into effect at the end of the year, on time and according to the normal procedures. To do that it must be a budget that, within the constraints within which we have to operate, reflects the real needs of the Community, the growing needs of the Community, as it enters 1981.

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

Mr Dankert. — (NL) Madam President, I will begin straightaway by taking up what Commissioner Tugendhat has just said. I believe that this time there can be little difference of opinion between us on the course the budget debate must take this autumn. But I hope the Commission will stand its ground in this respect as the debate continues and that Parliament will continue to maintain its justified demands for the revision of the draft budget submitted by the Council. I was staggered when the Commissioner — I would almost say, as usual — offered to give us some information, but immediately restricted his offer to the eternal issue of staff. I assume that his offer to provide Parliament with information will not be entirely confined to information on the staff.

As regards the Council, its President said that he had talked a great deal about the political issues — I am paraphrasing slightly — and less about the actual content of the budget. I would emphasize once again that the content of the budget is, of course, also political and in fact very political. As Mr Tugendhat has already said, token entries have been changed to dashes. In itself this may not mean a great deal to many people, but I would point out that in June and July we had a detailed discussion on the question of whether or not a token entry in Chapter 54 for social measures in the iron and steel sector was acceptable.

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After a great deal of trouble, the Council finally declared this item acceptable and so agreed to the budget amended by Parliament in this respect, but now that item has disappeared again. The token entry has become a dash. I feel that, if we are going to have this kind of game, the whole operation will become rather senseless. Either this item is approved and remains in the budget or it is rejected, but there is no point in pursuing an extremely inconsistent policy year in year out and going in for this kind of pettiness in dealings with Parliament.

On the question of presentation, Mr Adonnino has already said that there is no point in juggling with percentages as the Council does. Because the United Kingdom has already provided its contribution; the appropriations are available. Both the Council's discussions and Parliament's — the Commission is a separate case to some extent — have shown that the supplementary measures have very little to do with regional policy. In Parliament, only Mrs Kellett-Bowman defended the view that they concerned regional policy. These arguments were also advanced in the Council. When the Council again tries in the draft budget to find a home for the supplementary structural policy measures, there is, in my view, something not quite right about the presentation. The Council ought then to have said: this is, of course, non-compulsory expenditure, in which Parliament has a say. We must not try to play different games at the same time. I feel that one direction, one clear course is enough. On the other hand, this draft budget does, of course, make various aspects very clear: we can perhaps have a useful dialogue with the Council on the advantage of deleting certain non-compulsory expenditure because of a poor rate of disbursement of whatever, but this does not alter the fact that the Council's pruning — and I do not know if all the government representatives realized this — has the effect of leaving room in the draft budget for a substantial increase in farm prices: 10% is the figure generally referred to by the Agriculture Ministers. This operation counteracts the pressure the Commission has exerted in an effort to keep farm price increases down to an acceptable level by taking action against structural surpluses. This is extremely important: agreement can be reached on farm prices without — and this is what the Commission wanted — there being any compulsion to economize elsewhere, to eliminate surpluses, in accordance with the Council's many declarations. Now, the Council of Budget Ministers has always said that it has no power over agricultural spending, that this is a matter for the Agriculture Ministers, that the Budget Council is merely concerned with non-compulsory expenditure. But as you see, the two are linked, the members of the Budget Council are, in my opinion, themselves well aware that, while there is a shortage of own resources, the funds they do not use today will be used by others tomorrow — in this case by the Agricultural Council. In other words, the 0.88% VAT which the draft budget comes out at leaves room for an increase in

farm prices, and in view of the political pressure being exerted to force that increase through — think of the presidential elections in France — in view of the time it will take to reform the agricultural policy, it can be safely assumed that that price increase will come without any economy measures being adopted, which means that the eternal problem in the Community of decisions being postponed continues to exist this year.

Madam President, I have not said whether or not I find a 10% increase in farm prices justifiable. My view is that farmers' incomes must keep up with inflation. I merely wish to point out that this increase may come and that, as regards the policy on non-compulsory expenditure, this action has also deprived us of the means of at last achieving that reform in the development of structural surpluses.

Madam President, when the European Parliament wanted to make budgetary policy last year on the basis of the statement or the decision, perhaps I should say, by the Council of Agriculture Ministers on the increase in the co-responsibility levy, the Council maintained this was not possible. I have always disputed this. I am therefore happy to see that the same Council now finds that it is possible, since it has left the revenue from the super co-responsibility levy proposed by the Commission in the draft budget. So in this respect we have really made some progress, and I feel this progress must be noted, because much of the conflict we had last year would have been unnecessary if the Council had dared to act then as it has acted now. But I assume that here again the shortage of own resources will be the explanation for what has happened, because this super levy must produce some revenue for the Community at the end of the day.

As I have just said, the Council is inconsistent. Revenue of which we cannot be certain is included in the draft budget, while expenditure that has been decided on is left out. I admit the Council has been able to follow the Commission's example in this, and I consequently have some criticism of the methods used by Commissioner Tugendhat, who, in order to release himself from the obligation of submitting a proposal for new own resources, has thrown his own principles regarding the ratio of commitment to payment appropriations overboard. In Part 7 of the draft budget the Commission itself says that it has really reduced Social Fund and Regional Fund payment appropriations more than was justified. This has thrown a little more light on the margin between the Community's expenditure and revenue. I think it is a pity that the Commission has done this, because we devoted a great deal of attention to this ratio of payment to commitment appropriations last year. At the time, Parliament deliberately refrained from taking full advantage of its own margin with respect to payment appropriations so as not to create a false relationship between payment and commitment appropriations. Now the reverse is taking place; there is a shortage of own resources, and the payment appropriations are being reduced. First

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the Commission and now, in a far more drastic manner, the Council. I believe that the principles of budgetary policy in the Community are being thrown overboard in this way, that the course which the Commission has adopted and which the Council has followed is extremely dangerous and that it is Parliament's duty to restore the proper ratio. Otherwise not only commitments, but also payments become the object of political dispute, and there is a risk of different courses being pursued at these two levels. Then we shall have exactly the same situation as we had before. In the past, Parliament once overendowed the Regional Fund, with the result that there were too many payment appropriations compared with the opportunities with regard to commitments. That amount was then left lying around in the Regional Fund unused for years on end. The approach that the Commission and Council have now chosen is leading us down precisely the same, in my view, extremely pernicious road.

Madam President, we must abide by the rules of the game. It is said that the poor budget that has been submitted to us is the result — and this is what, I think, the President of the Council was really saying — of a Franco-German alliance in the Council which stood in the way of any qualified majority in favour of a different approach. I ask myself whether the Presidency performed well in this situation, because Franco-German proposals, the proposals which were finally included in the budget, also require a qualified majority, and this was similarly absent. I am firmly convinced that more could have been done than has been submitted to us, and I very much regret this because the storms already forecast by the Commission are likely to be far more violent than would probably have been the case with a budget approved by the majority of the Council of Budget Ministers. Parliament is consequently in an extremely difficult position. The margin we have in the case of commitments and payments has in fact already been used by the majority in the Council who have allowed themselves to be manipulated by the Franco-German coalition. It is up to Parliament to reinstate in the budget what the majority of the Council should have included and wanted to include in it. In other words, the Council has once again deprived us of our margin, and that means that Parliament cannot this year have a say in that margin. It is up to Parliament to overcome this and to arrive at a budget that is acceptable to us, in other words to restore the payment appropriations in the regional and social fields, perhaps increase the commitment appropriations and also make a considerable effort with regard to development cooperation, a subject on which we have the Ferrero report and an area in which the Council has reduced the appropriations in a disgraceful manner.

President. — I call Mr Schön to speak on behalf of the Group of the European People's Party (C-D Group).

Mr Konrad Schön. — (D) Madam President, ladies and gentlemen, I should like to say quite simply that my group is disappointed with the Council's draft. I would go so far as to say that this draft is a provocation for this Parliament, because none of what was said here last year is reflected by this draft. The wholesale deletion on non-compulsory expenditure is particularly intolerable because political factors have obviously prevented the Council from setting priorities at a time when there is a shortage of resources. I do not dispute this. I am not underestimating the difficulties facing the Member States, but I do feel — this needs to be clearly stated once again — that the Community budget is more than simply the resultant of the national budgetary policies, that it has a quality of its own, its purpose being to help in the process of the development of the Community. In other words, underlying the Community budget must be the political will to continue the policy of European integration. But here we have the impression that the bookkeepers have been very busy, but that the status quo has been maintained at the end of the day. The President of the Council said just now that the Commission had aroused hopes with its preliminary draft, but I feel that, as the motive force of integration, it has a duty to give Europeans some sign of hope in the budgetary field too. By that I do not mean financial greed. I know how difficult the position of the Finance Ministers is, their backs to the wall, fighting off the greed of parliaments. What I mean is that we must overcome stagnation and resignation. This is reflected in a European budgetary policy, because the budget is simply the set of figures which reflect political will.

I should now like, on behalf of my group, to take up one issue, the top priority, the energy policy. Mr Santer, you have said — I am quoting you — it has not been possible for the Council to develop a new Community policy in this field. Resources have been reduced to such an extent that what is left sounds almost ridiculous, because with an amount that size you can hardly develop a Community energy policy in Europe. Your excuse is that there is no legal basis. Well, we shall have to see about that. Why is there no legal basis? Because there is no political will. If your explanation for the absence of political will is the absence of a legal basis, then we find ourselves in a vicious circle, which I cannot accept.

The second problem and second priority we have is the industrial policy linked with the social policy. You knew in the Council that for over a year now the self-supporting operating budget of the European Coal and Steel Committee has not been large enough to finance the social measures required. Now that the remaining problems underlying this situation have been solved, it was surely your duty and responsibility at least to put a figure to the social measures we adopted by a large majority, especially as the application of Article 58 of the Treaty is now being discussed.

Instead, even the token entry has been deleted and nothing put in its place, leaving a completely empty

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and therefore pointless budgetary line. How are we supposed to explain this away outside in the iron and steel industry, with major social difficulties likely to emerge?

The third priority for us Christian Democrats is the fight against hunger in the world. Here again we have, in my view, a provocative reduction of appropriations. The Commission's representative has said that there is only enough to finance aid to India for fertilizers. Here, ladies and gentlemen, I feel the credibility of Europe is at stake, and my group will do its utmost to ensure that not only are debates held and powerful speeches made on hunger in the world, but that these speeches result in efforts to give those who are starving and hungry proof of Europe's credibility . . .

(Applause)

. . . This is also true of the regional policy. What use are debates in this House on divergence and convergence if the funds we allocate to the regional policy are such that the gap between the rich and poor regions of the Community widens further rather than narrowing, even though the Treaty calls for equality of living standards in this Community.

But I must add, ladies and gentlemen — and I said this in committee too — those who speak of priorities must also name the non-priorities, otherwise everything has priority. My group is prepared to join with other groups in considering, for example, where cuts can be made, whether there are not entries that, strictly speaking, have become politically obsolete and are simply in the budget because they have always been there. When we speak of priorities, the principle of the greatest possible economy naturally applies as well. But with the adjustments we make to improve the balance in the budget we shall, if necessary, also try to increase the Value Added Tax margin to 0.95 %. And why not, if the situation requires?

On the subject of agricultural expenditure, I can be brief. In this case my group will be taking the Commission at its word when it says that the appropriations entered in the budget are sufficient. We shall also have to examine the effects of the system of provisional twelfths on the agricultural policy. Until we have proof to the contrary, we Christian Democrats of the Group of the European People's Party will endeavour to maintain this point of view.

I come, ladies and gentlemen, Madam President, to my last comment. We, for our part, intend to try — and to judge from the previous speaker, Mr Dankert, there is already a very large measure of agreement on this — to go into this conciliation procedure with the broadest possible support of this House. We intend to try and discuss our demand for the budgetization of borrowing and lending activities with you once again.

Mr Santer, you said you are prepared for a dialogue. We are very grateful, but we have been having this

offer of a dialogue for years. We in Parliament have decided on a quite definite demand, that this too must be discussed now. This too should, we feel, form part of the conciliation procedure. We shall be informing the Members accompanying the President to the conciliation procedure of our other demands and other issues we want discussed. We expressed these demands when debating the 1980 budget. They were not met, and that led to the rejection of the budget at the first reading.

Ladies and gentlemen, I hope that, now that the Council has adopted an extreme position, we shall not go to the other extreme and make exaggerated demands, but that — and this is the purpose of the conciliation procedure — we shall find a reasonable compromise that results in the further development of Europe, in the form of an agreement between the two parts of the European Community's budgetary and financial authority.

IN THE CHAIR: MR JAQUET

Vice-President

President. — I call Mr J. M. Taylor to speak on behalf of the European Democratic Group.

Mr J. M. Taylor. — Mr President, I should like to congratulate my colleague in the Committee on Budgets, Mr Schön, on the truly commendable speech he made just now; but I would caution him on just one point. That is the point on which he concluded his speech, and this caused me some disappointment. He concluded by speaking of compromises as representing the way forward in the European Community, and I doubt whether that is always the case: I doubt whether the real principles that are the foundation of this great challenge in political cooperation are very often truly advanced by compromise.

The first reaction of my group to the draft budget from the Council was one of considerable disappointment, and not for the first time I say on behalf of my colleagues that we very much preferred the preliminary draft budget that came from the Commission.

Mr President, there will not be many people in this Chamber who know what I am going to say now. The Council's own spokesman, addressing the Parliament's Committee on Budgets after the Council had determined the draft budget, actually conceded to us that this draft budget did little to meet the real needs of the people of Europe, that it was very little better than no budget at all; perhaps a little more progressively, he suggested that this draft budget represented a chal-

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lunge to the Parliament to improve it, and he hoped that we would. Well, what will be Parliament's response to this challenge? I have always believed in making political responses as simple and coherent as possible so that they can be understood by the taxpayers and the voters of Europe who sent us here and who, I believe, fundamentally associate themselves with the positions of Parliament far more closely than they do with those of the Council of Ministers.

Parliament's first reaction, should, I think, be to disregard the excuse often heard from the Council, that the CAP is the only fully developed policy we have. If that continues to be used as a justification for giving the CAP first call on all our resources, as it seems to be, then, it follows logically that we shall never have any other developed policies at all. So that line of argument can be disregarded, and Parliament should address its attention, as I think Mr Dankert and others have said, towards a broad strategy of budgetary amendment.

Let us look at the Regional Fund and advance it. At a time when there is a war raging in one of the world's major oil-fields, let us be serious about energy. And let us look at a candidate like the 60-million appropriation for the beginnings, the embryo, of a transport policy for Europe. Let us have the imagination to see what possibilities lie in those appropriations, and let us advance them!

Now, Mr President, this is the point. If the Parliament succeeds with these initiatives, if it does advance appropriations for social, regional, energy and transport purposes, then it will bring about another important political consequence — and we have the opportunity uniquely this autumn to do this. It will mean that next spring the ministers of agriculture will actually be obliged to meet in circumstances of real discipline. Until now, they have disregarded the Community's budget as a discipline: they have fixed their prices and they have given rise to a supplementary budget in the following autumn.

In 1981, the Parliament must so order this budget that, when the Agriculture Ministers meet next spring they will do so with their heads firmly pressed against the VAT ceiling, the present limits of the Community's own resources. Now if they do that, and if they perceive a real need to spend more money on some agricultural purpose, then they will have to make a corresponding economy in some other agricultural sector — and that is a state of affairs that the Commission has always wished to see. For the future, I think a lesson can be learned from that. It is not an original point, but it is one that is particularly apt just now. If the largest single component of the budget — that is to say, agricultural spending — is most accurately assessed from spring to spring and not from December to December, then let the budget year be altered to meet the realities; let us budget from spring to spring,

so that the farm pricereview is part of a disciplined budgetary procedure.

The Commission is to report on budgetary structures before 30 June of next year. It does so against a background of the exhaustion of our own resources and of the clear need to avoid what I think have come to be called unacceptable situations. Well, I wish the Commission good luck and I am sure that this Parliament does so too. I think that what they are embarking on is far and away the most important task for the Community — certainly in the time that I have been here. During the last 18 months or so, we have talked about the exhaustion of the Community's own resources; we have talked about the imbalance of the United Kingdom's contribution; we have talked about the high proportion of agricultural spending. Indeed, we have talked of little else. To put it frankly, Europe is tired and wearied by these arguments. Europe yawns and cries out for a better budgetary structure, because the ideas of European cooperation and the prospects for their advancement are only as good as the budgetary chassis on which the initiatives run and the progress is made. Europe needs a better budget, and the Commission will need wisdom and imagination in developing those proposals. Mr President, the Council will need a little more commitment than it has shown in this budget when it comes down to accepting them.

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

Mr Gouthier. — (*I*) Mr President, ladies and gentlemen, speaking for the Communist and Allies group, I would like to repeat here the negative judgment already expressed in the Committee on Budgets concerning this preliminary draft budget, which envisages massive spending cuts amounting to about 800 million EUAs.

The Commission did well to dissociate itself publicly from this draft budget, but the decisive language we have heard from the Commission today would have been even more welcome and more productive some years ago. Such a stance cannot relieve it of its responsibilities, for the draft budget it presented only delayed for a few months the approaching moment of truth. This preliminary draft projected the attainment of the VAT 'ceiling', meaning that at the beginning of the following year when the increase in agricultural prices would have to be fixed it would have been necessary to draw up an amending budget, using resources supplied by cuts in non-compulsory expenditure.

The political logic of the two drafts is substantially the same, and the Council and the Commission are both equally susceptible of criticism. It has long been agreed that the approaching exhaustion of our resources and the uncontrolled dynamics of the agriculture guaran-

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tees render a review of the situation urgently necessary, but the Council has not acted, and the Commission has done nothing to fill the void. The co-responsibility levy certainly does not effect any appreciable reversal in the trend of the agriculture guarantees, and the vague and futile promises of the Commission say little for its initiative and political courage.

The Commission's talk of a 'transitional budget' is confusing rather than helpful. If it is 'transitional' because it takes into account the eventual participation of Greece, this is understandable, but political problems in the Community are more closely connected with the quality of the budget than with the number of the Member States.

The basic question is this: should the budget be the expression of a developing Community progressing, however slowly and painfully, towards integration, or should it continue to reflect an essentially agricultural association within a free trade zone? On the success of this process of integration depends Europe's role in the world, and the positive influence it could and should exert in favour of peace, democracy, and political cooperation must derive from the same basic attitudes which should determine the character of the budget.

The agricultural policy is the only real Community policy, as we are well aware, but in recent years the Parliament has been the protagonist in an attempt to restructure and enrich it in order to coordinate the economies of the Member States and create for the Community a positive role both within Europe itself and in relation to the developing countries of the Third World.

In this budget, the trend established by such painstaking effort has been brutally reversed, and the new policies on energy, transport, industry, and aid to developing countries have been reduced to mere token entries at the very moment when the Council has formally affirmed their essential importance, — especially that of energy, — to the development of our continent.

Equally serious is the fact that such a budget constitutes a threat to the prestige of Parliament by demonstrating to public opinion the profound contradiction between the political attitudes expressed in the institutions of the Community and the actions which accompany them. The recent important debate on world hunger becomes meaningless in the face of the mutilation of programmes of aid to developing countries projected in this budget. Parliament must be able to measure up to the seriousness and complexity of the situation where these basic questions are concerned.

We must continue in the direction taken in the preceding year, when the Parliament engaged in a political battle whose vital importance was fully recognized by its constituents. It sought to affirm its legitimate

powers and to force a positive confrontation with such problems as that of the restriction and qualification of agricultural expenditure, the introduction of new policies, and parliamentary control through budgetization of borrowing and lending operations and the EDF.

Fortunately, some possibility of progress exists in the Committee on Budgets, where the validity of Parliament's policies can be reaffirmed. We do not reject *a priori* a technical discussion aimed at increasing income and qualifying expenditure within the existing framework, but we realize that concentration on such technical aspects will offer no truly positive solutions. The basic problem remains that of making the budget a real expression of the needs of the people and nations of Europe. We are aware of the repercussions of the present difficult economic situation, but we cannot be satisfied with promises which recent years and months have shown to have little effective value. We cannot wait for June as for some miracle, but intend rather to act with all firmness and responsibility in an effort to find positive solutions to the problem of the Community's own resources, and to bring about structural changes beneficial to the people of Europe.

President. — I call Mr Rossi to speak on behalf of the Liberal and Democratic Group.

Mr Rossi. — (*F*) Mr President, at the risk of not being very original, I must say, like previous speakers, that ours is a difficult task, consisting, as it does, in considering a draft budget at the very time when the 1 % VAT ceiling has almost been reached. I would even say that it is an agonizing task, since we know, on the one hand, that this limit will inevitably be exceeded next year and that, on the other hand, any procedure aimed at giving the Community new resources will take far longer than one year.

While on this subject, I should like to pay tribute to the Working Party on Own Resources chaired by Mr Spinelli, which has just forwarded its conclusions to the Committee on Budgets, although we know that the governments of the Member States are not yet prepared to change the present system.

Does that mean we should submit without reacting, without proposing other solutions? I have already defended the idea here that the battle will be lost if the present concept is not radically changed. What the Community has done in the past is to introduce a common policy and then ask the governments to be consistent and give it a corresponding amount of resources. Consequently, if we intend to increase our resources without first creating new common policies, we run the risk of carrying on a dialogue of the deaf with the governments.

Having made this preliminary remark, I should like to say that my group, quite obviously, has many criti-

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cisms to make of the draft budget presented to us. Of course, 20 % on commitment appropriations may seem a substantial increase, but it should be realized that the contribution to the United Kingdom alone will account for 8 %, and the Liberal and Democratic Group is particularly critical of the blind reductions that have too often been made, an example being the energy sector, where the dreadful cuts that have been made do in fact signify a virtual refusal to launch any kind of Community policy in this field, a subject to which I will revert in a moment.

But first, I should briefly like to consider agricultural expenditure, and what do we find here? The draft budget proposes a 12 % increase in the Guarantee Section of the EAGGF as compared with last year, and this figure must be seen in the light of the 24 and 22 % increases we had the previous two years. It also corresponds to a slight change in the ratio of non-compulsory to compulsory expenditure, since the latter account for only 69 % of the total this year, as against 76 % last year. I also feel that this increase must be seen in terms of the expenditure on new market organizations — fish, mutton and so on — and of the accession of a new Member State.

How, then, can it be denied that this is a reasonable increase, a rate which hardly keeps up with the inflation we have, even though the Community must honour the commitments it has entered into in this sector?

But we must also bear in mind that farm prices will be fixed in the future and that the present draft budget could not, quite obviously, include appropriations to cover decisions which will be taken later. And in this sector the Commission has indicated that it intends to make economies so as not to upset the balance of the budget and not to exceed the 1 % ceiling. This prompts me to ask the Commission several questions, which I have already put to the Committee on Budgets, without, I must say, having so far received a satisfactory answer.

Firstly, we should like to know when the Commission will be submitting these proposals. If they were put forward at the very time the prices were being fixed, it would be very late. We should also be acting irresponsibly, I feel, if we accepted that. So what we want are details straightaway, to throw light on the budgetary debate in which we are now involved.

Then, and this is my second question, does the Commission think it possible, as it has implied, to make sufficient economies to permit price increases which really satisfy the need both to take account of present currency fluctuations and to improve the farmers' standard of living? Personally, I doubt it. We cannot therefore now be thinking about the fixing of prices for the next marketing year. And at this juncture, Mr President, I should like to make two brief proposals. I feel we must be objective. It would be

dangerous to resort to a kind of oversimplification by thinking that there is, on the one hand, compulsory expenditure, considered as impure expenditure, and, on the other hand, non-compulsory expenditure, seen as pure expenditure. Non-compulsory expenditure probably includes expenditure which we renew year after year without perhaps always checking its usefulness. We must therefore avoid making a point of honour of this and examine non-compulsory expenditure simply to find the savings which seem necessary to us, not cancelling appropriations, but concentrating them on sectors we feel should be given priority.

On the other hand, we think it important that the Council should also make a gesture, and we call on it very formally to suggest to us where savings can be made in compulsory expenditure, even if they are necessarily modest savings while the debate on the common agricultural policy continues. We feel that this would be an important symbolic gesture.

I now come, Mr President, to non-compulsory expenditure, having already said that my group considers some appropriations inadequate. More specifically, we categorically reject the reductions made in the energy policy field. In this area we are a long way from the hopes expressed in Venice. We consider it absolutely intolerable that, while the governments of the Member States have on several occasions stressed the need for the introduction of a common energy policy without delay, the Council adopts appropriations which are in no way sufficient for most of the action to be taken and which, moreover, amount to only 50 % of last year's figure. The Liberal and Democratic Group will devote much of its time to a policy which we consider should be given priority. Within the framework of this budgetary procedure we shall also be putting forward a proposal concerning the financing of the introduction of a genuine common energy policy.

We also attach very considerable importance to cooperation with the developing countries. But apparently this sentiment is not shared by the Council, since the commitment appropriations entered in Title IX of the draft budget are 10.5 % and the payment appropriations 9.8 % down on last year. Let us be frank: we have here one of the really flagrant inconsistencies of the European Community, which adopts a common position in the United Nations and spoils its chances with a rather stingy attitude towards the developing countries. What point, then, is there in having, as we did a few weeks ago, a debate on hunger in the world if we do not manage now to draw the logical conclusions at the financial level?

Mr President, so as not to exceed the time allocated to me, I shall refrain from explaining my group's other priorities, but I should like to say that it does not intend to try and do too much, but to concentrate its efforts on two or three important issues, to which I have just referred: energy and development.

Rossi

To conclude, Mr President, I should very briefly like to mention the question of the classification of expenditure, because the differences between the institutions in this respect are numerous and increasing: I believe we now have some 30 or 35 disparities. We hope that the Council will agree to real conciliation with the Assembly in this area, that a dialogue will be opened and that an attempt will thus be made to find solutions that eliminate the ambiguity which is at present on the increase.

I should also like to say, Mr President, as several speakers have done, that we have here a budget of transition which we do not, however, feel must necessarily be a budget of resignation. This is a budget of transition because we await the restructuring of Community finances, because the review of the common agricultural policy has hardly begun. We are also prepared to take part in this debate on the common agricultural policy on condition that any new policy continues to be based on the three essential principles, these being Community preference, financial solidarity and the unity of the market. In our opinion, therefore, we must fight against structural surpluses, I repeat structural surpluses, rather than surpluses which are necessary if we are to have both an export policy and a development aid policy. But a budget of transition, as I have said, is not necessarily a budget of resignation, and that is why we shall be tabling amendments, few in number, but significant in content. We cannot, of course, say at this stage what will be the group's attitude in the future. Everything will depend on the Council's willingness to demonstrate greater flexibility in its approach to Parliament's request, particularly by agreeing to increase the number of conciliation meetings. We look forward, then, to seeing what fate awaits our amendments. As I have said, there will not be many of them, but they indicate our desire to force the governments to drop what is at present a negative attitude.

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

Mr Flanagan. — Mr President, I have listened carefully to the debate so far, and it is quite clear now that there is virtual unanimity among the Members here that the attitude and the decisions of the Council are not acceptable to this Parliament. So the question then is: where do we go from here?

I should like to start with Mr Dankert, a man for whom I have a very considerable admiration. As a member of the Committee on Budgets he has probably worked harder than any other Member of this Assembly over the past twelve months. I agree with much of what he has said, but when he made the statement that farmers should have their income increases pegged to inflation, he must not know the condition of the farmers in my country, Ireland. Perhaps he does not know,

and perhaps this Assembly does not know, that quite recently our government found it necessary to introduce a package of emergency measures to come to the aid of the farming community because they are in a state that can only be described as distress. The farmers are not satisfied. They are meeting the Prime Minister and senior members of the government this week in an effort to obtain further redress. I believe they have a good case and that the government will see that they have a good case too. I could put it in a nutshell by saying that from the time our country entered the Community nearly eight years ago, farmers' incomes in real terms, despite the advantages of EEC membership, have not, in fact, substantially increased, if they have increased at all.

That raises a very profound question. I was greatly taken by Mr Rossi's description of the obligatory as the 'impure' expenditure and the non-obligatory as the 'pure' expenditure. It is a very good description. It does seem strange to me that in a world where people die every day by the tens of thousands, it should be a crime to produce surpluses of food. Surely it is the fact that an enormous amount of money is spent on storing food that is the crime, not the mere fact of producing too much food in a world that is crying out for it. I think we have to examine a lot of these matters in greater depth, and I could not agree more with Mr Dankert and with Mr Rossi when they say that the cuts made by the Council in development aid were miserable. Perhaps the word was 'miserly' — it was translated anyway as 'miserable'. Either word will do me, and I could not agree more that there is certainly something wrong when the Council reduces development aid, as Mr Rossi said, at a time when the United Nations is seeking to have a minimum level of contributions from all Western countries to come to the aid of the Third and Fourth Worlds.

I wonder, in the light of what I have said, if there is any technique by which the situation of farmers in a country like ours, farmers who have done very badly, can be improved. Perhaps the weather was the main reason, but in any case they have, in fact, done very badly. Is there any way to differentiate the treatment you give them from the treatment you give to farmers who — if Mr Dankert is correct, and I assume he is — are increasing the level of their incomes year by year in other countries of Europe?

One way or the other, I fully agree with all the speakers who have said that it is not acceptable to this Parliament that massive reductions should have been made in the Regional Funds and in the Social Fund. On the Social Fund alone, the European Trades Union Institute recently produced the very shattering figure that by 1985 the level of unemployment in Europe will have reached nine million, in other words, close on 7 % of the labour force of the Community. It is a terrifying thought, but if the action of the Council in reducing the Social Fund as they did is to be taken as an indication of their attitude, then they appear to

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be perfectly willing to accept the situation, to condone it and indeed to encourage this process.

Where the Regional Fund is concerned, the situation is affected this year particularly by the fact that Greece will be joining us in a few months time. The Irish Government has asked for a minimum of 1·066 million pounds — not European units of account — to be spent on the Regional Fund, although this barely covers the cost of inflation as well as the cost of Greek membership of the EEC. The 932 million proposed by the Council is really, as I have said, an affront to the objectives of the Treaty and further evidence of the fact that the aim and ideal of the Treaty of reducing disparities between the poorer and the richer sections has been lost sight of again. When you think about areas like my own county, Mayo, and Galway and Donegal and compare them with the richer parts of continental Europe and then contemplate the cuts imposed in the Regional Fund, particularly in the light of Greek entry, the mind boggles. I have tabled an amendment calling for special provisions in favour of Greece. I will be seeking the support of other groups in the Parliament, and I believe I will get it, so that the Greeks will not be penalized because of the agreement in favour of the UK which was concluded last year.

I agree with most of what John Mark Taylor said, but I would take issue with him when he says that when the ministers meet next Spring, they must so order the budget that the Agricultural Ministers will have their heads firmly pressed against the ceiling. Again let us hope that the running battle that went on between the two teams — one the CAP team, the 'impures' as Mr Rossi called them, and the other the anti-CAP team, or the 'pures' — will not go on for yet another 12 months. We take a very different attitude. We certainly accept that adjustments to the operation of the common agricultural policy are necessary, but cannot accept anything other than the facts in regard to farming income in our own country, other than the facts in regard to hunger throughout the world and the necessity to relieve it, other than the fact that sooner or later the ministers involved and the governments involved will have to examine the 1 % ceiling. If they do not examine this 1 % ceiling, we will continue to be in the straitjacket in which we now find ourselves, where logic is thrown out the window, where humanity and compassion are words that never enter into deliberations, where ideals, as enshrined in the Treaty, simply no longer exist. It is our duty as Members of Parliament, on behalf of our various countries and our various localities and our various areas, so to influence the other institutions of the European Community that the sort of year through which we went last year will not recur, that the paltry suggestions of the Council in this draft budget will be thrown out and rejected, not in a temper but in a calm and earnest endeavour to find a valid way forward. Here I fully agree with Mr John Mark Taylor that we do need further common policies, in fishery, transport, energy and so forth.

I should like to conclude by endorsing everything that other speakers have said in regard to energy. It does, indeed, as one of the spokesmen said, sound ironic that we should reduce the energy budget to a tiny amount at a time when a conflict is going on in the Middle East which further highlights the vulnerability of the Western world and the need to try to find alternative energy sources as soon as possible.

President. — I call Mr Bonde (CDI).

Mr Bonde. — (DK) Mr President, ladies and gentlemen, I would like to comment on the statements by the President-in-Office of the Council in respect of economy, using some examples from our own assembly.

At yesterday's meeting of the group chairmen, I was called a disgusting exhibitionist, because, it was claimed, I had appeared on Danish T.V., and given information about the proposals put forward by the group chairmen to increase the salaries of Members of Parliament. But if anything was exhibited, it was not me. Contrary to rumours, I have not appeared on the Danish T.V., whereas the demand by the group chairmen for a trebling of the Danish Members' salaries has been the object of comment, so in actual fact it must be these salary claims which are an expression of disgusting exhibitionism. It is greed that has been flaunted. I must therefore repudiate the criticism, and with all due respect point out that it would have been possible to avoid publication of the claims for a salary increase by simply following my advice to the working group not to draw up this proposal. We published part of the proposal at a time when the six group chairmen, despite our protests, decided to speed up the proposal by laying it before Parliament. I will not attempt to hide the fact that the object of publication was to prevent the passing of the proposal and thus I consider myself to have complied with the President's strictures on economy.

Thus I am not one of those people who are opposed to demanding increases in salary. According to the proposal by the six group chairmen, a Danish Member of the European Parliament will receive a basic salary which is twice that of the Danish Prime Minister. In addition to this, the Prime Minister is a pauper, when you compare his allowances and fringe benefits with the claims in respect of allowances and fringe benefits for our Members. According to the pensions scheme contained in the proposal, a Danish Member, after merely one electoral period in this Parliament, will have four times as much to play around with as a Danish old age pensioner. It is quite true that it is disgusting exhibitionism to put forward such claims at a time when the EEC, in its economic guidelines to member countries, recommends a reduction in basic wages and government grants, and this, immediately after having vigorously attacked the Danish wage-

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earner's cost of living bonus in this very assembly during a discussion of the Bismark report. The cost of living bonus only gives a partial and retrospective compensation for price increases.

After that debate, the great majority of this Assembly concluded that Europe was living above its means. It is on the basis of this conclusion that one must evaluate the proposal of the six group chairmen.

I understand that Mr Glinne has now withdrawn his support for the proposal and we expect that other group chairmen will do the same, or perhaps suggest a corresponding salary increase, for example, to Danish employees at the next wage settlement between unions and employers. One could for example suggest that a job-subsidy of 500 EUA, that is DKR 3·900 per month, be introduced in the new wage agreement starting from the new year, merely for looking after one's job, a subsidy similar to that for looking after a constituency, which Members, according to one proposal, are to receive from the beginning of the new year. Clearly the job-subsidy should also be given to those who do not work, as the subsidy for looking after a constituency does not presuppose that a Member looks after the constituency.

At a time when Denmark is introducing taxes on essential medicine for economy reasons, it is unreasonable to increase refunds for expenses to people who are already better off than the majority of those they are supposed to represent. According to the draft budget, this Parliament costs DKR 3·592 million per Member, in addition to their national salaries, as well as the cost of free travel etc.

In Chapter 10, a rise of 37·5 % is proposed in the expense accounts of Members, while the corresponding expenses for the staff are to increase by 4·6 %. Have the Members expenses increased so much more than those of the staff? In Article 109, the reserve for covering an eventual adjustment in the financial compensation of Members of Parliament is increased by 750 %. This amount in 1981 corresponds to DKR 81·083 per Member. Is this an expression of the economy looked for by the Council? Is it at least not possible to save a little on Item No 2352, where DKR 2054 per Member is earmarked for refreshments during meetings, especially taking into consideration the fact that refreshments are also included in Item No 2354, and that the subsistence allowance for a period of 3-4 days is already as much as a Danish old age pensioner must survive upon for a whole month?

I have earlier suggested, unsuccessfully, that at least the maintenance allowance be reduced to the same level as that given to the staff. Their food and hotel rooms are presumably no cheaper than those of the Members. I have also earlier suggested that a change be made so that travel expenses are refunded from the bills, rather than the present system, where the travel account is, in actual fact, a source of income for the

majority of Members. Is it not time that the Council, who have been advocating economy measures in respect of the draft budget submitted by the Commission, now also begin to take a look at the expenses of this Assembly, and at the very least reject the proposal of the group chairmen to treble the Danish Members' salaries.

It is the opinion of the Popular Movement, that the salaries and payments to Members should be determined at national level. We therefore reject any proposal to increase the salaries put before this Assembly.

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets.
— (D) Mr President, ladies and gentlemen, the budget submitted by the Council is basically the expression of the helplessness of this Community. I might even say that it is the expression of its incredibility, because day in, day out, symbolically at least, the responsible organs of the Community swear a thousand solemn oaths on its continued development. But the actual policy pursued by the representatives of the governments of the Member States in the Council in particular is diametrically opposed to this development. The Council had to admit here this morning that there is no point in juggling with figures — particularly percentages — because we, of course, all know that the total budget does not even amount to 1 % of gross national product and is therefore no more than a symbolic quantity. But this symbolic quantity conceals a political will, or the lack of political will, to do certain things.

The Council has therefore been able to see that, as in previous years, Parliament regards its task as being to shape the budget to meet what it considers to be the political necessities. This means, among other things, that within the Community we regulate the economic policy, and above all the medium-term economic policy, and make an appropriate structural policy possible. In the context of this economic structural policy we must also take account of the social factors. In other words, the Member States and the Community must act accordingly. None of this is possible in this context. We must also take action on the regional policy — and sectoral or medium-term structural policy of an economic nature is, of course, also part of regional policy. Another reason why this is not possible is that the Member States are hesitant when it comes to shaping this policy at Community level and do not, furthermore, show sufficient willingness to create the conditions at national level for an appropriate Community policy. We have therefore reached a critical point in our development. We therefore have no means of pursuing an appropriate industrial, social or regional policy and if we do not put our own house in order, we shall not be able to exploit our position

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externally and so do our duty as an industrial nation towards the countries of the Third and Fourth Worlds, if I may use this term.

Not so long ago we had a debate on hunger in the world. This was in fact a substitute for the development policy which the Community should be pursuing. If we do not succeed in clarifying what form our relations with the countries of the Third and Fourth Worlds should take tomorrow and the day after — and the oil-producing and exporting countries will have a special part to play in this — this Community will have failed, because it will lose its credibility in the rest of the world. We are therefore compelled to wait until the Council puts its cards on the table as regards the agricultural policy during this budgetary procedure and reveals what course is to be adopted. The Council must not offer the excuse that the European Council instructed the Commission to submit appropriate proposals by 30 June of next year. It will be too late by then. We must have adequate information now — not final proposals — because as a Parliament and part of the budgetary authority we must know where we are going if we are to help shape policy. We all know that our financial opportunities are very limited and that we cannot therefore simply increase total resources, as the Council is evidently trying to do by taking measures and decisions in favour of a no longer justifiable policy in agriculture, specifically in the sectors with structural surpluses.

So we must have an answer from the Council on this, or we shall find ourselves in a situation which may not be far different from last year's. We should both try to avoid this. Neither the Committee on Budgets nor Parliament is out to create a situation or to allow a situation to be created — the Council was after all responsible — like the one we had last year.

I am particularly sorry to have to say this to a President-in-Office of the Council who was himself once a Member of this House and one of its Vice-Presidents and who therefore knows precisely what the position of this House is. But that is after all the fate that awaits the presidency. It is no longer the master of its own decisions: practically all it has to do here is to defend what the Council has decided with more or less reasonable intentions. I would therefore urge you, Mr Santer, to ask your colleagues, as one part of the budgetary authority, to give very careful consideration to the ideas of this House. But the governments should also give some thought — as we have repeatedly said in the past — to how the Community is in fact going to develop. Do we want further integration? Do we want to strengthen it by means of enlargement? Or do we want to reduce it to an agricultural Community or — as some may think — to a customs union or even to a large free-trade area? As things now stand, there is a danger that one of these possibilities will become reality.

We need clear information from the Council. But the Council of Budget Ministers must then be able to defend the positions adopted by the governments against those adopted by Parliament. It must be able to tell us what the governments really want. Besides the present form of the budget, the further development of the Community must also be discussed. Because if we know what, in the opinion of all concerned, the Community can do one day, what the Member States can and should do and what the two together must do, we shall also have created the conditions for deciding how much of the financial contributions should be distributed to each area and we shall have a clear conscience as we use the funds provided by the European taxpayer for all the various aspects of the European Community's political needs. That is what we need, and these questions must be settled during the 1981 budgetary procedure. As I said before, we do not need what the European Council called for, a proposal that is precise to the last detail, but we do need a clear picture of the intentions and of the course to be adopted, so that both parts of the budgetary authority have a reasonable basis for their discussions.

I repeat, we are not so concerned with the actual figures as with reaching agreement on them. There have also been indications in various quarters of how we intend to act tomorrow and the day after and also to include Greece and our responsibility towards the developing countries. This is also extremely important for further development internally. We simply have to put our cards on the table. So far a clear answer has not been given by the industrial nations at the UN Special General Assembly either. They have in fact avoided the issue. We cannot allow things to go on like this until kingdom come.

Hence, Mr Santer, my request: try to get out of the governments whatever you can. We all want to save, but saving can also be achieved by using resources economically enough for them to bear fruit. With the best will in the world, I cannot see that this is the case with the proposal you have put to us here. All it does is clearly reveal the Council's desire to get by, and to do so — I apologize for the word, but after all we do not treat each other so diplomatically here — by very dubious means. I will say it again: for this reason the Council's draft budget is a document that is bound to damage the Community's credibility internally and externally. The Council and Parliament should endeavour to make our policy credible to our citizens and also to the people outside the European Community, so that Europeans too can stand their ground in the world and are not destroyed by their own stupidity.

(Applause)

President. — The debate is closed.

President

6. *Commission statement on the situation in the iron and steel industry*

President. — The next item is the statement by Mr Jenkins, President of the Commission, on the situation in the iron and steel industry.

I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, the steel industry of the Community is in a state of manifest crisis. This is indisputable. The Commission has therefore decided to act as it is required to do under the Treaties and we are, at the earliest opportunity, explaining our action to this House. The Commission has already sent to Parliament the details of the proposals which it put before the Council on 7 October. My purpose is to set out why the Commission believes it is necessary to act in the present conditions; why we intend to use the powers available under Article 58 of the ECSC Treaty; and the scope of our proposals for the steel industry and for its workers.

Let me start with the background. In early 1980 there were signs — false though they proved to be — of a stabilization. We had taken substantial steps towards the restructuring of the industry in those Member States where there was still obsolete capacity in the aftermath of the earlier crisis of 1976-77. This inevitably painful process was proceeding on a Community basis under a voluntary system which sought fairness and offered every undertaking a certain volume of orders corresponding to what its share of the market had been before the onset of the crisis. Moreover, the industry — I am still talking about the beginning of that year — had returned to financial equilibrium. Whereas in 1977 the industry had been running losses of \$ 30-40 per tonne, by the end of 1979 its finances were broadly back in balance, including a margin of profit for the financing of their investment programmes.

A just tolerable picture. I must nevertheless record here that the Council had failed to enact the social provisions proposed by the Commission on 4 May 1979 and approved by this House in November of that year. I shall return to the social aspects of this present crisis later. I should say now that the Commission's proposals of May 1979 were, and are, an essential practical expression of the Community's support and assistance for workers losing their jobs as a result of the restructuring of the steel industry. They remain an essential and basic element of our proposals for action.

The year 1980 has seen a dramatic turn for the worse. The steel industry is highly sensitive to movements in the world economy and has been hit harder than almost any other sector by the present world recession. The rolling blow of the second major round of oil price increases hit it just as it was starting to pick up and to begin to reap the benefits of restructuring in the

shape of relatively stable employment and modest profitability. Since the second quarter of 1980 demand has dropped dramatically. Steel consumption in the Community and in a number of export markets has undergone a sharp and sudden decline in several key sectors. These sectors include construction, mechanical and electrical engineering and, above all, motor manufacturing. This fall in demand has been further aggravated by the accumulation of stocks. These increased by more than 3 million tonnes in the first six months of this year. In addition, since the early summer, prices have fallen by 10-15 %, in large part because some steel-makers, faced with the slide in demand, launched a damaging and futile price war. This slump in prices has also coincided with an average increase in production costs of about 5 % since the beginning of the year.

The result has been a major turnround in the financial position of the steel firms. Many of them are again operating at a loss of something like \$ 30-50 per tonne. The threat to employment posed by this collapse of profitability is menacing. Investment plans are threatened for want of internal resources. Short-time working is already the rule, with many plants operating at less than 60 % of capacity. This can quickly turn into outright unemployment. In addition, the Steel Aid Code could be jeopardised by the actions of public authorities in the face of prospective bankruptcies. The unity of the common market in steel which has been the foundation of so much else is at grave risk if present disorganization is allowed to continue.

The Commission, Mr President, has not been tempted by optimistic inactivity. As soon as the evidence of market disarray began to emerge, we acted vigorously to seek agreement with the steelmakers for a strengthening of the voluntary system of market control. From early July, through August, and up indeed to the evening of 3 October, the Commission did everything in its power to bring them back to more far-sighted attitudes and to persuade them to keep to the voluntary sales programmes it had laid down. These efforts failed despite the untiring skills of Mr Davignon whose work in this matter has been outstanding. It was not his effort or energy or inspiration that failed. Rather, it has become clear that the material and psychological conditions needed for a voluntary system to work no longer existed. In the Commission's view those conditions — fairness as between producer and producer; a realistic attitude to the market; and trust between the parties involved — can only be restored through implementation of the procedures laid down in Article 58 of the ECSC Treaty. Indeed, once attempts at persuasion had collapsed, the producers themselves, though understandably opposed to the principle of a compulsory system, appeared to feel themselves that there was no alternative.

The Member States have already reacted favourably, at the Council session on 7 October, to the Commis-

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sion's proposals. However, to give Germany more time to consider the matter, it was agreed that the Council's decision should be delivered by a written procedure expiring on 22 October. The Commission accepted this arrangement because it has been assured in advance that there would be no extra hold-up in the adoption of the final decision: all the Member States, including Germany, have agreed to the immediate implementation of Article 58(2), which empowers the Commission to conduct with the steel companies and producers' organizations the necessary studies for establishing the production quotas. These consultations began on Friday, 10 October, and are continuing.

In the meantime, as the House will know, agreement has been reached in the German group on the dispute between some German producers. This is a positive step which represents an advance in the return to confidence which is so vital to any restoration of a voluntary system. Nevertheless, the Commission is bound to say that this development on its own — welcome though it is — is not enough to make any difference to the course of action it has embarked on. The Commission has never said that the differences between the German steel producers was the principle cause of the present difficulties and will pursue its conversations with the Germans and others.

On the present evidence, the Commission strongly believes that it must stick to its proposal to activate Article 58, already endorsed by eight Governments.

Article 58 has always been in the background of our coal and steel affairs but it has never until now been used. I will state the Commission's view of Article 58 and how we would propose to implement it. I shall deal not only with what are the Commission's proposals but also, in order to clear away misunderstandings, what they are not.

First, we propose a system of production quotas. Within an overall crude-steel tonnage for each company, there will be quotas for the four main classes of rolled products. These quotas will be calculated by applying to all Community steel companies a single rate of reduction, different for each class of products, from their best twelve month production period during the last three years. This does not mean the high-handed and unnecessary imposition of a cutback in steel production. The steel industry's order books are 20-30 % below what they were a year ago. But that is not because of a European policy. They are down because steel consumption is down. Article 58 makes provision for apportioning the cutback among the steel companies so that the weak are not overwhelmed by the strong and slumping demand is not exacerbated by slumping prices. It is certainly not its purpose to create an artificial shortage of steel, the effect of which could only be to add to unemployment and disrupt the steel consumers' supplies.

Second, there will be voluntary sales programmes for the different classes of products and the different markets, in particular the ECSC market itself and the major export markets. Alongside the compulsory production quotas there must necessarily be voluntary sales quotas. Without these, the aim of market recovery might well not be achieved, or achieved too slowly.

Third, we propose price targets to bring prices into line with the movement of production costs.

Fourth, we shall establish a set of external arrangements based mainly on voluntary understandings and basic import prices, but under closer and stricter surveillance. This does not imply incipient protectionism. Although Article 74, which allows the introduction of import quotas, is sometimes looked upon as the twin of Article 58, the Commission does not plan to invoke it. We do not see it as in our interest to depart from the policy of voluntary understandings with third countries which has worked satisfactorily up to now.

Finally, there will be strict monitoring and penalties to ensure that the rules of the system are observed. Let me emphasize that what we propose does not mean that the European steel industry is going to be in tutelage indefinitely. The Commission's proposals for a compulsory quota scheme run only to 30 June 1981. Indeed, we would be ready to end the scheme earlier if there were a market upturn or if the producers were able to return to a workable voluntary system. The essence of what we propose is that it should be simple, quick, effective and short-lived.

However, that is not the end of it. The Community must have a complementary social programme. In these crisis circumstances, the social provisions which the Commission proposed more than a year ago must now be adopted by the Council. The Commission is at present receiving applications for retraining and early-retirement aid for tens of thousands of European workers. This involves expenditure of several hundred million ECU which the ECSC Budget cannot meet for lack of funds. This is a dereliction of our duty to the workers of the steel industry. It is gravely damaging to the image of the Community. The Commission requested the Council of Ministers in Luxembourg on 7 October to say where it stood on the social provisions, and the Council promised to discuss the matter on 11 November. The Commission is determined that this deadline, which in all conscience is late enough in the day, is duly met. We need a decision and we need it urgently.

I felt it right, Mr President, to set out in some detail to the House the reasons why, for the first time in the history of the Community, the Commission has decided to invoke Article 58 of the Treaty of Paris. We have taken this responsibility because we believe it to be the only way to avoid deepening chaos in the steel industry. We believe it to be our duty to demonstrate what Europe can and must do when it has the

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means. If we cannot manage our affairs or respond to a challenge when the means are there, it is difficult to imagine how we shall ever persuade the governments and peoples of Europe to give us more powers to broaden the functions and scope of the Community. At this time of crisis and challenge, we look to this House to give sanction and strength to the resolute discharge of our Community responsibilities.

(Applause)

President. — I call Mr Delors, chairman of the Committee on Economic and Monetary Affairs.

Mr Delors. — *(F)* Mr President, on behalf of my committee I should like to take note of the statement by the President of the Commission and thank him and his colleagues for keeping the Committee on Economic and Monetary Affairs constantly informed of developments in this regard.

How we would have liked, in this atmosphere of frank collaboration, to call a halt to the slow race which has been a feature of developments in this field in the last few weeks. Unfortunately we did not have the necessary power. In November the Committee on Economic and Monetary Affairs will attempt to evaluate the overall situation as objectively and reasonably as possible. For the moment I can therefore only express my personal opinion.

Firstly, I shall not be so foolish as to confuse national problems with European problems. But I would point out that the longer a Member State delays the introduction of the necessary arrangements, the more serious the situation becomes at financial level and for the workers. And I would say to certain people — they will know whom I mean: do not regard Europe either as a miracle cure or as a scapegoat, and bear this slogan in mind: Help yourself, Europe will help you.

I now come to my three basic observations. Firstly, we must learn a lesson from the past. The lesson seems clear to me. For some years the Community's role in the steel sector, as elsewhere, has been that of a fireman rather than of an architect. Let me explain myself. Since 1971-1973 total investments in Europe and the rest of the world could only lead to the conclusion that there would be a crisis of overproduction, even if there had been continued strong growth. It might have been thought that in 1975, during the recession which followed the first dramatic rise in oil prices, the Community would react by taking full advantage of the instruments provided by Articles 58 and 74. Owing to the opposition of one country, this was not possible. I maintain that if we had done so since 1975, the steel industry in the countries worst affected today — the United Kingdom, Belgium and France — would be in a better position. Measures were taken in application of Article 57 which I must say were not useless. Far

from it. But they were rapidly overtaken by little tricks, knockdown prices, ever-increasing national subsidies. So much so that today talk, one of the Commission's principal instruments of persuasion, has become useless and the whip is needed.

Secondly, the Community's concerted interventionism is far preferable to a laissez-faire attitude — as I hardly need say — and also to a cartel system which, previously spurned, emerges as if fear had given birth to wisdom. Only the combined application of Articles 58 and 74 of the Treaty will enable us to survive this difficult period, which has been caused by the explosive impact of restructuring and the recession. I have deliberately said Article 74. I do not have time to elaborate.

But I am not alone in thinking in this way: others with political views different from mine agree with me. If we want to maintain employment in the steel industry, to restore the companies' financial capacities, to maintain production capacities for the future and not to 'throw out the baby with the bath water', then there must be combined application of the two articles.

Finally, my third observation is that there must be a social plan to suit the gravity of the economic problems that have arisen. We need a social plan which goes beyond the initial stage, for one thing to help countries which have belatedly begun restructuring and for another to finance provisional measures for partial unemployment which will be the result of the drop in production. Here again, great care must be taken to ensure that we do not go too far during this phase and reduce manpower and production capacity potentials.

To the Council of Ministers I should like to say enough of this humming and hawing, enough of this legal quibbling. For a year now we have been telling us that you have not found the legal formula to allow the transfer of 100m EUA from the Community budget to the ECSC budget to enable this social plan to be introduced. It is a disgrace to hide behind this legal alibi.

(Applause)

What we want of you now is action, and I shall not be alone in making my attitude towards the 1981 budget dependent on what is decided or not decided in this respect. You see, the steel industry has long been the symbol of the second industrial revolution. It remains an important element of our power, and around the steel mills industrial states have grown up, companies, towns, tens of thousands of workers who are today bewildered, in doubt about their jobs, worried about the future of their children. Tell me, what impression do all these workers have of Europe if it is not one of a procrastinating Council of Ministers which hides behind legal arguments to avoid tackling the basic issues. How do you expect us to present this Europe to

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the workers? It is impossible. I hope there will be a salutary reaction before it is too late.

(Applause)

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

Mr Glinne. — *(F)* Mr President, you have told us about the measures taken by the Commission to deal with the extremely serious economic crisis which is once again affecting the Community's iron and steel industry. You have decided to declare a manifest crisis, and you intend to establish production quotas both for crude steel and for the industry's principal rolled products. But now we find that the German companies, and they alone according to the information we have received, want to revert to the old Eurofer cartel system and in this have the approval of certain government authorities.

The situation we find ourselves in is therefore far from clear. The majority of the Socialist Group is, for the first time, in favour of the application of Article 58. In this we also agree with a large majority of the trade unions in the European iron and steel industry, and the reasons for support are simple.

Firstly, since the collapse of Eurofer in July, Community producers have been engaged in a veritable price war. This has already resulted in a dramatic drop in orders for steel, and if this situation continues, the outcome of this battle among the iron and steel industries will be substantial financial losses at the end of the year, which will have to be absorbed and will make it all the more difficult to effect the modernization that is essential and, as everyone knows, costs considerable sums of money.

Secondly, we are opposed to cartels, and we therefore endorse the provisions of the two Treaties of Rome and of Paris, which generally prohibit agreements of this kind.

Thirdly, we approve the application of Article 58 because it seems preferable to us that the authorities should themselves establish and monitor the production quotas. As experience has recently shown, the old system of voluntary quotas is at the mercy of one or more independents who do not respect commitments. Furthermore, the trade unions' demand for a right to inspect the apportionment of quotas is, we feel, more easily met under a system of compulsory quotas based on Article 58 than would be the case with a cartel like Eurofer.

Although we approve the declaration of a manifest crisis and the introduction of compulsory quotas, we also call for an improvement in external controls. If this cannot be done under the present system, there should be no fear of recourse to the opportunities

offered by Article 74, although the erection of a protectionist wall must be avoided.

But I must emphasize that we are not giving the Commission a blanket endorsement. We call for other measures to be taken, since production quotas are only one emergency measure taken to prevent the collapse of a whole vital sector of the Community economy. But that is all they will do. On their own, the quotas will be completely inadequate if the intention is to solve the real problems, the social problems and also the problems connected with the modernization of production equipment and with finding new outlets. In the final analysis my group will be looking at these aspects in its assessment of the Commission, the Council and the Member States.

In the social field various measures still have to be taken in line with the original version of the Peters report, by which I mean the version before it was amended in such disastrous fashion by the moderate elements of this Parliament. I would remind the House that the Peters report called for early retirement, the restriction of overtime, the adjustment of working conditions and hours, the introduction of an additional shift, and a programmed 10% reduction of working time over five years without loss of wages. The trade unions also want these measures and we fully support them. It will mean the inclusion in the 1981 budget of the appropriation which the moderate forces of Parliament decided to delete last July.

In addition, there is an urgent need to speed up modernization and for coordination at Community level in this respect. This modernization, which is needed because of the basic changes that have occurred in iron and steel production throughout the world, must be achieved quickly with scrupulous respect for the legitimate rights of the workers and not at their expense. Modernization must be accompanied by a great effort to find new outlets for steel, since steel can be used in far more ways in the building industry, for example. And in this respect, the colloquy held in Luxembourg a few weeks ago was a step in the right direction.

In conclusion, I can say that my Group agrees to the introduction of the emergency measures which have just been explained by the Commission. We hope that the Council will soon approve these measures, that it will do so before 22 October and that it will support the proposals that have been made. If there should be a return to a voluntary system, we would not state our position until we had consulted the principal parties concerned. But I can already say that experience, the letter and spirit of the Treaty of Paris and our convictions persuade us that the right course consists in the intervention measures you are now implementing.

President. — I call Mr Pedini to speak on behalf of the Group of the European People's Party (C-D Group).

President

Mr Pedini. — (I) Mr President, ladies and gentlemen, the Group of the European People's Party wishes to compliment President Jenkins, Commissioner Davignon, and the Commission on the measures we are now discussing. It is well that the essential integrity of the Treaty of Paris has been preserved despite the fusion of executives, for the inappropriate complexity of the present situation is harmful to the system of autonomous production agreements which have regulated the steel market up to the present time.

These are exceptional short-term measures, and therefore anyone who still has questions should ask for the Commission's help in settling them within the next few days. The plan needs the support of those who are already involved in this area, and the new willingness of certain German groups to meet with Commissioner Davignon may contribute significantly towards its greater success.

I would like now to make some personal observations on the application of Article 58 of the Treaty. It would be well if the period of reference took into account the time from the first of January to the thirtieth of September 1980, so that those firms which have restructured and modernized their plants, and which would be the most heavily penalized by the quotas in Article 58, could be more accurately evaluated.

Mr Davignon, the sacrifices in production capacity that we are rightly asking of our own firms should be accompanied by similar sacrifices in the third countries with which we have agreements on import quotas. (Perhaps Article 74 of the Treaty could be invoked in this regard.) These agreements, which expire at the end of the current year, could usefully be prolonged and adapted until 30 June 1981.

Agreements made in recent years concerning intra-Community trade should be preserved as elements of spontaneous self-regulation. Quotas should be fixed with an eye to external as well as internal markets, so that the consequent rise in prices will not increase competition within the Community and damage it in relation to external markets.

I would like to express my agreement and that of my Group with the remarks made by the chairman of the Committee on Economic and Monetary Affairs regarding the social aspects of the measures proposed under Article 58 of the ECSC Treaty. This article is for use only in exceptional cases, but I believe it to be necessary now in order to strike a balance between private and public activity in a market increasingly disrupted not only by the energy crisis and the fall in demand but also by the need for industrial Europe to restructure and adapt its modes of production to a new international order.

The Council of Ministers should find means for effective social action which do not prejudice the interests

of poorer geographical and social elements within the Community.

The adverse social effects of the steel situation on related businesses should be calculated in the light of the differences in national systems for dealing with employment problems in critically affected sectors. Finally, the forthcoming discussions with the German firms should be conducted with care, so that a broad consensus may increase the political value and technical administrative practicality of the decisions agreed upon.

President. — I call Miss Forster to speak on behalf of the European Democratic Group.

Miss Forster. — Mr President, on behalf of my Group I welcome the statement by the President of the Commission. The situation facing the steel industry in the Community is critical, not only for the industry itself and for those who work in it or lose their jobs because of overcapacity, but also for the many other sectors which depend on the supply of steel: cars, machine tools, consumer goods and all classes of mechanical engineering. Steel is the vital raw material for all of these and many more. If the steel industry does not survive there is little hope for all the other industries which depend on it. When the Treaty of Paris was signed in 1951 the six Member States foresaw the possibility of future problems in the coal and steel industries, and for this reason Article 58 was incorporated in the Treaty. Now, 30 years later, it is time for the nine Member States to act together, and we hope that the Germans will agree to collaborate fully in this exercise, the ultimate aim of which is the re-establishment of a steel industry which is truly competitive in world terms so that the Community producers can once again win their fight for markets against steel makers from the USA, Japan and any other countries.

The European Democratic Group does not normally believe in interfering in a market, but because of the vital nature of the steel industry to the Community and because of the immense social consequences caused by redundancies and by short-time working, action must be taken now. If we do not act the situation will get worse and further hardship will be caused to many people who will have great difficulty in finding new jobs in a Community where almost 8 million people are now unemployed. In some areas entirely dependent on steel their job prospects will be virtually zero.

Money is already going towards help for restructuring and for special temporary allowances. We should like to support the Commission in their request to the Council for further funds for social purposes. We in this House also urge the Council to delay no longer in this extremely vital matter.

Forster

We hope that money can be made available under Chapter 54 so that help can be given with early retirement, which is particularly vital in the UK. Another urgent need is for help with mobility and new housing for workers moving from areas dependent on steel or for that matter on any other single industry in crisis.

In conclusion, Mr President, while accepting that action must now be taken under Article 58, the European Democratic Group insists that the compulsory controls be temporary. The Commission itself has recommended that they expire in June 1981 and we hope that this will be the case. The industry really must use the next nine months to prepare itself for a return to a system of voluntary discipline in both pricing and production levels. We hope that free competition will be restored, Mr President, as soon as possible.

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

Mr Frischmann. — (*F*) Mr President, the French members of the Communist and Allies Group wish to reassert their complete opposition to the European restructuring plans, particularly the plan which affects the iron and steel industry. We know that this plan is geared to a reduction in French steel production by 16 %. Even now 47 % of French domestic steel requirements are imported from other Community countries. It is always absurd, and inadmissible, to sacrifice production in any field when there is so much demand. It is even more inadmissible in the case of the French iron and steel industry and at a time when the steel industries of other countries, especially the Federal Republic of Germany, are being encouraged.

But no attempts have ever been made to prevent a situation of this kind from occurring. Quite the contrary. The Community plan for the restructuring of the iron and steel industry has itself resulted in the dependence and present decline of the French industry. This was predictable, as we never stopped saying. We cannot therefore accept this new plan, which is going to lead to more redundancies and more companies closing down, and will thus aggravate an already disastrous situation for the French regions, such as Northern France, Lorraine and so on.

And when tens of thousands of workers rise up against this restructuring, we think they are right to do so, because there is nothing inevitable about the steel crisis. What these workers generally want is production and investments which will create jobs, because the iron and steel industry is a key sector of the economy. What these workers generally want is employment and a response to their demands for, among other things, democracy at the workplace. This may make an essential contribution not only to these workers' rights and quality of life but also to a revival of demand and consumption.

If this is to be done, needs must be satisfied and the policy of austerity rejected. The iron and steel industry in particular must have the benefit of a policy of economic growth solidly based on a dynamic economy, with account taken of the real needs of our society, for example, cars and buildings.

Iron and steel production must also be protected so that it can develop. This includes an exceptional restriction of French imports, it also includes the search for new types of external cooperation, far more diversified than today. Austerity, stagnation or growth, closures, redundancies are not the solution. This is shown by the worsening of the situation with every day such a policy is pursued. It is the solution advocated by those who try to safeguard immediate profits, a few ironmasters, a few trusts, seeking productivity geared only to profitability and individual gain, and this even at truly fantastic knockdown prices. And it is in full knowledge of the facts, in all conscience, that the governments deliberately choose to aggravate the crisis in this way.

For all these reasons we cannot agree to the authoritarian application of the European steel plan under Article 58 of the ECSC Treaty, which represents a real supranational bid for power. Employment must be safeguarded, the independence of our country ensured. The French members of the Communist and Allies Group will join with the workers in the fight to preserve the independence of their country and to satisfy its needs.

President. — I call Mr Calvez to speak on behalf of the Liberal and Democratic Group.

Mr Calvez. — (*F*) Mr President, I listened with great interest to the statement by the President of the Commission of the European Communities on the situation in the iron and steel sector. The Liberal and Democratic Group has in past months drawn the attention of the Commission and Council to this situation in motions for resolutions and active participation in debates.

My friend Georges Donnez and myself, acting on behalf of our Group, have not remained silent on the subject of the difficulties at both economic and social level facing the European iron and steel industry and, I would point out, the iron and steel industry throughout the world, because production capacities are today too large in view of the stagnation in demand for steel.

The steel crisis today affects the whole world. The Americans have just taken measures aimed at closing their frontiers to European products; the Japanese and the new producers, such as the South Koreans and the Brazilians, are increasing their pressure on the Third and Fourth World markets, and it is now up to us Europeans to take steps to protect our internal market.

Calvez

The Liberal and Democratic Group appeals for European solidarity, which must find expression in compliance with floor prices and production quotas, the object of which, I hardly need remind you, is to put a brake on the worsening employment situation in the iron and steel industry.

Having felt the full force of the recession, our steel companies have been compelled to restructure very rapidly. The French industry was successfully coping with this difficult operation. But this restructuring was very expensive in both economic and social terms. It is now for the Community to find solutions to the problems raised by this industrial sector because a change in the anti-crisis system adopted voluntarily in 1977 and the difficulties encountered by the companies in their attempts to remedy the situation have meant that the expected results have not been achieved.

To safeguard the future of the European steel industry, the Commission has therefore, and rightly so, proposed to the Council that Article 58 of the ECSC Treaty should be applied, meaning the declaration of a manifest crisis and consequently the requirement that iron and steel companies observe production quotas until 30 June 1981. Let us hope that these nine months will be enough to restore balance to the market. We no longer have a choice, and those who hesitate to accept the responsibility, to act in a spirit of European solidarity, will bear a heavy responsibility at a time when every citizen is setting store by the future of Europe. We cannot allow the present situation to continue to deteriorate. Only a restrictive system, necessitated by the crisis, will allow the iron and steel industry to survive the bad times it is going through at economic, financial and social levels, which are closely linked. The decline in demand, including that of the developing countries, the sudden drop in production after the holidays, the rise in costs due to the prices of raw materials, the low level of investments are all factors that necessitate Community action based on the obligations imposed on the European iron and steel industry by the Treaty of Paris. There is certainly a pressing need for the organization of markets. If only because of the effects the crisis is having on employment, we must act quickly, very quickly, and everyone's cooperation is essential if there is to be total and unreserved commitment to solidarity based on fairness. And as our Parliament begins to discuss the 1981 budget, the accent must be placed on the position of the iron and steel workers, a subject which will also be discussed by the ECSC Consultative Committee at its meeting of 16 October.

To conclude, the Liberal and Democratic Group calls on the Council to give a favourable response to the Commission's proposal for the release of the appropriations required to alleviate some of the social consequences of the new restructuring of the iron and steel industry and in particular to finance early retirement allowances and to introduce retraining measures. We also call on the Council to consider the social

aspects of the iron and steel industry. It must not be forgotten that several tens of thousands of workers are affected.

We are realistic. We do not believe in miracles, because the situation in the iron and steel industry is a difficult one. This is not the last occasion on which it will be discussed in this Parliament. Our electors are watching us. Their confidence in the Community will depend on the decisions we take and above all on the decisions of the Council of Ministers: is this Community capable of getting the Member States to agree to a course of therapy which will undoubtedly be strict, but which is designed to save what can still be saved? Demagogy is out of place in today's debate: we must be clear-headed in hoping that our respective countries will adopt a voluntary policy to put an end to the crisis in the iron and steel industry.

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

Mr Deleau. — (*F*) Mr President, ladies and gentlemen, no one in this Assembly is insensitive to the gravity of the question we are discussing today. This unfortunately reveals the urgency of the debate on the situation in the European iron and steel industry.

The economic downturn, in conjunction with the second dramatic rise in oil prices, has resulted in a sudden reduction in demand for steel in both the Community and the international market. Orders placed with the steel industry — and I feel this should be stressed — in May, June and July 1980 were down by an average of 60 % compared with the same months in 1979. Action to adjust supply to demand for steel was therefore inevitable. A voluntary adjustment, which is what the Commission and many iron and steel companies wanted, did not appear possible because of various Italian and German producers. Recourse to Article 58 of the ECSC Treaty, which provides for the establishment of production quotas by producer and category of production, is therefore inevitable, unless there is to be a general collapse of prices as a consequence of unrestrained and disastrous competition.

The Group of European Progressive Democrats can but take note of this decision and welcome it, all the more so as, at the time of the first upheaval, it called on the Commission to make use of the provisions of the ECSC Treaty. However, despite this satisfaction, the Group feels obliged to comment on the action that has so far been taken.

I wish to stress three points. It would undoubtedly have been preferable to apply the more restrictive provisions of the Treaty of Paris as long ago as 1976. The Commission's credibility — I apologize for saying so — would certainly have gained from this, and it

Deleau

would surely have prevented certain producers from continuing to add further production capacities in a market that was already in surplus. I refer in particular to the Bagnoli project, to which I have frequently drawn the Commission's attention. Similarly, the external aspect of the Davignon plan should have been more restrictive, because some third countries have not kept to the undertakings they entered into with the Community. Spain is a flagrant example of this, and one which should be examined with particular attention in view of the likelihood of Spain joining the Community in the near future.

The third and final point is that the recent American statements do little to reassure us: the reintroduction of a high 'trigger price' and of accelerated procedures, which may well endanger traditional patterns of trade. We therefore call on the Commission, should there be external difficulties in this market, to enter into early consultations in a bid to prevent a return to extreme protectionism, which would not be acceptable. In this context, I have noted the statement made a few moments ago by Mr Jenkins, President of the Commission.

In the future, we feel, attention should be paid more particularly to the following four points: Firstly, observance of the production quotas established by the Commission and the companies concerned. Secondly, make the external mechanism of bilateral arrangements more restrictive, if necessary by applying Article 74 (3) of the ECSC Treaty. Thirdly, enter into early consultations with the United States if difficulties arise, to avoid the disastrous effects of the lodging of an unjustified anti-dumping complaint, as has happened this year. Fourthly and lastly — and this is no less important — the Council must agree to generous financing for the restructuring that is required if the social tragedies which certain regions have unfortunately suffered in recent years are to be avoided. If, and only if, these conditions are fulfilled, will the Commission enjoy sufficient credibility to prevent action that runs counter to the general objectives for the steel industry. The European iron and steel industry is in fact strong enough to overcome the crisis, which everyone hopes will be as short as possible.

In its concern to safeguard the employment of thousands of workers in the iron and steel industry — and in this respect I agree with Mr Jacques Delors, chairman of the Committee on Economic and Monetary Affairs — the group which I represent, the Group of European Progressive Democrats, appeals to the Commission and Council to take as a matter of urgency, by using the appropriate funds, the social support measures that are essential for the maintenance of employment in a sector which has already been too hard hit by restructuring in the past.

The financial decline of the major iron and steel companies, which has had the same effect on their subcontractors, particularly in the small and medium-

sized industrial sector, will always be a threat to employment, and it can but aggravate the position of the workers in the industry, who have already agreed to a great many sacrifices to allow this restructuring to take place.

In conclusion, my Group can therefore but call for there to be no flagging in the search for early solutions to the problems.

7. Membership of Parliament

President. — The competent French authorities have informed me that Mr Pierre-Bernard Cousté, Mrs Marie-Madeleine Fourcade, Mr Jean-Noel de Lipowsky, Mr André Turca and Mr Daniel Vié have been elected Members of the European Parliament to replace Mr Buchou, Mr Debré, Mrs Dienesch, Mr Gillot and Mr Poncelet who have resigned. I welcome the new Members and remind the House that, pursuant to Rule 3 (3) of the Rules of Procedure, a Member whose credentials have not yet been verified takes his seat provisionally in the House and in its committees with the same rights as other Members of Parliament.

8. Request for the waiving of parliamentary immunity of a Member

President. — I have received from the competent authorities of the Italian Republic a request to waive Mr Gouthier's immunity. Pursuant to Rule 51 (2) of the Rules of Procedure this request will be forwarded to the competent committee.

I call Mr Gouthier.

Mr Gouthier. — (I) Mr President, I will briefly outline the facts and then add some legal considerations which pertain to them.

Last year on Christmas night I made a speech at the close of a peace demonstration to which I had been invited in the town of Portogruaro. It was subsequently discovered that the route taken in the march was not the one that had been authorized.

As far as the legal aspects are concerned, the constitutional court has established the principle that only those who organize a demonstration can be held responsible, to the exclusion of anyone participating in the event as an orator. The magistrate did in fact sentence the organizer to a negligible fine and brought no charges against another orator who had spoken at the demonstration.

Gauthier

As you can see, it is a very small matter. The Legal Affairs Committee will investigate the question, which is simply one of procedure.

President. — The sitting will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR GONELLA

Vice-President

President. — The sitting is resumed.

9. *Commission statement on the situation in the iron and steel industry* (continuation)

President. — The next item is the continuation of the debate on the Commission's statement.

I call Mr Skovmand.

Mr Skovmand. — *(DK)* Mr President, I would like to raise a question which has not really been put in this debate. Such higher steel prices will increase the difficulties of those industries using steel, I should like to ask Mr Jenkins, whether the extent of this loss for Denmark for example has been calculated?

President. — I call Mr Coppieters (CDI).

Mr Coppieters. — *(NL)* Mr President, first a few comments on the crisis in the steel sector, and to begin with the role assigned to Parliament. Once again our institution must confine itself to taking note of decisions which have already been taken, yesterday on the budget, today on the steel industry.

My second comment is that the situation in the steel sector is, to judge by the Commission's documents, particularly alarming, and I therefore accept that a steel plan was necessary. The findings of the July economic analysis regarding the decline in demand are disturbing.

My third comment is that the holdings which form part of the Eurofer cartel are after all willing to accept

a certain degree of voluntary production restrictions. It is not therefore mere chance that the Commission has come up with a proposal for binding production quotas at this particular time. I should like to make a few remarks about these production quotas. Firstly, there is no point in restricting production without at the same time restructuring the iron and steel industry. It is hardly indicative of a serious approach that almost no account has been taken of the need for restructuring, which must be accompanied by the concentration of production on the best plants in the Member States, as page 4 of the Commission's document says.

In addition, certain regions are being forced into the shackles of a traditional pattern of set roles. Commissioner Davignon, who knows Belgium well, will not deny that these plans may result in an allocation of roles of this kind. For my country this means steel for the Walloon area and textiles for Flanders. This is a disastrous policy, because both Flanders and Northern France will be forced by the new international division of labour to abandon part of their textile industry in exchange for the production of steel goods.

Another comment I should like to make is that the steel lobby is a particularly obscure interest group. It is becoming increasingly difficult to avoid the impression that the holdings are using jobs in some way to blackmail into providing aid. When the holdings were still making profits, there was no talk of an informative role on the part of the Commission.

Fourthly and lastly, where do we find in this steel plan the social policy measures that are also needed? They are admittedly discussed in dramatic terms on page 19, but have these measures been adjusted to the new situation?

The draft budget for 1981 does not say a word about the additional 6000m for social measures. If my eyes do not deceive me, there is no more than a token entry. My conclusion is therefore clear: from the answers to these questions we shall be able to see whether the Council and Commission are still thinking only in economic terms, while the present economic situation is increasingly forcing us to think in terms of a social and regional Europe. That is the sound alternative the Commission is seeking, as is evident from the last page of the Commission's document.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — *(F)* Mr President, the first task of the Commission this afternoon is to thank Parliament for its understanding and approval of the Commission's intentions.

This is, it seems to me, a particularly important occasion, with all the political groups in this Assembly, except the French Communists, fully approving, while

Davignon

adding their comments, of course, on the need to make use of the instruments of the Treaty, when they allow action to be taken in a particularly difficult situation. I believe that this represents for the Commission not only vital support but also great encouragement because, as the President said this morning, how credible will the Commission — and the other European institutions — be if we ask for powers and take supplementary action without first taking advantage of all the powers we already have.

It seems to me, Mr President, that the questions have concentrated on three broad aspects. The first aspect to which I should like to refer is that of the long-term success of our undertaking. Mr Delors pointed out this morning that there is no point in taking emergency action unless it takes the form of longer-term action which ultimately enables the necessary stability to be restored to the iron and steel sector. That, of course, is the *raison d'être* of the concerted action we are proposing. It is the basic question, the one we shall have to study in the context of debates on the policy on industrial adjustment, the creation of employment and reconversion. And in this respect it is essential to overcome the uncertain, not to say ambiguous situation, in which we find ourselves, this also being absolutely vital from a policy angle. Are we, at policy level, to have the European Community carrying out the difficult process of painful adjustments, while it is left to the Member States to enjoy the positive effects of a dynamic policy? This is a basic question which we, the European institutions, must face. The Commission's choice in this respect is clear: we cannot have a short-term operation without solidarity, imagination and action being in longer-term intervention and participation.

The second question concerns the external aspect. And I can understand the concern felt by Parliament and those who have said: are you really sure that this difficult and painful business of adjusting supply and demand will not be completely thwarted by the effect of imports from third countries and, in these circumstances, why have you not applied Article 74?

Mr President, we feel that would not be compatible with a policy aimed at increasing our exports. In this respect, I would say to the honourable Member who spoke on behalf of the French Communist Party that, if he had looked at the statistics, he would have seen that the volume of Community production exported in 1980 will be, in relative terms, larger than ever before. Of course, less is being exported because less is being consumed. But we are exporting today a larger proportion of what we produce than we have ever done before. That seems important to me, and we must bear it in mind. Otherwise, how could we complain about the closing of markets, of potentially dangerous measures like those taken by the United States — although these American measures have the advantage of no longer discriminating against the European iron and steel industry alone, as was once the case, when the anti-dumping measures were

directed solely at the European industry. It is therefore important that we make sure we are effectual and that we do not take any risks.

We are convinced that all the arrangements we have with third countries, which provide for solidarity between them and us, because they are encountering the same fundamental problems in the development and restructuring of their iron and steel industries, take account of the trend in consumption in the Community. This will be effective if the Member States help us to ensure that these arrangements are applied effectively. As in 1978 and 1979, we can give an assurance that it is not at this time necessary to take additional measures towards third countries as long as we can guarantee that the present measures work satisfactorily. An I would emphasize 'if the present measures work satisfactorily'. The document we have submitted to the Council and forwarded to you sets out all the supplementary detection and control measures which we propose to make sure that imports do not cause distortions. We shall, of course, be keeping an eye on the situation. And of course, if these measures do not work as effectively as they should, we can always take other action. I do not think that the Commission can be accused of not taking sufficient action with regard to the iron and steel industry.

A last point I should like to take up before going on to the social question is this: I should like to say in the clearest possible terms that the restrictive programme the Community is and will be implementing presupposes the widest possible consensus. We are not in the process of introducing a system which conflicts with what the Member States, the steel producers or the trade unions want. This action will succeed — and we have no choice but to make it succeed — to the extent that we have the help of the greatest possible number. We shall therefore continue to work with all the steel producers so that they may all support the Commission's activities. There can be no doubting that restrictive action cannot in the long term keep the iron and steel industry alive and ensure it works well if those directly concerned are not ready to accept that such action is in their own basic interests. A state of manifest crisis can obviously be no more than a temporary state as long as we use the time to recreate a consensus on the objectives, a consensus on solidarity, a consensus on everyone's good behaviour — monitored by us, of course. That is the difference between a cartel and the functioning of the ECSC Treaty. And I should like to say to Mr Glinne that the Commission would never have agreed to an iron and steel cartel if the aim of cooperation among the producers had not been the achievement of the objectives, the quotas chosen by the Commission. It is not the producers who are sharing out the market. It is the Commission which decides what solidarity requires in the way of sacrifices and mutual cooperation. We shall continue to work towards the restoration of this consensus among the steel producers, and the first sign we have had from the producers in the Federal Republic is encouraging.

Davignon

We must go on from there and establish, as soon as possible, a less abnormal situation than the one we have now.

I was somewhat surprised by a remark made by Mr Coppieters, to the effect that restructuring had not begun. What else has to be done for restructuring to begin? Has restructuring not begun in the United Kingdom, where the previous plans, to which Mr Delors referred, provided for a capacity of 32 to 33 million tonnes and the latest plans call for less than 15 million tonnes? If that is not restructuring, what is? I do not want to quote the figures for France, for Belgium, for the Federal Republic: that would be a litany. Restructuring has become a reality. Because it came too late, it has become more painful and more difficult to bear. But today the European Community has a duty to make it succeed. To be sure, the difficulties arising from the present economic crisis must not be used to bring about more extensive industrial upheavals than those forecast by the Commission in its general objectives. Restructuring has begun. And because it has begun, our method of calculating the quotas will take account of efforts which have already been made, so that those who have already acted in solidarity are not penalized and are not asked to make an even greater effort because their colleagues have not made the effort they should have made or have been tardy in their reaction. That is a policy of restructuring in solidarity, and I think it is a good one.

To conclude, I should like to answer the question put by Mr Skovmand, who wanted to know what an increase in steel prices costs Denmark. There will not be any costs of this type for Denmark, just as there will not be any costs for the other countries. Does he for a moment believe that, if there was no longer an efficient iron and steel industry in the European Community, Danish importers would continue to benefit by prices as low as they are at present. No, of course not. Exporters would not want to export semi-finished products, they would only want to export finished products, and we would then have a fundamental problem, because there would no longer be any competition. Do you really believe that semi-finished products would be exported to the Community when cars, washing machines and other products that include a major added value component could be exported? I shall conclude, as all the speakers have done and as the President of the Commission did this morning, with the social question. I should like to make it absolutely clear that, where the social aspect is concerned, it is not a question of describing what would happen if we did not do what must be done, but a question of elementary justice. Because if the Council resorts to legal or technical quibbling — and what is the value of legal and technical quibbling in a situation such as this — and refuses to transfer to the ECSC budget the sums which the ECSC needs to honour its commitments, it will mean that, if you had been a worker in the iron and steel industry in 1978 or 1979, because there was money in the ECSC till, you

would have received compensation, in addition to what you would have received under national legislation, for early retirement, for being laid off or made redundant and you would have benefited by reconversion or vocational training measures and construction programmes. But if you were a worker in the iron and steel industry in 1980, although the Treaty requirements remain the same, you would find the Member States of the Community accepting that — at the very time when all the political groups here are calling on the ECSC to act — the ECSC is a bankrupt organization as far as individuals are concerned. The day it is believed that the European Community can be built while commitments laid down in the Treaty cannot be honoured because essential budgetary commitments have not been entered into, that day Europe will cease to be a goal. Europe will be a subject of discussion. Europe will no longer be that instrument with which destiny can be changed. Europe will simply be an alibi. And a Europe of that kind cannot be accepted by the Council, by Parliament or by the Commission.

President. — The debate is closed.

10. Consumer policy

President. — The next item is the joint debate on

— the report by Mr O'Connell, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the communication from the Commission of the European Communities to the Council (Doc. 222/79) concerning an action programme of the European Communities with regard to consumers (Doc. 1-450/80);

and

— the oral question with debate by Mrs Scrivener (Doc. 1-435/80) on behalf of the Liberal and Democratic Group, to the Commission:

Subject: Consultation at Community level between consumers, producers and distributors of goods and services.

The Second Community programme for consumers stresses the promotion of consumer interests through the establishment of a dialogue between consumers and the producers and distributors of goods and services

The Commission proposes the conclusion of 'specific agreements' between the various interests concerned.

Can the Commission indicate:

1. The parties represented by the four bodies on the Consumers Consultative Committee and how these bodies function in this Committee?
2. What procedure would be used for establishing consultation between the interested parties, what form such consultation would take, what areas it would cover, and what the Commission's role would be?

President

I call Mr O'Connell.

Mr O'Connell, rapporteur. — Mr President, in presenting this report to Parliament today I want to emphasize the considerable amount of time and energy that has been spent on consultations and debate on the second consumer action programme. Since I was first appointed rapporteur in September 1979 my Committee has held a public hearing on the second consumer action programme in Dublin, and members of my Committee had the opportunity to examine closely the opinions of both consumer and producer interests. In addition there has been prolonged and intensive debate on the final content of this report. I, as rapporteur, have benefited enormously from this exchange of views and I have endeavoured to draw up a report which I feel clearly expresses the viewpoint of the majority of the committee.

The second consumer action programme, Mr President, is particularly significant at the present time because today consumer policy in the Community is in a state of crisis given the very limited success of the first consumer action programme and the current shift in Community priorities away from issues such as consumer protection.

But it was Jean Monnet, the father of the European Community, who said:

The common market was not created in the interests of producers but above all in the interests of consumers.

I feel the Council of Ministers must harken to these words because it is due to a lack of political will on the part of the Council of Ministers that consumer policy has largely remained at a standstill.

But if this lack of political will has been inexcusable in the past, it is intolerable for the future, for now more than ever the Community needs a new, dynamic consumer policy. Today every penny, every pfennig, every centime in the household budget counts and the need has never been more urgent for a policy which will redress the gross imbalance between consumers and producers in the market place.

Of course there are those who will say that consumer policy is not a fit priority given the present economic crisis in the Community with its problems of inflation, unemployment and economic growth. There have even been calls for cutbacks in the consumer programme on the grounds that it is too costly for producers to implement. But, Mr President, has any one asked the question what is the cost to consumers of faulty goods, unfair advertising, sub-standard public and after-sales services and uncontrolled prices? How much have unfair credit terms and uninformative labelling cost the consumers of Europe? The reality is that the Community needs more consumer-protection legislation, not less, and that is why it is necessary to

flesh out the second consumer action programme with concrete proposals as outlined in this report.

I think it is also necessary to do so in order that we may honour the commitment we gave to the electorate in the direct elections when we said we would endeavour to improve the quality of life of 260 million citizens of the Community.

Now the broad objectives of the second consumer action programme are to be welcomed, particularly the new emphasis on the active promotion of consumer interests. The problem arises not so much with the goals and aspirations of the programme but rather with the lack of concrete proposals for the realization.

We have felt the need to give this programme a backbone in the areas of prices, public and after-sales services, legal redress for the consumer and the promotion of consumer interests.

My Committee felt there was need for the Commission to support the publication of comparative price surveys more frequently at regional level and that these details should be made available to the public. I personally would have preferred the establishment of a body on prices and competition with strong consumer representation to combat cartels and monopolies. But unfortunately the majority in the committee rejected my proposal.

My Committee has also asked for a directive on consumer rights in the field of after-sales service and a directive establishing consumer rights in the service industries and particularly in the tourist industry where the public are exploited so much. We have asked also for a directive on unfair contract terms and we also want to see the consumer interest taken fully into account in the evolution of the common agricultural policy, consultation with consumer representatives taking place at the earliest stages of price-fixing negotiations and with future agricultural policy development concentrating on attaining a more balanced relationship between supply and demand through greater emphasis on the structural and the marketing element rather than across-the-board price increases.

We want Member States to establish as a matter of priority advisory, arbitration and conciliation bodies to resolve disputes between consumers and producers. Unfortunately my Committee rejected my plea for small-claims courts to be made available to enable consumers to press their claims against the producers at little cost.

We also want industrial codes of conduct that take account of the interests of consumers, and we regard these codes as complementary to legislative provisions. I personally would have preferred legislative efforts especially where codes of conduct cannot be enforced.

O'Connell

But in all cases we want consultation with the consumers on them.

We want measures aimed at reducing the consumption of alcohol, tobacco and addictive drugs. I would have preferred again a much more radical measure in this field with a total ban on advertising of tobacco and drink. There are vested interests, Mr President, at work even here in Parliament. It is very sad.

My original proposal alarmed very much the vested interests in the industries. The harmful effects of tobacco have been well documented in Member States and by advisory bodies within the Community, tobacco killing four times as many people as road accidents within the Community — justification enough, I would think, for stringent measures against it.

I am sorry, Mr President, that my Committee rejected my proposal that the staff and the resources of the Commission allocated to consumer policy in the Community be substantially increased, because I feel — and I outlined this in great detail in the explanatory statement accompanying the motion — that there is a real need for a substantial increase in staff and resources if any of the major proposals contained in the second consumer action programme are ever to be implemented.

Finally we as a committee want an effective consumer education programme that will enable the consumers, and particularly young consumers, to face the economic challenges of the 1980s.

President. — I call Mrs Scrivener.

Mrs Scrivener. — (F) Mr President, ladies and gentlemen, the reason why I have put a question to the Commission on consultations between consumers, producers and distributors of goods and services is that I believe one of the Community's essential roles is to encourage a more constructive dialogue between the trade, the consumers and, I would add, the authorities. The Commission rightly puts this action at the top of its list in the second action programme for consumers.

This dialogue is essential if we intend to maintain our free system, our market economy, in which consumers must have a say and producers and distributors must be encouraged to defend their image better by showing that their development is compatible with the greater satisfaction of the consumer's needs, because this is ultimately to everyone's advantage. But, as we know, consultation is a difficult step. It is difficult to set in motion because it is not enough for each party to make a declaration of principle.

Consultation in the consumer field, as in many others, must not be a means for one party to test the resist-

ance of the other. It must not be a means of imposing one's own views, above all it must not be a means of gaining time while awaiting the concessions which then become inevitable. This in fact applies to every sphere — the common agricultural policy, competition, standardization, publicity or the elimination of abusive clauses, to name but a few. But if there is to be a dialogue and consultation, consumers must also be accepted as full participants, so that they may play their role as decisive factors in the machinery of the market.

In the case of the common agricultural policy the value of such consultation is evident, and I must say that the recent affair over animal feedingstuffs shows how things can deteriorate in a situation which has hitherto been characterized by inadequate consultation, and sometimes none at all, between economic partners, who in this particular case were producers, distributors of feedingstuffs, veterinary surgeons, authorities and consumer movements. Warning the public — on a European scale for perhaps the first time — warrants close attention, because the public are most sensitive about physical health and safety, and I am sure we shall have other boycotts if consumers feel their health is threatened. I would also add — in parentheses — on the subject of boycotts, that consumers would be doing our economic system a service if they sometimes had the courage to boycott prices.

Consumers should be more involved in the continued development of the common agricultural policy. They should participate in sufficient numbers in the management of agricultural markets, and they should be better informed about price formation. This is an area of widespread confusion in which the Commission should be actively carrying out comparative studies and expert work and encouraging effective consultation between producers, distributors and consumers. This would make for a better understanding of a problem which some day will cause major difficulties, because the public too often has the feeling that it is being made fun of.

But this raises a question, one I should like to put to the Commission: are there enough consumers capable of participating as full partners in the bodies which concern them? In its action programme the Commission proposes that assistance should be given to consumers' associations and such assistance should be increased. We fully endorse, of course, this initiative, which is absolutely essential because the individual consumer is rarely able to defend himself and therefore requires collective support. Similarly, the Commission's suggestion that consumer representation on the consultative committees should be increased is in itself welcome, but we should like to know if these committees are really effective and, if so — and we hope they are — if there are enough of them.

Scrivener

In its action programme the Commission also refers to codes of conduct. But I must point out that it does not define what these codes of conduct are or how they will work or, in particular, how they will be organized. I can see the reasons for this, having been in what might be called the consumer business for over two years now. I know that the reason is that it is difficult — not to say impossible — to implement these codes of conduct.

I should therefore like to make a suggestion to the Commission. I believe it would be more realistic to have thorough consultations with the partners before the directives are drawn up — I stress, before the directives are drawn up, before anything is written down. Then, when the directive has been accepted by the various authorities, the codes of good conduct and self-discipline should be ultimately drawn up at Member State level, on the basis, of course, of the directives concerned. It seems to me that that is the way for codes of good conduct to be established in the future, at a later stage, at Community level. Because I am afraid — and I have the courage to say so — that otherwise we are quite simply day-dreaming. On the other hand, as I said just now in connection with the common agricultural policy, the Commission must have recourse to consultation, but here again it must look ahead far more than it does today. It must use consultation to propose regulations and controls, and I believe it can show what talents it has in connection with the feedingstuffs issue.

But it is obvious that for such consultation there must be consumers who are informed and educated, particularly on the realities of economic mechanisms, because the more we think about these problems, the more we realize we cannot say simply anything, even as a consumer's representative — I would even say, especially as a consumer's representative.

I am therefore glad to see the programme includes activities to promote exchanges of information among the Member States, pilot experiments, particularly for young consumers, and European seminars like the one soon to be held in Paris. Education and information are after all the pillars of the better consumer society we want, with better account taken of the use of the resources we have, which will not last forever, and making it possible — this being not the least important aspect — to reduce the inequalities, because we well know that these inequalities are due not only to economic factors but also to a lack of information and education and that consequently the poorest consumers are sometimes the ones who, in some way or other, pay twice. To conclude, we want this consultation to form part of an economy which is based on freedom of choice for consumers. It is not a question of imposing one kind of consumption: freedom of enterprise for producers and genuine consultation form the cornerstone of any action.

President. — I call Mr Collins.

Mr Collins, Chairman of the Committee on the Environment, Public Health and Consumer Protection.— Mr President, my thanks are due right at the beginning to the rapporteur on this item. It has been a very difficult report to draw up because of the length and the depth of the consultation that we engaged in. I would also like to thank other members of the committee, Mrs Scrivener and the rest, for the work they have put in and the amount of interest we have taken in this particular matter. They are right to regard it as an important matter.

I only want to pick out a few themes and to comment on them rather than deal with the report in detail.

Mr President, this debate is taking place at a time of economic recession such as we have not seen in Europe since the 1930s. There is considerable job-loss, there is a falling demand for our products across Europe, and a great many countries are being forced to take emergency measures of one kind or another. Only this morning the President of the Commission was making a statement in this House declaring a state of 'manifest crisis' in the steel industry. This debate is taking place too at a time when confidence in the institutions of the European Community, as a solution to the political, economic and social problems in Europe, is waning in some areas, and I think I would even be correct in saying that in some other areas, such as a well-known town in the north-west of England, it has disappeared altogether.

However, it was hoped by many that the elected Parliament last year would inject a spirit of greater responsiveness to the feelings of ordinary people, that accountability and genuine democratic control would become more evident. That is the importance of this debate, because the very core of this approach is surely a recognition that the man-in-the-street, the family in the supermarket, are important and indeed as important as the businessman in his boardroom. It is the belief of my committee and it is certainly my belief that we have to struggle as hard as we can to find a balance between producers on the one hand, traders and retailers in the middle, and the consumer at the end of the process.

That is why the Committee on the Environment, Public Health and Consumer Protection has consulted widely on this particular matter. That is why we held the public hearing in Dublin Castle, to which the rapporteur referred. This hearing was important because we as a committee not only improved our own understanding of the complex and varied issues involved, but I think we also enhanced the consciousness of the Irish people and indeed of the Irish government with regard to consumer affairs. I think that the committee benefited too, because they heard the explanations, they heard the debates, they were able to explore the points of view raised. Finally, I think the Commission also benefited from that public hearing, because they not only had to explain and defend their proposals to

Collins

the committee, but they had to do so in public in front of the television cameras, in front of the press and in front of the witnesses who were there as well. I think I would be right in saying that the Commission found it not only a challenging but also a refreshing experience, because for the first time, perhaps, they were able to hear not one witness at a time but all of the witnesses together and to argue their case with them.

My second point, therefore, is that this debate is the culmination of a great deal of honest and very hard work and that since the business of Parliament is surely to debate, with the Commission and with the Community at large and with the public, the affairs of the Community, then this report before us today is of immense importance, because it represents the fruits of that very process of consultation and scrutiny.

I only want to mention one or two of the substantive issues contained within the report. First of all, there is the question of cost. The report mentions that a majority of the committee wanted detailed costs, insofar as it was possible to obtain them, for each item the Commission may decide to produce in the future. Now, while it is difficult to deny that costs must be a central concern of any administrative institution, whether it is the European Commission or the smallest local authority in the Community, it is important to remember that we must not be one-sided in our attack on costs, because, as the rapporteur has pointed out, there are also costs to the consumer from many, many Community policies and we cannot isolate this particular item and say we shall have costs for that while ignoring the enormous costs of, for example, the common agricultural policy to the workers of Europe. So far as the committee is concerned, it is a question of finding a balance between one side and the other, and I can only emphasize the importance of the drift of the rapporteur's statement on this.

Secondly, there was the question of codes of conduct and of legislation. Again there was a great deal of controversy, but I think the feeling of the committee was that if codes of conduct can be policed, if they can be enforced and if, moreover, they can embrace all the interests concerned, then they will probably be sufficient. But it is only fair to say that there is much concern in the Community about the possibility that codes of conduct may not always be enforceable; they may not be policed adequately; there may always be rogue companies; there may always be people who stand outside the trading organizations that could enforce these things, and we have to be aware of all this.

There is also much concern about advertising, and we may mention specifically alcohol and tobacco. In these two sectors I think it is absolutely crucial, absolutely essential that only the highest standards of ethical behaviour are allowed. It is, of course, debatable whether tobacco or alcohol as substances are actually addictive. Some people would say that they are, and

some would say that they are not. Obviously, the very substantial trade interests would say that they are not, and indeed, they would argue that they are very helpful. Well, I can appreciate that there are circumstances in which tobacco and alcohol can be helpful, although this is not the place to investigate them, but there is no doubt at all that taken in excess both tobacco and alcohol are harmful. In my constituency, for example, and in the west of Scotland, we have very high rates of alcoholism and it would be entirely unreasonable if we were to allow standards of advertising to drop so that alcohol consumption was seen as a glamorous activity. It may indeed be pleasant at times; but having seen the effect it may have on sections of the population, including people under 18 or even under 16, then I am afraid I have to say that we in the Community shall have to look very, very hard at the control of advertising in these sectors.

My third point concerns help for outside consumer organizations. At a time of unemployment, when poverty is more widespread than we should like to see, it is desperately important that consumers be helped to see their way through the jungle of special offers, of varied labelling, of pressure salesmanship and so on. They should be allowed to make choices and they should be helped to make sure that these choices are indeed their own and not forced on them by sales techniques. We need pressure to maintain the conduct of after-sales service and we need to investigate the possibility of better facilities for taking up justifiable complaints if goods do not come up to standard.

In conclusion, Mr President, I think it is not for me, as chairman of the committee, to comment on individual amendments: I think they are the legitimate expression of sincere feeling and a great deal of hard work. However that may be, this Parliament must learn that in order to ensure a satisfactory programme for consumers it must support the Commission's attempts to get adequate staff. It must be in the van of progress when it comes to representing the ordinary workers in the Community. I think this report is important; I think the speeches that you will hear will represent the kind of feelings that the committee wants to get across to the Parliament. Of course, the report will be amended; but nonetheless it represents a serious attempt to rescue the Community from its narrow preoccupations and set it once again on the road to being the true organ of open government in Europe, not just on behalf of vested interests but on behalf of all of the people.

President. — I call Mrs Krouwel-Vlam to speak on behalf of the Socialist Group.

Mrs Krouwel-Vlam. — (NL) Mr President, I should like to repeat what the rapporteur has already said, not only in support of his statement, but also because my group attaches very great importance to a European consumer policy.

Krouwel-Vlam

I will begin by quoting something said by Jean Monnet, a French economist and the draftsman of the Schuman Plan — he is also sometimes known as the father of the European Community — who once made the following memorable statement: the Community market has been established to serve the interests not of the producer, but above all of the consumer. My group fully endorses this statement. But it might well be asked if Jean Monnet's word have not fallen on deaf ears, because so far precious little has been done about consumer policy in the Community.

The five fundamental rights of the consumer set out in the first action programme sound very promising. But an action programme should mean the general policy already recommended by the Council. The Commission should draw up specific proposals and put them forward, but after Parliament has delivered its opinion, practical proposals are sometimes blocked by the Council and often obtain only a small majority, in Parliament, which is reflected in resolutions that are a shadow of their original selves. From this it might be concluded that there are still too few people in Parliament willing to cooperate in the establishment of a strong and well-founded policy or the protection of the 260 million consumers in the Community. As a result, the five fundamental rights remain pious hopes and the aims of the first, 1975 action programme have not yet been achieved.

Now, in 1980, my group very much welcomes the second action programme, the central themes of which are again consumer protection and information. Its objectives are excellently formulated, and my Group is therefore counting on their resulting in excellent proposals and guidelines. But who can guarantee that this programme will be fully implemented and not suffer the same fate as the first programme, so that the consumer again becomes the dupe? My group fears the worst, considering the way this proposal was treated in the Committee on the Environment, Public Health and Consumer Protection. The majority of this committee felt that a number of quite essential measures in the consumer's interests, which were included in the excellent draft report drawn up by the rapporteur, Mr O'Connell, should be toned down or completely removed. The members of the committee who were involved in the drafting of the report now being debated have therefore created the impression that it is the report of a Committee on Producer Protection rather than the Committee on Consumer Protection.

My Group gives first priority to the consumer's interests. We are very concerned about the position of the consumer in presentday and future society, characterized by its complexity and an increasing number of highly developed and technically very sophisticated products on the market, which are sold with the aid of clever and often, intentionally or unintentionally, misleading advertising.

Has anyone ever wondered what the social cost to the consumer is to deficient products, misleading advertising, inefficient and inadequate Government services, poor after-sales service and uncontrolled prices? What harm has the European consumer suffered as a result of unfair credit conditions and inferior labelling?

The consumer must be fully involved in the preparation and implementation of economic decision-making that affects his position. For this we need measures which are not to be found in the report now before us. My Group has therefore felt obliged to table a large number of amendments to this report, which aim, among other things, at increasing the resources of the Commission's consumer protection service. If consumer policy is to play an effective role in the Community, there will have to be a separate directorate general and consequently more staff. Our amendments also call for greater assistance to be given at Community level to European consumers' organizations, so that they may have the expertise and the resources needed to influence the formulation of a consumer policy, to encourage regular meetings of the Council of Ministers for Consumer Affairs and to introduce quickly a directive on approximation of Member States' legislation relating to advertising on pharmaceuticals. We also call for the introduction of a draft directive on advertising aimed specifically at children, stronger representation of consumer organizations in the relevant institutions and committees of the Community, the continuation of the policy on waste management and the recycling of waste material and measures to increase the durability of products and to encourage the use of simple and suitable packaging. We also hope that the Commission will stick by its intention to set up an internal working party on prices with Parliament's support and to inform Parliament regularly on its activities.

Mr President, consumer policy so far has been a travesty and what is being proposed for the future is unacceptable. The Community now has a greater need than ever for a dynamic consumer policy, which puts an end to the considerable inequality between consumer and producer. The European Community is not simply a trade agreement, and the Treaty of Rome must be interpreted liberally. An active and dynamic approach is required if the consumer policy is to be further developed and to assume its rightful place. Only a European Community that takes account of the interests of the consumer will be a good place for its 260 million inhabitants to live and work in.

President. — I call Mr Alber to speak on behalf of the Group of the European People's Party (C-D Group).

Mr Alber. — (D) Mr President, ladies and gentlemen, I should like to begin by thanking Mr O'Connell for his report on behalf of my Group. I would ask him not to see this as a cynical remark. Although we have

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changed his report through various amendments, we acknowledge his efforts and his commitment and we know how very sincere he is about the interests of the consumer. The second action programme for consumers reiterates the objectives of the first, particularly the idea of consumer protection, and the call for the recognition of the famous five rights, the rights to protection of health and safety, to protection of economic interests, to compensation, to information and education, and to legal representation. But for good reason the second programme goes beyond the merely defensive nature of the first programme and sets out to make a genuine partner of the consumer by means of a positive dialogue. This is a step towards an *ex ante* consumer policy. This idea must be fully endorsed. But when it comes to the achievement of this objective, opinions differ as to whether consumer policy should be regarded more as part of economic policy or more as part of social policy. The best consumer policy is one in which the interests of the consumer, producer and trader correspond. That is partnership, while playing one off against the other is not. We feel that the amendments that were adopted come closer to this idea than the original version of the report and the amendments that have now been tabled by the Socialist Group. Consequently, the day on which the vote was taken in committee was not a black day for the consumer, as representatives of the Socialist Group felt, but at best a black day for the Socialists themselves, because they could not get their ideologically biased views accepted. And I hope they will not succeed in doing so at the next vote.

The consumer is primarily interested in fair prices, high-quality goods and products which are durable and free of defects. He needs clear and truthful information and business terms and clear and complete labelling and advertisements. He is less interested in the question of financial resources for self-styled consumer protection organizations, the question of the legal status of authorities and the endowment of advisory councils. It must not be forgotten that the consumer is also a tax-payer. The genuine interests of the consumer must taken as the basis for doing everything possible to guarantee the rights I have referred to, to root out the black sheep that are to be found everywhere and to make the consumer into a genuine partner by means of objective and complete information and education. That is the purpose of consumer policy, not concealed influence on prices and investments. If we want citizens able to think for themselves, we must let the consumer himself decide and not want to lead him around by the nose. It cannot be denied that some people do not have the consumer as such uppermost in their minds, but regard consumer policy rather as an instrument for influencing and steering the economy. Since the political power structure prevents direct investment controls, their idea is to use such substitutes to achieve their aims. As long as a republic of councils is not possible, they will put up with a republic of advisory councils for the time being. We Christian Democrats on the other hand assume

that the citizen is able to decide for himself. That is also why we prefer voluntary codes of conduct to legislation. The call for increasing officialdom at best triggers off the official's desire for appointments and promotion, but it does not solve the problems. We therefore advocate the principle of subsidiarity and we know that, if there is proper competition, the market itself protects the interests of the consumer. An excess of official standards and checks, on the other hand, simply results in uncertainty, price increases and less innovation.

We were also surprised to find that the committee rejected the appeal we made in this connection for tax harmonization at European level, even though tax harmonization would, of course, increase the range to the consumer's advantage.

We are fully in favour of any information and education, including that on price formation. It would be a good thing for such matters to be taught in the schools, but if possible by people who do not confuse turnover with profit. A separate subject is not necessary, because social studies is good enough for the political and economic questions and biology for the scientific aspects. Another reason why a separate subject is not necessary is that, if we go on like this, everyone will be a teacher soon: some people would like to have teachers for consumer affairs, teachers on drugs and teachers on environmental protection, traffic safety and so on. If we then add the members of advisory councils and the staff of authorities and organizations, we shall soon have nobody working in the productive sector. Self-styled consumer organizations are springing up everywhere. But who protects the consumer against some of the consumer protection organizations? There may be a real need for the legitimacy of such associations to be considered. There is a similar need for appropriate conditions to be laid down for their establishment. On the other hand, it is regrettable that no mention at all is made in the programme of the associations which genuinely and impartially inform the consumer. I mean the real consumer centres and consumer advisory offices, which deserve our support. We are grateful to the rapporteur for paying due attention to these organizations.

We are in favour of and demand information for the consumer. Information on price formation and price comparisons must not, however, lead to price controls through the back door. It is not the Commission's task to act as a price commissioner, nor can any authority objectively and expertly assess the relationship between the quality and price of goods and services offered. The adult consumer must also be left to decide for himself whether, when and what he should buy. We are opposed, for example, to the abuse of alcohol, tobacco and drugs, but a ban conflicts with our view of freedom. Controls on consumption conflict with the concept of the adult citizen. It makes me smile when I think that some of those who are now

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calling for a ban were voting for the abolition of controls on soft drugs six months ago in this House, probably to make their constituents happy or perhaps to please a well-known German publisher and small-time hash addict.

But to make myself absolutely clear, while we reject bans in this area, we shall do everything to prevent abuses that are detrimental to health. The programme before us must now be implemented by means of practical proposals. We will ensure that this is done in the spirit of the social market economy, because only then can this programme be regarded as a positive step forward, only then will it really benefit the consumer and only then will the consumer become a genuine partner.

President. — I call Miss Hooper to speak on behalf of the European Democratic Group.

Miss Hooper. — Mr President, on behalf of the European Democratic Group and as a member of the Committee on the Environment, Public Health and Consumer Protection I welcome this opportunity to discuss the next five-year programme and the chance this gives us to try to get the priorities right. There is a need to emphasize the areas of most concern and the areas in which Community action is more appropriate and more efficient than national action. We want to save time, which also means money, and to ensure that the second action programme does not suffer the fate of the first in failing to be implemented at the Council of Ministers stage, perhaps because some of the proposals were not practicable at a European level.

The interest that this second action programme has provoked, both in Dublin at the public hearing and subsequently, among representatives of consumer associations, trade associations and representatives of industry, must be recognized as a considerable step in the right direction and shows a concern that the rights of consumers are not overlooked in the production process. At the same time it is important to remember that we are all consumers. We are not talking of some isolated group called the man in the street.

Mr President, producers are also consumers. You and I are consumers, and no doubt we like to think that we are reasonably competent. What we seek to ensure by consumer protection legislation is that the consumer who is less able to understand and to speak up for himself is not deceived or deprived of his rights. To achieve this we do not need to burden ourselves or industry with unnecessary rules and restrictions which may add to the cost of an article to the consumer, and which may also limit his choice. Surely we all want the widest possible choice, and we must remember that the consumer has the ultimate right to buy or not to buy. It is therefore that the emphasis on education is impor-

tant both in the Commission's proposals and in Mr O'Connell's report.

Mr President, we welcome in particular Article 7 of Mr O'Connell's report and Mrs Scrivener's motion and remarks which both stress the need to have the maximum prior consultation with all interested bodies before definite proposals are introduced, and which urges flexibility by the use, where possible, of framework directives setting out aims and objectives without limiting each Member State's right to implement legislation in the form best suited to its particular legal system and standards of implementation, monitoring and policing.

We also welcome the clear statement in paragraph 3 of the report in favour of the use of voluntary codes, not always instead of but as complementary measures to legislation. We believe that these codes, which operate very successfully in the United Kingdom, are in the consumers' interest, both because they maintain standards and are cost effective from the consumers' point of view. For example, I recently attended a preliminary meeting which considered the possibilities of a voluntary international code in relation to advertising directed at children and at which representatives from BEUC, the Commission, MEPs and representatives of industry were present. Great progress was made and I feel that it outlines the beneficial use of such codes and innovation. We agree with Mr Collins about adequate policing but I must say that this remark also applies to legislation.

We further welcome the recognition in this report of consumer impact statements which we call cost benefit analysis and which we have called for on other occasions. We feel that it is important to have an estimate of cost as well as of the benefits in relation to any proposals brought before this Parliament so that we can take a properly balanced and informed decision. There is no intention of being one sided; we just want the fullest possible information.

Mr President, there is much one could say about recycling, safety and energy labelling, and other similar matters, but time is limited. I would therefore like to end by thanking the rapporteur for his work and for having assimilated into his report the views of those members of the committee whose political views he does not always share. We look forward to considering specific proposals made under this programme in furtherance of the consumer's interests which, as I have said, are the interests of all of us and of our constituents.

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

Mrs Squarcialupi. — (I) Mr President, time permits me to make only some brief general observations.

Squarcialupi

Recently much tribute has been paid to Europe's consumers, whom inflation and weak Community legislation have made more vocal and more active. The overall insufficiency of Community action on this issue of increasing political priority was clearly demonstrated in the matter of hormones, a serious health hazard. Monopolies and cartels are more prosperous now than ever before. Considerable imbalances still exist in the common agricultural policy which in the end are paid for largely out of the consumer's pocket.

In 1974, in an investigation undertaken by the Commission, only 40 % of those questioned stated that they considered consumer protection of high importance. A year ago this 40 % had climbed to 83 %, reflecting a change in opinion due not only to the effects of inflation but also to an increase in public sensitivity on matters concerning the quality of life.

In a large Italian steel producing centre another investigation revealed that environment and health, which are matters closely related to the state of consumer markets, were of primary importance to workers.

The Member States failed to agree in principle concerning a weak and extremely vague programme presented by the Commission. An alternative Christian-Democratic proposal for direct agreements to be established in the course of constructive dialogues between consumer and producer organizations appears unrealistic. It is as difficult to imagine a constructive dialogue between two groups of such differing economic weight as it is to protect the consumer in a free market for whose fluctuations he must always eventually pay.

The O'Connell report, as amended at the last meeting of the Committee on the Environment and Consumer Protection, tends to strengthen the economic position of producers and reverse the trends established by the consumer movement.

There is a need today for effective common legislation. We lack a Community policy for consumers, but this cannot be accomplished without a thorough revision of the common agricultural policy.

The movement within the Community which demands that the pattern of consumption be determined not by the producers or large-scale distributors but by the consumers themselves is becoming increasingly articulate. The O'Connell report, such as it now stands, tends to paint this movement in threatening colours and thereby encourage certain political groups to ignore or stifle it.

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

Mrs Martin. — (F) Mr President, when the consumer is no longer confronted with the problem of providing

for himself in the true sense of the term, as is the case in our Western societies, when he can find practically everything he wants in plenty on the market, his concern turns to other things. He rightly begins to look for high-quality products, the best ones, the ones which satisfy the highest possible safety standards, and this is particularly true of food products.

The consumer's reaction to veal is a spectacular demonstration of this phenomenon, and we must draw the necessary conclusions. And the decision taken by the Ministers of Agriculture of the Nine to prohibit from now until the end of the year the use of hormones and perhaps of anabolic substances in animal feedingstuffs has been welcomed by the consumer organizations. The initial reactions of the producers following this decision has been far from negative. This 'veal affair' has in fact shown that there is a need for closer consultation between producers, consumers and representatives of the distribution sectors.

The boycott is, after all, a dangerous weapon, which may only be used as a last resort when all the consultation instruments have been exhausted. The veal boycott resulted in a massive slump and a fall in prices which affected both producers who use hormones and those who quietly continue to feed their calves on 'mother's milk' or do not add hormones to feedingstuffs because they feel that their calves do not need anything else.

It is essential that the decisions taken in Brussels on 30 September be applied very quickly to improve the position of these producers, who provide consumers with a quality product and who have been unfairly affected by the boycott slogans.

Everything must be done to take account of the difficulties facing this sector of agriculture, in which many young people earn supplementary incomes which are needed because their farms are family businesses.

To come back to the calf fed on mother's milk, banning the use of hormones is helping to preserve family farms. Of course, it is too early to insist that all calves be fed on whole milk rather than powdered milk, because working conditions in cattle breeding cannot be overlooked. In some regions of the Community, however, producers have formed agricultural cooperatives with their own network of retail butchers, private individuals and local authorities, taking as their slogan 'safeguard natural methods in stock-farming'. High-quality meat, sold under the seal of 'farm veal', is certainly more expensive, but is it not better to pay a little more for a meat which does not lose weight? Commissioner Gundelach himself pointed out after the meeting of the Agricultural Council that the consumers would have to pay, through an increase in the price of veal, for the ban on the use of hormones, which enabled certain breeders

Martin

to produce animals of the right size and weight quickly.

It is, of course, the duty of every businessman to try to produce as profitably as possible, either by means of the prices he charges in the market or by reducing his costs or improving his productivity. In this case, the market price of veal no longer ensured profitable operations, which induced some producers to improve their productivity by the means that have now been called into question.

But apart from this specific issue, there is the problem of the quality of foodstuffs. How many consumers, how many farmers — let us not forget that farmers are also consumers — have found that some veal has no taste, some beef has no flavour, some greenhouse tomatoes are floury or some chickens and eggs have a strange taste?

At a time when there is talk of improving the common agricultural policy, this question of quality might also be usefully raised. The consumer has the right to demand that all foodstuffs comply with health standards. It is obvious that in many cases an improvement in quality will result in an increase in costs, and therefore in prices.

If the surveys or a recent statement by a consumer association are to be believed, consumers are prepared to put up with this.

A permanent dialogue, which does not exist at present, between producers and their customers should therefore be introduced at Community level.

I therefore call on the Commission to contemplate the setting up of a permanent body for consultations between producers, consumers and representatives of the distribution sectors to lay down various European standards which are easy to apply and to check.

Having achieved the objective of 'producing more' to ensure its self-sufficiency in foodstuffs, Europe must now try to achieve the objective of 'producing better'.

President. — I call Mr Ghergo.

Mr Ghergo — (I) Mr President, ladies and gentlemen, I wish first of all to thank the rapporteur for a useful and informative document, and assure him of my support and esteem.

This second programme is intended to ensure that the consumer can effectively enjoy the five basic rights enunciated in the first programme. The passage from theory to practice always presents certain objective difficulties, and in fact not all of the wishes and intentions expressed at last February's public hearings in

Dublin have been realized here. The rapporteur himself noted that the document presented by the Commission is more remarkable for statements of principle than for concrete proposals.

Separate agreements or voluntary codes of conduct are preferable to overall legislative regulation, which would be too complex to formulate and too difficult to apply. This does not exclude regulation in cases which are judged essential or where an agreement can be reached in no other way.

When it deals with matters of health and safety, the programme appears clearer, but this cannot be said for the proposals regarding the protection of economic interests. The juxtaposition of the interests of the different parties, all with equal contractual stature in the eyes of the Community, cannot but create difficulties. The consumer must be protected, but without necessarily identifying the producer or distributor as his competitive opponent. Neither should the consumer be treated as a subject for paternalistic solicitude, but rather as an aware and informed being who, given the means to exercise his rights, is fully capable of protecting his own interests. The laudable prudence evinced in the report in regard to consumer protection reflects a solid pragmatic awareness of today's realities. We must follow this example, avoiding Utopian proposals which, though perhaps objectively just, would be impossible to put into effective practice.

The Committee on the Environment has studied all these factors with a view to formulating a definitive approach to the problem, taking into account the national diversities of the Community which make up the political, economic, and social context for the interests to be protected.

The proposals offered here are the more acceptable because for the first time those for whom the programme is principally designed, i. e., the consumers, have been able to draw constructive attention to their views. The plans for making up-to-date information available to representatives of consumer groups and for involving the producers and distributors directly in the evaluation of the effect of measures to be adopted would be positive additions to this programme.

The importance given to consumer education reflects the fact that the best protection lies in the availability of information and the ability to interpret it. With this in mind, the second programme offers a number of incentives for consumer education at the classroom level and beyond.

Both the chairman of the committee and the rapporteur have called for more definite norms in the field of advertising. I would like to make a brief observation in this connection to the effect that only very rarely is there a case in which at least two different viewpoints

Ghergo

may not be advanced. To take the example of alcohol, I read in today's paper that a congress of medical experts found that an increased consumption of wine reduces the risk of heart attack, that a moderate alcoholic intake retards early senile decay, and so forth. I do not say that this is Gospel, but I do wish to point out that final judgements must be made with very great caution.

Our patterns of production, distribution, and consumption are characteristic of a certain type of society and closely related to more general problems of economics and social justice. These are but the different facets of a bigger problem, that of living in a European Community still characterized by a real sense of its internal diversity.

President. — I call Mr Provan.

Mr Provan. — Mr President, I think it is right that we should be discussing consumer affairs this afternoon in Parliament and I welcome a lot of the work that Mr O'Connell has tried to achieve in his report and also the oral question that Mrs Scrivener has down for discussion as well.

It is right, Mr President, that we discuss some measures to help the consumer by protecting his health, his safety and his economic interests, by providing him with appropriate information and education. But I feel sometimes that some people who talk about consumer affairs want to go far too far, and really we have got to be of assistance to the consumer rather than legislating too much for him, which might ultimately be against his own interests. He must hold the balance between market forces. I think that is important, and he must take into account the full range of economic and social implications.

In the Commission Document No 222/79, on which Mr O'Connell's report is based, health and safety is a paramount paragraph. Item 1 under that heading in the Commission document says that consumers should be informed in an appropriate manner of any risks liable to result from foreseeable use of goods and services. That I wholeheartedly agree with, Mr President, and I think that it would be very difficult for anybody who is interested in the consumer affairs field not to give it his attention.

It is also necessary that there should be special authorization procedures for new products that may come onto the market and that could affect health and safety. That too I welcome greatly in the Commission document.

But turning to Mr O'Connell's report on health and safety, I have certain grave misgivings because I believe that we need first to define the health and safety problem, especially the former.

In the view of many, moderate consumption of alcohol can be beneficial. The assumption that a reduction in overall consumption would reduce the level of abuse has not been established. If excessive consumption of alcohol is the main problem, which it is, a measure reducing the per capita consumption as proposed in the report would be absolutely useless. It should be aimed at a direct effect on the heavy and excessive users only. The report's proposal would have the greatest impact not only on the occasional and moderate drinker but also, more seriously in my belief, on the employment potential of many areas in the Community, especially the area that I represent, distillery and brewing workers, lorry drivers, farmers whose staple price for cereals in the Community is tied to the malting price of barley, for instance.

A further weakness in this report's proposals is that it ignores completely the biological, social, cultural and psychological factors. The most effective means of reducing alcohol abuse is to combat hazardous and excessive consumption and that can only be done by public education measures, further research and assistance to those working in this field. That is what this report totally ignores.

Measures imposed upon the whole Community will be resented and ridiculed by Members and by our electorate. The target is not the Community as a whole, but certain recognisable sectors of it, and therefore I put before Parliament, Mr President, an amendment which I have in my name and various other members of my group, and I hope that Parliament will be able to support it.

I would point out to you, Mr President, that in the first copies of the amendment issued, there is a printing error: sub-paragraph (a) (ii) should read 'problems caused by the excessive consumption of alcohol'. As printed, it says 'drugs'.

President. — I call Mr Brøndlund Nielsen.

Mr Brøndlund Nielsen. — (DK) Mr President, on the subject of better information service and a stronger position for the consumer, I should like to say that I consider that they are a necessity in modern society. It is difficult for the consumer to cope with the maze of offers available and skilful advertizing methods. But I would emphasize that it is a positive aspect of our society that there are so many goods and services available and that there is competition for the consumer's favour. It is a commentary on the all-round possibilities available. But it is also important that the consumer understands how to choose in such a manner as to derive the best advantage. It is therefore in his interest to place him in as strong a position as possible. I consider that one must provide the consumer with all-round, impartial information, and I would like to see consumers involved more closely in

Brødlund Nielsen

the work, particularly where the Community affects various spheres of interest. This applies among other things to agriculture.

Mr President, consumers are themselves quite open to and interested in using this all-round and impartial information about goods. But unfortunately what passes for work on behalf of the consumer is often just general politics. It is perhaps for this reason that they depend on public funds and would cease to exist if the consumers themselves were responsible for financing them. It seems somewhat comical to me to sit in the Committee on Agriculture and hear points of view from some consumer representatives that I most certainly do not share, when there are people from my own country in these delegations, who I myself pay via my taxes and who maintain that they also represent me. It can appear somewhat foolish.

But I consider, in actual fact, that there is a need for serious information. I think, for example, that the idea put forward by my colleague, Mrs Scrivener, was good, namely that the customer should be more closely involved in advising the authorities responsible for the Community agricultural policy. It would, in fact, be desirable, for Community agricultural policy to give more weight to quality criteria when calculating prices etc. Involving the consumer and by giving more weight to quality criteria in the common agricultural policy might have the beneficial effect of avoiding in particular some of the problems which have arisen in certain countries, where oestrogens have been added to the feeding stuffs thereby generating considerable distrust for agricultural products. Although this has only occurred in certain countries, it is important to involve the consumer in the formulation of agricultural policy, particularly with regard to quality criteria.

Unfortunately, I do not feel that those parts of Mr O'Connell's report which deal with agricultural policy, contain any particularly well conceived points of view. Mr O'Connell suggests in particular that more emphasis be placed on the structural aspect of agricultural policy, and as far as I can see in point 10(n) he seems to be suggesting that agricultural policy should place greater stress on social and incomes policy goals. I cannot see what this has to do with consumer policy, because unless effectiveness is taken into consideration, agricultural products will only become more expensive for the consumer. I also think it strange, that on page 17 Mr O'Connell only emphasizes one of the subparagraphs in Article 39, namely point (e). Community agricultural policy is referred to in several places in Article 39, so that it is one-sided to emphasize one of them only.

But I would like to support Mr O'Connell's demand on page 23, that the nutritional value of goods should be shown on the labels. That is a good idea. It is what I would like to see with regard to consumer policy, namely more emphasis on quality and a greater effort

to reach the intelligent consumer, who can read for himself what is printed on the package, and thus make their choice.

Finally, I would say that it would enhance the position of the consumer, if we in our consumer policy were directed to providing reasonable adult persons with intelligent information — perhaps through advertizing and we could also encourage companies to play a part — so as to enable them to choose for themselves and to use the advantages offered by our economically free society in satisfying their needs.

If we fail to do so, consumers will become apathetic and consumer policy itself will continue to be mere politics and the endless repetition of political slogans, particularly those dear to the Socialists. We must appeal to the intelligent consumer's common sense. This is the kind of consumer policy I should like to see become more widespread.

President. — I call Mr McCartin.

Mr McCartin. — Mr President, I would like first of all to welcome the report by Mr O'Connell. The volume of work he has devoted to it is an indication of the extent and the passionate depth of his concern for all of this subject. I have experience of this and I know that what Mr O'Connell has done here is just another evidence of his genuine concern for all of this area.

Nevertheless, in the short few moments at my disposal there are two or three points that I would like to make. The first point I want to emphasize is that when we talk about consumer legislation, just as in any other legislation; we must be careful not to try to progress faster in this area than the whole question of economic convergence. Consumer legislation to cover all the people and every part of this Community will not be successful unless we can make more progress towards levelling up the economic conditions in which people buy and sell and do business in all parts of the Community. I could give specific instances in which common policies have created grave and genuine hardships for people in parts of this Community where the per capita income is less than 20 % of what it is in other parts of the Community where similar legislation might be indeed very useful. I can recall instances where the common agricultural policy, and even aspects of it particularly designed for the protection of the consumer, had the effect of pushing up food prices in remote areas of the Community and pushing out producers who carried on their business over generations in a particular way. I am thinking particularly of the poultry industry and I could also name certain areas in the dairy industry as well.

That is one point I would like to make, and I do not think I have the time to go any further with it. The other point is, of course, that I think there is too much

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of an effort being made to confine the consumer question to a number of people. The lower income groups generally speaking are regarded as the most vulnerable of all consumers. I think it is fair enough to pay special attention to the lower income group and the less educated, but to seek to confine consumers to any group or section of the Community is entirely wrong. Every section of the Community spends a certain amount of time producing and a certain amount of time consuming. All of us are producers, all of us are consumers, and it is in that spirit that we should approach the whole question.

If I have any criticism to make of Mr O'Connell's report it is that it is far too generalized in all its points. It reminds me of a document recommending good government. We are all in favour of good government, and I think that the question of good consumer legislation goes beyond the passing of new laws and regulations to protect specific people in specific instances. We are at the stage in the Community where we must look carefully to see where the gaps exist. We must ask ourselves where we can level up legislation and where we can harmonize laws without creating the hardships that I mentioned at the beginning.

There is another element in the report that I reject. The report says that voluntary controls and restraints and agreements are all very well, but we must have legislation where that legislation will work. Only where legislation cannot work must we have voluntary controls. My philosophy is that it goes the other way. I think we must have legislation only where voluntary controls and agreements have proved to be a failure. We must only have inspectors where they are absolutely necessary; the same holds for laws and courts and other bodies. Coming from a part of the Community that I believe has been affected, certainly in recent years, to some extent in its economic well-being by an overdose of government, rules and regulations that we cannot always afford, I think we must be extremely careful in this respect.

Lastly, I wish to refute the allegation that the common agricultural policy has to some extent forgotten to take the welfare of the consumer into consideration and that the consumer must be represented in price fixing. I think, in fact, that the consumer has been over-represented. Certainly problems do exist, but I think it is quite obvious to anybody listening to successive debates in this Parliament on the economic situation in Europe, on the budget and on the other such areas that the consumer has been represented to a degree that the farmer, the producer, has not. If there is any question which I think should be raised, it is the question of the difference between the price that the producer gets and the price that eventually is being paid by the consumer. The lobby in this Parliament has been very successful at keeping down agricultural prices, but not nearly so successful at keeping the price of food low. That is quite obvious if you do a comparison between the rate at which the price of food has

increased under the common agricultural policy and price increases in clothing, energy and many other areas. You will find that the price of food has soared, but where the price paid to the agricultural producer is concerned, the situation is a lot worse.

The last point I would like to make is on the question of tobacco and alcohol. I am not going to get myself into a debate on the rights or wrongs of this, except to note that before the ink with which this report was written was dry, the alcohol and tobacco lobby was busy in this Parliament making their case. Farmers have not been as active, and I think that we need not worry about the alcohol and tobacco lobby. They know well how to look after themselves. We do have an obligation, however, to protect the consumer from their wiles.

The last thing I want to say is that the basis on which most deals between buyer and seller have been done throughout this Community, whether it be between the public servant and those he serves, the doctor and his patient or the grocer and the family, is mutual trust and good-will. I think that is the atmosphere we want to promote in this Community. Where there are abuses we must seek to identify and correct them.

President. — I call Mrs Schleicher.

Mrs Schleicher. — (*D*) Before I comment briefly on the consumer programme, I should like to point out that we still do not have the amendments to this programme, which had to be tabled by 6 p.m. yesterday at the latest. I consider it very unfortunate that we are conducting a debate on amendments on which we shall be voting tomorrow or the day after, but which we do not have at the time we are discussing them.

I should also like to add to what Mr Albers and Mr Ghergo and Mr McCartin, both members of my group, have already said. I wish to raise only three points, which I consider important. It has repeatedly been said that the first programme was unsatisfactory and that therefore little is expected of the second programme that has now been submitted by the Commission. On that subject I should like to say that it is surely virtually impossible, in five years and in nine Community countries, to implement a programme which presupposes certain fundamentals that could not be achieved at all, or not to this extent, in any other country outside our Community. Today protection against dangers to health and safety, in the case of foodstuffs, for example, or now even dangerous substances, chemical substances, is such that the individual consumer need have no fear. That would have been inconceivable a few years ago. Information on products — labelling, for instance — has also become much better. To summarize, we should not hide our light, the work we do in the European Community, under a bushel, because really a very great deal has been achieved that five years ago would

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not have been considered possible. I should nevertheless like to ask the Commission to be more emphatic, if it can, when it submits its proposals to the Council, because there are a number of subjects on which Parliament has already delivered its opinion without the Council having yet taken any action. We must attach far more importance to the implementation by the Council of what we decide in Parliament or to ensuring that the Council states its objections publicly if it is not prepared to act.

My second point concerns the budget and finances. We are about to begin our debates on the budget, and if these debates are to be conducted with the care they deserve, we must ensure that what we demand with regard to our consumer programme is in fact feasible. It is not enough to call for more staff: we must also cooperate with the Commission so that it may advise us and submit proposals. A programme can, of course, be implemented only if appropriate conditions exist. This is one of the things we have called for in our resolution. I hope that our resolution will be adopted. We have tabled it because we believe it to be very important for the consumer not only that money is spent, but also that the money spent is proportionate to his needs. We believe that tax harmonization would be extremely important for consumers in our nine Community countries. It will be seen that little has so far been done to remove the differences in the various countries, even though prices are fairly comparable. In this resolution we say that the tax-payer must on no account suffer as a result of tax harmonization, and we emphasize there must be no increase in the tax burden on the consumer. We regard that as particularly important.

Finally, we consider it important for thought to be given to how sections of the population who are unable to make as much use of consumer information as we would like can be better informed by means of own-initiative programmes.

I believe that if we can gain acceptance, to the benefit of the consumer, of everything we call for in our resolution, we shall have achieved what our Parliament wants.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, this is the first occasion on which this Parliament, elected by universal suffrage, has debated the general issues of consumer protection and information policy in the European Communities. No question to which the House could address itself lies nearer the heart of the Community ideal because, while everyday interests of the ordinary citizens in our Member States are the final concern of all our Community policies, these are seen in particularly sharp focus in consumer policy. You have a special mandate, I would suggest, to promote those interests because you are the elected representatives of our citizens, and for that reason I

am particularly pleased to have this opportunity of addressing you.

I would like to express my keen appreciation of the manner in which your Committee on the Environment, Public Health and Consumer Protection has set about the task of examining the Commission's proposals for a second action programme. They saw the need from the beginning to go beyond the mere text of that programme to the interests its proposals would affect, to people in business and industry and in public administration, as well as in consumer organizations, trade unions, cooperative and family associations. They saw that consumer policy has a long reach in Community affairs and that they needed to get information as nearly as possible at source. In organizing the hearing at Dublin Castle last February your committee took a most valuable initiative bringing the issues into public view where they belong and raising consciousness generally of the importance of action in this field. The chairman, Mr Collins, and the rapporteur, Mr O'Connell, are to be particularly commended for the energy, enthusiasm and efficacy with which they set about this task.

Today we see the fruits of their labours in a report and in a resolution which are comprehensive in scope and sharp in their address of the issues which are most crucial to the successful realization of the programme of action which the Commission has put before you. Time will not permit me unfortunately to address all of the issues, so I must focus attention on what appear to be the most essential influences during the next five years over which the programme will run its course.

The first of these is the place of consumer policy itself against the wider background of our economic system. As was mentioned by the rapporteur, there has never been a time when the definition of economics as the science of the use of scarce resources rang more true than in the currency of the first consumer programme from the mandate for its preparation given by our Heads of State and Government in 1972 to the closing stages of its allotted time here at the end of 1980. We have been brought to recognize more keenly than perhaps ever before that we are heirs to a finite system whose survival depends on how well we apply ourselves to the management of our heritage.

We have come to realize also that this management task is not one of prescription and ordinance from on high commanding the acquiescence of our citizens at large. We have as a consequence of post-war reconstruction and unprecedented economic and technological advances built societies capable of acting in the fullest democratic sense, highly educated and articulate citizens ready and able to play their part in the conduct of public affairs aware of the need to organize in their own interests, impatient of conventional utterances and conscious of their mutual interdependence. We have to encourage the fullest use of those capabilities in the positive sense by giving citizens and their

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representatives the scope to act responsibly, as well as — and I take the point made by the last speaker — the credit and rewards for having done so.

Consumer organizations are one of the more important manifestations of the development of our participative society. In their consumer role, citizens are directly or indirectly the final users of all of our scarce resources, so that their behaviour determines to a very important degree how our economic system functions in making efficient or wasteful use of those resources. One is invited too frequently to regard the consumer movement as an unrepresentative fringe element of society, selfishly intent on acquiring more benefits in goods and services for its small and privileged membership and largely oblivious of the wider interests of society. Such outworn and facile dismissals of the role of consumer organizations is at best unproductive and at worst antisocial. In an age when they must appeal for real reciprocity between all responsible interest groups in society, those who make policy at Member State and Community level must in return declare their readiness to recognize consumer groups as having the right to be heard and to be taken seriously as partners and as positive contributors to economic and social progress.

When I took over the consumer affairs portfolio nearly four years ago, I made it my purpose from the outset to promulgate this idea of promoting consumer interests and not merely protecting them. I saw participation as a key issue in making that idea work. As we near the end of this Commission's mandate, my experience over our four years only confirms and reinforces that view, which finds its practical expression not only in hearing the consumer voice at Community level, but in taking steps to ensure that, in our own internal deliberations within the Commission, we allow equitably for its impact on other policy areas. Our current approach to the question of hormones in meat production, to which I shall return, is an excellent example in point of how consumer influence can be made to impinge legitimately on policy decisions.

But the second consumer programme takes up the same idea on a broader front than that of action on individual issues. It declares that the Commission will seek actively to promote direct dialogue between consumer and producer interests, leading where appropriate to negotiation of voluntary agreements between them, such as in establishing codes of business conduct. I am glad to see that your report and resolution have got this matter into balanced perspective in viewing such voluntary agreements as a complement to legislation and not as its antithesis.

Laws we must certainly have and must continue to establish as formal instruments for building a well-integrated Community market structure. But delays we will also have whether in their establishment or in their implementation. Our best assurance that they will work as they should is that those on whose everyday

interests they impinge will take them to heart not in the letter merely but in the spirit as well. Our legal texts cannot hope, nor should they seek, to cover all eventualities in fine detail. The spectator may see most of the play, but the participants determine how the play progresses, and we must allow them reasonable scope to get on with it. In simple terms, the rules must serve the game, not the other way round. It may be best to let some of the rules emerge from the play before we give them formal expression as the universal laws of the game. The challenge is to get the right balance in this reciprocal flow of the mandatory and the voluntary. I believe that, in the last four years we have made significant progress in this direction.

The idea of voluntary codes at Community level in consumer affairs is at the beginning of its course, but the Commission believes it can be put into practice and stands ready to work to that end in applying its resources to support the efforts of the principal partners to find equitable solutions. With patience and with perseverance, but without prejudice from any of the parties concerned, I believe that the idea will work.

Speaking of perseverance recalls to me the Commission's determination to see to a successful conclusion those measures in the sphere of the economic protection of the consumer, namely our directives on misleading advertising, consumer credit, product liability and doorstep sales. Some of these have spent a long time in the Council others have had, or are having, rather slow passage through this Parliament's committees. The draft resolution before you recognizes 'the urgent need to continue to pursue an effective consumer policy'. These measures are basic to such a policy and we must look to this House for continuing support to see them through. Your Institution has a solid record of support for the consumer interest going back many years and was indeed of no small influence in pressing for the establishment of a formal consumer policy at Community level as far back as 1972. With the mandate you carry from free election by the citizens of Europe, the positive influence you can exert now and for most of the allotted span of the Second Consumer Programme can achieve objectives, and bring about the real effectiveness of which today's resolution speaks.

The political will in Council, to which your rapporteur referred in his explanatory statement, must be assumed to exist since it underlay the establishment of the First Consumer Policy in 1975. It can best be maintained by the 'practical cooperation between the ministers responsible for consumer affairs' for which your resolution calls. That cooperation can be promoted by having the issues discussed directly in Council by these same ministers at the adoption, and at appropriate times throughout the currency of the Second Programme.

It has sometimes seemed up to now that the approximation at Community level of Member States' laws for

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consumer protection has been hindered rather than helped by the fact that some states were already well advanced in this respect; that the best could be the enemy of the good. That is where political will can count for much, in showing a readiness to encourage other states who are less advanced to make up the leeway even at the expense of some inconvenience in adapting one's own national laws to whatever compromises may emerge from the final negotiation of Community directives. Commitment to the Community ideal by its members cannot be translated into practical effect in terms less demanding than this. The cost may be carefully calculated but the point comes where it has to be paid to keep the Community system on its proper course.

I should like to thank Mr O'Connell more particularly as I now try to approach a little more carefully, point by point, the statements made in the report. I would like to make it clear, however, that it is not the Commission's intention in putting forward this draft to draw up a list of all the proposals it will make in order to achieve the objectives set out. I feel I should tell the House why this is so. It seems to me that there are three reasons. Firstly, a number of the items set out in the first programme have not yet been the subject of proposals. We propose, as we stated in the draft programme before you, to pursue these points. Secondly, it is not possible in advance of the studies and consultations which we are about to carry out, to specify the exact nature of each proposed action. Thirdly, we propose a new approach to the dialogue between consumers and producers, and, as I have mentioned, to the development of voluntary agreements. This new approach should provide a useful complement to legislative action, but as I say, we cannot prejudge the form and direction of action under this heading.

As we proceed with each of the points set out in the programme we shall of course make specific proposals.

You will also notice that we again ask the Council to undertake to adopt the proposals under the programme within nine months of receipt of the opinion of this House and of that of the Economic and Social Committee.

In making its proposals the Commission will of course give priority to those areas where Community action can have the most beneficial effects for the consumer. It will also seek to ensure that the developing body of consumer policy really improves the consumer's lot without unnecessarily interfering with those differences in practice and habit which give the consumer society in each of our Member States the particular flavour which most of us wish to protect.

The report proposes that the Commission make a clear statement of funds involved in each proposal, and that it should include a consumer impact statement in each case where Community measures affect the price,

quality or choice of goods and services. Some months ago we had a debate in this chamber on the subject of the comparative analysis of the costs and benefits of Community policy in relation to consumers and to the environment. I do not wish to repeat all that I said on that occasion, except to say that the techniques of cost benefit analysis are not yet developed to the point where they could give the kind of results which appear to be sought in this connection.

Consumer impact statements are a different matter, but I would ask the House to bear in mind the complexity of the assessments involved in making such statements in relation to such matters as, for example, the harmonization of legislation concerning consumer durables. Personally, I believe that it is much more important to define the consumer interest as clearly as possible at the outset of our work in a particular area and then to make sure that we keep this interest at the forefront of our concerns right throughout the development of the proposals up to its adoption and implementation.

The draft second programme sets out a list of priorities in the various areas of consumer policy. To the extent that specific items are not mentioned in the report before us, I assume that the committee and the rapporteur endorse our statement of priorities. The report proposes some additional items and in respect of some points it is more specific as to the form of action which should be taken.

References were made to the consumption of tobacco. The Commission is examining closely the question of tobacco consumption, and has had discussions on the problems of alcohol and addictive drugs. For the moment we find that it is very difficult to arrive at a precise idea as to what the Community action in this area might consist of: educational campaigns seem to be a possibility, but I cannot say that, at the present stage of our reflections, the Commission could undertake to put forward measures to reduce or restrict the consumption of any of the products mentioned.

I believe that the other points on consumer health and safety are covered in our proposal.

I am in favour of giving consumers the maximum possible amount of useful information on prices. In addition to the work already being carried out, the Commission will encourage schemes to improve local or regional consumer information on prices and price comparisons.

As we have pointed out in the draft programme and elsewhere, we are concerned about aftersales service and about services in general. I am not yet, however, in a position to say what precise form our action in these areas would take. As far as unfair contract terms are concerned, the Commission's forthcoming discussion paper should allow us to carry out a more detailed examination of the possibilities for action.

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On the question of legal redress, I hope that the discussion paper which we intend to publish will allow us to clarify further the kind of action which would be appropriate in this difficult area.

I have already spoken on several occasions about the matter of opinions given by the Consumers' Consultative Committee, and would simply refer the House to the discussions we have had.

In relation to consumer education, I think that the draft programme meets the concern expressed in the motion for a resolution.

As to the final point under item 10 of the motion, I am not sure how to approach the matter of specific programmes for particularly deprived sections of the population. It seems to me that this requires some more specification before we can assess what the Commission might usefully do.

As far as new communications technology is concerned, I can assure you that consumer interests will be borne in mind by the Commission in the development of its policy in this area.

I come now to the general question of consumer organizations, and to the more specific question of consumer-producer dialogue. In this context, I would like to reply specifically to Madam Scrivener's oral question.

The Commission will continue to assist consumer organizations at Community level, because it believes that they articulate very important interests in Community policy.

It is very difficult to summarize what each organization which proposes members for the Consumers' Consultative Committee actually represents. My view is that these four organizations together can give the Commission a wide, representative and well-argued view as to how Community policies are seen by consumers.

Paragraphs 7, 33, 36, 48 and 49 of the draft programme set out our thinking on the development of consumer-producer dialogue. In my view, the Commission's role is to act as a catalyst. The specification of topics and procedures is a matter for the parties concerned, but the Commission is certainly willing to help with these matters at an early stage in order to get concertation moving.

The Commission will clearly have an interest in any activity designed to lead to agreement between producers and consumers on codes of conduct or practice. Whether such codes complement Community legislation, or cover areas not dealt with by such legislation, the Commission will clearly wish to be sure that they conform to the aims of Community policy and to the provisions of the Treaty.

Madam Scrivener asked if the Commission could not carry out multilateral consultation before proposals are made. At first sight this is an idea to be considered seriously. Our present practice is to have many separate consultations before publishing proposals. Madam Scrivener's suggestion could help us to improve some parts of this classic consultation procedure.

On the question of hormones, I would agree that the present controversy about the use of hormones in meat production illustrates the need of greater consultation between producers and consumers, but it also shows the need for great vigilance at Community level and at national level when it comes to deciding what may or may not be included in food products or used in their production. To my mind this is a case where concern with the effects of a given product on the consumer's health was not followed up strongly enough some years ago. This is a case where techniques of production have developed faster than our ability to assess their consequences. To my mind this underlines the need for an active policy in relation to consumer health matters. It is in everybody's interest that health hazards to the consumer should be avoided. Producers should not suddenly be put in a position of finding that they have to change a profitable production method.

Mr President, I think it only fair to the House if in conclusion I indicate to you very briefly my views on the 29 amendments. I shall ensure it will be very brief. On Amendment No 1 I must record disagreement. I indicated that we already have a Community approach to food and energy labelling. Amendment No 2: I do not wish to take any position on this, I will leave that to the House. Amendment No 3: I would suggest that, if one looks at my speech, it will be clear that I have made a case that this is not necessary. Amendment No 4: I agree with the sentiment, it is provided for in the second programme. Amendment No 5: we are considering what action to take on tourism. The present text of the report is general and should be maintained. Amendment No 6: I do not think it is possible to say that we need a directive in this area i.e. advertising exploitation of children for purely commercial purposes. Amendment No 7: I must say to the House that I do not see what this adds to paragraph 3. Amendment No 8: I agree, of course, that our services must be augmented in number, but of course, this depends on the budgetary authority's approach to the general question of staffing needs in the Commission. Amendment No 9: I agree; this is a matter for the Council. Amendment No 10: this again is the Commission's intention. Amendment No 11: I must disagree. I would put forward the view that each case must be considered on its merits. I agree with Amendment No 12, as I mentioned in my speech. On Amendment 13, I think it is too early to say what we could do in respect of the advertising of alcohol, tobacco and addictive drugs, as I mentioned in my speech. I would put it to you that Amendment No 14, which calls on the Commission to transmit urgently to the Council

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the draft directive to harmonize laws on advertising medicinal products, is a rather difficult matter to handle. On Amendment No 15, we are carrying out this work. The results of the working party's activities are for the Commission's information. Amendment 16: we will support and encourage it, but it is up to Member States and local authorities to carry this out, as indicated in the amendment. On Amendment No 17 I would indicate to the House that I think it is not necessary to specify, we intend to do this anyway. On Amendment No 18 the Commission can agree. Similarly with Amendment 19; we can consult the CCC. On Amendment No 20, I have suggested in my speech that we should wait for the paper on redress. I would indicate to you my view that Amendment 21 is not necessary. I would disagree with Amendment 22; it requires, in my view, a strengthening of consumer organizations themselves. On Amendment No 23; I will leave this one open. It seems to me that what this amendment seeks to obtain is that the arguments employed in the Council should be rehearsed here in the House. On Amendment No 24, on the consumption of tobacco and so on, I would ask that people read my speech. I have already indicated my view. On Amendment 25 I would say no, there are other considerations which justify legislation, for example, divergent national legislations. On Amendment No 26, tabled by Mr Alber and Mrs Schleicher, I do not think that the Commission can be so specific. I disagree with Amendments Nos 27 and 28. On Amendment No 29, we certainly take account of consumer interests when pursuing fiscal harmonization.

I hope that those indications will give some idea as to how the Commission feels about these matters, and I would thank the House very much for the attention they have given and the interest they have shown in this debate.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — The debate is closed.

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

11. Customs union — Barriers to trade

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

- the report by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs, on the multiannual programme for the attainment of the customs union (Doc. 1-339/80)

- the interim report by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs, on the removal of technical barriers to trade in the European Community (Doc. 1-440/80).

I call Mr von Wogau.

Mr von Wogau, rapporteur. — (D) Mr President, ladies and gentlemen, the first directly elected Parliament today has its first opportunity of discussing the progress that has been made towards the achievement of the common market. For this common market, freedom of movement of persons, goods, capital and services in the Community, is, of course, one of the foundation stones of the Treaties of Rome on which our European Community stands.

A first step in this direction has already been taken: customs duties on goods passing between the Member States of the European Community have been abolished. This has resulted in a tremendous increase in intra-Community trade. In 1958 intra-Community trade accounted for only 30 % of the total, trade with third countries for 70 %. Internal trade now accounts for 52 % of the Community total.

But, ladies and gentlemen, the citizen of the Community sees no evidence of the abolition of customs duties on goods passing between the Member States. When he travels, he is still subject to bureaucratic obstacles at the internal frontiers and he still has to pay levies, which may not be customs duties, but they have a similar effect. What we must do here and now is to exert the political pressure needed to initiate the second phase of the achievement of a common market and eliminate the remaining internal frontiers in the Community.

The Committee on Economic and Monetary Affairs therefore has the following proposals to make. First we have a number of practical proposals which may help to get rid of some of the red tape with which the citizen is still confronted at the Community's internal frontiers. A first proposal along these lines has already been adopted by a very large majority of this Parliament. It concerned an increase in the duty-free allowances for people crossing the Community's internal frontiers to 300 European units of account. I believe this would do a great deal — and this is also an appeal to the Council to take a decision along these lines — to make it clear to the citizen that this European Community is in fact also making real progress. A second practical step which the Committee on Economic and Monetary Affairs proposes should be taken would be to move various types of business now done at the frontiers away from these frontiers and into the companies, examples being the recording of certain statistics and dealing with Value Added Tax equalization. This might help to relieve our frontiers of unnecessary business.

von Wogau

In this context, I should like to refer to a third, minor but important step, the possibility of temporarily importing goods into another Member State. What does this involve? A craftsman living on one side of the Rhine, for example, who intends to do work on the other side must first draw up an enormous list of all the tools he will have to take with him. When he comes back, he has to prove that he has brought all his tools with him and has not, for example, sold a hammer or chisel in the other country without paying value added tax. I believe we have reached the stage here at which the craftsman loses all interest in accepting such orders and that he is having his doubts about whether we are in fact living in a common market and in a Community. I believe that it is things like this, these minor quibbles at the border, that are partly to blame for the fact that a Community spirit has not yet become sufficiently evident in Europe.

I know that the Commission has been looking into this very matter for some time, and we feel it should put forward a practical proposal for the elimination of this problem as soon as possible. This proposal should above all take account of the interests of small and medium-size undertakings and of the difficulties that arise particularly in frontier areas.

But we must not allow these small steps to conceal the basic problems which result in the markets of the Member States still being separated one from the other in many respects. These basic problems must also be tackled by the European Community and by this Parliament.

One of the fundamental causes of the differences between markets and for the barriers to trade at frontiers is that value added tax rates still differ from one Community country to another. The Commission has submitted to the Council a report on the harmonization of value added tax rates. We feel that work should continue apace to this end and that Parliament should also play its part.

I have been told that 80 % of the business done at the internal frontiers concerns value added tax. I feel this figure alone shows that it is worthwhile exerting suitable political pressure.

If we look at this proposal from the Commission, this report, we find that some countries must increase their rates and others lower them. To be frank, there will be political difficulties over this. For the Federal Republic of Germany, which I know best, it would mean increasing value added tax by 1 %. This would be possible, in my view, only if other taxes were reduced at the same time, because the citizen's total tax burden must not increase. But I believe we must tackle these problems, because it is worthwhile doing so. Parliament must show the way here, and we must cooperate closely with the national parliaments and the national governments in achieving progress in the harmonization of value added tax rates.

In this connection, I should like to refer to a second basic problem, the still frequent differences in the requirements which products must satisfy before they can be used in the various Community countries. This means, for example, that a German fork-lift truck may not be sold in France and a British lawn-mower may not be sold in Germany. We must make progress — and this is very important — towards Community standards and registration requirements which products must comply with. In this way we can also help to improve the position of small and medium-sized undertakings in particular, because one of the best opportunities these undertakings have lies in specialization. But specialization is possible only if a suitably large market is available. We can also help to improve the situation in our crisis-hit industries and our industries of the future.

Let me give you two examples. First, there is the car industry, where the type-approval requirements today differ from one country to another in Europe. If we had a Community type-approval procedure — and considerable progress has been made in this direction — it would undoubtedly make it easier for undertakings to cooperate, which would enable costs to be reduced. Secondly, there is the electronics industry, an economic sector of the future. There can be no doubt that European undertakings would find Community standards a definite advantage. European producers would then have an advantage which American producers have long enjoyed, the advantage of a large Community market. It would also eliminate certain European competitive disadvantages.

Community standards should, in my view, be considered in depth by the Committee on Economic and Monetary Affairs and by Parliament as a whole next year. We therefore call on the Commission to report on this subject in general terms once a year, and by this I mean not only the customs union and technical barriers to trade, but progress towards the achievement of the common market in general. For this, ladies and gentlemen, it is not a question of changing the Treaties of Rome but simply of at long last applying them. This will, of course, also require the will to engage in political cooperation, because without this will no progress can be made in this sector in Europe either.

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

Mr Delors. — (*F*) Mr President, ladies and gentlemen, in fields as complex as the customs union and technical obstacles to trade it has never been necessary to prove the importance of multiannual programmes. Thanks to these programmes, Members of Parliament are able to assess what efforts have been made, to perform their control function and also, in liaison with the Commission and Council of Ministers, to set priorities. And I should like to discuss these priorities for a moment.

Delors

As regards the customs union, first of all, and its two basic objectives where the common customs tariff is concerned, a great deal remains to be done in terms of harmonization and cooperation among the national administrations. We shall therefore be seeing to it that our external frontiers are not, in places, either sieves or excuses for trickery. But the principal issue is free movement within the Community.

In his report Mr von Wogau emphasizes the many reasons why customs posts still exist: the differences in fiscal legislation, in the legislation on transport operations, in monetary regulations, the questions of civil or political security. But it seems to me that in two respects we could make some progress. These two aspects are also discussed in Mr von Wogau's report.

Firstly, we must make it easier for the small man to operate. Whether we are talking about craftsmen or small businesses, present restrictions are too severe, particularly in frontier regions, where in fact the heart of Europe already beats. It would therefore be very useful if we could take a decision eliminating many of the formalities to which small businesses have to submit. The same goes for the private individual, who often wonders if Europe is not some far-off idea when he sees the many formalities he is subject to.

Allow me to quote an example which will please the few Members interested in sport among the few now in the Chamber for so important a subject as this. On Sunday one of the classic cycling races took place in France. It was won by a Belgian, Jean-Luc Van den Broucke. Now it so happens that Jean-Luc Van den Broucke lives in Mouscron, one kilometer from the French border, where he is a town councillor. Every week he puts his cycle in his car and crosses the frontier to take part in a race in the North of France. Well, I read in a newspaper the other day that a Belgian customs official had asked him to open his boot and, on finding the bicycle, fined him and imposed a levy for the illegal import of goods. There are tens of thousands of Jean-Luc Van den Brouckes in the Community every year, all asking themselves if there is such a thing as Europe. We must think of them first of all if we want to improve our image with the citizens of Europe.

As regards technical barriers to trade, the fact that the Committee on Economic and Monetary Affairs is submitting an interim report clearly reveals the extraordinary difficulty of the situation here. If only it were a question of harmonizing barriers justified by environmental aspects, consumption, security of employment, safety during transport operations, energy savings and so. It is true that we are having great difficulty in deciding whether it would be better to apply Article 100 or to confer a wide-ranging mandate on the Commission under Article 155.

Consequently, the Council's written answer, of which we have taken note, is both realistic and discouraging.

It is realistic to the extent that we ourselves are aware of the difficulties of the matter, of what is at stake, of the explosive nature of certain aspects. But it is also realistic because it expresses concern about the means the Commission has of monitoring the application of the measures taken, while certain countries, as you know, have public and national legislation on standards. In other countries standardization is largely decentralized and entrusted to private institutions. But the Council's answer is also discouraging because it creates the impression that Europe always loses the race between the establishment of new standards on the one hand, and European harmonization on the other. And that is why I should like to conclude once again by at least making two recommendations.

Firstly, after the Commission has arranged meetings between the working parties and national experts and consulted the Economic and Social Committee, is it necessary for the Council of Ministers, in its turn, to call together ad hoc groups to go through the same work again? Is anything new learnt? Is it not true to say that, with the Commission being consulted and the importance of the work performed by the Economic and Social Committee, it is not worth allowing the Council of Ministers to take rapid decisions? What we have here is a slow-moving bureaucracy and, I am very much afraid, an excuse for doing nothing.

My second recommendation concerns the new fields, where technical and technological innovations are emerging. Why do we not take courage and establish European standards in these fields? Of course, cooperation among the national institutes would be ensured, but as it is rightly said that in certain areas of the third industrial revolution Europe is ten years behind the United States and Japan, one of the battle stakes is in fact standards. And by creating European standards straightaway, we shall be winning for once, we shall make up the time we have lost. We shall take a short cut so as to arrive earlier. That is why, if we retain the old standards, the Council should at least take a political decision and in the new fields — particularly the new data processing technologies — action should be taken at European level to establish the European standards which will enable us to take part in the technological and industrial battle of the 80s.

President. — I call Mr Beumer to speak on behalf of the Group of the European People's Party (C-D Group).

Mr Beumer. — (NL) Mr President, there is every reason for continuing concern about employment and the competitive position of the European Community. In these circumstances, the creation of the customs union and the elimination of technical barriers to trade mean more than the removal of inconvenient obstacles. It in fact means making positive use of the economic dimension of the Community market. This is still too limited, and that is to the Community's

Beumer

disadvantage. We welcome the fact that in recent years more systematic and concentrated thought has been given to the problems discussed in these two reports. Mr von Wogau's reports show that the 'searchlight activity' — if I may put it that way — can be usefully continued. We also endorse the proposals that are made for the short and long term.

The rapporteur and also Mr Delors then took up a specific problem that arises at frontiers. I feel that specific measures should be recommended to deal with minor bottlenecks rather than postponing the formulation of a broader policy until these difficulties have been solved. After all, you do not delay the start of the fire-fighting because you have to break a window first. I should like to add to the suggestions made by Mr von Wogau in his report a number of proposals regarding the harmonization of VAT rates and excise duties. He has himself again emphasized how much administrative fuss is involved with refunds and levies particularly at internal frontiers. Harmonization might well lead to the disappearance of these levy and refund problems. I should also like to ask the Commission whether it intends to put forward further-reaching proposals on this subject in the near future. I have in any case included this point in an amendment.

An issue which is rightly being considered — and Mr von Wogau's reports also refer to this — is the Commission's position. My group shares the view that the Commission's position must be strengthened as regards both consultations on the customs union and taking advantage of the possibilities offered by the Articles 30 and 55. I hope the Commission will act as flexibly as possible when availing itself of the opportunities it has, and I agree with Mr von Wogau that this can undoubtedly be done within the limits of the Treaty. We must remember that, particularly at a time when margins are especially sensitive in Western Europe, customs operations may weigh very heavily on our economy, and we should therefore do everything in our power, because of these sensitive margins, to remove unnecessary obstacles. I am also afraid that the appeal we make to European citizens to think in supranational terms and to small and medium-sized business to step up their transfrontier activities will have little effect because they are discouraged when they hear us repeatedly say that there must be more controls and more forms to fill in. In the end that means even more delay and even longer waits. I have seen lists of inconceivable examples of obstacles, which undoubtedly hamper free trade and act as a brake on the economy. It is, of course, a good thing that there are technical barriers to trade where they are designed to protect the environment, safety and health or to improve the quality of life. But very careful thought must be given to whether such obstacles do not in fact represent protectionism. I therefore feel there is every justification in the setting up of a working party by the Committee on Economic and Monetary Affairs for this purpose. What I did find surprising in the reports — and I will conclude with this — is that it is evidently a

frequent occurrence for the form in which the Commission's guidelines are implemented to differ from one Member State to another, with the result that we do not have a homogeneous whole. I should like rather more information on this and to know what can be done to ensure these directives are correctly incorporated into legislation. Finally, I should like to say that my group fully endorses the tenor of these reports and the proposals they include.

President. — I call Mr de Ferranti to speak on behalf of the European Democratic Group.

Mr de Ferranti. — Mr President and colleagues, it really is possible at times, if one is in a good mood, to feel that progress has actually been made in this most difficult field. It requires some imagination; it is certainly easier to do when we listen to Herr von Wogau with his businesslike approach and his eloquence, explaining to us how progress can be made, but there has been real progress. The attitude of businessmen is perhaps the biggest part of it.

There has been a dramatic increase in trade within the Community, both among the old Six and, of course, among the newer Three. One hundred and twenty directives have been approved. There is the Cassis de Dijon Judgment which can give us some hope, and while we have the opportunity I would like to pay tribute, through Commissioner Davignon, to him and to all his staff who have made this degree of progress possible. But at other times, Mr President, it is only too easy to feel that there is no common market at all.

How can you answer the objection that in the United States there are different sales taxes in different states and different liquor duties in different states and yet there are no customs posts and no customs men at those posts.

It cannot be possible for us to relax in this field until we too have eliminated the customs posts that currently disfigure the frontiers between the countries of the Community. This is no mean effort and I must say — perhaps I can put it tactfully, Mr President — that everybody who is present in this Assembly room today should be congratulated for the part they are playing in helping to do this job, and perhaps say nothing about those who are not here this afternoon.

It is no mean task, Mr President. We have heard from other speakers this afternoon, apart from Mr von Wogau, Mr Delors and Mr Beumer, about what we need to do. We know that it is a more complex job than just the non-tariff barriers. We know that it involves harmonizing VAT. We also know the importance of all of us making an effective European monetary system so that the MCAs can be eliminated. But perhaps the key point this afternoon is Article 7 in Mr von Wogau's report which relates to the question of how to speed up the work of bringing about a single

de Ferranti

Community law in the areas of health, safety and environmental legislation using Article 100.

Now, the previous Parliament made continuous pleas to the Council and Commission to delegate powers to the Commission under Article 155 and Mr von Wogau's written question, which was answered by the Council this afternoon, addresses itself to this. In effect, the answer says that they are not prepared really to make any progress.

Perhaps there is a ray of hope that something could be done in the field of construction products, for at the end there is a little plea to all of us that they are all getting on very well and, in effect, we are not to rock the boat. Well, if there is some chance of the boat reaching port, Mr President, I am all against rocking it. And perhaps there is a chance that it will reach port.

One hundred and twenty directives have been passed. Maybe at the end of the day we only need about 150 to do most of the job. Fifteen of the questions relate to the Third Country problem, and I would ask the Commissioner if he would be good enough to give us some indication of how that is getting on, because it affects the motor-car industry and a great many other all-important subjects, quite apart from the liberalization of trade within the Community.

But it is still true that in the remaining areas there are a few — not many but a few — very real political issues, and if the boat is to get successfully into port, this Parliament must be prepared to pay attention and competently deal with those few political issues.

In addition to that — let us face it — it is moving into the area now where it is administration as much as legislation that is required. There are 200 cases in front of the Court. The Cassis de Dijon case must mean that there should be more legislation coming to the Court. To handle all that successfully we should put in a plea during the budget debates to make sure that the Commission gets the staff that it really needs. But at the end of the day it is the continuous pressure and interest of this Parliament that will enable the customs posts to be removed.

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

Mr Leonardi. — (I) Mr President, we appreciate highly the work done by our colleague, Mr von Wogau, and support his motions for resolutions. The difficulties encountered at the frontiers are not so much due to technical or administrative obstacles but rather to the Community's inability to create, through direct action, the conditions for economic and monetary union. Such direct action is the expression of a political will, and differs in nature from the passive means by which the Community abolished internal customs duties within a shorter period than that fore-

seen in the Treaties. The situation has changed radically since then, and it is an illusion to think that the structural and political obstacles to economic and monetary union can be overcome by technical or administrative measures designed only to facilitate trade.

These same considerations were raised in documents presented by the Commission, especially in regard to long-term plans for customs union.

Technical and administrative measures cannot take the place of political action.

In agreement with Mr von Wogau and other colleagues, we feel, nevertheless, that everything possible should be done to improve the situation. Priority should be given to measures in favour of small and medium-sized businesses which have particular difficulty in operating outside their own countries. These businesses are capable of supplying considerable technological development and providing many opportunities for employment through intrasectorial trade. The Commission should examine the development of this trade, for it has been of great advantage to small and medium-sized industries and should be further encouraged. A second priority area should be the development of customs legislation at Community level and the establishment of a common customs administration. The current situation is a survival from the past, and is similar in many ways to the internal duties which still existed in Italy not many years ago. As a city councillor in Milan, I struggled for years with a local customs barrier which affected many products and could be applied to furniture made only twenty kilometers away.

After a lengthy battle, these internal customs duties were finally abolished, but the experience taught me how damaging they can be to an economy and how expensive they are simply to organize and maintain. In certain cases income from the duty amounted to only 30 % of the cost of collecting it. If the Commission could study and publish the unavoidably high cost of a particular customs procedure, the verification of a technical standard, for example, perhaps public opinion would be aroused. These procedures should be examined on the practical level where we all condemn them, without any ideological bias. In Italy, once costs were made public, it was universally recognized that the duties should be abolished despite the protests of the customs administration, which feared not so much a loss of jobs but a loss of power.

Checks and formalities at internal frontiers should be minimized. A discussion of this point would only be a repetition of what my colleagues have said about the calculation and collection of the VAT, the checks on private individuals, et cetera, et cetera. In conclusion I would like to ask the Commission to include in its annual reports on customs union, information on internal Community trade in sufficient detail as to make possible an analysis of its intrasectorial effects.

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

Mrs Tove Nielsen. — (*Dk*) Mr President, the Treaty of Rome states unequivocally that a common market shall be established, which means the free movement of goods, services, labour and capital. When this aim has been achieved, then and only then can we expect a competitive situation with equal conditions for producers, consumers and employees throughout the Community.

At the end of the sixties we succeeded in removing the last economic barriers between the individual Member States. Now we must acknowledge that within considerably wider spheres, i. e. within GATT, we have succeeded in removing the majority of the economic trade barriers to world wide trade in industrial products between the industrialized countries.

Since 1973/74 these countries have been hit by depression, to a degree unknown since the thirties. Thousands of industrial undertakings have foundered and we have, unfortunately, been forced to accept the loss of millions of jobs. Unfortunately, this has also led to talk of the advantages of protectionism. Apparently there are some who have not yet learned the lessons of the thirties.

The economic depression has tempted the Governments of the Member States to adopt a variety of measures, which at first sight appear unconnected with the import of goods, but whose ultimate effect has actually been to curtail imports. Even though we may say that the majority of economic barriers to trade between EEC countries had disappeared by the end of the sixties, we must admit today in actual fact we have become considerably more aware of technical obstacles or barriers, which plague international business. But, in addition — and I consider it essential to emphasize this — we must also admit that national authorities are introducing technical and administrative regulations which hinder trade.

We know from the Commission that there are many cases before the Court of Justice, and I am afraid that we are only seeing the tip of the iceberg. I must therefore point out to the Commission that at this moment, we are only beginning to seek a solution to the problem. I am afraid that we will see far more of this problem, and that it must be solved.

I would add — and incidentally, this was part of what I was trying to suggest during the September part-session — that, in actual fact, the negative side of the matter dominates when we consider small and medium sized business. These businesses are unable to set up manufacturing and sales branches in other EEC countries. Danish industry for example, is characterized by a large number of such small and medium sized businesses, and consequently Danish commercial

life is extremely restricted by the innumerable types of technical and administrative trade obstacles to their sales activities. I hardly need to go into detail with regard to the investigations which have been carried out in recent years and which have demonstrated that small and medium sized businesses create by far the largest number of jobs. The decisive question, however, is can we convince the governments of the nine Member States that this policy of erecting technical barriers to trade in an attempt to protect home industry is short-sighted and negative. As long as there are governments who consider it both correct and advantageous to adopt protective measures for their own national industries, it will mean in practice the break up of the common market where industrial products are concerned, which is contrary to the letter and the spirit of the Treaty of Rome.

I shall conclude by saying that we can recommend support for the two reports drawn up by Mr von Wogau. I am certain that it will be in everyone's interests to remove these trade restrictions, thereby providing industry with the essential conditions for survival. Guaranteeing fair competition is one of the best ways of achieving renewed progress and increasing employment. It will benefit us all.

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

Mr Nyborg. — (*Dk*) Mr President, I would like at the very start to say that I welcome the fact that Parliament has once again the possibility of supporting the Commission and Commissioner Davignon in their untiring efforts to remove technical barriers to trade.

The free exchange of goods within the EEC, will, in principle, be ensured through compliance with the regulations of the Customs Union which are now fully applicable throughout the European Community. This has meant that customs duty between individual Member States of the EEC has been removed. On the other hand, there has recently been an increase in other types of obstacles: technical restrictions, transport restrictions, veterinary regulations, etc. which, in practice, have exactly the same effects for Community citizens as the original customs boundaries.

Therefore the European Progressive Democrats support the present report, which has been drawn up with considerable skill by Mr von Wogau, in its demand for realization of the Customs Union. Similarly, we are gratified that a dialogue between the Commission and the European Parliament can still bring about positive results within this sphere, and at the same time find a continuity of purpose in the work of Parliament when attempting to achieve an effective Customs Union, and bring about the great free European market for international trade. This continuity of purpose has been confirmed by a directly elected

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Parliament, inasmuch as there is unanimity between the work of the earlier Parliament and the proposal laid before the present Assembly for discussion.

The European Progressive Democrats consider that the time is now ripe to put forward concrete proposals for the improvement of the free movement of goods between countries. It is therefore with pleasure that I note that the motion for a resolution which I put forward in November 1979 has been followed up in the report of Mr von Wogau.

It is necessary to set up an improved information service in connection with the remaining trade restrictions to enable small and medium sized undertakings to make representations to the special complaint office at the Commission. I know quite well that Mr Davignon has repeatedly said that such a complaint office already exists. This may be true, but let the public know of its existence. The general public do not know about it. The directors of small and medium sized businesses do not know it exists. Tell them that it is there, so that they have a place to which they can turn. I think that the Commission should step up its activities as much as possible within this sphere, as it is of the greatest importance for those businesses in the Community.

Another matter which I feel should be stressed in this context is the collection of statistical material at the internal frontiers. The question as the report also mentions, is whether it is necessary at all to collect that type of information at the borders, and whether it would not be more efficient to collect the information from the companies concerned, thereby avoiding delay at the borders.

Another concrete hinderance at border crossings is the various types of control, entrusted to the border authorities. Many types of control are unnecessary. There is identity control, which I think is of no practical importance, because a terrorist who wishes to move from one country to another will avoid the control points known to him. I think that the periodic checks carried out in West Germany on the motor ways are more likely to produce results.

The object and aim of the European Communities must be to create a large free market, where both individuals and goods can move freely across the Communities internal frontier without administrative and bureaucratic restrictions. This is the goal we wish to achieve. I also consider that we are on the way to achieving it — perhaps we should show even more tenacity of purpose.

Mr President, I would like to conclude by saying that I have a feeling that the businesses of the utmost importance with which we in the Parliament and the European Communities, as such, must be concerned with, is to ensure that the internal market functions and functions smoothly. This is the first place that

Communities citizens will have the feeling that they are members of a community.

President. — I call Mr Turner.

Mr Turner. — Mr President, first of all I would like to say that I entirely agree with what all the speakers have said about the customs, and the more often we say it the better. Secondly, I should like to say that I think we MEPs in the chamber at the moment are the most frustrated of the whole Parliament, because we are dealing all the time with this terrible problem of non-tariff barriers. However, I must confine myself to one thing, and that is referred to in paragraph 7 of Mr von Wogau's motion for a resolution on the removal of technical barriers to trade in the European Community and in section II (b) of the explanatory statement thereto.

The first thing that is vital is speed in getting rid of these non-tariff barriers; the second thing is proper political consideration when political issues arise between interests in the EEC; and the third thing is an efficient resolution of purely technical issues. The European Parliament earlier on proposed that more use should be made of Article 155 in this sphere, especially for implementing directives under framework directives. So far, however, this proposal has totally failed.

The Council has delayed as much as it delayed before, and therefore Article 155 procedure is totally unacceptable unless the Council is to say that it will stand on one side in these matters when the Commission is dealing with a matter under Article 155. If the Council will stand to one side to speed things up, we can stand aside too, because we are both political bodies and we can leave it to the experts in the Commission; but Council has not agreed to do this yet, and I think we should ask them today whether they are prepared to stand on one side and leave it to the Commission when Article 155 is being used: in that case we can cooperate with them, otherwise we cannot.

I think the written answer they have given to the oral question is quite deplorable. It says that we shall muddle on as before, and that is just not good enough. I therefore hope that Parliament will insist on a realistic answer from the Council on this matter.

So, when there are no political issues, let us and the Council stand on one side. When there are political issues, then of course Parliament must be brought in, as must the Council, and that is just as likely to happen with an implementing directive as it is with the framework directive itself. Political issues can come up just as easily in the most detailed matters here as in the most general ones. One cannot say that one will not consider details and technical matters, because they are not political; for they may be. If they are, we must

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act; if they are not, we need not act. The old Parliament felt that it could not take cognizance of technical matters; it was not able to do so. The new Parliament has already shown that it can take cognizance of technical matters when politics enters in. In those cases, we must do so.

I have already put to the committee the proposal that when matters of a technical nature come before this Parliament we can get them through in an expedited way under Rule 27 without changing our rules at all. So I do not believe that our attempting to play our political part properly will hold up proceedings at all. It has always been the Council that has held up proceedings in the past, not us. We pass these things quite quickly, and they then get held up in the Council. So it is from the Council we want to hear the undertaking that they will not interfere in nonpolitical matters; then we can go along with them and say we will not do so either. Otherwise, we shall have to interfere.

(Applause)

President. — I call Mr Beazley.

Mr Beazley. — Mr President, I naturally wish to support Mr von Wogau's two excellent reports. Mr von Wogau and the Commission are quite right in emphasizing that it is essential to have detailed programmes to attain the goals of a fully-fledged common market. My colleagues have spoken on the details of the mechanism behind these matters, so I do not wish to reiterate their comments.

I do, however, want to emphasize the importance of the goal which these proposals are seeking to attain, as I do not wish the Commission or the Council of Ministers, or the Member States' governments themselves to imagine that the attainment of the European common market can be achieved solely by legislation. As we know, creating a thorough-going European common market is a slow and complicated business, as the institutions require that all proposals receive the necessary approval of the Nine, and later twelve, separate sovereign Member States. But that approval in itself is not enough; the governments must show that they have the necessary political will and that they are not just willing but are intent on exercising it so that the common market can be achieved and achieved sooner rather than later. It must not be forgotten that it will not be the governments of the Member States who produce the results which a common market can bring. Their tax-systems, their laws, their regulations, etc., will create the framework for the Community, but it will be the industrialists, the men of commerce and trade, the bankers, the insurance men, the transport firms, their managements and their work forces and all those on whose shoulders the creation of wealth depends who have to produce the results.

The Council, the Member States' governments and this House must always remember that unless the Community can create wealth it has no basis on which to support the activities of its peoples and of the developing world. Of course, nation states can produce wealth themselves and do so, but the concept of a common market was conceived precisely because in this modern world, dominated by two super-powers and in the economic sphere, Japan 'small' is not necessarily 'beautiful' except in certain very particular respects. For the European Community to develop its full diplomatic, political and social potential, the sum of the Nine, and later the twelve, States' individual efforts is by no means enough: we must create the synergy of a 260-million-person market, as the United States of America has done. See how industry is rationalized there; see the advantage of scale America enjoys; see, too, that the USA can develop and finance ultra-modern high technology in small and medium-sized firms as well; see the wealth it can create, not only to develop its own living standards — the highest in the world — but also for the defence of the West, the conquest of space, etc. — this is what we in Europe have also to create. Now it is a particularly difficult task for the Community to achieve economic parity with the United States because of the fact that its industries and services were built up on a national basis — despite the importance of its international firms — and the governments themselves, and to a very large extent managements and work-forces and the very trade unions are likewise restricted in their effectiveness largely within national borders. The achievement of the common market requires therefore not only the attack on detailed national regulations which these reports so well advocate but the vision and also the understanding that the aspirations of the people of the Community are dependent on the size and coordination of the locomotive force which creates the wealth to support this whole edifice.

So what I am trying to say is that we must be competitive, not only in our raw materials and basic products such as steel and chemicals and motor cars and — dare I say it — food products. We shall not necessarily be able to do this without a competitive ratio vis-à-vis the super-powers, but if we do not do this, then we must realize that this Community can only play a limited role in the world and provide its citizens and the Third World with limited benefits. Let us therefore not only see the vision of the future but appreciate the facts of life and get on with creating Europe's common market in all sectors just as fast as may be done.

President. — Mr Purvis, Mr Beazley has used up the speaking time allocated to your group. If you wish to put a question, I shall allow you to do so, but your speaking time is used up.

Mr Purvis. — My question was removed from the Question Time agenda yesterday for inclusion in this

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debate today. It concerns circulation of goods in the EEC following the Cassis de Dijon judgment.

I am sorry I cannot go in my nice little two-minute speech in to more detail, Mr Commissioner. Can you not latch onto the Cassis de Dijon case and make a determined and speedy effort to achieve to removal of technical barriers in one fell swoop, to set a date for the removal of the red and white poles of the customs officials? I, for my part, have tabled an amendment which I now move to the von Wogau report on the removal of technical barriers and I would beg my colleagues and the Commission to support it.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, I intend to make my statement both brief and complete. We shall soon see whether I succeed on both counts.

A few preliminary remarks to begin with. I feel that it is politically very significant that this Parliament includes amongst its priorities the achievement of the internal market and the removal of technical barriers. Mr von Wogau's report, the product of a working party within the Committee on Economic and Monetary Affairs, is proof of this desire.

But Mr Delors, like Mr de Ferranti and others, has described in very precise terms the nature of the action we must take. Are we going to discuss the achievement of the internal market or the elimination of barriers once a year or — as several speakers have suggested — are we going to maintain constant pressure to ensure that the progress that is essential is made? And at this point I should like to voice my only regret about this debate, this being that the Bureau saw fit to change Mr von Wogau's question into a written question, because there is obviously one speaker missing in this debate. It is all very well for the Commission and Parliament to note that they are in agreement. I welcome that. It is not to be sneezed at. But the Council believes that it is making Parliament and the Commission happy with congratulations on our past achievements. But it is silent on our future undertakings. We are now encountering genuine difficulties in achieving our political objective. I therefore feel it will be necessary to have another debate early next year, possibly more specific and more detailed, on various issues the Committee on Economic and Monetary Affairs — and it will have the Commission's assistance — will be raising directly with the Commission and the Council. What counts is the way in which we achieved the objectives proposed by Mr von Wogau's resolution. This resolution calls on the Commission to undertake various activities and it sets deadlines. All the dates included in paragraph 7 will cause me difficulty, not as regards the principle involved — I should like to act more quickly — but as regards methods.

To explain, all the activities referred to in the motion for a resolution must be undertaken if we really want progress to be made, progress in policy terms that the citizen can actually see — that after all is the definition of policy. If we make progress, but no one sees we have made it, and if people therefore go on believing that this fragmentation in which we live is being perpetuated, we shall have lost much of the effectiveness and enthusiasm of European action. In this respect, Mr Beumer put his finger on some of the problems we have.

But if we do not clarify the work programme with the Council and we add a directive on VAT, a directive on the organization of frontier controls — I shall not quote all the points raised in paragraph 7 of the excellent resolution tabled by the Committee on Economic and Monetary Affairs — at a time when all the measures which precede those suggested are being held up in the Council, we shall be causing frustration, because people will say that the Commission's proposal has been before the Council for two years and still nothing has been done. I would therefore suggest the following approach: firstly, before all the dates set out in the resolution the Commission will give the Committee on Economic and Monetary Affairs all the information on what can be done, having regard to the Council's plan of work, to get things moving — and at that time it will undoubtedly be necessary to ask various precise questions in order to reconcile the political will to move forward and a certain slowness in deciding what action should in fact be taken.

Mr Delors gave the example just now of my compatriot, the racing cyclist, who, having achieved fame by winning a race to the surprise of all concerned, was able to draw attention to a situation which is obviously grotesque. If he had crossed the frontier on his bicycle rather than by car, he would not have had any trouble. Mr von Wogau has again quoted the classic example of the plumber who works on the other side of the frontier and who must state that he is not going to sell his tools on the other side every time he crosses that frontier. I believe that Europe is organized in such a way that a wrench is still available on the two sides of one of its frontiers and that crossing a frontier with a tool does not mean transferring a highly sophisticated technology or some kind of secret. But the letter and the spirit of the law continue to give rise to questions of the type which have been raised. The Council and others continue to wonder whether an element of fiscal harmonization or an element of customs harmonization is needed, and in the meantime nothing is done.

I believe it is essential to specify the areas in which we want to make progress and, in this context, in order to be brief, I should like to say three things. The first is that the judgment in the Cassis de Dijon case, which has been mentioned, has completely changed the situa-

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tion. Many of the rules we have tried to harmonize in the past were considered by the Court as invalid from the outset. We must not therefore harmonize something which will have to be suppressed. That is absolutely essential. But this presupposes two things, you parliamentarians being responsible for one and we of the Commission for the other. The first, informing the citizen and small and medium-sized undertakings what their rights are at European level, is obviously a task for parliamentarians elected by the various constituencies in the various countries. It is the best way of disseminating information imaginable. No publication, no efforts on our part, which are of a general nature, can replace the personal approach of each of you. I feel I should stress this. The second is the need for us to deal quickly — I emphasize quickly, without excessive red tape — with the requests for information we receive. This presupposes that Mr de Ferranti's appeal to Parliament that we of the Commission should be given the administrative staff we need — because it is our responsibility to administer — is taken into account, so that we can inform the citizen of his rights and in particular respond to those who come knocking at the European door to have their rights recognized. This, of course, means extra work for the Commission, and that also means our being given a number of officials so that we can cope. Otherwise, we shall have the situation of, on the one hand, people complaining that there are too many officials and of, on the other, our not being able to comply with requests we receive. It is a paradoxical situation, which we must overcome, and I thank Mr de Ferranti for his suggestion.

Secondly, we face the need to define the real problems. As Mr Leonardi has said, there are specific and practical problems relating to intersectoral relations, particularly over the identification of the action we want to take.

Thirdly, we must, of course, settle the quarrel between the Council and ourselves over Article 155. This is a matter we must tackle without delay. As long as this question remains unsettled, we shall fall down on our commitments.

I should now like to say, before this Parliament, in the clearest possible terms, what the failure to achieve a united Europe costs this continent. Everyone, or almost everyone, has this afternoon emphasized that Europe's inability quickly to establish the standards industry needs to know how to organize its production in the future means that we are falling behind our Japanese and American competitors and also encourages the national administrations not to eliminate technical barriers but to increase them, since, to make up the delay, protection will be sought through arrangements theoretically designed to protect the consumer or to provide some security, so that the industrial company which has not yet done so can equip itself for the future. So we lose on all counts. If we are to succeed, we must obviously not be doing the same work three times. And I must say that we are

doing the same work three times. We are beginning, and this quite natural, to decide with the commercial operators — which is what Mr Leonardi called for — where the priorities lie, what standards the industrialists need. That is the first step. The second step consists in our cooperating with the companies, the standard institutions and the Member States in drawing up a good proposal. End of Act 1. This proposal is forwarded to the Economic and Social Committee, Parliament and the Council. At the Council all the discussions we have had begin again, with the same people involved, but this time these people do not talk only about technical matters, they talk about other things as well. And as you can imagine, those whose views were not accepted, because they were not in the majority, try in this second round to achieve what they failed to achieve during the first. The result is that the texts become less clear. As the texts have become less clear, the Economic and Social Committee and Parliament try to make them clear again. End of Act 2. Act 3: we appear before the Council again, with the texts drawn up by the Economic and Social Committee, Parliament's amendments and the Council's interim position. In the most favourable of circumstances this takes two years. So, two years after beginning, we find ourselves back at square one, the only difference being that two years have passed, that we have missed opportunities and that we have discouraged a large number of people of good will. I find this situation regrettable.

To conclude, Mr President, I should like to say that we are therefore not only in favour of Parliament continuing to exert pressure on us, but also grateful to it for doing so. Parliament alone realizes that, of all the aspects which affect the individual, that of the internal market and technical barriers affects the greatest number, those who do not have organizations to champion their rights. When we were talking about the iron and steel industry earlier on or about cars or industries of the future, we were talking about entities which can make their voices heard, even if we do not listen to them. But we are now talking about various areas in which the individual has no representative other than yourselves, the elected Members of Parliament. They will not know what their rights are unless they are explained to them by you. They will not see their rights being respected unless you take the action that is needed for them to know what they are getting out of the European Community over and above the inconvenience that results from petty formalities, which remain not because they are wanted, but simply because no one has yet had the necessary strength to break the routine.

It is up to Parliament to help us to break the routine. I call on it to continue its efforts. We for our part — both the Members of the Commission and the services, which have a great deal to do in this respect — are convinced of the validity of this action. But we shall

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succeed only if we remember that the achievement of the internal market is an on-going activity and not one that is discussed once a year.

(Applause)

President. — I call Mr von Wogau.

Mr von Wogau, rapporteur. — (D) Mr President, with your permission, I shall try very briefly to take up a number of points which have been raised during the debate. But I shall endeavour to speak for no longer than one minute.

I should like to begin by saying that I am pleased with the large measure of agreement here and with the suggestions that have been made to the working party by various speakers, because I believe that this working party, chaired with great enthusiasm by Mr de Ferranti, has an important role to play in the efforts to achieve the common market. I take what Commissioner Davignon has said very seriously. A debate once a year is not enough. We must have this annual debate, but we must also exert constant pressure to keep things moving properly.

I should like very briefly to take up the basic issue that has been raised here, this being the question of how Parliament and the Council can make political progress in these matters without, however, getting lost in technical details. One method might be to transfer responsibility for individual directives to the Commission. That is an important subject for discussion in the coming months, because we must decide how we intend to proceed.

Parliament already has many years of experience in this field. It has called for framework directives to be drawn up to enable the Commission to take action. An example of this is the directive on building materials. What is decisive now, I feel, is to find out whether it is possible for these blocked directives to be adopted. Only when the Council has answered — and I should like to make it quite clear that what we have from the Council in writing is no answer but simply a purely formal matter, and we should discuss this question with the Council — only then can we, Parliament and the Commission, take our decision. That is one point.

Then we have the question of Article 155 and how we can proceed in this respect. We have the proposals from Mr Nyborg and Mr Turner, which we shall be discussing in detail in the next few months.

And now to the Cassis de Dijon judgment, in other words the question of the role of the Court of Justice. We feel the Commission should step up its action even further and submit more such cases to the Court of Justice. If barriers to trade conflict with the Commu-

nity's Treaties, there must be a way of rectifying the situation quickly and through the Court of Justice.

Finally, the question of standards. We must consider whether it is not possible to create some form of European standards institute, possibly as an extension of the start that has now been made on CEN and CENELEC. My personal view is that there should be an independent standards institute. But we shall have to discuss this very thoroughly in the Committee on Economic and Monetary Affairs and our working party. To Mr Beumer I should like to say that I agree with his clarification and I shall be voting in favour of his proposal tomorrow. To Mr Purvis I can say that I have every sympathy with his proposal that a time-limit should be set. But I have been convinced by others that a time-limit and a detailed plan would not be appropriate in this complicated area. Technical barriers to trade are something which constantly occur and then disappear again. We must root out the basic causes. I am convinced that a time-table would not be a great help.

I should like to thank Mr Nyborg again and fully endorse what he had to say about improving information on the opportunities available to undertakings and citizens in the Community in this area. But I also take very seriously what Commissioner Davignon has said on this subject. This Parliament is often told that we should not become the wailing wall for everything that happens in the outside world. I should like to stress that the citizens of the Community must be able to talk to us parliamentarians. We must be the wailing wall for not only the citizens outside, but also the citizens in the Community.

(Applause)

President. — The joint debate is closed.

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

12. *Directive on the protection of workers from harmful exposure to lead*

President. — The next item is the report by Mr Newton Dunn, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-630/79) for a directive on the protection of workers from harmful exposure to metallic lead and its ionic compounds at work.

I call Mr Newton Dunn.

Mr Newton Dunn, rapporteur. — I am sure that I speak for all my committee when I say how disap-

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pointed I am that I have to speak at the tail end of the day, and that we shall have to resume the debate on Thursday morning. It does not make for a very good debate when we have to do it this way.

Nevertheless, this is a very important proposal for a directive which deserves great attention from all my colleagues in Parliament. It is a directive that would protect workers against lead and its compounds and it will establish common standards in all nine Member States. The only major lead compound that will not be covered by this directive is the lead material that is added to petrol as an 'anti-knocking' agent, lead tetra-ethyl and I have put down a separate motion, No 424/80, which will cover that one at a future date.

This is a directive on lead, as you know. It takes its place in the framework directive that was discussed a year ago, entitled 'Protection of workers from harmful exposure to chemical, physical and biological agents at work'. This framework directive was intended to cover a number of materials which are harmful to employees at work, not only lead but materials such as arsenic, asbestos, cadmium, mercury, certain other chemicals, and even noise. All those harmful materials, will be the subject of directives like this one.

Now the committee's deliberations seemed to me to fall into two types. The committee worked long and hard on this proposal; we have had it since last January, and they have come up with a number of suggestions for improvements to the wording of the directive as it came from the Commission. I will deal with those first and then go on to the more controversial points on which the committee was divided.

First of all, the Committee on the Environment wants to impress on Parliament that lead, besides being a very useful metal which mankind has used for thousands of years, is also a deadly poison. Lead has a long biological half-life, which means that it tends to accumulate in the body when there are high levels of exposure. Therefore the committee — and this is stated in the explanatory statement — wishes Parliament to understand that lead's use should be reduced as much as possible in future.

The second point on which the committee was broadly in agreement concerning the inadequate methods which exist for measurement of lead at the moment. Mr President, if testing methods, measurement methods for lead in the blood and lead in the air are not spelt out in detail and are not standardized, the results in different factories and in different countries will not be comparable with one another. There is a danger that the whole directive will be rendered valueless unless we get efficient, accurate, standardized measuring methods. The committee was very concerned that these methods do not appear to exist and are certainly not spelled out in the directive.

A third area of common agreement in the committee was the necessity for cleanliness in the factory and at home. There have been a number of cases where workers, although well protected in the factory, have taken their workclothes home. The result has been that, wives and children have been contaminated with lead from their father's workclothes and this has occasionally led to the abortion of a pregnant wife. It is absolutely clear to the committee that some Member States need to tighten up their regulations about washing workers' clothes and that these should never be taken home to be washed.

I now come briefly to the two subjects of controversy on which the committee were very divided: first of all, the levels which all Member States would be required to observe — the blood-lead level and the lead-in-air level. After long discussion and fierce and close voting, the committee did come down and approve the Commission's figures in the proposal. But I would like to point out that there was a lot of controversy.

The second subject of controversy was the question of protecting women of childbearing capacity. Now this is a very important and sensitive matter. The Commission recommends very stringent levels of lead for women who are capable of bearing a child, whether or not they are pregnant. The reason is that lead crosses the placental barrier in a pregnant woman; the unborn foetus is capable of taking in a lot of lead, and that causes permanent damage. It is agreed everywhere that lead is particularly damaging to the foetus, and that therefore women who are capable of carrying a foetus, whether or not they are pregnant, must be especially protected.

A good example arose in the USA a few years ago when a large chemical company making lead products asked five of its assembly-line lady workers to leave their very well-paid jobs because they were in danger of being overcontaminated by lead. One of these ladies had herself sterilized in order to retain the high-paid job on the assembly line. Later she regretted her decision and claimed that she was pressurized and forced into it by the company. It is not possible for us to decide where the blame lies for that, but what is very important is to try and avoid such dilemmas in Europe. So, it is to avoid damage to the foetus and to avoid dilemmas such as I have just outlined, that special restrictions are proposed for women of childbearing capacity.

Now the problem arises, Mr President, that a minority of committee members felt that this was discrimination against women. I stress that it was a minority, but a fairly vocal and numerous minority in the committee. They felt that there should be the same stringent standards of lead-in-blood and lead-in-air for everybody and not just for women of childbearing capacity. The consequence of that would, I believe, be that very many thousands of jobs would be lost in the Community, because the companies that would have to

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observe these standards are not yet capable of meeting these extreme, very stringent standards, for all workers. Many of them would therefore have to close down and open up their business outside the Community, and the result would be a considerable loss in jobs.

Finally, Mr President, two small points. I should like to draw the attention of all Members to the explanatory statement in this working document. There is an extremely useful tabular summary of the current legislation in all nine Member States. Members who study that table will see how very strikingly different current legislation is in the Nine. It is very evident from that table how much we are in need of standardization.

Secondly, in that explanatory statement, there is a detailed statement, for which I am very grateful to the Commission, of the law as it stands in each country. This, too, is extremely useful if one is studying the subject.

Mr President, there are 36 amendments to this motion for a resolution. You would not want me, and I do not intend, to discuss them now. I will say during voting how I believe the committee did vote on them or how it would have voted.

(Applause)

President. — You will be able to give your position on the amendments during the debate.

I call Mr Adam to speak on behalf of the Socialist Group.

Mr Adam. — Mr President, I should like to begin by thanking the rapporteur for the very clear report he presented to the committee and also for his very clear statement this evening. I think it ought to go on record, Mr President, that although Mr Newton Dunn is no longer a member of the Committee on the Environment, Public Health and Consumer Protection, it was the particular request of that committee and its decision that he should be asked to complete his work on this report and present it to the full Parliament. I hope that any differences there may be between us are more of the timing of the measures rather than a complete disagreement. The Socialist Members want the greatest possible protection from lead as soon as possible. I do not think that is a statement with which any other Member would disagree. We therefore give a very warm welcome to the Commission's proposals, bearing in mind that over one million workers in the Community are involved in lead-associated industries.

However, we do not accept that the proposals go quite far enough. The proposals for limits when the directive will come into force represent virtually no improvement in the five Member States where values already apply. In fact only the blood level of lead applicable in

the United Kingdom would be improved. Of course, on the other hand, as Mr Newton Dunn has already said, in the other four Member States where no limits exist at the moment, the introduction of these legislative limits is most welcome. I must also add that even, if the limits proposed after 1 January 1985 are introduced, they would represent only a very modest improvement in the existing safety precautions in those states where limits already apply. Therefore, the Socialist Members have tabled amendments designed to introduce a third stage which would involve lower limits of exposure applicable by 1989. This is our Amendment No 10.

We shall also seek to ensure — and this is provided for in Amendment No 8 — that the industries involved will move towards conditions which will eliminate harmful situations as defined in Annex I. That is what is ultimately desirable. There is a further aim, namely, that the treatment of men and women should be such that there is complete freedom of choice as regards working place. Men and women and unborn children would therefore enjoy equal safety. Quite a number of medical authorities consider that the blood lead and urine lead levels permitted for male workers and envisaged for 1 January 1985 are too high, and that the blood lead and urine lead levels permitted for female workers are at the very limit of what is reasonable. The unborn child, as the rapporteur has said, can be affected by lead even before the worker knows that she is pregnant. Now this is only clear in Article 7B of the proposed regulations, and that is the basis for Amendment No 8, to which I have already referred.

Now, while the frequency of measurement and the importance of blood lead levels are rightly stressed, there are other aspects to which the directive makes reference and where the committee has sought improvement. Mr Newton Dunn has already referred to these — the questions of working conditions, the problems of dealing with workers' clothing and so forth. We are also proposing improvements in the notification and consultation procedures to which the workers involved in the industry have a clear right.

I believe, Mr President, that it is extremely important for the work of this Parliament that, when we are discussing matters of this type, public opinion throughout the Community should be aware of the work we are doing and that wherever possible we should take into account the opinions of those most directly involved. The trade union movement in the Community has taken a very keen interest in this subject, and the suggestions it has put forward for improvement will, I hope, not be disregarded by this Parliament when it votes on the matter on Thursday. In this way we can show that we are responsive to the opinion of the workers and are determined to do everything that lies within our power to secure the maximum safety for workers in this industry, irrespective of their sex.

President. — We shall interrupt the debate here, as time is running out. Furthermore — and this is the Bureau's decision — items which could not be taken today will be placed at the beginning of the agenda for tomorrow's sitting.

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission.
— (NL) Mr President, I believe I understood you to say that this debate must now be suspended because of the time. I quite sympathize, but I would like to point out that if the debate is continued on Thursday, I shall find myself in the situation of needing to be in two places at once. As you have heard from Mr Davignon and the President of the Commission, the Advisory Committee on Steel is having an important meeting which both Mr Davignon and myself must attend. Mr Davignon must be there to discuss Article 58, and I must be there to deal with social aid. Parliament would, I think, take it amiss if I did not appear at that meeting. I have also promised to consult the employees.

If you can arrange matters so that I can discuss this question on Thursday either late in the afternoon or — and this would perhaps be somewhat safer, in the evening, because I cannot say how long the Advisory Committee's meeting will last — an evening sitting is after all scheduled — I shall be completely at your disposal.

President. — Commissioner, the Bureau has formally taken this decision in view of the fact that the Madrid

Conference is to be debated tomorrow and we do not want to curtail Question Time. Items which could not be taken today must be given priority at tomorrow's sitting. Nonetheless we understand your difficulties and I am prepared to meet you and the Bureau in order to discuss possible ways of meeting your request.

The debate is suspended.

13. *Agenda for next sitting*

President. — The next sitting will take place tomorrow, Wednesday, 15 October 1980 at 9.15 a.m. and 3 p.m. with the following agenda:

— Debate and vote on:

- Report by Mr Rumor, on behalf of the Political Affairs Committee, on the meeting to be held in Madrid in November 1980, as provided for in the Concluding Document of the Belgrade Meeting, within the framework of the follow-up to the Conference on Security and Cooperation in Europe (Doc. 1-445/80); — Question Time (Doc. 1-468/80) (In principle two-thirds set aside for the Council and one-third for the Foreign Ministers).

The sitting is closed.

(The sitting was closed at 7 p.m.)

SITTING OF WEDNESDAY 15 OCTOBER 1980

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IN THE CHAIR: MRS VEIL

President

(The sitting was opened at 9.15 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

2. *Documents received*

President. — I have received several documents, details of which will be found in the minutes of proceedings.

3. *CSCE meeting in Madrid*

President. — The first item is the report (Doc. 1-445/80), drawn up by Mr Rumor on behalf of the Political Affairs Committee, on the meeting to be held in Madrid in November 1980, as provided for in the

concluding document of the Belgrade meeting, within the framework of the follow-up to the Conference on Security and Cooperation in Europe.

I call Mr Rumor.

Mr Rumor, rapporteur. — *(I)* Madam President, Mr President of the Council of Ministers, ladies and gentlemen, it is my privilege to introduce the motion for a resolution on the Conference on Security and Cooperation in Europe meeting which is scheduled to open in Madrid on 11 November. In considering this motion Parliament is once again debating the Final Act of Helsinki, which it has dealt with in debates and resolutions on numerous occasions in the past. Our terms of reference for this debate are the Final Act and the follow-up meeting in Belgrade with the attendant meetings of experts.

We must extract from the positive and negative experiences of these last five years pointers which will indicate opportunities for progress during the meeting in Madrid.

The Final Act, which was signed by 35 European and North American Heads of State or Government, prompted hopes, doubts and controversy. The fact is that, for the first time in history, the representatives of 35 states with different economic, political and social systems had met at a conference, in a spirit of consensus, and managed to formulate joint texts. This represented a distinct improvement in East-West relations.

However, while certain States interpreted these texts essentially as formal recognition of the political and territorial *status quo* and of peaceful coexistence understood in a static sense as a relative balance of

Rumor

power and security, there were others for whom the Final Act had quite a different meaning. For these countries, the distinct improvement meant that the Final Act was supposed to provide a new and vigorous impetus to détente. It was supposed to encourage within countries and between countries and peoples, but particularly between individuals, relations marked by greater mutual knowledge, in a framework of greater political and military trust, closer collaboration and increasing contact at the human level. In short, it was to bring a new dimension and quality to relations, and although we were aware that things would not change automatically overnight, it had raised the hopes of those who believe in the principles of freedom and democracy as the cornerstones of security and cooperation.

It was the task of the Belgrade Conference to ascertain to what extent undertakings had been fulfilled and to suggest measures and agreements under which each State and all the signatory States were to implement and give added impetus to the intentions that had inspired all the provisions of the Act.

In a resolution adopted on 5 December 1978, the European Parliament reviewed the meeting and its positive and negative aspects. Unfortunately, the latter were undoubtedly predominant. The meetings of experts on specific topics, which I mentioned earlier, all outlined general aims but have not led to any practical results of note. The exception to the rule is the Scientific Forum in Hamburg. The standing of those taking part and the quality of their discussions provided an exceptional opportunity for reasserting the need for scientific freedom and its connection with the fundamental freedoms and human rights which are covered by the seventh principle and in the third basket.

Ladies and gentlemen, we are now on the run-up to the meeting in Madrid. There is no one here who is blind to the seriousness of the international situation, the current difficulties and the worsening relations — among those who signed the Final Act — which form the backdrop for the Madrid Conference. On this point, the motion for a resolution refers to the causes of our concern and mentions specifically the areas of tension and confrontation in the world, from Afghanistan to the Middle East and from South-East Asia to southern Africa, not to mention the other trouble spots.

However, it is the initiatives and actions which most blatantly conflict with the spirit and the letter of the Final Act which merit more careful consideration on our part. The Soviet involvement in Afghanistan violates the principles, clearly outlined in the preamble to the Final Act, on the close link between peace and security in Europe and outside Europe. It violates what is outlined in the second principle, which proscribes the threat or use of force also in 'international relations in general'. The situation has also worsened

with the alarming ideological clamp-down on individuals in certain Eastern European countries, especially the Soviet Union, by way of repressive measures against all those calling for the respect of human rights and proper implementation of the Final Act, and by way of general infringements of human rights which differ in scale and degree in the countries of Eastern Europe. In response to such events, the European Parliament has made its position known on repeated occasions in clear and vigorous terms.

This is a worsening situation which is hardly likely to create a pleasant atmosphere around the negotiating table in Madrid. We remain convinced, however, that this opportunity for a meeting between East and West must not be lost and that the process which got under way in Helsinki must not be halted. We must keep open the channels of dialogue for a revival of détente and a further boost to East-West relations. The countries of the Community must prepare for this meeting in the same way as they have tackled the various stages of the CSCE process, in a determined and concerted manner. The abiding guideline for their approach must be the values and convictions which characterize the Community and the whole of the West. To this end, a number of convictions are outlined as a basis and introduction to the motion for a resolution.

The first conviction is that détente is inherently indivisible and at the same time regional and global in character. The notion of indivisibility is absolutely essential in our eyes and it has to be interpreted not only in territorial sense but also in qualitative terms. We cannot accept any distinction between détente at the political, military and human levels. The unitary character of the Final Act will have to be stressed in Madrid. All the participating states will have to be equally willing to make an effort to implement the Final Act, if we want détente to be given a new and more vigorous lease of life.

Nor must we forget the right to monitor events, by which I mean the right and indeed the duty of each participating State to monitor any failure to respect, or violation of, the Final Act in order to stimulate its implementation. Any agreement which turns out to be unfair or one-sided is going to become debased and run the risk of becoming meaningless.

Of course, we have to take realistic account of the differences in the political, economic and social systems of the individual participating states, in order to prevent the discussion from getting bogged down in useless polemics. Every effort has to be made so that the CSCE process continues and so that a balance is maintained between all the elements in the Final Act and so that equal importance is given to each of the baskets. It is these which give real meaning to the principles of the Final Act, and the motion for a resolution lays particular emphasis on the most significant principles, for the specific purpose of promoting the process of détente and cooperation.

Rumor

Of particular current importance in this respect are the measures to build confidence, improve security and create the conditions for harmonized and balanced disarmament. Among the various proposals on the table for the Madrid meeting, the French proposal for a Conference on Disarmament in Europe (CDE), which was given the support of the governments of the Nine in their Brussels Declaration of 20 November 1979, merits particular attention. The Declaration calls for a precise mandate to be negotiated and included in the final document of the meeting. This mandate should include measures to make military activities in Europe more genuinely transparent, thus reducing the risk of surprise attacks. Such measures should be applicable to the whole continent of Europe, be open to verification and possibly be compulsory. There would thus be a qualitative difference between these provisions and the traditional confidence-building measures laid down in the Final Act, which were politically important but not as effective from a technical and military point of view. It is at this level and on this basis that it will be possible to make a frank comparison with other proposals which will be put forward in Madrid.

However, the Madrid meeting cannot take as its sole aim — however important that may be — the preparation for a conference on military security. This would run counter to our view of the need for balance between the various components of the CSCE. It is in the light of this balance that the subject of the second basket, which concerns economic cooperation, should be assessed. The wide-ranging consideration which was given to problems in this sphere in Belgrade has not brought any concrete results. These problems must therefore be taken up again in Madrid, and in a more vigorous fashion, with the aim of ensuring fair and mutual benefits for all the participating states.

The motion for a resolution pays particular attention to one or two specific points. It is hoped that there will be improvements in the areas of technical and administrative provisions, the exchange of economic and commercial information and the facilitation of business contacts. These are sectors in which progress can be made easily in the short term with great benefit to operators, especially small and medium-sized business, in spite of differences between the economic systems.

It was also felt that mention should be made of two subjects of pressing and topical importance: the protection of the environment and the energy problem. But even greater importance must be accorded to a question which involves our responsibility in the world. We need to take practical action in the light of the 'growing economic interdependence' mentioned in the Final Act and highlight the moral and political duty of all the countries participating in the CSCE to bear their fair share of the burden of development aid for the developing countries. The dramatic nature of underdevelopment, especially in the most needy areas, means that the Community countries should abide by

the UN guidelines on aid to developing countries. The countries of Eastern Europe should be asked to bear their fair share of the responsibility incumbent upon the industrialized nations. We are at the crossroads, and no one can evade the issue. Either we satisfy this basic condition for the peaceful development of the human race, or else we plunge towards a rupture which is frightening in its incalculable repercussions on world stability. Heaven help us if we fail to face up to this inescapable dilemma!

The existence in the Final Act of a specific chapter on the Mediterranean demonstrates the growing importance of this area in world affairs and reflects the belief that balance and security are not restricted to central Europe alone. Undoubtedly the different status of signatory and non-signatory countries side by side in this area makes the problem of dealing with these subjects a particularly complex and tricky one. The difficulties are aggravated by the anxieties, fears, rapid developments and simmering confrontation which exist in this area. Its importance in the process of finding a broad-based détente makes it necessary, however, to look for appropriate solutions to the problems of the Mediterranean countries in terms of cooperation and security.

In Madrid, therefore, apart from a discussion of the topic of security in the Mediterranean which will facilitate significant advances in the process of détente, there will also have to be steady implementation of the conclusions and recommendations of the meeting of experts in La Valletta on economic, scientific and cultural cooperation.

Lastly we come to the third basket, dealing with humanitarian matters. It is here that were focused the hopes of those people in Europe who saw as their goal the struggle for the ideals of liberty and the selfless cause of human rights. This humanitarian dimension involves the very essence of our democracies, the basis of our social coexistence and the inalienable foundation of our ideological and political outlook. The palpable credibility of the whole CSCE process as far as our fellow citizens are concerned will be measured by the efforts made to make the implementation of the provisions of this chapter more complete and clearly visible.

Unhappily, the balance in this sector since Helsinki has been somewhat disappointing. Some progress, albeit limited, has been made in some sectors. There have recently been significant innovations in one of the signatory countries, Poland, and we hope that this progress will be enshrined in solutions based on wisdom and firmness and mutual understanding, in keeping with the high level of civilization and deeply rooted sense of democracy of the Polish people.

On the whole, however, implementation of the third basket in Eastern Europe remains disappointing. This was unfortunately confirmed by the lack of practical

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results, following the detailed assessment in Belgrade of the failure to fulfil obligations as regards free movement of persons in every sense of the term, access to information, distribution of the press and the mass media, and the improvement and extension of cooperation and exchanges in the cultural and educational field. The affirmation — which is specifically set out in the Final Act — that these aspects of cooperation in the humanitarian field are fundamental for the mutual understanding of peoples and individuals has not yet produced the hoped-for effect.

We cannot accept the suggestion that these subjects are 'internal matters' subject to the sixth principle on 'non-intervention in internal affairs'. This is a distorted interpretation which must be rejected, just as we reject the idea that the third basket is only a matter for bilateral agreements. This is not a matter for bargaining. This is a direct commitment which is binding in itself and binding on all parties because it embodies a universal moral obligation. It must be made perfectly clear in Madrid that we want to see these provisions respected by all the participating States, because we are convinced that this is a basic prerequisite for furthering the CSCE process and achieving genuine détente.

Ladies and gentlemen, at the time of the signing of the Final Act in Helsinki in 1975 there was a widespread feeling that a new climate was being created in Europe and that renewed impetus was being given to East-West relations. It was said at the time that a new spirit had imbued the difficult negotiations and the confrontation of the different sociopolitical systems of the participating countries. People spoke of the 'spirit of Helsinki'. But the hopes which fired those who believed in this new political dimension have gradually dimmed. We are left with the fear that, in many basic respects, the Final Act is reduced to a mere flood of fine phrases devoid of any real content. This is of course a historic process in which we must weigh up the difficulties and obstacles arising from the particular circumstances of certain countries. We must be as watchful as we are determined, matching progress to our desire for progress. We must be realistic but not compliant or defeatist on essential points.

Our nature as a Parliament which directly expresses the will of the peoples of the Community makes it our responsibility to be present and active in the preparation and conduct of the meeting in Madrid. It is our duty to call on the governments of the Nine Member States to take steps to achieve the desired results.

The impasse which marked the Belgrade meeting has to be broken. The Madrid Conference, with our support, must take a positive turn and renew the climate of general willingness. Someone has said that we shall be tottering on the brink in Madrid. But if good sense and decency prevail, it will be reason which triumphs. We shall have taken a step forward to the greater respect of rights, franker cooperation and a

more secure peace. This is the only way we can accommodate human coexistence in a calmer, more purposeful and less anxiety-ridden sense and achieve the arduous task of establishing peace and justice among all men.

(Applause)

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

Mr Brandt. — *(D)* Madam President, ladies and gentlemen, this debate, to which Mr Rumor has just provided such a worthy opening, is not taking place under particularly favourable auspices.

Firstly, because the overall conditions for the meeting in Madrid are not favourable. This is mainly on account of the international situation as a whole, which continues to give cause for concern.

Secondly, it is not exactly encouraging that in the preparatory talks in Madrid — if I have understood correctly — it is proving difficult to reach agreement even on the procedural questions.

Thirdly and most importantly, Madam President, I find it worrying — and I feel I can say this not only as a German politician — that measures have just been introduced which make it much more difficult for many less well-off people in West Berlin and the Federal Republic to visit the GDR or East Berlin. And the whole thing is accompanied by speeches in which the orators, although they continue to refer to détente and normalization as worthwhile aims, do not hesitate to indulge in self-righteous tub-thumping.

Given these facts, ladies and gentlemen, I consider it a weakness on our part that we have not managed to arrive at a convincing draft resolution. If we no longer make an effort to get the major political groupings in this House to arrive at a common position on the essentials of a subject like this, the weight and thus the importance of the decision we have to make is lessened from the outset.

Ladies and gentlemen, after recent events the question has once more been frequently raised as to whether the policy of détente in Europe can be maintained while confrontation is becoming more acute in other parts of the world.

A shorter form of the same question is: is détente divisible or not? At least as much thought should be given to the additional strain on détente produced by conflicts in other parts of the world which are not simply a function of East-West tension. The conflict between Iraq and Iran is a disturbing illustration of this.

Brandt

There is no doubt in my mind that if political and economic cooperation are not suitably matched in the military field — i.e. by arms limitation — détente is hardly likely to survive.

Mr Rumor, the argument on whether détente is divisible or indivisible strikes me as being rather academic, not to say fruitless.

(Applause from the left)

Whoever would doubt that détente is universal and indivisible? But that is different from pretending that the global and indivisible character of détente as mentioned in the report has ever existed. Of course it exists in our minds and as an objective, but the stark reality of the matter is, unfortunately, that it does not — or at least not yet — exist.

I am sure that if war breaks out somewhere in the world, no one is going to demand that peace in Europe should be jeopardized so as to uphold the principle of indivisibility. Yet it is a fact that over the years we have never experienced global détente. On the contrary, when the United States President concluded the Treaty with the Soviet Union and when I myself signed the Moscow and Warsaw Treaties, the war in Vietnam was still raging and both superpowers were involved. I feel we must not let ourselves be caught in a stultifying *either-or* mentality by saying 'either we have détente everywhere or we do not have it at all!' What we should be asking ourselves is: how can we see to it in as many areas and in as many regions as possible that tension is reduced and practical cooperation fostered?

(Applause from the left)

No matter how difficult the situation appears now, our experience in Europe over the last ten years convinces me that what we need is more, and not less, détente.

Ladies and gentlemen, I am one of those responsible for initiating the Helsinki Conference. But I have never had any illusion that the 1975 Conference would, as if by magic, change everything in Europe for the better. One of the weaknesses of Helsinki, by the way, was rather the conclusion than the beginning. There were over-enthusiastic attempts at fine-sounding formulations, so that the outcome was something which from the very outset was somewhat suspect. It was more and more a case of beginning with verbal maximalism and ending up with verbal compromises involving the risk that there would be more and more difficulties of interpretation.

Therefore I cannot fully go along with the rapporteur when in connection with the Helsinki Final Act he sees the problem in a subsequently different interpretation. This is part of the problem, but in my view an even more serious aspect of it is that many differences of interpretation even found their way into the draft of

the Final Act, which means that people were prepared to tolerate them from the outset. Less of this sort of thing would probably have had more positive results, since only fanatical worshippers of the written word can have assumed that the heads of Communist governments went to Helsinki to have their kind of political order undermined, as it were, by a text. I am in favour of the follow-up conference in Madrid during the actual second phase being conducted by the Foreign Ministers. But there is no point in this unless the Foreign Ministers come in order to have a proper dialogue — this also applies, by the way, to the United Nations, but this is not the subject of today's debate — and to seek sensible solutions. It is pointless if they come merely to read out texts which have been carefully drawn up and, as it is so nicely put, harmonized in their ministries! What is more, this does not only apply to Foreign Ministers, Mr Thorn. I wonder why many people bother to travel when they just read out what could more easily and cheaply have been sent out as a circular . . .

(Applause — Laughter)

Furthermore, those sceptics have been proved wrong who thought at the time that Europe would be separated from America or who were afraid that the European Community would be adversely affected in its development by the Helsinki Agreement. There are several reasons why the European Community has not made more progress, but that is not one of them!

I recall a long conversation in the autumn of 1971 during an unofficial meeting with Mr Brezhnev in the Crimea. There was a hint at the time, but it was not yet clear, that the subject matter for Helsinki and Vienna, i.e. for the CSCE and MBFR, would be treated separately. This was not Brezhnev's idea. The separate treatment of the subject matter of the Vienna Conference was rather the result of Western initiative. Has this initiative remained sufficiently alive and imaginative? I am afraid it is not so easy to answer this question in the affirmative.

When the Helsinki Conference began in the late summer of 1975, if my memory serves me right, neither the superpowers nor the European nations, which were the ones actually concerned, were as prepared for a new phase in relations as was necessary and as perhaps might have been possible. Despite this, I should not like to underestimate what has been achieved over the five years. This applies to various fields of cooperation and also to the fact that in that time many thousands of families — families belonging to my own nation — have been able to be brought together again. Not only thousands but well over a hundred thousand! As a former Mayor of Berlin, I am fairly well placed to judge how much the easing of visiting restrictions has meant to many people. This makes me regret all the more the heartless clamp-down which took place just under a week ago!

(Applause from the left)

Brandt

With the Madrid meeting due in a few weeks, this event — as I have already mentioned — gives cause for concern. This subject can be important as a matter of principle: those who use the humanitarian easing of restrictions for tactical manoeuvring are likely to cause more of an upset than they bargained for.

Ladies and gentlemen, what is termed the CSCE process — in fact a dubious expression to which we are becoming accustomed — is most certainly not independent of the pressures of the international situation. Soviet intervention in Afghanistan has seriously jeopardized efforts to achieve better cooperation and understanding. Of course these events have their effects on Europe, and this will obviously have to be raised in Madrid. But the question is also whether some of the specific experiences in the first few months of this year would have been conceivable without the level of political contacts which had so far been achieved. What we experienced here was that, despite the tension in other parts of the world, members of European governments in both West — and I know what I am talking about — and East referred to common interests, even in their respective alliances, irrespective of the differences in their systems of government.

What has been happening over the last few months in as important an Eastern European country as Poland may also have turned out differently, i.e. more problematically, if the CSCE had not existed as an instrument or in any case as a symbol of pan-European détente. And let no one accuse me of interference if I add that my friends and I — no matter where in Europe — are on the side of workers honestly striving for reforms to improve their lot.

(Applause from the left)

Most people will probably agree with me that nothing is to be achieved in Madrid by simply arguing back and forth. Bearing in mind our experience hitherto, we should rather seek to deal once more on a factual basis with the problems of human relations and the relaxation of restrictions. Reminding a country of obligations entered into voluntarily has nothing to do with the autonomy — by which I set very great store — of each individual European State. Neither does it have anything to do with interference if, for example, I say to certain people in Prague: you are serving neither the interests of your own country nor the cause of Europe if you subject a Czechoslovak European such as Professor Jiří Hajek, my opposite number as Foreign Minister in 1968, to further victimization in connection with what we are debating here today. He symbolizes all those with whom I should like to declare my solidarity.

(Applause from the left)

It ought also to be in the interest of all the participants — and Mr Rumor referred to this — to see to it that

economic and technical cooperation are not watered down and to deal more thoroughly with problems of energy and the environment. We have discussed the problems involved in North-South relations, and so it is not my intention today to ask again when, as my Swedish friend Palme once put it, the *transfer from threat to hope* is possible.

But I would stress that all measures which help to foster political détente cannot exist indefinitely unless they are matched in the military field. France, Poland and Sweden have submitted proposals for a conference on European disarmament. This seems to me to be a complementary initiative which is well worth considering if the negotiations between the superpowers are making progress and especially if there is serious discussion on Euro-strategic weapons in addition to intercontinental weapons and if there is an awareness of the link with what has been the subject of negotiations in Vienna for the last seven years.

In addition it would doubtless be useful to agree on the kind of measures which help to prevent increased armament or worse, which is mainly the outcome of mistrust. This roughly means measures which reduce immediate strike capacity, lengthen early-warning periods and are designed to transform offensive capacities and strategies into defensive ones. In any case every effort to avoid new offensive systems of a strategic nature is justified. However much I consider the principle of balance to be in the interests of security, there is still a danger of initial strike capacities arising which may lead to a lowering of the nuclear threshold.

(Applause from the left)

It is a fact that the CSCE process is closely connected with the negotiations on arms limitation. For the future of détente a great deal will also depend on the absence of dangerous destabilization in certain regions or their neighbouring areas. Mr Rumor referred to the Eastern Mediterranean. I congratulate Italy on guaranteeing Malta's neutrality, and I hope that the military rulers in Turkey will prove to be not only an alternative to bloodthirsty fanaticism but also helpers on the way to a democracy worthy of the name.

(Applause from the left)

Ladies and gentlemen, I should like to say on behalf of my political friends and myself that we are aware that there is not all that much we can do, especially if what I said initially about the international situation is true, and yet we have come to the following three conclusions.

Firstly, we must expect the governments of our Member States and the Community to seek progress in Madrid in the spirit of Helsinki, and this progress must be as practical as possible.

Secondly, the proposals for the preparation of a Euro-

Brandt

pean disarmament conference should be pursued cautiously and yet thoroughly, since this may be an additional and significant European contribution in this dreadfully divided and threatened world of ours.

Thirdly, the aim cannot be, in our view, to chase after illusions, but we should realistically seek within our possibilities to ensure that despite everything Europe, if at all possible — and I am not at all certain that it is — remains an area of détente, otherwise it could all too easily become a battlefield of destruction, and that is something we do not want!

(Applause)

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

Mr Klepsch. — (D) Madam President, ladies and gentlemen, the Group of the European People's Party welcomes the fact that the European Parliament today has a chance to debate the CSCE follow-up conference in Madrid. We should take advantage of this opportunity. We, the freely elected representatives of the citizens of free Europe, have a duty to express ourselves clearly on the subject of security and cooperation in Europe. This is expected of us not only by the citizens we represent in the European Community but also primarily by the peoples of Eastern and Central Europe. It is they who have put great hopes in the Final Act of Helsinki. They continue, often at the cost of very considerable personal sacrifice, to lay great store by the realization and application of these principles. When I had the honour in 1975 of presenting the demands of my Group, we were realistic enough to realize that the road along which we set out in Helsinki would be fraught with enormous difficulties, and we had no great illusions. Why was this so? Because we were and still are determined to make sure that in Europe there is peaceful cooperation between nations and the full implementation of fundamental and human rights, and it is our duty not to let anyone outdo us in our efforts.

I can therefore state today that for us Madrid is a stage along a road at which we have to examine critically the distance already covered. We must get rid of any unclear points and, as Mr Brandt has just said, despite a difficult international situation, seek to establish clearer positions so that the next stretch of road to be covered is practicable for us. In Helsinki we entered what in many respects was a kind of *terra incognita*. But sometimes, as we know, such a road is beset with many thorns. We are perfectly prepared to put up with this, but of course it is our duty at the same time to avoid injury. Thus my Group is very sure of one thing: what has already been achieved must on no account be challenged. An example of this is the achievements in the policy of European union, since the European

Community is a model of excellent cooperation between free nations in a democratic order in which fundamental and human rights are guaranteed and can be made extendable.

Ladies and gentlemen, this is the background against which today, five years after the signing of the Final Act, we are about to have an unrestricted discussion of problems in Madrid. We do not want to exclude important aspects of peaceful and humane cooperation in freedom between the nations of Europe, and I very much hope — and am basically convinced — that in this House we shall find a broad consensus on the criteria for Madrid. If we manage to do so, it will be as a result of the good preparatory work done in the Political Affairs Committee. This preparatory work includes the hearing which we held in June 1980 and the results of which I consider to be a very valuable contribution to our opinion-forming process. I should like to take this opportunity to thank sincerely the chairman of the Political Affairs Committee and the rapporteur, our friend Mariano Rumor, for the expert and concentrated preparation of today's debate.

(Applause)

We did not take it easy and got through a vast amount of material in a relatively short time. Against this background I should like to make a few points.

Firstly, the Final Act of Helsinki is for us an indissoluble whole. We consider the content of the various baskets to be of equal status and interdependent. We expect substantial progress in all three baskets, Naturally the balance within and between the baskets must not be upset. Anyone who wanted to untie this packet or tried to extract just one subject that he felt like discussing would adversely affect the cooperation which is necessary for implementing the Helsinki Agreement and its Final Act.

We regret that on the road along which we have already passed there have been a number of recent events which make it difficult for us to make a positive judgment of the whole distance covered.

I would merely point out that at the hearing we were unable to welcome either of our invited guests, Professors Sakharov and Bäuerle, because not only were they refused exit visas but one of them even landed in prison.

We expect the European Community not to allow itself to have such methods forced upon it and not to turn a blind eye to them. In the style and conduct of the Madrid follow-up conference we expect firmness and a common approach to be shown. Let me state one thing very clearly: in the past we have always welcomed the common political position of the Member States of the European Community, both in Helsinki and in Belgrade. We consider it a valuable asset and hold the view that this House expects the

Klepsch

governments of the Member States and the Commission to adhere to this common political position and statement. They should persist in the political position adopted by the Community hitherto, even if they are tempted to water down some of these principles, which for us are and always have been indispensable.

I should like to make a few points on the various baskets. Mr Brandt is perfectly correct in saying that any assessment of Basket I naturally requires us to consider more than just that. If we are dealing with the overall subject of security in Europe, we must get more out of the 'confidence-building measures' basket than the miserable trickle that has actually resulted from it in the way of the exchange of observers at manoeuvres or the prior notification of military manoeuvres and movements. It must go further, both here and elsewhere.

We cannot of course ignore two events which must be included in the discussion on security in Madrid. One of them is Afghanistan, on which this Parliament adopted a very clear position last February. The Soviet invasion has had a damaging effect on the concept, which we support, of a realistic policy of détente. We naturally consider détente to be indivisible, and I agree that it is hardly conceivable otherwise.

The Rumor report gives a very clear picture of the situation. In my view confidence-building measures are reduced to a mockery if confidence in the credibility of the other side is plainly jeopardized as a result of military intervention. This confidence can only be fully restored if Soviet troops are withdrawn from Afghanistan.

(Applause)

The second aspect is that anyone who takes advantage of détente for an excessive arms build-up and thus jeopardizes the balance of forces is not helping to foster security in Europe and the world.

I should like now to refer briefly to Basket II, in which, as we know, the Soviet Union and the other Comecon countries are very interested. In this connection I should like to address myself to the Commission, to which I am very grateful for its work so far in this field. The state-trading countries, as we all know, benefit considerably from economic, scientific and technical cooperation with the West. But here too our aim must be to establish a sound balance of reciprocity. Thus, for example, it is not right for the Soviet Union to take advantage of Western know-how while at the same time, when it comes to the cooperation which is getting off the ground in the energy sector, being very reluctant with regard to the exchange of information. The principle of balanced reciprocity must be maintained.

The Rumor report adopts a stance on the subject of human rights and fundamental freedoms with

welcome clarity. My Group expects this range of questions to be discussed with considerable frankness and without any misplaced regard for the susceptibilities of the other side. International cooperation is upset not by those who call the violation of basic rights and freedoms by its proper name but by those who are permanently guilty of such violations.

(Applause)

Just as we base our view on the indivisibility of the right to self-determination of nations all over the world, we also consider that here in Europe self-determination is an indivisible entity.

The 35 countries which signed the Helsinki Agreement dealt in all these baskets with the problem of how to initiate balanced development.

Ladies and gentlemen, many of my colleagues will have something to say in detail on this later, but there is one point on which I would not wish to be silent. I therefore refer to what the honourable Member who spoke before me said: the latest move by the GDR in drastically increasing the minimum daily amount of currency which must be exchanged by visitors from the West is damaging to relations between people in Germany because it is the less well-off sections of the population which find it difficult to comply with these regulations. In our view this has thrown a new sinister shadow on the preliminary stage of the Madrid follow-up conference on the Helsinki Agreement.

To sum up, my group is in favour of the CSCE follow-up conference in Madrid. We expect the negotiations in Madrid to be conducted on the basis of a unified whole, namely the Helsinki Final Act. We expect a realistic appraisal of its implementation to date. We hope that progress will be made, especially on human rights and fundamental freedoms. As far as we, the Group of the European People's Party, are concerned, the central element of our policy is and will remain the free individual living in peace and security. This aim provides us with our guiding principle. We are therefore prepared to do everything in our power to ensure that the Madrid Conference is conducted with a realistically balanced attitude towards results which will enable us to set out on the next stage.

(Applause)

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

Mr Fergusson. — Madam President, this group supports the report and the resolution before us and sends it forward with all the hope that we can possibly muster.

Fergusson

Every speaker so far has spoken of realism, the need to be realistic. Well, this debate and the Madrid Conference turn on one simple question: did détente, the détente of the Helsinki Agreement, die with the Soviet invasion of Afghanistan 10 months ago or did it merely go into suspended animation? I could also ask if real détente has ever existed since 1975 if the invasion of Afghanistan could happen at all.

At any rate we can no longer here afford to acknowledge more than one interpretation of the word and for us détente means the lowering of political and military tension and the pursuit of peace and understanding based on justified trust, confidence and respect between States. We believe that the steps taken by the signatory States to create that trust and confidence are the sole basis and measure of its success and we believe too that there are no areas in the world or special spheres of political or strategic influence where the principles of détente enumerated at Helsinki do not apply.

So let us look at the score realistically, not as sceptics but as realists, asking ourselves to what degree since 1975, or perhaps since 1979, the Soviet bloc, and Moscow in particular, has honoured in spirit or in letter the agreements of which Mr Brezhnev himself was once the father and the champion.

Let us take first the military record and ask whether any State can be serious about détente which, like the Soviet Union, spends an annual 12 % of its GNP on military forces, four times the rate of spending of the NATO countries, or which has increased its expenditure by 5 % each year during the 1970s and has developed its navy and nuclear strike capacity to a level so far beyond the demands of the protection of trading routes or of national defence.

Can any State be serious about détente which, within a month of withdrawing a thousand obsolescent tanks from East Europe, sends 100 000 troops with armour and air cover against a neighbouring country which offered her no threat whatever and with whom she had a treaty of friendship? Yes, and keeps those troops there furiously shooting and blowing up the Afghan people in the face of protest from the entire world.

In the Helsinki context too we ask whether the Soviet Union can be serious about détente if it continues to monitor and imprison its own citizens whose only crime has been to monitor the implementation of the Helsinki Final Act and puts into psychiatric hospitals, as has happened this very month, those who have merely applied for exit visas from the country. Can it be serious if through jamming and censorship it prevents the free flow of information, the increase of mutual knowledge, which the Final Act called for? Can it be serious if it endorses the East German regime's shameless action four days after the West German elections against travellers from the West? Can it be serious if it cynically prevents any kind of

effective military inspections that might genuinely qualify as confidence-building measures? How can we build trust on that?

Madam President, can the Soviet Union any more be given the benefit of any lingering doubt by the most liberal-minded, the most Panglossian, the most credulous of us that its rulers seek the same kind of détente as we have honestly looked for? Do they deserve any credibility today when they have gone so far already in Madrid to undermine the objectives of a follow-up conference by so cramping the agenda that a proper review of these past years will be impossible?

At Madrid we are to take the latest reading of the barometer of détente. The Soviets do not want it read. They know that because of what they have done the mercury has sunk out of sight. And why? Because they have exploited unhesitatingly the goodwill they were offered at Helsinki. Because from confidence-building measures to technical cooperation, it has been for them all take and no give. (My colleague, Mr Jackson, will be talking later on the matter of trade.) And because Moscow has consistently crushed within its own orbit the most basic rights that dignified humanity demands.

It is because of this record that I wish to move, on behalf of my Group, Amendments Nos 10 and 11 standing in our name. But, in particular, I want to refer to No 10 concerning the Madrid agenda, for it requires a full review of what has happened since Belgrade.

Madam President, détente should have operated worldwide. Paragraph 16 of this important resolution asks the Nine to raise their aid to the Third World. Of course, so we should if we can. But just look at the Soviet Union's contribution to world stability and Third World prosperity and consider how much Moscow has fostered a climate of real détente.

It is almost by the way that 95 % of the world's refugees are refugees from Communism and mainly from Soviet-backed regimes at that. Of Moscow's financial aid to the Third World it is reckoned that three-quarters goes to Cuba, cradle of Communism's mercenary forces.

But the bulk of all Soviet aid — if to use that word is not to insult the name of charity — is in weaponry. Weaponry for overtly offensive purposes, designed to promote the maximum instability among the Third World countries, for whom peace is the only way to prosperity. This year Libya alone is estimated to be spending another \$ 12 billion on arms from Eastern Europe. That is more per capita than the Shah of Iran ever bought from America. There are reckoned to be at least 5 000 East European military advisers in Libya alone training so-called liberation movements from a dozen developing countries.

Fergusson

Consider then how the need in self-defence to keep up with the Soviet Union's own headlong military programmes affects the West's ability to help the Third World as we ought. That was to be a spin-off of détente. But where is détente? Is it dead, murdered as Macbeth murdered sleep? Or, as I asked before, is it surviving simply on a life-support system which it might be kinder and wiser to switch off? If life is to be breathed into it again — and heaven knows that is what we wish were possible — then only the Soviet leaders can perform that task. They must leave Afghanistan and let her people decide their own fate. They must give us sound reason to believe they seek peace, not our destruction. They must reverse their practices in respect of human rights. And they must demonstrate all this immediately because there can be no follow-up to Madrid unless they do. And no future for CSCE unless all its provisions are pursued together.

Otherwise it cannot be long, Madam President, before this Community in self-preservation starts fundamentally to reappraise its entire attitude to those we met in hope at the Helsinki table, before we relegate, for example, military confidence-building measures to their more obvious province — the conference dealing with mutual and balanced force reductions and strategic arms limitations.

We must do our sums, and discover the profits — there have been profits though little to do with the Communist goodwill — and the losses of the Helsinki exercise, free from the dogma of détente at any price. I thought, if I may say so, that Mr Rumor in his speech struck an admirable note of realism in this respect too.

Thus we must re-examine the trade and above all the credit arrangements with the East that have allowed Moscow to pursue an armaments and military policy which menaces our existence and to run an aid programme that only deals in death. But whatever we now decide must be founded on realism and the demands of self-preservation rather than on a dangerously mistaken faith in the goodwill of enemies. Having looked for peace and reconciliation, we must now look to our economic and physical security, not instead, but at the same time.

Madam President, if the Soviet Union desires our sort of détente it can always have it. If they want it now let their leaders demonstrate that desire unmistakably in Madrid. If they only want their sort, then the comedy is finished.

(Applause)

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

Mr Segre. — (I) Madam President, ladies and

gentlemen, it was not with pleasure — indeed it was with regret — that the Italian members of the Communist and Allies Group voted in the Political Affairs Committee against the draft resolution on the Madrid Conference.

Equally, it is a matter of regret that we shall have to vote against the motion today unless there are meaningful, material changes. It is a matter of regret because we have been aware from the very beginning of the road which led to this debate that it would be of great political and international significance — in the way which Mr Brandt outlined a few moments ago and as regards all our current worries about the international situation — if a large majority of the European Parliament managed to adopt an explicit, balanced position of continued support for the process of détente which, after the *Ostpolitik*, gained recognition for the first time at Helsinki. In order to bring about this result we acted in a way which we believed was thoughtful, with regard for the opinions of others, with the will to reach an understanding, and fully aware of how much consideration was being given to our proposals.

Let us now come to the heart of the problem, and of our disagreement. Of course, none of us has ever believed that the process of détente, of security and cooperation, would ever be a kind of untroubled automatic development, or that it could take place in a vacuum, sheltered from the storms which rage in our world today. As the Helsinki Act recognizes, there really does exist a close connection between peace and security in Europe and in the rest of the world, and this means we must strive to make détente a continuing process, and at the same time increasingly effective and global, universal in application. But it is one thing to support détente with the obligations which it imposes on all Member States and quite another to talk about the theory of indivisibility, for therein lies the risk that — as Mr Brandt was saying a few minutes ago — we will freeze or paralyze all our relationships as a result of some crisis, and in effect restrict or wipe out Europe's whole potential. For this reason our proposal was to return to the Helsinki text. This was turned down in committee and this inflexibility, contrasted with the political practices and initiatives of many members of the Nine, was, it seems to us, an initial cause of the lack of balance.

It is however not the only cause. One principal cause is the way in which the question of human rights — undoubtedly a question of great political significance and of principle — keeps recurring throughout the text of the resolution whilst, if you will allow me to recall the words used in this very Chamber on 8 July last by Mr Thorn, the President-in-Office of the Council of Ministers, the Final Act of Helsinki 'represents a balanced whole and therefore no one part should be over-emphasized at the expense of the others'. That is our belief too, just as it is our belief that if the position of the West is to have any credibil-

Segre

ity, it must not be restricted to the condemnation of the violations of human rights in eastern bloc countries, but should condemn just as consistently and clearly those violations which take place in western countries. For this reason we proposed in committee that it should be stated clearly that neither the repressive measures current in certain eastern bloc countries, nor the suspension of democratic freedoms which has taken place in Turkey following the military *coup d'état*, are compatible with the respect of human rights. This proposal was not accepted and, if Mr Rumor will permit me, I should like to point out that his report, although it has a very different balance from that of the resolution, and is updated to include the war between Iraq and Iran, regrettably has nothing to say on the events in Turkey.

There are yet more serious imbalances in this motion for a resolution; amongst others, it is our view that the original text, of which we were already critical, has undergone substantial changes for the worse in committee. The gravest of these relates to military questions since, apart from a short aside in the penultimate paragraph, it neither explicitly adopts any position nor does it call on the Madrid Conference to examine constructively the whole range of proposals put forward for a conference on European disarmament — proposals which Mr Brandt referred to a few moments ago — and which call for progress both in the SALT negotiations which have just begun in Geneva, and in the Vienna negotiations. This seems to us to be not just a lack of balance, but a real political mistake, since it can have escaped no-one that here is the very subject on which something new can come from Madrid.

Next there is something which is far worse than a lack of balance. Although the original text of the resolution invited the members of this Assembly to 'declare themselves in favour of continuing the CSCE', the subsequent addition of the words 'if the results in Madrid justify it' distort this position — indeed completely reverse it. But with what kind of realism, what kind of historical and political approach, even if by some misfortune Madrid concluded with no progress — and despite the present bitter diplomatic skirmishes and the many discrepancies in the implementation of the Helsinki Act, there are still reasons to think that the outcome will not be failure — even if Madrid gives no result at all, can we really believe that the wisest policy would be to stop any further progress on security and cooperation? And even then, even in those lamentable and lamented circumstances, would there not be a rational alternative to pursuing a policy of détente and cooperation?

That, however, Madam President, ladies and gentlemen, is an eventuality which none here would even wish to consider today. What is important now is not to become involved in speculation of that kind but to work constructively and seriously towards the success of Madrid, towards reliable monitoring over and

above the bitter, useless polemics on the current state of implementation of the Helsinki Act, towards a revival of the process of détente. Precisely because we hold this view because we realize it is vital to the future of the Europe we represent and to the contribution which it can and must make, from which the future of the whole of international relations can be built on new foundations, precisely because we think that the Nine should play a constructive role in Madrid, we, Madam President, cannot support the motion for a resolution in its present form. However, we shall for that reason consider with attention and an open mind any amendments which, if adopted, would bring positive changes and lead to a better-balanced text. We shall do so in the hope that, with the great responsibility which weighs on us, we in this Assembly may find the political will to make a clear statement in support of new and constructive progress along the course laid down in Helsinki and towards the enrichment of a policy of détente, of military security and of cooperation.

(Applause from the Communist and Allies Group)

President. — I call Mr Haagerup to speak on behalf of the Liberal and Democratic Group.

Mr Haagerup. — *(DK)* The preparations for the Madrid Conference are not going well. In fact they are getting nowhere. It has become apparent during the preparatory negotiations that there is considerable disagreement between the Eastern European countries on the one hand, and all the Western and non-aligned countries on the other, as to how the conference should actually be conducted. The difficulties stem from the Soviet Union's stubborn opposition to the idea of the conference dealing in detail with the Helsinki Final Act and its implementation and the reasons why this implementation has so far been inadequate in various regards.

The extent to which the other Warsaw Pact countries support the Soviet Union in its request for merely a brief debate on the implementation of the Helsinki Final Act varies from one country to another. It is the wish of the Soviet Union that it should not be possible to hark back to the Helsinki Final Act once the second phase of the conference is under way.

This is quite unacceptable to the vast majority of the 35 countries participating.

In view of these facts, it is doubtful whether it will in fact be possible for the conference to begin as scheduled, i.e. on 11 November, and if so, whether there will be anything to talk about. Are the Russians losing interest? Are they prepared to take the risk of the conference collapsing before it has even got going?

It has become clear that the very tight schedule which

Haagerup

has been fixed for both the preparatory work and the negotiations proper is a weak point. The procedural negotiations have turned into a kind of war of nerves, which casts doubt on the usefulness of the entire process, which is gradually being strangled with red tape.

My Group, however, does not think that we should simply write off the whole idea of follow-up meetings to the Helsinki Conference of 1975, and we support Mr Rumor's report in this spirit, since such meetings constitute a process and machinery, whereby 35 countries will be able to exchange views and to work towards promoting the respect of human rights in all our countries and towards a more active policy of détente. This is a process which might permit us to hope that the people in Eastern Europe may gradually gain a greater degree of freedom, and that it might be possible to establish closer contact between them and the rest of Europe.

We must insist that all the governments which signed the Helsinki Final Act observe it in its entirety.

These obligations must be insisted upon with a view to opposing infringements of human rights, including the persecution of Jewish citizens, of civil rights campaigners, religious groups and others, which, unfortunately, are a permanent feature of many countries such as the Soviet Union and Czechoslovakia. This will only be possible if the facts are made known, regardless of the fact that the Madrid Conference is to take place at a time when the international situation has deteriorated, particularly as a result of the Soviet invasion of Afghanistan, the war between Iran and Iraq and other conflicts and tensions.

The Madrid Conference is taking place at a time when the eyes of the whole world are firmly fixed on Poland. It is essential for future cooperation in Europe, and hence for the Madrid Conference, that the Poles should be permitted to continue the political process which has begun in that country without other countries interfering, not to say intervening. Taking a firm stand at the Madrid Conference will serve this end and will give the conference a meaning and significance which we should not underestimate.

If the result of the events in Poland is that other Eastern Bloc countries take a harder line and set up new barriers to freer contact between East and West, this would be flying directly in the face of both the spirit and letter of the Helsinki Final Act. Certain events which are currently taking place in Eastern Europe are therefore causing considerable concern. I am thinking, for example, of the new East German provisions governing visits to the GDR. Increasing the compulsory exchange will reduce the volume of traffic between East and West Germany. Although, the amounts involved may seem very small, these new restrictions will, as already pointed out by many of the previous speakers in this debate, hit a large number of

people, and particularly people with very limited resources. It is incomprehensible and disturbing that a step of this kind should be taken immediately before the Madrid Conference. If this step is typical of the reaction of countries such as the GDR and the Soviet Union to the events in Poland, this kind of attitude could poison the entire negotiations in Madrid.

There is all the more reason to deplore this since the aim of the Conference is both to increase security in our part of the world and to increase contact between the peoples of Europe. It must be possible to increase security by introducing new and precise measures which will inspire greater confidence and by guaranteeing that previous agreements are respected. In other words, at military level these measures must be given a practical and not merely a symbolic meaning.

My Group welcomes the continuing fruitful cooperation between the governments of our Member States. The cooperation regarding the Security Conference was, at the time, something of a breakthrough for European political cooperation as a whole, and we are pleased to note that the various countries are continuing on this course and that fruitful cooperation has also been established with both the USA and Canada and the non-aligned countries.

No one can deny that the Soviet Union was involved in initiating the entire Helsinki process. If the Soviet leaders now find that it is becoming too much of a burden to them then they only have themselves to blame.

(Applause)

President. — I call Mrs Ewing to speak on behalf of the Group of European Progressive Democrats.

Mrs Ewing. — Madam President, I wish to welcome on behalf of my Group the thorough work of the Political Affairs Committee, and say that my colleague Mr Israel's amendments have, I understand, already been incorporated and he will be speaking later.

I should like to speak on the issue of human rights, a matter which I have raised in this Parliament, as many of you will know, for the last five years. I think I have been consistent. I think Mr. Segre was critical of a lack of consistency inasmuch as I have not restricted my raising of human rights issues to the Soviet Union, although I have done that on many occasions, but I have raised them with regard to South Africa, Chile, Argentina and even Great Britain in regard to Northern Ireland. I must ask all the Members here to remember that many people look to us, and I do not think there should be any question of writing off this possibility.

I think there are people all over the world waiting for our clear voice today, and although I respect Mr

Ewing

Fergusson's sincerity, he does seem to take issues lightly by the tone of his approach. I do not think we should demand a review of the past. What good would that do? Rather, we should see what we can accomplish in practical terms for the future, for the helpless people who live without the rule of law which we all take for granted.

I would ask the Foreign Ministers to bear in mind my concern about the successes in Poland, because I fear, from listening to many experts — and remember that Scotland got half the Polish army settling there: we are very pleased that they did, but sad about the reasons why they had to do so — I have heard many views expressed that these excellent, brave and courageous acts will be followed by even greater repression. Any appearance that these acts have resulted in benefits may be just an illusion, and I feel that the Foreign Ministers might perhaps take the warning of my Polish constituents in Scotland to heart.

I am not going to repeat the things that have been said about Afghanistan, because I agree with all the speakers up to now, and I do not want to take the time.

I should like to support Mr Ennals in the proposals he made some time ago for the greater participation of non-governmental bodies such as Amnesty International, of which I am a member and a great admirer. I should like to make sure that we try to have non-governmental bodies and monitoring bodies recognized and agreed; surely that is a practical thing that would have great benefits for the future. I should like to demand once again the right of prison-visiting, not only for humanitarian reasons, but because I believe this has resulted in the release of some and the betterment of the plight of many. Then there is the right of correspondence. Surely these are practical things, but what a difference they would make to mankind!

I stand before you as one who, through this Parliament, got one particular Jewish prisoner out of Siberia, and I am going to meet him for the first time in my life in about ten days' time in Israel. I know that he got none of the letters I wrote to him weekly over a period of three years — not one letter! Surely that is another example of the practical kind of thing that can be done, and surely no one can go to Madrid and stand up proudly if that is the kind of thing that has to be done. But let us not blame them for the past, let us ask them if this is not something that can be done in the future.

I heartily welcome paragraph 2 (4), which asks the Foreign Ministers to propose that a committee be set up to evaluate the progress made by each signatory State. I would ask the Foreign Ministers to bear in mind the United Nations' covenant on the right of petition, an optional protocol which unfortunately not enough States have ratified.

I would suggest that, while we encourage cultural exchanges, we say to these cultural bodies — orchestras, for example — that when they come to a country where human rights are infringed they should say so. Perhaps that is asking too much of musicians, but it is a practical step that we really could consider.

I would urge everyone to bear in mind — I am not a Jewish person, but we often think in Scotland that we are perhaps the 'lost tribe of Israel' — that antisemitism is on the increase in this world. Not only in the Soviet Union is there a problem; but I would ask you to remember that applications for exit visas there have increased vastly, and yet the number of applications granted has decreased just as rapidly. Could I say a word for the Jewish hostages in Syria, of whom so many people seem to have lost sight totally?

I would say in conclusion that in my family I had in this connection a personal conflict with my husband. I disapproved of the Olympic Games being held in Moscow, and said so in this Parliament. I said so many times, and yet my husband, who is an ex-athlete, took our son of 16 there. This was a family squabble of great seriousness to me, personally and politically, and yet I learned something from my son of 16 and would like to end with his words. I asked him, when he got back, what impressions he had of his first visit behind the Iron Curtain, and he said: 'You know what I found out, Mum? They are just people.' That made me remember that we, who are elected by vast numbers of people, are the generation responsible for finding a solution that will stop violence in the world. The people my son met and who greeted him in a friendly way were to him just like others, and it is the regime we do not like. It is the absence of the rule of law that we do not like: it is not the people. If we in this forum call them our enemies, we are perhaps making it less likely that these practical things I have urged will be accomplished.

(Applause)

President. — I call Mr Capanna (CDI Group).

Mr Capanna. — *(I)* Madam President, Mr Rumor's resolution, rather than giving Europe the role of an active, major force for peace, entrusts to the Community the minor but dangerous role of playing stooge to a superpower. We have before us a deliberately cock-eyed resolution which does not say enough about the elements which make up the international crisis; a report which goes against the evidence, which condemns the denial of human rights by the Soviet Union without any corresponding condemnation of the denial of the same rights by the United States of America. As if we did not know that, for example, the whole of Latin America from El Salvador to the South Pole was under the yoke of bloody dictatorships enjoying the active support of Washington, or, still on

Capanna

the subject of human rights, as if we did not know about the United States' systematic genocide of the American Indians. And then, it is merely fooling ourselves and our peoples to say fine words about détente without giving a clear indication of the need for total nuclear disarmament.

Look at the Middle East. No matter how the war between Iraq and Iran ends the situation will never be the same again, and even afterwards the Middle East will in any case continue to smoulder until the legitimate rights of the Palestinian people are attained. This is thus a critical area in which Europe must make new and independent moves to promote détente.

That is how the European bus should be going to Madrid — with genuine European numberplates, and not American ones.

President. — I call Mr Romualdi, non-attached.

Mr Romualdi. — (*J*) Madam President, Members of the House, I do not think there can any longer be any doubt that, for the country that wanted the Helsinki Conference more than any others, the Soviet Union, it represented an excellent way of obtaining official, solemn recognition of their own wartime conquests, their redistribution of lands and peoples that had once been proud nations, and the official acknowledgement of boundaries which are ethnically and politically absurd and cruel, but not, as others had hoped, the noble and humanitarian undertaking which was to lead to a new quality in life, to a new coexistence of nations and individuals in peace and security in Europe, as our distinguished rapporteur has indeed said.

That has been more than amply demonstrated by the political and social events of the five years which have elapsed since the conference and the signature of its Final Act.

Despite what the rapporteur's memory tells him, it is not true that we were without illusions then, and that many — even most — did not believe that the Russians, having once obtained from the European nations all the territorial and political recognition and guarantees they required, underwritten formally by the United States and with the moral support of the Vatican, having once obtained these, would start moving, albeit gradually, towards an increasingly acceptable social system and way of life, and towards a measurable recognition of the political and moral independence of nations and of peoples, recognition of human rights and of individual liberties. If that had not been the case then why would the countries of the free world, great and small, strong and weak, have signed that Final Act which, as Mr Brandt said — and it is true, — liberated some men yet condemned a great many more?

After so many glaring exposures of the continuing situation in Russia and its satellites, of the violations of civil and political rights in those countries, after the brutal invasion of Afghanistan so rightly recalled here, after the revolutions and assassinations of the last five years, masterminded directly or indirectly by international communism owing allegiance to the Soviet régime, and with our acknowledged inability to keep any kind of check on the whole of their military might both on Soviet Russian territory and in other Warsaw Pact countries, as was required by the final act of Helsinki, we can indeed ask ourselves why we should continue to delude ourselves now.

If, even then, we continue our preparations for the Madrid conference, it is because we continue in the belief, or the delusion, that despite everything else something might still change; we remain convinced that, despite the lamentable results so far, the road to peaceful coexistence is the only political road we can take which will guarantee our own peace and our own freedom. And it is for that reason and no other that the Political Affairs Committee prepared this draft resolution based on the three memorable baskets, dealing with security and arms control, with economic problems, and with human and political rights. It was prepared so that the European Parliament and the entire European Community could contribute to a successful outcome to the Madrid Conference which, it is to be hoped, will prove to be a suitable and solemn occasion on which to clarify and resolve all the doubts, all the worries and all the tragic problems which surround us — even though we do not yet know how it can be done.

Ladies and gentlemen, my remarks and criticisms were necessary, but they do not of themselves mean that we should be against the holding of the Madrid Conference, against continuing on the road forward from the Helsinki Conference or against the policy of peaceful coexistence. They mean simply that we should try to go to Madrid with our eyes open, wide open, not blindfolded or closed or half closed, not even deliberately so through an excess of cunning or misplaced caution, which is what a number of Members appear to wish for, and what this motion for a resolution appears to be recommending, despite the good-will and skill of the rapporteur, ill-drafted as it now is as a result of conflicting amendments, supplementary clauses, restrictions and patching-up.

Faced with difficult, even harsh realities we cannot afford even to appear still to be turning the other cheek. It benefits neither dignity nor security nor peace, but only serves to give justification to the aggressor and encourage him to reshape the Madrid Conference and anything which results from it, to change it from the real, responsible conference on security and cooperation in Europe which it should be, into a noble, well-meaning conference on human, civil and political rights in which everything is discussed except the things which ought to be discussed, fated to

Romualdi

end in a meaningless mass of words and to result, despite good intentions, in things being worse than they were before and with the dangers increased.

President. — I call Mr Estier.

Mr Estier. — (*F*) Madam President, ladies and gentlemen, we have embarked this morning on a debate which is of particular importance, since it concerns a number of problems directly affecting the fate of this European continent of ours.

We also regard it as important that in holding this debate just a few weeks before the Madrid Conference on security and cooperation in Europe our Parliament has given itself an opportunity to play its proper role as a mouthpiece for public opinion throughout the Community, which is greatly devoted to détente and peace. We all know — as our rapporteur Mr Rumor recalled just now — that the Madrid Conference will be opening in a difficult international climate, with a resurgence of tension of which the Soviet military intervention in Afghanistan is one of the most recent and disturbing causes. There have even been those who have maintained that because of this intervention we should give up the idea of going to Madrid. I should like to say that the Socialists take a completely contrary view. It is precisely the resurgence of tension and the threat to peace and security this involves which make it even more necessary to preserve the quasi-institutional framework within which the 35 signatory States to the Final Act of Helsinki can meet periodically to maintain a dialogue.

We are pleased to note, in fact, that this was also the conclusion reached by our nine national governments. Others, who do not have the courage to say no to the Madrid Conference, would like it to be restricted to a simple stocktaking of the commitments that have not been honoured by the Soviet Union and other Eastern European countries with regard to respect for human rights, free movement of individuals and freedom of information. We too believe that this stocktaking must be carried out, pulling no punches and, if I may say so, without forgetting the violations of human rights there have also been in Community countries, of which we have numerous examples.

We could not, however, accept the idea of going to Madrid with the sole purpose of pillorying the Soviet Union. Although it is right to take a firm attitude here, although it is indispensable to remind the Soviet Union of the commitments it entered into in signing the Final Act of Helsinki — including respect for the rights of peoples to decide their own future and rejection of the use of force — it is also necessary to go beyond simple stocktaking and to ensure that the Madrid Conference forms a significant step towards restoring a policy of détente and leads to positive developments with regard to a continuation of the CSCE process started in 1975.

This, ladies and gentlemen, is the thinking behind the various amendments tabled by the Socialist Group to give a better balance to the motion for a resolution to be adopted at the end of this debate.

I shall not go back over the question of the indivisibility of détente, which was so well expounded just now by our colleague Willy Brandt. I should like rather to stress the inseparability, in our view, of the three baskets which make up the Helsinki document and hence the necessity of putting forward for each of these baskets proposals which will enable simultaneous progress to be made in all three fields. As regards Basket I, we want to see the introduction of more far-reaching confidence-building measures than those adopted so far. This could involve, for example, more precise information on military manoeuvres in all the signatory States, or the appointment of permanent inspectors with the task of checking troop movements. We are also very anxious that the Madrid Conference should — even if this goes beyond the Helsinki framework — lead to positive developments with regard to giving some substance to the various proposals currently in the air for convening a Conference on Disarmament in Europe. We attach particular importance to the amendment we have tabled on these lines, and I must stress that our final vote on the motion for a resolution will to a large extent depend on the fate of this amendment.

With regard to economic cooperation, we similarly think that some new departures are needed and that one of these — as we propose in an amendment — could be the organization of a European energy conference which, on the basis of a prior exchange of information and in a spirit of cooperation, would contribute to safeguarding and mobilizing the industrialized countries' energy resources. In order not to speak for too long, I shall leave it to other speakers for my Group to go into the new measures which could be taken in the humanitarian field, with a view most particularly, as the motion for a resolution states, to forcing the signatory States to apply all the Helsinki provisions in this field.

I come finally to the question of the follow-up to the Madrid Conference. I referred at the beginning to the Socialists' fundamental devotion to pursuing the CSCE process. We fervently hope that despite the bad atmosphere in which we are leading up to it, the Madrid Conference will achieve good results. But whatever these results are, the process must be pursued. We all know that two and a half years after Helsinki the Belgrade meeting produced only limited results. We nonetheless agree that Madrid should take place, and we must be equally insistent that there should be a follow-up, particularly, in our view, with regard to disarmament and arms limitation. This matter, which involves to a certain extent the future of the world, but above all that of this European continent of ours, is one in which our Parliament must play its part to the full. This means not restricting itself to

Estier

today's debate and vote but keeping a close watch on developments at the Madrid Conference, which will probably last for several months. It is with this end in view that we ask the Council to submit to us at the beginning of next year a progress report on the work of the conference. Our Parliament has often been accused, ladies and gentlemen, of going beyond its mandate. I believe that we will be doing no such thing if we can voice here the profound aspiration of the peoples who elected us to live in peace and security.

(Applause)

IN THE CHAIR: MR BRUNO FRIEDRICH

Vice-President

President. — I call Mr Penders.

Mr Penders. — *(NL)* Mr President, I should like first of all to pay tribute to the chairman of the Political Affairs Committee, Mr Rumor, who has done a difficult job in an extremely objective and altogether admirable fashion. I hope that, once we have dealt with the amendments, we shall adopt his motion for a resolution by a large majority which includes the support of the Socialist Group.

I am opposed to what I see as two extreme attitudes towards the Helsinki Final Act. According to the first of these, the Final Act is not worth the paper it is written on unless all its provisions are implemented immediately. In my view, though, we should not wield the Final Act as a kind of executioner's axe; that is really not the style to adopt in international politics, where such things take time. I also oppose the other view of the Final Act as a kind of sacred tablet never to be tampered with and which is not to be criticized under any circumstances to ensure that certain — probably illusory — processes are not disturbed. We must not cling rigidly to the terms of the Final Act, or we shall be in danger of allowing the Soviet Union a right of inspection in Western Europe.

I see the Final Act as a threefold object: as a document, as an instrument and as part of a whole. As regards the document aspect, let us see exactly what provisions in the Final Act have actually been implemented.

There is no need to repeat the kind of Belgrade moaning and slanging match, but we must make it crystal-clear that the occupation of Afghanistan is an intolerable situation, and we must not be so naive as to refrain from criticizing the Russian invasion of Afghanistan after a particular date. I have no qualms about the fact that the Afghanistan question will be like a dark cloud

hanging over the Madrid Conference. It is up to Moscow to decide whether any improvement can come about, and the Nine's proposals regarding the withdrawal of Russian troops and the neutralization of Afghanistan are as relevant now as they ever were. As regards respecting the provisions of Basket Three, the situation has deteriorated recently, and particularly over the last few days — I am thinking here of course of Berlin and the GDR. We must certainly protest at the treatment of Sakharov and others, and I was very impressed by what Pavel Kohout had to say at the hearing organized by the Political Affairs Committee. It is nonsense to regard the guardians of human rights as dissidents. These so-called dissidents are simply steering the correct course as regards the implementation of human rights. The real dissidents are the authorities in the Soviet Union!

Let us turn to the Final Act as an instrument. To my mind, it must be used as a flexible policy instrument; in other words, we must try to maintain a balance between the various baskets. I do not think it sensible to lay down conditions for their implementation like the American Senator Jackson tried to do in linking the emigration of Jews from the Soviet Union to the granting of most-favoured-nation status to the Soviet Union. That did not serve the cause of Jewish emigration. But I do think — and these remarks are addressed especially to the German Members of this House — that we should be wary of signing long-term contracts with the Soviet Union for oil and natural gas. The point about regarding the Final Act as an instrument means also that we must keep a close eye on what is going on in Poland and should not hesitate to make it known — cautiously but unmistakably — that the success of the Madrid Conference is conditional on the Gdansk and Katowice agreements being respected. There has been some talk about a mandate for a European disarmament conference, an idea favoured by the Poles and for which the French have some sympathy. I am not against a disarmament conference as such, but I think it is far too early to come out definitely in favour of the idea. It will depend on the attitude the Soviet Union adopts with regard to the implementation of the confidence-building measures adopted in Helsinki and the willingness on the part of Moscow to make further progress in this field. An extremely important point is whether these confidence-building measures are to apply as far east as the Urals, or whether they are to be restricted to a 250 km-wide strip on either side of the Iron Curtain. There was also a proposal that the Madrid Conference should be held at Foreign Minister level. Here again, I think it is far too early to come down for or against. I should like to urge those who rightly see Helsinki as an ongoing process not to take up fixed positions too early to avoid disturbing this very process.

Thirdly, we have the Final Act as part of a whole. This Final Act does not just exist in a vacuum. *Détente* is indeed indivisible, and the situation in Europe cannot

Penders

be viewed in isolation from the international security situation as a whole. The main thing as far as I am concerned is that Western Europe should remain within NATO, and that NATO itself should be regarded as an instrument of both defence and arms limitation. Of course, implementation of the Helsinki Final Act must be linked to the MBFR discussions and the SALT agreements. Another important point in this context is that supplies of energy and raw materials to Western Europe should continue unhindered. Too much soul-searching on Europe's part brings with it the danger of Finlandization.

In conclusion, let me say that I believe Amendment No 24 to be extremely important. A progress report by the Council would underline the ongoing nature of the Madrid Conference, which could last for months. Moreover, a report by the Council would be an extremely important step in improving relations between that institution and the European Parliament.

President. — I call Lord Bethell.

Lord Bethell. — Mr President, like others who have spoken in this debate I see the forthcoming Madrid meeting as perhaps our last chance to salvage something from the dying process of détente. I was one of those who originally had reservations about this process during negotiations in the early 1970s. However, when the agreement was signed in 1975, I did believe and hoped that something would be achieved by it. Perhaps some of our worst faults derive from wishful thinking.

There seem to be, even now, some of us who believe that nothing has happened in the process of détente, that the agreement remains intact and that we must proceed with it as if it had not been violated. I would suggest that those who have taken this line show a lamentable lack of knowledge of the facts of life. Détente has been violated again and again particularly during the last 5 years and overwhelmingly by unilateral acts committed by countries of the Soviet bloc.

For this reason I cannot accept the line put forward by Mrs Ewing that we should avoid a review of the past. Mr President, we signed an agreement — 35 countries signed an agreement — and we have to decide whether this agreement is valid or not. You cannot have a one-sided agreement. It takes two to make a dance. There has to be a quid pro quo, the quid as well as the quo. It is thoroughly valid and essential, therefore, that we should reevaluate what has happened and if necessary — I hope it will not come to this — be prepared to break off the détente process if it seems to be working to our disadvantage. Just as in any negotiation, in any contract whether commercial or political, one cannot negotiate properly and to one's own interest unless one is, in the final instance, prepared to break off negotiations. This must be a part of the ongoing discussion of détente.

We have of course a whole list of violations committed by the Soviet side. The invasion of Afghanistan alone violated all ten of the principles of the Helsinki Agreement. On Basket Three, the part with which I am most personally concerned, there are lists of individual cases which all the Foreign Offices of our nine countries will be presenting in Madrid. I have seen some of these lists, Mr President, and they are, I suppose, in geopolitical terms, small instances, but they are a succession of tragedies: husbands separated from their wives; brothers from sisters; mothers from children. And these points have been raised again and again by all our Foreign Offices with the countries of the eastern bloc and very, very seldom have the requests from our side been answered helpfully and positively. I know many of these individual cases myself and have tried to help. One gets very little response when one raises them with the representatives of the Soviet bloc countries. So I have to ask myself, where is the process of détente?

I do not think I was unrealistic. I did not believe that we were going to become friends overnight in 1975. But I hoped to see some movement towards friendship, or at least away from hostility and the atmosphere of the cold war.

I am not one of those who want to go back to the cold war but I do feel that the other side are dragging us back there. Otherwise why should East Germany, a few days ago, impose a much higher tax on visitors crossing into that country, and why should they enact this cruel press law which bars journalists from communicating with bodies and individuals in that country other than through the Ministry of Foreign Affairs? Even the Soviet Union does not have such a harsh regulation.

The murders committed in the streets of London and Paris by Bulgarian agents are only the most horrible and stark form of the violation of normal rules perpetrated in the last 5 years. Perhaps the most glaring example of all in terms of the numbers involved is the renewed jamming of American, British and German radio stations by the Soviet Union as a result of recent events in Poland. There has been no such jamming of Russian broadcasts since the agreement was signed and this jamming began again on 20 August 1980. Where is the process of détente when we have step after step away from it, imposed unilaterally and gratuitously by the Soviet side? Where are we going if not backwards? So it is with no pleasure that I read to you this chronicle of backward steps. It is simply a realistic statement of the true position.

I hope that Mr Rumor will find it possible to present his excellent report to the conference in Madrid itself; and that he will find it possible either to go there himself or to have his report presented there, approved, as I am sure it will be, by a vast majority of Members of this House. I hope it will be a guide to

Lord Bethell

our representatives in Madrid on how to approach the forthcoming discussions.

Of course, we hope that our misgivings are misplaced. We are all in favour of security and cooperation in Europe, but I am afraid that it takes two to create the atmosphere for security and cooperation. Looking back over the past 5 years I can only see that we have gone backwards away from friendship, away from détente. This I most deeply regret.

(Applause from the right)

President. — I call Mr Denis.

Mr Denis. — *(F)* Mr President, the Madrid meeting must succeed. Not for the sake of the special interests of a particular country or group of countries, but because the questions raised are vital for Europe and for mankind, because when we talk about Europe we are talking about the area with the greatest concentration of military capacity, the area in which a conflict would degenerate into a worldwide holocaust.

The Madrid meeting is about détente and cooperation between countries with different social systems, which is something that must be preserved and extended with the participation of all peoples.

One of the merits of the Helsinki Conference was that it allowed all States, large and small, whether members of an alliance or neutral and non-aligned, to make their contribution to this task on an equal footing. Effacing the distinctive role of each nation has nothing to do with the spirit of Helsinki.

This is an essential reminder at a time when the European Parliament is discussing problems of the Madrid meeting, which does not come within its powers under the provisions of the Treaty of Rome. Let me say straightaway, therefore, that the conclusions of this debate cannot on any account, in the eyes of the French Communists, prejudice the position which is our country's duty to adopt in an independent, sovereign fashion on this matter.

We cannot accept — and will never accept — any abdication of France's independence within a supranational grouping. We have spoken out against the fact that, during the preparatory work for Madrid, Giscard's Government allowed ministers of foreign countries to speak on behalf of France and we have demanded that in Madrid, as in all similar circumstances, our country must speak with its own voice and take initiatives commensurate with France's own capabilities.

If only this Assembly, where over the past year we have heard so many cold war arguments being put forward, would finally turn its attention to détente,

that would be a welcome development. No amount of effort in this direction is wasted. However, that is far from being the case!

It is clear for all to see that the moving spirit behind this debate is the same attitude as that adopted by the hawks of the Atlantic Alliance. There is no question of seeking a constructive dialogue or of furthering cooperation. After Belgrade, the intention is to turn the Madrid meeting into a tribunal, and it is in a spirit of confrontation that some people are going there with the purpose, having previously peddled the idea of postponing it, of turning the meeting into a propaganda platform doomed to deadlock and failure.

Pursuing faithfully the line taken in the public hearing organized by the Political Affairs Committee, which we refused to support, Mr Rumor's report adopts NATO's demand that the Madrid meeting should be burdened with problems foreign to Europe which cannot be solved within this framework, as if the prime concern was to hinder whatever progress, however limited, is possible today on the questions facing us.

Yet the urgent thing should be to accept that there is no reasonable alternative to détente.

One of the gravest violations of the Final Act of Helsinki has been the use made by Mr Carter of an embargo. He has met with failure, both in economic terms and with regard to the boycott of the Moscow Olympics. We welcome this triumph of young people for peace and friendship, which has caused a certain amount of discomfort on the benches of this House.

Similarly, following the Soviet Union's proposal for opening negotiations on medium-range missiles in connection with the advanced American weapons systems in Europe, Mr Carter has to agree to discussions on this.

Yes, ladies and gentlemen, you must face up to the fact that we are no longer living in the age of the Habsburgs but in the last part of the 20th century.

Mr Rumor's report attempts to ignore the realities of our time and emphasizes all those things which are liable to complicate the search for progress, particularly on questions of military détente. When it invites the European Parliament to give its support to the advocates of a renewed arms race, we cannot help making certain comparisons. The Political Affairs Committee has before it a report by the Giscard supporter, Diligent taking up the proposal — which is utterly beyond the powers of the EEC — for creating a European fleet. The WEU Assembly, which has nothing to do with the Community, is asking via Mr von Hassel, another leading light of the EPP, for the setting up of joint institutions with the Strasbourg Assembly to deal, quite illegally, with problems of defence.

Denis

Because we want peace, because it is our aim to ensure the legitimate security of our country and of all other countries not through senseless arms escalation but through progressive, controlled arms reductions, you will always find us leading the way in the fight against such projects.

And when Willy Brandt claims to see no connection between his own ideas and those of Mr Rumor, one cannot help thinking of the decisive role played by the SPD in NATO's decision to install new American nuclear missiles in Europe and the support given by the French Socialist party in this fateful decision.

(Interruption by Mr Radoux)

In fact, this measure fits in perfectly, just like the Giscard Government's decision to develop the neutron bomb and other similar measures adopted some time ago, with the strategy laid down in Mr Carter's 'Directive 59', which envisages a 'limited nuclear war' in our continent. In short, the United States want Europe to be united — in flames.

For our part, we call on the peoples of Europe to unite in opposition to this policy. They can count on the French Communists to oppose this kind of 'Davignon plan' for ruining détente.

Working for the success of the Madrid meeting means fighting for the implementation of all the provisions of the Final Act and of every one of the principles it sets out, whether it be, for example, the sovereign equality of states, refraining from threats or the use of force, the inviolability of frontiers and territorial integrity, non-intervention in other states' internal affairs, respect for human rights, or the right of peoples to self-determination.

None of these provisions must be either overlooked or overemphasized. The great political act which Helsinki constitutes must not be treated as a sort of *menu à la carte* from which everyone simply takes what suits him.

That, however, is what the Rumor report does and what the speakers for the various groups are continuing to do with regard to human rights, which have been given a highly selective and unilateral interpretation.

The preachers of righteousness would do well to put their own house in order. But that is something they refuse to do, which explains the frosty reception given to the proposal put forward in this very House by Georges Marchais for setting up a committee of inquiry into violations of human rights in the EEC. Need I remind you that in Northern Ireland torture is common practice, that in the Federal Republic of Germany teachers, railwayman and postmen are deprived of their livelihood because of their opinions, that in France immigrant workers and newspaper

editors are deported for expressing the wrong opinions, not to mention Turkey, which is an associated country? We have a completely different conception of human rights, one which corresponds to the Universal Charter and includes all human rights, both the whole range of individual and collective liberties and the right to work, the right to health, education and culture, the right to eat one's fill. And the right to live in peace counts as one of the primary human rights.

What is needed in Madrid is to move forward by discussing seriously how to increase cooperation, how to initiate a process of military détente, the lack of which jeopardizes the achievements of political détente. The adoption of new confidence-building-measures and a decision in principle to convene the Conference on Disarmament in Europe in the near future would be steps in this direction.

Similarly, it is important to examine all opportunities for concrete measures in the fields of scientific, economic, technical, humanitarian, cultural and educational cooperation or, most appropriately in Madrid, in the field of security and cooperation in the Mediterranean.

To see that this in fact happens, we commend the Madrid meeting to the watchful attention of our people. And the same applies far beyond the borders of our own country.

In the end, it is the cause of a genuine Europe which finds its expression here, with the progressive grouping together of forces from various sides. This is confirmed by such things as the popular opposition there has been to the plans for installing 'Euromissiles', the Paris meeting of European Communist parties, or the recent World Peoples' Parliament in Sofia, and on Sunday, 26 October, during the United Nations World Disarmament Week, the international demonstration against US missiles and the neutron bomb and in favour of a successful meeting in Madrid, which is to bring together in Kaiserslautern the forces for peace from Germany, France, Belgium, Holland, Luxembourg and other countries, will bear witness that it is the movement for peace of the peoples of our continent which will ultimately carry the day.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, as far as we European Liberals are concerned, the most important thing in this debate on the Madrid follow-up conference is that Helsinki, Belgrade and Madrid should be stations on a road leading us eventually to freedom of movement and freedom of expression for as many people as possible over as large an area of Europe as possible, from Ireland to the Urals and beyond. In that respect, Mr President, we are now far removed from

Berkhouwer

the situation in 1912 when my grandfather was able to travel from Amsterdam to what was then St. Petersburg without papers, without let or hindrance, and with only a few gold florins in his pocket.

Fortunately, there is a clear consensus in this House on a number of matters. We have unanimously censured what has happened over the last few days regarding the granting of permission for people from the Federal Republic of Germany to visit the GDR, a development which is in contravention of Helsinki and Belgrade. But Mr Honecker went much further in a speech he gave yesterday or the day before yesterday, when he said that Poland must remain a socialist country, otherwise its friends would have to intervene — a clear reference to the notorious Brezhnev Doctrine.

Mr President, if all goes well, the Madrid follow-up conference will get underway in 25 days time, on 11 November — a symbolic date, being the date on which the First World War came to an end. The city of Madrid itself is of symbolic importance in that, only three months after the Helsinki Conference at the end of 1975, Spain returned to the family of European democracies, and is now knocking at the doors of the Community. Unfortunately, that was one of the few things worth rejoicing about after Helsinki. We all agree that things do not augur well for this forthcoming conference because there are dark clouds hanging over Europe and the rest of the world.

To go or not to go? Of course, we shall go; that is something we are all agreed about. But our attitude should be that if nothing more comes of Madrid than came of Belgrade, we shall have to ask ourselves seriously whether it is worth going any further. As the motion for a resolution says, we feel that it might be useful to set up a permanent monitoring organization. Helsinki was and remains synonymous with *détente*, and given that there is no alternative to *détente*, we must press on, although we wonder whether the word *détente* is given the same meaning by the other side. Is it not true that we take *détente* to mean the will to find forms of cooperation, whereas for the other side it means a way of manipulating tension and a continuation of the process of penetration by all available means short of a nuclear conflict between the two superpowers, assuming that the balance of power between the two sides still exists? The fact is that the Helsinki Conference took place in the latter days of that phase. The idea was that there should be security in Europe, with Europe remaining under the two superpowers' sheltering umbrella. Of course, Mr Brandt was not right in saying — which some people, incidentally, see as an alternative — that either there should be *détente* throughout the world, or there should be no *détente* at all. Of course, that is not a viable alternative; the point is that *détente* is concerned with more than just Europe, and should take on the explicitly global character that everyone is talking about. But in the process of globalization, the

part played by what have been termed the 'tertiary imperialists' is becoming more and more important. Despite the fact that these countries have been set up and armed by one or other of the superpowers, their sponsors can no longer exert a restraining influence on the activities of their protégés. There is no need for me to list the places in Africa and Asia where these 'tertiary imperialists' are currently operating.

All in all, a great deal has happened in the two years since Belgrade, both in the Community and in the world outside. In the Community, there has been a resurgence of terrorism everywhere — in Italy, Munich, Paris and Antwerp — and this is once again giving cause for concern. And let me sum up briefly everything that has happened outside the Community. After the demise of the Shah, we had the disillusioning experience of Khomeini, there is Yugoslavia after the death of Tito, the invasion and the winter of Afghanistan, the Polish summer, the Turkish autumn and the insane conflict between Iran and Iraq, in which the Soviet Union has now adopted the pose of what I would term a neutral fireman, but one which is more neutral towards the Iranians than towards the other side. The recent agreement with Syria, including of course the anti-Israel, anti-Zionist and anti-racialist clause, does not detract from this reading of the situation. As far as the Soviet Union is concerned, having two hands in this macabre process of self-destruction is always better than no hand at all.

As regards the Nine's attitude to this situation, only one speaker so far has expressed an opinion which is really at variance with all the others, and that was Mr Denis. Despite the fact that there is a large measure of agreement in this House, the common Community stance we hope to take up at the Madrid Conference still leaves a lot to be desired. We European Liberals believe that Madrid should be a true test of European political cooperation within the Nine. The Community must be as united as possible if we are to realize our ideal of freedom of movement throughout Europe. Nor must we forget that Europe must be on its guard, because we can expect to achieve nothing by negotiating from a position of weakness. I most certainly do not want to return to something akin to the Cold War; I am not a cold-warrior. But that does not mean to say that we should disregard the situation we find ourselves in. We want to prevent conventional warfare in Europe by our own resources, but I wonder whether we realize that the more we depend on the American umbrella, the more we are ourselves becoming responsible for Europe's security — more than some of us perhaps realize? We have only to think of the Pentagon's SOS to the effect that, in the event of conventional warfare in Europe, the United States would not be in a position to intervene for the first few months in view of the Americans' own shortfall of 250 000 troops and something like one-third of their total equipment. That is the situation Europe is facing today.

Berkhouwer

That is why I believe we in this House could perhaps give some thought to taking up a line currently being developed by the Assembly of the Western European Union. I am thinking here of the points made in the Political Affairs Committee by the Christian-Democratic Group and the Liberals and other groups — with the exception of two Labour Members — that we should consider forging closer links between this House and the WEU Assembly. These links could lead to closer and wider-ranging cooperation within the Nine, which would in turn enable us to take up a stronger, common position within the Atlantic Alliance.

Thank you, Mr President, for allowing me to make these few points.

President. — I call Mr Israël.

Mr Israël. — (*F*) Mr President, ladies and gentlemen, the conference which is about to start in Madrid is undoubtedly one of the most paradoxical in the history of diplomacy. Sceptics point to the fools' bargain which they claim the West made in Helsinki. Did we not, they say, accept that the West would recognize the frontiers which resulted from the Second World War? And what did we get in exchange, the sceptics ask. We had a vague agreement on human rights. And yet, if we look at the question more closely, we find that the frontiers of the Communist world have been inviolable since 1945, short of unleashing a new conflict. We also realize, now, that the purely verbal way in which the Soviet Union accepted the provisions relating to human rights is in the end having some tangible results. For in practice the Final Act of Helsinki has awoken in the bosom of the peoples who live under communist rule an irrepressible hope which has caused the Soviet Union some embarrassment. It is far from certain that the West was taken for ride at Helsinki. We must, however, have the political will to pursue the advantage we gained with the Final Act. At a purely diplomatic level, the notion of making our partners accept a procedure for regular monitoring of the way in which they honour their obligations does, without the slightest doubt, represent a chance for the West. That chance must be exploited to the full, particularly where human rights are concerned.

Now, the fact is, as Mr Thorn has said in this very Chamber, that the West recognizes that the three parts of the agreement — confidence-building measures at a military level, economic cooperation and human rights — carry equal weight. French diplomats are themselves emphasizing the military side and have proposed a European conference to consider questions of conventional disarmament. Naturally, the USSR is delighted that, whatever we may say, attention is being diverted from human rights. For its own part the USSR can of course stress economic cooperation —

is its right — with a clear conscience. Why, then, should we in the European Parliament not turn the spotlight on Basket Three, the question of human rights, under which peoples and individuals should be assured of the freedom to circulate and to exchange ideas? Would the Polish question have been resolved — assuming it has in fact been resolved — had the USSR and Poland not been tied to the West by this same agreement on cooperation and security? It is worth remembering that throughout Eastern Europe groups were formed for monitoring the implementation of the Helsinki Final act and were quickly outlawed. Such groups are an embarrassment to those who expect to be able to flout human rights.

That is why my Group proposed to Parliament's Political Affairs Committee, under its able chairman Mr Rumor, that in Madrid we should find a formula to give a hearing to those who, in various parts of Europe, aim to fight for respect for the Helsinki agreements. Such groups are not governments but they should have a chance to be heard as the conscience of the people of Europe. The European Progressive Democrats are also asking for a special commission responsible for human rights in the context of Helsinki to meet between conference sessions to examine progress made and to keep attention focused on the human rights question. It should be pointed out that a large number of organizations involved in the fight for human rights have already indicated that they will be represented in Madrid, on the fringe of the international conference. The European Parliament must not be absent on this important occasion in Madrid. That, Mr President, is why our Group will be determined in its defence of the motion for a resolution tabled by the Political Affairs Committee: we have a responsibility to see this through.

President — I call Mrs Van den Heuvel.

Mrs Van den Heuvel. — (*NL*) Mr President, as a number of speakers have already said, this debate on preparations for the Madrid Conference is taking place against a background of crisis. Fortunately, a large majority is emerging in this House for keeping the East-West dialogue going somehow or other. The policy of détente, which is indissolubly linked with the name of Willy Brandt, has achieved positive progress and has created a climate in which the potential for development is greater than was ever thought possible at the time of the Cold War. It is worthwhile remembering this point despite all the inevitable disappointments we have encountered. There is no room for illusions in this tricky process of breaking down prejudices and creating a climate of mutual confidence on the basis of specific measures. We must calculate the chances coolly and objectively, and we must stride resolutely onward along the road to peace and security; after all, all our people expect their politicians to commit themselves to this course with a will.

Van den Heuvel

What contribution, then, can politics in general and the European Parliament in particular make to this process? In my opinion, we can try to improve the climate by displaying a readiness to engage in frank and open discussion, without any fear of making ourselves vulnerable. We must also continue to insist that independent developments upsetting this process must be discontinued. What I mean by this is that there are certain developments which take place as if the point were to maintain a form of machinery whereby one side always assumes the worst of the other side, which in turn provokes an over-reaction, followed by another counter-reaction, and so on. One of these independent processes is for me the arms trade, which is allowed to proliferate without any appreciable degree of political control. There are still unscrupulous people who are prepared to make capital out of other people's death or misery, and politicians should do everything in their power to gain control over the military-industrial complex and ensure that our economies are not bolstered up by the arms trade. Just to underline the gravity of the situation, it seems to me worthwhile quoting a few figures from the works of Mr Barnaby, the Director of CIPRIE. In 1980, one billion Dutch guilders were spent for military purposes. That amounts to 2 million guilders a minute. Since the Second World War, there have been 130 subsequent wars, in which 30 million people have died. The arms trade accounts for at least a quarter of world trade in goods. In the light of those figures, we surely cannot possibly pass over the subject so tersely.

We must greatly increase our efforts and do whatever we can to put an end to this deadly process. My group is not, of course, saying that we should pander to the Eastern Europeans in Madrid. What we are saying, though, is that our proposals to lead things in the right direction should be as specific as possible. We feel that the 'confidence-building measures' are of special importance here. In this respect, concrete proposals have been put forward and these are well worth considering. For instance, there is a Russian proposal to ban manoeuvres involving more than 50 to 60 000 men, and in Belgrade, Canada, the United Kingdom, the Netherlands, Norway and others proposed that the limit for giving notice of military manoeuvres and troop movements should be reduced to 10 000 and 25 000 men respectively. The initial reaction from the Russians to this proposal was not entirely negative, and in my opinion the Nine would be well advised to declare their willingness to give careful consideration to these proposals. The other members of my group have reacted favourably to the French proposal for a disarmament conference, and I should like to support that proposal wholeheartedly. The aim of any such conference must be to make specific progress in a particular field, so as to improve the climate as a whole. It goes without saying that any such conference must not be so abused as to prevent a comprehensive approach to the problem. My group is divided on the recent modernization decision taken by NATO.

Some members of the group regard this decision as inevitable, while others deeply regret it and are worried that it will only serve to accelerate the nuclear arms race. We are, however, all agreed on our common objective, which must be to mobilize all the available resources to put an end to the armaments spiral the world still finds itself in.

As I said earlier, we must not pander to the Eastern Europeans. What I mean by that is that we must be firm about due attention being paid in Madrid to the question of human rights. Those people whose basic rights are being trampled underfoot expect something of us, and we must be sure not to disappoint them. Of course, we must also be prepared to accept our own share of criticism in this field. At any rate, what is needed here too is a spirit of cool objectivity. After all, we are talking about improving these people's lives, which means — as we think is brought out here and there in the motion for a resolution — that discussions on Baskets One and Two must not be blocked by those on the Basket Three. Were that to happen, we should be doing a disservice to the cause of détente and to the interests of the oppressed people we are trying to help. In my own experience — and I know that others share this experience — it is extremely bewildering, when travelling in Eastern European countries, to realize that the prevalent theory there of military threat and tension is a mirror image of that held in the West. By simply transposing the hypothetical aggressor and victim, our own views on the threat presented by the Eastern Europeans are perfectly valid the other way round from the point of view of the Eastern Bloc. That is precisely why we think it so essential for people to get together, and that is why we believe exchanges at all levels to be of such great importance. In this respect, the Nine can put forward a specific proposal in Madrid, providing for financial support for various exchange programmes. It is precisely because my group attaches such great importance to personal exchanges that — and here I agree with Mr Klepsch — we believe the measures adopted recently by the GDR are evidence of an attitude which is bound to cast a shadow over the Madrid Conference.

Finally, let me say that the process which began with Helsinki and which was continued — however hesitatingly — in Belgrade must be persevered with, and we hope that Madrid will introduce fresh impulses. The European Parliament must play its part in this process. My group looks forward to examining the progress report to be drawn up by the Council, so that we can continue to play an effective part as a monitoring and stimulating institution.

(Applause)

President. — I call Mr Habsburg.

Mr Habsburg. — (D) Mr President, it is significant that it is our Parliament which is giving serious consideration to the forthcoming ECSC conference before any other major supranational organization. This is quite justified because the main subject of these talks is safety and cooperation in Europe. The European Community was a co-signatory on 1 August 1975 to the Helsinki Declaration. The Parliament which the peoples of Europe have elected since then must have its say on the Madrid Conference, not least because, at least in its great majority, it recognizes its responsibility towards the whole of Europe.

Europe is not restricted to the Nine of the European Community or to Western Europe alone. We are only the nucleus for Europe. Those peoples which are at present separated from us by military force also belong to Europe. We also have a responsibility for their right of self determination. For us the Poles, the Magyars, the Czechs and the Slovaks — to name but a few — are just as much Europeans as we are. We owe it to them to continue to stress that we intend to employ all peaceful means to ensure that the colonialism which the whole world condemns is not maintained precisely in the highly civilized regions of Central Europe as the last relic of a former age by the hegemonistic régime in Moscow. The final aim of any European policy worthy of the name must be to achieve the peaceful reunification of Europe.

The forthcoming conference in Madrid is taking place at a critical time. Peace in Europe can be successfully maintained only by adopting a realistic attitude, not by fine words and resolutions or by incanting the magic word 'détente' without giving it any real substance. From this point of view, we welcome the fact that in the preamble to the present motion for a resolution it is clearly stated that détente is worldwide and indivisible. This must be strongly emphasized in view of the policy of the Soviet Union, which uses problems which arise anywhere in the world in order to extend its own sphere of influence and to threaten our lines of communication. One would have to be blind not to see this. The world has contracted far too much for peace and security to be compartmentalized, for détente to be nurtured in one area whilst elsewhere a policy of confrontation is being pursued. A policy of limited détente, which is what Moscow wants, is aimed only at gaining time to build up Soviet military superiority, with the economic aid of the West, and complete the encirclement of Europe by Africa and Asia.

The fact that certain people cannot or will not see this does not make it any the less true, and no amount of dialectical juggling can explain it away. The part of the motion for a resolution devoted to Basket Two, economy and technology, is also of special value. This part of the document reflects what the best experts, in particular the trade unionist Mr Levinson, told us at the hearing. We have no right to give the Russians the chance, under the cloak of East-West trade, of upsetting social structure, by distorting competition which

particularly hits small and medium-sized businesses. We must also not allow capitalist interests in Europe to set up factories in slave country in the Soviet Union, with its low wages and trade unions which are no more than simple slavedriver organizations in the service of the state as employer, which then flood our markets and create unfair competition for Western products. We are not against trade with the East, as long as it is done realistically. We cannot, however, accept it if it is pursued on a political and not purely economic basis. We can have no interest in strengthening at our own expense a power which repeatedly stresses that it wishes to dominate us. Because this is the real meaning of the phrase 'world revolution'.

For us Europeans the most important aspect is Basket Three, that of human rights. Our hearing on 23 and 24 June brought out the true position. We had invited two important witnesses: Andrei Sakharov and Rainer Beurig. Neither was able to attend because the Soviet police had refused them exit visas. Young Beurig was even, on the very day on which he was supposed to speak at our hearing, and in obvious defiance of Europe, sentenced to five years imprisonment because he had publicly declared his allegiance to the Christian faith and to the European ideal. It should have been our duty in this case to make far more energetic representations to the Soviet Government than was actually the case. Unfortunately we all too often lack the courage. Voices are gladly raised whenever there is no risk involved, but they are prudently silent on the rights of Europeans who are being oppressed by our neighbouring tyrants such as Brezhnev and Honecker.

Confidence can only be built up on the firm ground of honoured promises and pledges. Unfortunately this is not the case today, as our hearing showed. Only a few days ago we have had further evidence of how unwilling the Soviet Union is to meet its commitments, when the Honecker régime in effect invalidated its promises to allow greater freedom of movement within Germany by suddenly and unjustifiably raising the compulsory exchange requirement. Let no one claim that this was exclusively a decision of the so-called German Democratic Republic. The truth is that this creation is not a second German state, but a Soviet colony on German soil. And Honecker is not a legitimate head of government, but only the governor of an occupied territory on behalf of Moscow.

If this were not the case then the population would not have to be confined to a concentration camp behind barbed wire, walls and minefields. What has happened in the last few days in Germany, cannot be considered a good omen for the ECSC follow-up conference. We have been warned.

The motion for a resolution tabled by Mr Rumor contains valuable suggestions for our governments in preparing for Madrid. It states, in diplomatic terms, that we must do everything to increase the chances for peace, but that we must go about it without any illu-

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sions. A realistic approach is the prerequisite for successful peace policies; self-deception is a shortcut to disaster, as the events which led to the Second World War showed.

We Europeans must meet the Soviet policy of bogus peace through deception, aggression and hegemony with our own conception of peace with freedom for all mankind.

(Applause)

President. — I call Mr Christopher Jackson.

Mr Christopher Jackson. — Mr President, as we examine the Helsinki Final Act, Basket II dealing with trade and economic matters seems perhaps the easiest, the least controversial and possibly the least important of the three elements — security, trade and human rights — which are to be discussed. I want to suggest to this House that on the contrary trade is one of the prizes which the Soviet bloc has sought, that it is of immense importance to the West and that we in the Community and our negotiators in Madrid should look at it with new eyes. I want to suggest that the disunity among the Nine on trading policy with the Soviet bloc is handing gratuitous benefits to them, benefits that are strategic but that also relate to money and jobs. In a very dangerous world we must welcome the continuation of the Helsinki process so long as there is a real will for progress on the Soviet side. But as our rapporteur remarked in his excellent speech, we must proceed on the basis of mutual benefits and balanced advantages. These have hitherto been conspicuously lacking. The Soviet Union has ignored Baskets I and III when it pleased while benefiting from the trade concessions.

Mr Habsburg referred to competition from the USSR damaging medium and small businesses within the European Community. I should like to give a general example of how some of this trade works. An enterprising firm of civil and chemical engineers in the Community some years ago teamed up with manufacturers of equipment to form a consortium. The consortium went hunting for big business in Russia where growing interest was shown in the sort of equipment and know-how they were selling. Many tough negotiations later the outline of a deal emerged. It was a multimillion dollar contract which would give reasonable though not high profits to the firms involved and which would also provide jobs for several years within the Community. One problem, however, was finance. This was eventually solved by coupling Western government credit to an agreement to import to the Community the products of the factory being built. The contract was known as a turnkey contract. The entire factory was being built ready to run, and the know-how to run it was also being supplied. All went smoothly until a few years later when the prod-

ucts of the Soviet factory were selling all too well in the European Community causing allegations of dumping and allegations that jobs were being lost because of this.

At first sight the moral of this story is that our governments lent money to the Soviet bloc apparently to provide some short-term jobs in the Community but they ended up by having lent the Soviets the money to set up businesses that would undermine Western enterprises, perhaps through dumping, and cause unemployment. It is a fact, ladies and gentlemen, that in some cases the whole of the cost of a factory installed by European consortia in the Soviet Union is paid for by exports from the Soviet Union to the West. That is one illustration of a problem.

The scale of the trade between the European Community and Comecon has grown immensely in recent years; it now amounts to over \$ 12 billion a year. Over 80 % of our trade with the USSR is in manufactured goods, in great contrast to that with the United States where some 80 % has been in agricultural products. But at the same time as trade has grown, the COCOM, NATO and Japanese lists of strategically important items which may not be sold to the Soviet bloc has been reduced from several thousand items to less than 1 000, at least partly because of trade pressures within the countries concerned. For example, we know at present that the USA is anxious that to the COCOM list should be added silicon products, high technology chips to be included.

The truth is that companies from the West are competing at the moment to sell the Soviet bloc high technology. Some of this technology and equipment is used for military purposes. The Mig 17 had a Rolls Royce engine; IBM computers are used for control purposes in a large vehicle plant near Moscow which produced the trucks used in the invasion of Afghanistan. In the USSR missiles are tracked by a computer system first developed and used in the US space programme.

Of course, much high technology equipment sold does not have a direct military use, but it enables the Soviet Union to obtain access comparatively cheaply to the fruits of Western research and development. This in turn enables it to divert its scientists and technicians and capital to military projects of strategic value. My colleague, Mr Fergusson, pointed out the staggering Soviet expenditure on arms — some 12 % of GNP. The flow of trade between the Soviet bloc and the West is unbalanced because the West is selling high technology and know-how which is almost priceless and has real strategic significance.

Virtually all speakers have urged a unitary approach to Helsinki. That must be right. Trade is therefore an important element for our negotiators to put in the balance at the negotiating table. We have to acknowledge the harsh fact that we have an adversary rela-

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tionship with the Soviet bloc — an adversary relationship where we must seek an overall balance of advantage in trade as in other matters. That is why I call for a complete strategic review by the Nine, with the Commission, of all our trade with the Soviet Union, and our negotiators should make clear that such a strategic review is being undertaken. We must make sure that in the present deteriorating situation in regard to détente we are not giving the Soviet bloc unnecessary advantages.

I referred to trade as a prize, but perhaps an even greater prize is disunity within the West, or within the European Community. We cannot hope to bring Basket II under control without a united front vis-à-vis the Eastern bloc. Without such a united front they can pick us off and play one against the other. Equally, however, we must not regard the Eastern bloc as homogeneous; we must take care, for example, that we do not gratuitously damage Poland which has a crippled economy and where there are hopeful moves towards pluralism; and we must recognize that the Hungarian economy also is not completely centralized.

There will, of course, be difficulties in carrying out the strategic review for which I have called. There will be even greater difficulty in applying the results. I have already referred to the growth of trade with the USSR. Such trade, particularly at times of recession, may represent the jobs of thousands of workers in the European Community.

Mr President, we have unwittingly, blindly, and I may say stupidly, moved into a posture where our economies may grow to depend too much on trade with at best an ambitious rival, at worst an unscrupulous adversary. This is a vital matter to which the Community and its Member States must give urgent attention, both during the Helsinki negotiations in Madrid and thereafter.

(Applause)

President. — I call Mrs Boserup.

Mrs Boserup. — *(DK)* Mr President, ladies and gentlemen, this debate on the Madrid Conference is being held in a fairly empty Chamber in spite of the fact that these are dangerous times for Western Europe. The insane arms build-up on the part of the two superpowers is bringing the very existence of mankind into jeopardy. It is absolutely vital that Western Europe should work actively to promote détente and disarmament, as will be obvious to all in view of our geographical and strategic position. In speaking of Western Europe, I am not referring just to the European Community. The area is far more extensive, which is something which this Assembly often tends to forget. Peace and détente is not a Community matter,

but a matter for the whole of Western Europe, where efforts on the part of the other Scandinavian countries and countries such as Austria are justified, not to say essential.

It strikes me, on reading the Rumor report, that it is extremely one-sided in concentrating its criticisms on the Soviet Union's violations of human rights and its invasion of Afghanistan. This is not because I have anything against these points being mentioned. As a Danish Socialist I in no way support this Soviet policy, and my party has repeatedly criticized the attitude of the Soviet Government as regards human rights. As we see it, socialism is democracy in practice. We cannot see what the Soviet Union insists is brotherly assistance to Afghanistan as anything other than misplaced interference in the affairs of another country.

It is not, however, these things which are central to the security of Europe. The central issue is the enormous arms build-up on the part of both the superpowers. To be quite honest, it is unfortunate to say the least that the Rumor report did not mention the dangers of the American arms build-up and the dangerous course which NATO has taken with its dangerous decision of December last year to station new medium-range missiles in Europe.

It is often maintained in NATO circles that the stationing of these new missiles was necessary in view of the Soviet superiority.

However, quite apart from the fact that the USA has been the strongest military power ever since the Second World War, this statement is in fact untrue at this time. The studies carried out by the International Institute for Strategic Studies, which is a highly respected body, shows that there is, broadly speaking, a balance. The Swedish CIPRA Institute in Stockholm has come to the same conclusion. On top of all this, the USA's new weapon, the cruise missile is more accurate than the Russian missiles. The Americans intend to take advantage of this fact, and President Carter has used this more accurate weapon in a new counter-force strategy, a decision which might be very dangerous for Europe, as this strategy opens up the possibility, believe you me, of a limited nuclear war taking place within Europe. This means that we have come considerably closer to the brink of war. 'Damn it all, people will say, we'll only have to strike a few times, it's only a very small area, we can easily send off a few missiles — no problem', and the temptation might be too great, since a limited nuclear war of this kind will obviously develop and turn into a major nuclear war. This decision to station these missiles in Europe was, therefore, not in the interests of the security of Western Europe. It was merely a new twist to the arms race. At the last part-session we discussed — and, incidentally, considerably more interest was shown on that occasion — the question of hunger in the world. It strikes me as strange that there are politicians who fail to realize that the oppression of the

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third world represents a far greater risk to our security than the Soviet Union, since it is a fact that vast numbers of people in the Third World who live in hunger are becoming more and more bitter towards people in the industrial countries, since we live at their expense. It would be far more in the interest of our security if, instead of banking on new atomic weapons, we were to put our money on aid, e.g. to help alleviate the problem of hunger in the world. Hunger in the world is a security problem.

Rumania, which is a Warsaw Pact country, has made proposals to the effect that military expenditure should be drastically cut and the money used instead for humanitarian purposes in the developing countries. Should we not, if we are serious about security in Europe, instead of discussing human rights in the Soviet Union, try to persuade our own governments to make cutbacks? Let us strengthen our own security by calling a halt to our exploitation of the poor.

President. — I call Mr Bettiza.

Mr Bettiza. — (*I*) Mr President, I should like in particular to dwell briefly on the problems concerning civil and human rights. Speaking on behalf of the Liberal Group, I believe that it is our duty in this House to lay particular emphasis on this problem.

It is certainly not the fault of us who live in this part of Europe if the renowned third 'basket' of the CSCE now, five years after Helsinki and after Belgrade, appears empty of all substance or at least threadbare. We did not invent the notions of limited sovereignty, of fraternal assistance, nor of the international proletarian movement. We were not the aggressors in Czechoslovakia and Afghanistan. We did not set up psychiatric homes for the ideologically disturbed. Nor is it we who are today applying what the ex-mayor of Berlin, Mr Brandt, called East Germany's 'strangulation', and anyway this cold strangulation is in fact in line with the notion of 'cold détente', of an easing of tension which is cold selective and one-sided, and which we are unable to accept.

For this reason, it would be wrong for us to view détente as a concession. It would be a grave and unforgivable error to allow the Russians to enjoy all the advantages of the two 'baskets' relating to political affairs and economic affairs, without our obtaining any concessions on the third basket. Were this to be the case, then this third 'basket' — relating to human and civil rights in Europe — would be no more than a 'waste paper basket'.

We are not in favour of surrounding détente with an aura of mystery; what we want is détente which is critical and involves commitments. Therefore, we think that in Madrid it will again be necessary to criticize and to denounce the violations committed by the Soviet Union and other Eastern bloc countries against

both the spirit and the letter of the Helsinki agreement. If necessary, it would be better to speak our mind to the other side than to reach false agreement of the type which was achieved in Belgrade. If the Soviet Union and its allies have a different interpretation than ours of human rights, free circulation of ideas and fundamental freedoms, then we should force them, by adopting a definite stance, to display openly to the world what differences there really are. On this question, we in the Liberal Democratic Group cannot but remain inflexible.

The third basket — and here I refer to what Mr Rumor said and to his excellent report which we approve — the third basket cannot be the subject of bargaining. The case of Poland today constitutes a valid test of what was laid down and signed five years ago in Helsinki. Should the freedom to form trade unions, which the Polish workers have fought for and obtained, prove, as I am afraid it might, to be no more than an empty promise or even worse if it were to provide the Soviet Union with an excuse for treading that country's national identity underfoot, then there would be no more room for détente in Europe, and none for unilateral disarmament either. On the contrary, in this case, it would be necessary to begin to think seriously about relaunching a Community defence policy, especially in order to offset a possible American withdrawal from Europe. Should this be the case, it will be necessary to reduce the time required to standardize armaments within the common industrial policy.

It seems to us that true détente, world stability and international law and order increasingly depend on the position which new political groupings occupy in world affairs, groupings such as the European Community, China, and some non-aligned countries which up to now have been forced to play subaltern and regional roles. It is only by admitting new blocs into international relations, blocs which are against any hegemony and imperialisms, that it will perhaps prove possible to avoid the most disastrous consequences of the view of the world situation which, with the Madrid conference in mind, I have attempted, ladies and gentlemen, to present to you in a realistic manner.

(Applause)

President. — I call Mrs Macciocchi.

Mrs Macciocchi. — (*I*) A large proportion of the amendments to Mr Rumor's report highlight what our Group thinks of the problems which concern above all détente. The Madrid conference is for us the test-bed of this concept.

Europe, as it appears through our debates, is careful and restrained, but not yet strong. I am speaking about

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moral strength, about our ability, at both European and world level and on the specific occasion of the Madrid conference, to make apparent that we are a grouping which can form a new pole of attraction within the present world situation, and in this I share the views just expressed by Mr Bettiza. The basic question — and I listened with great interest to Mr Willy Brandt on this subject — is that unfortunately Europe seems to have chosen a policy of 'petty détente' to be carried out at our own level, the European level, the level of this ancient continent in which we live.

Moreover, the problem which will be raised once more in Madrid is that détente is absolutely indivisible. Détente stretches from Prague to Warsaw, and as far as Afghanistan. It covers a great distance. We cannot examine détente again as if it were an object of worship, like some new form of religion. We certainly cannot call true détente something which has become a sort of altar on which the Afghans have been sacrificed — they, in their society which has somewhat deprecatingly been called 'mediaeval' or 'patriarchal', who have discovered nothing more of civilization, nor of the European twentieth century, than napalm and the most sophisticated arms available, which have become a sort of harbinger of the 'technical superiority' of European countries, a sort of messenger of what Europe understands by progress. I should like to remind Mr Bettiza that the Vietnamese people have already had occasion to feel the lash of fire and metal of the most sophisticated American weapons on their skins.

I should now like to return to the concept of détente. I maintain that preserving détente — as Willy Brandt also rightly pointed out — cannot mean reliving experiences which Europe has already lived in the past. We cannot confuse it with the 'peace in our time' which was referred to in 1937. The Madrid Conference is taking place amid the crisis of the balance between the USSR and the USA, but we know that this crisis opposing two world powers will probably produce a new balance of power, a new division of power. This division of power will probably involve Asia, even though it is not likely that we shall see an Asian Yalta in the near future.

The above prospect affects us directly, for the very reason that a new type of division of power would completely upset Europe's position as a counterweight which is referred to here, so that we would remain astonished bystanders in the clash between the two great powers, and they could then divide up the cake of world power between themselves once more.

We are faced with a crisis in European identity. We have not yet succeeded in firmly establishing Europe's identity, and Madrid, in this respect, becomes an extremely pertinent test for us, the European Parliament, for us, the European Community. We made a serious and conscientious effort to listen for two days,

during the sitting of the Political Affairs Committee, to the evidence brought forward during a public hearing. We discussed at length the problem of trade unions even before the events in Poland.

We discussed this subject with such passion and seriousness that other people, listening to us, might have thought that what was being said was of limited interest or even superficial. Well, events in Poland have shown how very serious was the problem which we raised then. This is the problem of trade union freedom in the countries of Eastern Europe. With reference to this problem, I am extremely surprised that Mr Rumor's report makes no mention among our calls, of the call for trade union freedom, for which Poland has just given a striking example of the need. I should therefore like the amendment which we have tabled on this matter to be approved by the whole House.

On the other hand, we cannot forget the view which was constantly voiced during this public hearing, that we should not consider ourselves only as a trading power — by us, I mean, the European Community — and thereby ignore the violation of human rights. I urge this House to make its contribution, even within the context of trade relations, to the freedom of the peoples of Eastern Europe, to whom we feel strongly bound and with whom we wish sincerely and deeply to live together in a spirit of détente.

What I am concerned with is the peoples of Europe, as we made plain in the context and at the time of the events in Poland. The problem, for us, is also that of not putting up with certain types of contract signed by our own multinationals — and note that these are capitalistic and monopolistic multinationals which give no thought at all to the problem of human freedom — if, despite the opinion expressed by this Parliament, this demand for freedom should not be fulfilled, this freedom which is for us a completely inalienable birthright. We are not pedlars going around the world hawking our butter or wheat because the multinationals need the money, or selling the very arms which sow death and destruction, as the Afghans know to their cost.

In order not to be simplistic and distinguish merely between good and bad, we should also have the courage to make felt our condemnation — our unwavering condemnation — of the weapons and headlong arms race not only of the Soviet Union but also of the United States of America, as others have already pointed out. This headlong arms race of the two superpowers threatens millions of people.

So we have only one possible way of achieving a balance, while seeking a European counterweight, and that is that of denouncing the false and hypocritical agreements made between the two superpowers, and to do this we must stand aloof from both parties. Europe has not established a counterweight but has up

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to now — and even now — remained caught up in the deteriorating conflict between the two superpowers of the Soviet Union and the United States. The proof of this are the nervousness, crises, and political, moral and military pressures under which Europe is currently labouring.

Madrid is — I repeat — to my mind a test of this Community's ability to ensure that it can become a truly anti-imperialist and anti-hegemonistic force, a third basic power centre which can give the world a new balance of power, from which China can in no way be excluded, since it in its turn represents within this world balance the fourth power, and perhaps even the third power.

These are, in brief, the remarks I wished to make on Mr Rumor's report, and I strongly urge you to approve the amendment which we have tabled on trade union freedom, as well of course as all the other amendments tabled by my fellow Members on détente in Europe and in the world.

President. — I call Mr Radoux.

Mr Radoux. — (*F*) Mr President, ladies and gentlemen, since the signing of the Final Act of the Helsinki Conference this House has, in accordance with the exceptional importance of the questions of security and cooperation, adopted five resolutions. However, the most important of all is the one we are voting on today.

While offering my sincere thanks to the chairman of the Political Affairs Committee, Mr Rumor, for his excellent report, I should like to make the following observations.

As regards what is known as the follow-up to the conferences which have been held since 1975, I would ask my colleagues to agree that the passage in the motion which asks us to declare ourselves in favour of continuing the process of détente should not include the words — I quote — 'if the results in Madrid justify it'. My reason for saying this is that the Helsinki Conference was held at the request of the Soviet Union, and we agreed to it in exchange for the opening of the Vienna Conference on mutual and balanced force reductions. Although we may not have derived a great deal of satisfaction from either conference, we should nonetheless keep cool in the face of unwelcome developments and not take on our own shoulders the awful responsibility of repudiating what we once accepted as an additional tool for improving relations between the two halves of Europe.

There is no denying that despite all the bitterness, Helsinki has led to a certain amount of progress: in

the military sphere, there can be very few places in the world today where the monitoring of troop movements and exchanging observers at manoeuvres are accepted practice. It does not always work out perfectly, but it does happen and conferences like the one in Madrid are held so that arrangements may be improved and added to.

In an area far removed from military affairs, let us not forget — with due respect to the fact that all things are relative — that, for example, families have been reunited. It does happen; the system works and it is our hope that it will continue. This concerns mainly the Federal Republic of Germany, and I would remind you, ladies and gentlemen, that anything in East-West relations which benefits the Federal Republic also benefits the whole of Europe.

Just a word on each of the three baskets.

First, security. The French have proposed calling a conference on disarmament, and in a statement on their proposals the Foreign Ministers of the Nine agreed to bear in mind the various considerations behind these proposals. This House should go further than the Ministers and say that, notwithstanding the incredibly slow progress at the Vienna Conference which I have just mentioned, we should not abandon any area where there is a chance of reaching acceptable arrangements. And if we are talking about a Conference on Disarmament in Europe, we must, I believe, stress the equal importance of the increase in what are called 'conventional' as opposed to nuclear arms, bearing in mind the advances there have been in weaponry: conventional arms, ladies and gentlemen, are quite unlike what they were 35 years ago.

Basket Two: economic questions. Since the European Community is involved in other international forums dealing with these questions, we must reaffirm in Madrid our commitment to economic cooperation between states with different political systems and in particular our desire, indeed our determination, to see something come of the negotiations between the representatives of Comecon and of the European Community, which means in particular the Commission. To that I would add our determination to ensure a successful outcome to the current talks about holding a conference on energy. Such a conference should lead to a number of agreements founded on the prior exchange of information, which is the only way of establishing precisely what each party can actually undertake to contribute in the short, medium and long term.

Basket Three: human rights. We are quite rightly very concerned about them. Two points should be stressed here on reading the Final Act. The first is a paragraph

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which makes clear beyond any shadow of doubt the importance which each of the 35 signatory states acknowledges should be given to respect for the individual: I shall read you the passage in question:

'The participating States will . . . promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development.'

Mr President, this paragraph is the explicit recognition of the fact that individual rights take precedence over the enforcement of no matter what political system.

The second point to be made relates to the controversy over an apparent conflict between the sixth and seventh principles of the Final Act. The sixth concerns non-intervention in the internal affairs of other states, and the seventh, respect for human rights and fundamental freedoms. I maintain these two principles do not conflict in their application, because a mutual undertaking has been given to do things together, and when such a promise has been made each side must obviously have the possibility of verifying whether the other is keeping equally strictly to the rules which they accepted jointly.

My final remark concerns both security and peace throughout the world. The body of our motion, ladies and gentlemen, starts with the following words: 'Détente, which is indivisible and at the same time regional and global in character'. In acknowledging that détente is not only global but regional we are referring to the hard reality of our age in Europe and throughout the world. Preserving Europe is not a demonstration of egotism but a means of preventing a direct conflict between the two superpowers, and consequently of preserving peace in the world.

Mr President, this House had a duty, on the eve of the Madrid Conference to take a stand and make known the attitude of this Community, which signed the Helsinki Act in its own right together with the other 35 signatories. It is my hope that those amendments to the text of our Political Affairs Committee which are well-founded and reasonable will be adopted, and I congratulate Mr Rumor once again on his drafting of this text. If we are prepared to accept these reasonable amendments — particularly those of my own group — we will have shouldered our responsibilities, and having done so we shall have the right to pass judgment on the decisions taken by the Governments of our Member States and by the Community in its own right.

President. — I call Mr Diligent.

Mr Diligent. — (F) Mr President, ladies and gentlemen, although I do not altogether share Mr Brandt's

conclusions I should like first of all to congratulate him. I do so because he has adopted the Ehring Committee approach and has chosen to speak on this question. This is an excellent approach, which has been well understood by the media and by the press and it is my belief that it has enhanced the credit and the authority of this Parliament. It is a method which I would wish to see used again in the future.

As we have been allocated only a few minutes, I shall restrict myself to a few comments on the points which occurred to me on hearing the experts, whose quality and authority no-one has challenged.

The first point I considered: were we right or wrong to go on with Madrid? Indeed, after the war in Afghanistan, after repeated violations of human rights in the USSR, in Czechoslovakia and in other Eastern Bloc countries, there was good reason to stop and consider whether we should continue down this road, or whether Madrid should not be put off to better times. I think we were right to go on with Madrid, and I think we were right for three reasons. The first is, as Jean Monnet used to say, that it is always better to meet and talk than to shoot at each other. The second is that to see the CSCE dead and buried would be a one up for the hawks on both sides — and there always are hawks on both sides. And the third it is that the Madrid Conference, although it is of course a conference on the future, is also being held so that we can consider what has happened so far.

Now the hearings we have held have enabled us to make a quick assessment of progress under the headings included in each of the three baskets. There are a number of figures which we should keep constantly in mind: the USSR's military budget totals 14 % of GNP; in the West the corresponding figures range from 3 to 3.5 % in Europe and 5 % in the USA. In my view this increasing imbalance heightens the risks of war. We are all in favour of peace, but peace will not, it seems to me, be achieved unless two conditions are met: as a first stage, restoring a balance which will enable the two sides to deal with each other as equals, and secondly genuine monitoring of disarmament — with the presence of observers and the implication of agreed undertakings.

As the last speaker, Mr Radoux, said just now, détente must be both regional and global in character. And, I would add, permanent.

The lesson I have learnt from Basket Two is that there is no need to be inhibited — that the USSR has benefited by the progress and the capacity of Western technology, that the credits made available to the Eastern Bloc will in a few years have reached 200 thousand million dollars, and that the machine tools which we sell to the USSR are used to produce goods which are then sold cheaply in the West and thus give us employment problems. I still believe that Lenin was joking when he said that we would even sell them the rope

Diligent

with which to hang us, but I would add that, while the joke is worth a little thought and while I appreciate we must continue with these exchanges, we must also realize who is getting the best of the deal and not have any inhibitions ourselves.

However, the basic problem, the most important one as far as we are concerned, has been that posed by Basket Three. It still gives me a feeling of distaste or of great uneasiness when I remember the first time I met a number of Soviet dissidents who had just arrived in France, and who told me: 'You are the ones who are responsible, your Western governments have their share of responsibility in our suffering. We used to live in obscurity and dream, with a certain resignation, of better times. And then there was the Helsinki Agreement. We saw that you, your governments and your leaders had underwritten this agreement, given it their guarantees and appended their signatures. And it was because of this endorsement, because of these guarantees and these signatures that our hope finally flowered and we came out of the shadows to call for the implementation of what you signed for, what you guaranteed. And that is why a great many of our friends have now been thrown into prison or are under arrest or in psychiatric hospitals'.

I therefore call upon those Governments which are preparing to go to Madrid to raise formally the question of these brave, noble-spirited men who put their trust in us. Otherwise, let us at least have the courage to admit our failure and our cowardice and accept that the document we signed is a dead letter.

President. — I call Mr Pelikan.

Mr Pelikan — (I) Mr President, our colleague Willy Brandt has already spoken of the Czechoslovak socialist, Jiří Hajek, Foreign Minister during the 'Prague Spring' of 1968 and, one of the founders and spokesmen of the movement for the defence of civil rights known as 'Charter 77', who was arrested and interrogated just as he was preparing, along with friends of his, a letter to President Husak setting out some helpful suggestions for the Madrid Conference.

This episode is a reminder of how different the situation is in the various countries of Europe on the eve of the Madrid Conference. We here are free to debate this resolution and its amendments, even if it arouses little interest amongst Members. In Italy the Government has set up a special commission which has asked for opinions and personal contributions from all the political parties and from all kinds of people, whereas in Czechoslovakia, as in certain other countries which are nevertheless part — let us not forget this — of Europe, those who wish to make a constructive contribution to the implementation of the Helsinki agree-

ments are being persecuted, discriminated against, threatened and even arrested.

This is the touchstone by which we can judge whether the Helsinki agreements are really being respected or not. These agreements were a source of great hopes for the peoples of Europe, but these hopes evaporated as a result of the disappointing results of the Belgrade meeting. We hope to see them reborn at the Madrid Conference.

This is why we need a definite gesture — an I would go so far as to say even a sensational, spectacular gesture — to reverse the trend, such as, for example, an announcement at the beginning of the Madrid Conference of the granting of a general amnesty to all political prisoners. This is not to underestimate all the other important problems, such as the conference on disarmament and economic and scientific cooperation in the context of the protection of the environment, which are of vital importance for the peoples of Europe and which I hope will achieve positive results.

But there is no better way of convincing the man in the street that the governments of Europe are in earnest in their attempt to promote genuine cooperation in Europe than to declare right at the outset of the Madrid Conference that no citizen, be he a citizen of an Eastern or a Western Bloc country, may be persecuted, arrested or detained for having expressed dissenting opinions. Such a principle, apart from the fact that it seems to me that everyone would find it acceptable would have greater weight if it were announced immediately, at the beginning of the conference, so that all the political prisoners who have been arrested in flagrant violation of the Helsinki agreements may be immediately released. Here I am thinking of Vaclav Havel, one of the greatest European writers, who has been condemned to five years' imprisonment. I am thinking of the journalist Dienstbier, the well-known scientist Uhl, of Sabata, Benda and the sociologist and socialist Rudolf Battek who has, in addition, been accused of having sent a letter to this Parliament, all of whom have been arrested merely because they had asked the Czech Government to respect the Helsinki agreements.

The proof that granting of an amnesty is possible has been provided by the courageous and constructive gesture on the part of the Polish Government, which has freed all its political prisoners, as required by the Danzig agreements, and I am particularly glad to be able to tell you now that the journalist Otka Bednarova, who was condemned a year ago to three years' imprisonment for having asked the Czech Government to respect the Helsinki agreements, and on behalf of whom, here in July, I requested the President of Parliament to intervene, has recently been released because of her poor state of health.

Pelikan

A decision on the part of the Czech Government to release all other political prisoners would without any doubt make a great contribution to the positive outcome of the Madrid Conference. Similarly, a decision on the part of the Soviet Government to allow Academician Sakharov, holder of the Nobel Peace Prize, to return to his home in Moscow, and to free other political prisoners, such as Orlov, Shcharansky and many others, would have a similar effect.

It would also help to restore mutual trust if an agreement could be reached permitting representatives of the signatory governments of the Helsinki agreements, Amnesty International and the International Commission of Jurists in Geneva to be present as observers at any political trials held in any of the signatory states.

Since shrouding everything in secrecy hinders mutual understanding and satisfactory reciprocal relations and, gives rise to suspicions which impede the process of détente, it is very important that all the governments meeting in Madrid should undertake to open the frontiers of their countries to the citizens of other European countries and, in particular, to journalists, whose work must be made easier by permitting them to travel throughout the countries of Europe without visas and without any kind of censorship of their dispatches.

Great progress can also be made in the field of education and culture, but it is already too late to prepare proposals on these topics for the Madrid conference.

I should like to conclude with an appeal: that at the Madrid meeting Europe should give the world an example of tolerance and peaceful cooperation, which is not a lot to ask, but neither is it a little at a time of serious tension, pregnant with dangers for world peace.

(Applause)

President. — I call Mrs Gaiotti de Biase.

Mrs Gaiotti de Biase. — *(I)* Mr President, ladies and gentlemen, during the hearings organized by the Political Affairs Committee, Vladimir Bukovski said that when the Nine discuss things, they only succeed in agreeing on a lowest common denominator, and that it would be better for a larger number of voices to be heard at Madrid. This view sums up the challenge which this Parliament must rise to by performing just as important a role as it has been granted in budgetary matters — i.e. to lay the foundations of and set out the conditions for an approach common to all the Nine, which will be neither limited to the minimum possible commitment nor ambiguous, but will be framed in sufficiently precise terms and which can be voiced either by all the Member States together, or by individual countries separately, in response to the serious international situation which has already been mentioned.

The long hours of work put in by the Political Affairs Committee, the confirmation during the hearings of the complexity of the matters at stake, the balanced report submitted by Mr Rumor — whom we thank for his dedication — and, finally, this debate itself, all indicate that this ambitious aim may be achieved and that we are already heading in the right directions. The basis for this common approach cannot be any other than our concept of détente, which does not imply giving way, nor does it imply seeking agreement at any cost, nor yet does it imply entertaining any illusions about an easy and rapid transformation of the Soviet régime. Instead, it hinges on the primacy of political initiatives and on the military deterrent. This is the criterion that must be applied, both in assessing the results of the process set in train at Helsinki and in deciding on the line to be adopted for Madrid.

If we want to assess the results of the CSCE, we must of course distinguish between, on the one hand, the glaring, serious and, indeed, dangerous failure on the part of the Russians to live up to their responsibilities in implementing Basket Three, the scandal of the invasion of Afghanistan and Soviet military escalation, which all the previous speakers have touched on, the tragic fate of the dissidents which Mr Diligent has spoken of and, on the other hand, the world-wide effects of the Final Act. How can anyone deny that the question of human rights emerged from the Helsinki-conference with renewed force, with wider-reaching implications than anyone expected when the Helsinki agreements were being signed? It has given increased moral legitimacy and international diplomatic significance to the actions of the Soviet dissidents. It has highlighted the contradictions in the USSR, has diminished its world credibility and has increased its isolation.

Other Members of this House have spoken, rightly, of the negative aspects of economic cooperation, but even here we ought to make a more detailed analysis, taking due account of the possible long term effects of such cooperation. Experts also tell us that opening the Eastern Bloc economies to the West constitutes a challenge for the Eastern Bloc systems, which have been obliged to implement varied economic reforms, all more or less undermined by a centralism which, in spite of everything, still makes it difficult for the Eastern Bloc to make satisfactory use of the technology it imports from the West. The implementation of these reforms has sparked off a political battle royal, as is shown by the difficult compromise that was arrived at in the USSR between the aims of the Gosplan and those of the Central Institute for Monetary Economies with regard to the 1979 reform, as is also shown even more plainly by recent events in Poland, which cannot be looked at in isolation from the effect of economic cooperation with the West, as is obvious from the partial and inadequate attempts at reform carried out in Hungary and Rumania.

Gaiotti de Biase

Given the complex and contradictory situation at present prevailing, it seems vital that we should approach these negotiations on the basis of precise conditions and with an attitude of European self-assertion. Two of these conditions have already been mentioned. First of all, if our conception of détente is to be in harmony with these conditions, that implies the indivisibility of the three Baskets, it implies that we should attach all the importance to political initiatives that they have overall in relations between East and West, and not just between East and West. In the second place, we should dispel any illusions on the part of the Russians that Europe's assumption of its own autonomous role in the negotiations in any way implies that there is now less coincidence of interests between Europe and America, taking the word 'interests' in a broad sense that goes beyond a merely economic view, although competition can still be involved.

The all-embracing nature of our conception of détente is demonstrated by the balance between initiatives on disarmament, which have already been discussed, and agreements on concrete measures relating to Baskets Two and Three, with the introduction of the North-South dialogue, access to economic information, the role of the press, the fundamental conditions for freedom of scientific cooperation, and the means by which the implementation of these commitments is to be monitored. Concrete measures, which widen people's access to information and promote the circulation of ideas are more important, politically, than declarations of intent.

The test of the extent to which détente is global and indivisible is to be found in the commitment to extend concern about security to the Mediterranean, in so far as the special status of the states bordering the Mediterranean makes this possible — as Mr Rumor reminded us. The problem of stability in the Mediterranean, an area in which national, religious, economic and social tensions interlock, with a complex network of rivalries and bilateral, fragile and interchangeable alliances, is not a problem that can be tackled simply by means of guaranteeing military equilibrium between the Blocs. It constitutes a challenge to our whole ability to launch political initiatives, economic cooperation and cultural dialogue, and reflects a genuine awareness of the mutual interdependence between the principal regions of the world, as evoked in the Final Act of the Helsinki.

Mr President, ladies and gentlemen, we have always had great sympathy and understanding for the profound sufferings which have led one or two distinguished men of letters — in particular I am thinking of Solzhenytsin — to see in the West's patience and its painstaking search for agreement evidence of materialism, the egoism of affluence and softness. There may have been some of this in the attitude of the general public, and, from time to time, in the motivation of politicians in Europe, but at the heart of this great

movement towards détente, to the extent that it is actively guided and not simply passively endured by the West, there is none of this: there is the conviction that military blackmail is a weapon that has no place in the armoury of the western democracies, that such methods are less and less credible and less and less effective when they are practised by governments based on consensus. A stable system of joint defence is the precondition for maintaining the Western democracies, but the illusion that we can deal with conflicts and defend human rights solely by adopting an intransigent attitude may be dangerous, not only, and not so much, for the Western countries as for those men and women who live on the other side of the iron curtain. Let us not classify ourselves into supporters of a firm approach and supporters of appeasement, or the opposite, Mr Segre, some people aiming deliberately at confrontation and others, and only the others, searching for peace! The two opposed requirements, between which we appear to be divided, are objective and are genuine, they concern us and they should in fact be a challenge for all of us, and each one of us is called upon, individually, to unite within himself the following conflicting images: the need to guarantee the safety of our peoples and the awareness that arms alone are not sufficient to do this; the wish to go to the defence of human rights in the Eastern Bloc countries and the need to be realistic enough to prevent more serious barriers being erected around them; the conviction that economic cooperation is a determining factor in change and the need to avoid our own countries footing the bill for the economic failures of the Soviet Bloc.

Strengthened by our desire to create a united Europe and by our mandates from the peoples of Europe, as well as by the very habit which helps us to overcome each day, to some small extent, traditional national and political distrust, let us here build a majority which will be as broad as is necessary to commit our governments to a joint position. Today the European Parliament, in respect of these great political decisions, is faced with a major challenge which it must take up.

(Applause)

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR JAQUET

Vice-President

President. — The sitting is resumed.

4. *Membership of committees*

President. — I have received from the Socialist Group a number of requests seeking to appoint the following Members to various committees:

- Mrs Gaspard as Member of the Legal Affairs Committee in place of Mr Pelikan;
- Mr Pelikan as Member of the Committee on External Economic Relations in place of Mr Ripa di Meana;
- Mr Ripa di Meana as Member of the Committee on Transport in place of Mr Craxi;
- Mr Petersen as Member of the Committee on Energy and Research;
- Mrs Gredal as Member of the Ad Hoc Committee on Women's Rights.

Since there are no objections, these appointments are ratified.

5. *CSCE meeting in Madrid (continuation)*

President. — The next item is the continuation of the debate on the Rumor report (Doc. 1-445/80).

I call Mr Paisley.

Mr Paisley. — Mr President, I rise to express general agreement with the terms of the resolution before Parliament and I would join in expressing appreciation to my colleague, Mr Rumor, for the work he has done in preparing this report.

There are two matters mentioned in the resolution with which I would wish to express particular agreement. Firstly, I endorse entirely the condemnation of the abuse and denial of human rights by the authorities in the Soviet Union and in Eastern Europe generally. The denial of fundamental liberties to dissenting voices in the Communist world should be abhorred and condemned by all freedom-loving people. The right to dissent and to express one's dissent in a democratic and peaceful fashion is a right which should be upheld by us and be seen to be upheld by all of us in this Community.

The treatment especially of fundamentalist Christian leaders and people in the Soviet Union is a matter which concerns me greatly, and therefore I welcome this opportunity to condemn the suppression of all

groups: Jews, Christians and others, but especially the Bible-believing fundamentalists who have suffered most of all. Many of us are aware of what the Vins family have been through and, although Pastor Vins himself is now safely in the West, his family still continues to suffer. Any state which does not permit its citizens full and free expression of opinion and belief is a state which should be condemned most forthrightly by this Community.

The second matter with which I wish to deal is the call contained in the resolution for the nine Member countries to honour and accept the sanctity of national sovereignty. The freedoms and rights which we all should enjoy as individuals are translated on a national level into the equally important principle of scrupulous respect for national territory and sovereignty. In encouraging the Community to condemn all violations of national sovereignty, such as has occurred in Afghanistan, this Community should be most careful to ensure that within itself there is nothing which conflicts with this laudable exhortation.

Every Member of this House knows that I come from that part of the United Kingdom known as Northern Ireland. Yet the territory of Northern Ireland is claimed in the constitution of another Member of this Community — the Republic of Ireland — as part of its territory. That arrogant and aggressive claim, Sir, is something which causes great offence and resentment to the people of Northern Ireland, which I represent in this House. And I would suggest that it also should concern and alarm this Community, especially when we are now in this resolution exhorting others in the virtues of respecting national sovereignty and in the right of self-determination.

This Community cannot afford to close its eyes to this glaring irregularity within its own boundaries and furthermore the Community should not be ignorant of the fact that recently the Prime Minister of the Irish Republic gave voice to the objectionable assertion of his constitution when he demanded that the British Government should withdraw from the people of Northern Ireland their assurance of the right to self-determination.

That action, Mr President, flies in the face of the plea in this resolution to all nations to respect the right of both individuals and nations to freely enjoy all human rights and fundamental liberties. There is no more fundamental liberty for any collective group of people or nation than the right of self-determination and this resolution rightly, Sir, gives recognition to that fact and is therefore assured of my support and vote.

President. — I call Mr Prag.

Mr Prag. — Mr President, we have listened in the debate to a great deal of philosophy and many statesmanlike reflections from distinguished speakers. Mr Rumor struck a fine balance between the need for strength in the West and the need to take whatever chance remains for détente with the Soviet Union. Mr Brandt was understandably keen to pick up the pieces of his *Ostpolitik* and to stick them together as best he could.

I would like to look briefly at the country we are dealing with because it is no secret that we are talking about the Soviet Union when we make our comments about the dangers which exist for the West and perhaps look a little further back, not only at the Soviet Union, not only at post-revolutionary Russia, but at the Russia of the Czars — a land where for centuries, even when in our own countries democracy was beginning to evolve, the grossest tyranny was practised, the abuse of law, anti-Semitic pogroms, the organisation of human beings in military villages where men, women and children, right up to the middle of the nineteenth century, were mercilessly flogged.

We have to see that here we have a problem of the rights of the individual and we have a problem too, a continuing problem, a historical problem of conquest abroad — the conquest in the 19th century of the whole of the Caucasus and of vast areas of Central Asia which are still in Soviet hands and about which we like to forget all too often.

The Soviets in fact took over where the Czars left off with a new ferocious efficiency in persecution, and they added to it the persecution and tyranny of economic collectivism. And so in 1940 Estonia, Latvia and Lithuania disappeared; a large slice of Poland was occupied by ethnic Russians, or people related to the Russians, but Poland's industrial centre of Lvov was swallowed up; so was a large slice of Romania.

Since the war we have seen the suppression of freedom movements in Prague in 1948, in East Germany in 1953, in Hungary in 1956 and in Prague again in 1968; in Africa we have seen the take-over by the mercenaries of the Soviet Union, the Cubans, and by East German technicians in Angola and Ethiopia, and now we see the blatant aggression of the Soviets in Afghanistan.

I go through that, Mr President, not because I believe that nations cannot change — if there is any hope at all it is that Russia can change and we are right to believe that we must try again. But I think we are also right to be more than wary, and I would like to turn the balance perhaps a little more . . .

Perhaps we might look at the headings of the Declaration of Principles of the Final Act. Sovereign equality — respect for the rights inherent in sovereignty:

flouted by the Soviet Union. Refraining from the threat or use of force: flouted by the Soviet Union. Inviolability of frontiers: flouted. Territorial integrity of States: flouted. Peaceful settlement of disputes: flouted. Non-intervention in internal affairs: flouted. Respect for human rights and fundamental freedoms, including freedom of thought, conscience or religious belief: flouted. Equal rights and self-determination of peoples: flouted.

May I quote from Brezhnev: In Prague in 1977 he said: In 1985 we shall, thanks to our diplomacy, have reached the majority of our objectives in Western Europe. And the reversal of the balance of power will then be so decisive that we shall be in a position to impose our will whenever that is necessary.

In our relations with the Soviet Union we might do well to remember a word of advice from Oliver Cromwell, talking to his troops. He said: 'Praise God, and keep your powder dry!' I think we would do well to remember that today.

President. — I call Mr Thorn.

Mr Thorn, President-in-Office of the Council. — (F) Mr President, I have listened very closely to the discussion which has taken place in this Chamber this morning and this afternoon, because it is important to me and indeed to all the Members of the Council to learn the views of those who are following the CSCE process from outside, without being bombarded daily as we are with diplomatic reports from Madrid. Indeed these reports, I must admit, are becoming more and more unreadable, being weighed down with details of exchanges between delegations which increasingly fail to conceal the fact that the preparatory work which started on 9 September is really at a standstill.

In my view, however, the problem should be simple. Should one adhere to the broad lines of procedure adopted in Belgrade, whereby equal importance was accorded to the past, namely to examining the implementation of the principles outlined in the Helsinki Final Act, and to the future, namely to the new proposals, or should the new proposals, on the contrary, be given priority over the examination of the past? I cannot give you an official Community reply on this point since we have not discussed it in the past few days or weeks. Therefore, Mr President, my remarks will express my personal viewpoint, although they will be based on the consistent approach adopted by the Community Member States. On this question the Community has always, without exception, insisted on rules of procedure being adopted which would allow a thorough examination of the manner in which the three baskets of the Helsinki Final Act had been implemented in the 35 countries participating in the CSCE. Alongside this requirement, whether successively or simultaneously is of little importance, as much time as is needed can be devoted to examining

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new proposals. The debate in Madrid is at present taking the form of a tedious discussion on the number of days — yes, even the number of hours — which can be reserved for the one or the other. In my opinion, there are many possible compromise solutions.

A formula which amounted to reducing any examination of the implementation of the Helsinki Final Act to a bare minimum would, however, be unacceptable.

The Belgrade Yellow Book satisfactorily reconciled these two conflicting preoccupations, i.e. with the past and with the future. Of course, there is room for improvement, but anyone who, on the pretext of wishing to improve it, tries in fact to drop the provisions regarding detailed examination of implementation will encounter the determined opposition of all the Community countries. This is the problem, the real problem, around which the apparently tedious and sterile debate is revolving at present in Madrid, and I am glad to see that the European Parliament, or at least a very large majority of its Members, shares the views I have just outlined in brief.

Should the Ministers go to Madrid? Several speakers have put this question. In my view, it is premature to reply to this at present. I think the decision can only reasonably be taken when we have a clearer, more complete view of the progress of the preparatory work. Without wishing to prejudge decisions which may be taken by individual Ministers, our political cooperation meeting on 4 November will provide a useful opportunity to take stock of the situation and work out a common approach both on this question of being present at Madrid and on the main questions of principle. I agree with all this morning's speakers that it is in fact essential to have a common policy on this matter and at this stage I fear — rather as Willy Brandt said this morning — that there may not be a meeting of Foreign Ministers in Madrid but that they may go to Madrid consecutively, on different days, thus preventing a true dialogue, or rather failing to establish a true dialogue at ministerial level.

At present — and here again I am of course expressing my personal views, although I am almost certain that they reflect the views of my colleagues — the Member States of the European Community are in agreement that all parts of the Helsinki Final Act should receive equal attention. These documents, which were signed by the Heads of State and Government of 35 countries, an entity, no part of which should be given priority over the others. I am happy to see, ladies and gentlemen, that you share this viewpoint. The proposals you have made on the various baskets are very interesting and I am sure that my colleagues will accord them due attention and issue appropriate instructions to their respective delegations in Madrid. As regards confidence-building measures in particular, the Community Member States consider that it is particularly important to make a qualitative improvement in the form of binding 'CBMs' applying to the

whole of Europe in the geographical sense, that is from the Urals to the Atlantic. We see no reason why the European territories of any participating country should remain outside the sphere of application of these measures. It is also to be hoped that the Madrid meeting will succeed in drawing up a precise mandate for a Conference on Disarmament in Europe in line with the French proposals, which the Nine support. I realize that the whole question of security presents difficult problems and that it would be rash to anticipate very rapid progress. But we must at least make an attempt.

As regards Basket Two, we must continue our patient efforts to improve economic relations between all European countries. The motion before Parliament contains some interesting ideas in this sphere, although I am somewhat doubtful about the advisability of discussing proposals on development aid at the CSCE, since in my opinion a more fitting forum for these is within the United Nations.

Community preparation for Basket Two has involved both an examination of the implementation of the Final Act and the elaboration of new proposals to help improve cooperation in Europe. Work on the implementation of the Final Act has consisted for the most part in collecting a large amount of data to assess to what degree the various participants in the Conference have kept their commitments. As regards new proposals, the Community has focused on a limited number of topics such as, for example, improving the exchange of economic and commercial information between East and West, business contacts, offset transactions, arbitration arrangements and management training.

As far as can be seen at present, Mr President, it is the more controversial problems of Baskets One and Three which will be at the centre of the Madrid discussions. Community action on Basket Two will therefore depend largely on the progress of discussions on the other two baskets, because it is these discussions that will determine the general political climate of the Madrid meeting. It is in fact Basket Three which is the crux in the discussions presently taking place in Madrid on matters of principle regarding the arrangement of the meeting. In this context I must repeat that the Member States of the European Community will not allow the examination of past implementation of the Act to be swept under the carpet. How could one pass over in silence, for example — as Willy Brandt emphasized this morning — the measures recently taken by the German Democratic Republic which make trips to that country considerably more of a problem and as such are contrary to the explicit provisions of the Final Act whereby the participating states undertook to facilitate more extensive travel, whether for professional or personal reasons.

However, I should like to stress also that — with respect to Mr Denis — we are in no way seeking confrontation. The Nine do not claim *a priori*, before

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any investigation, to have fulfilled to perfection the obligations arising out of the Helsinki Final Act, as moreover Mr Estier pointed out this morning. They do not take refuge behind an alleged principle of non-interference in their internal affairs but are prepared to answer any criticisms levelled at them and to accept those which prove justified. All they ask is that all participants have the same approach.

It is in this spirit of openmindedness, which while critical is also constructive, that we intend to approach the Madrid Conference.

Mr President, you will appreciate that I did not wish to express my opinion on the details of the proposals contained in the motion for a resolution. That cannot be the task of the President-in-Office of the Council speaking personally. This text, in its final form after your discussions, will undoubtedly command the careful attention of my colleagues and of the delegations meeting in Madrid. In reply to Mr Estier, let me say that I will personally recommend that the Council come before Parliament at the beginning of next year, when all will be much clearer, to give an account of the Madrid Conference. I share your concern in this respect. I wish to pay my sincere respects to my friend and former colleague, Mr Rumor, for the quality of his report and to Parliament for the high standard of the debate, most of which I have been able to attend. Above all, I am very pleased to note the consensus which exists, to put it frankly, between the large majority of this Parliament and the national governments on basic questions, and indeed it is essential that this be so. I am convinced that this consensus will form the basis for truly effective action in Madrid, in the interests of lasting and therefore genuine détente.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. (D) Mr President, I will concentrate in my few remarks on the issues involved in Basket Two.

This is an area in which the Community has direct authority. There is no need for me to stress the importance which the Commission too naturally attaches to the security aspects and the humanitarian questions. Nor is it necessary to draw attention to the connection between the various spheres, as other speakers have done.

In the economic sphere cooperation can contribute towards the participating countries' economic development and help to avoid disturbances, as we have in fact succeeded in doing around the world in recent years, in spite of all the serious problems. Developing economies and avoiding disturbances is particularly necessary in view of the difficult world economic situation. The consequences of the oil crisis affect all

economies, irrespective of differences in economic systems, and they affect developing countries as well as industrialized countries. These economic problems can and will lead to social tension, which can in turn have political consequences. The world economy, which is in great difficulties at present, is having to cope in addition with a major process of transformation leading to a new world division of labour, and this makes it all the more necessary that we improve cooperation which, by developing our economies and avoiding disturbances will be to everybody's advantage. The past few years have proved that this is possible. Since 1970 trade between the European Community and East European state-trading countries has quadrupled. In 1979 it amounted to about 17 000 million units of account in each direction, for exports and imports respectively. The Soviet Union was in first place, followed by Poland and Rumania. These figures demonstrate how much interest there is in such cooperation. This is also reflected in the agreements concluded between the European Community and a number of East European states. Let me mention here Rumania, with which we recently concluded an important agreement on trade in industrial products as well as a further agreement on the establishment of a joint EEC-Rumania Committee. This committee's mandate is to deal with all questions concerning the development of economic and trade relations between us. Let me mention also the steel and textile agreements which exist between the Community and Bulgaria, Hungary, Poland and Czechoslovakia. These agreements are further proof of the interest shown by our partners. Unfortunately, this interest has not yet led to normalization of the relations these countries and other CMEA Member States have with the European Community. It is not natural for more than 110 states around the world to have normal diplomatic relations with our Community — and many of them have also concluded trade and cooperation agreements with us — while our immediate Eastern European neighbours do not maintain such relations. That does not conform to the spirit of cooperation. We want to normalize our relations with the Member States of the Council for Mutual Economic Assistance, we want normal working relations with the CMEA. For this both sides must of course respect the aims, methods and institutional rules of the other partner. It is in this spirit that we have pursued the protracted negotiations there have been so far. Cooperation must form a framework for removing the obstacles which stand in the way of normal relations and prevent the establishment of the necessary system of trade agreements. Facilities must be created for the exchange of information on important economic facts, developments and prospects. We must remove the difficulties which stand in the way of normal business contacts. Economic relations must be based on a balanced performance by each side. In trading with us the East profits from the rules of world trade, which are based on the principles of the market economy. At the same time they maintain their completely different rules which deny us similar advantages on their side.

Haferkamp

That cannot be regarded as a balance. In this context some rather vague formulations in Basket Two must be defined in more detail. We regard economic cooperation as necessary. We want to continue it and further develop it. However, that is only possible in an atmosphere of trust, with the genuine pursuit of common interests on a basis of reciprocity. For us in the Community that presupposes common objectives and taking more joint Community action. We often regard East-West trade as just another area of world trade. In the East there is a close connection between economic and political goals. That is an important reason why we too should not see just the economic aspects of these relations. It is an important reason for seeking a greater community of interests amongst ourselves and insisting on a balance between all parts at the Madrid Conference.

(Applause)

President. — The debate is closed.

We shall now vote on the motion for a resolution.

(Parliament adopted the first indent of the preamble)

On the second indent of the preamble, I have Amendment No 5 by Mr Romualdi.*

What is the rapporteur's position?

Mr Rumor, rapporteur. — *(I)* I am against the amendment, Mr President.

(Parliament rejected Amendment No 5 and adopted the second indent of the preamble)

President. — I call Mr Denis.

Mr Denis. — *(F)* Mr President, the French Members of the Communist and Allies Group will not vote on any of these amendments because, as we made clear this morning, the spirit and the letter of this motion cannot be amended.

President. — May I remind Mr Denis that explanations of vote will be given at the end?

(Parliament adopted the third indent of the preamble)

On the fourth indent of the preamble, I have Amendment No 4 by Mr Romualdi and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — *(I)* I am against, Mr President.

(Parliament rejected Amendment No 4 and adopted the fourth indent of the preamble)

President. — After the fourth indent of the preamble, Mr Estier and others have tabled Amendment No 12 on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — *(I)* I am in favour, Mr President.

(Parliament adopted Amendment No 12 and then the fifth to eighth indents of the preamble)

President. — I have four amendments on the first indent of paragraph 1:

- Amendment No 36 by Mr Pannella and others;
- Amendment No 25 by Mr Capanna and Mrs Castellina;
- Amendments Nos 13 and 14 by Mr Estier and others on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — *(I)* Mr President, I am against Amendment No 36 by Mr Pannella and Amendment No 25 by Mr Capanna and Mrs Castellina. On the other hand, I am in favour of Amendments Nos 13 and 14 by Mr Estier.

(With successive votes Parliament rejected Amendments Nos 36 and 25 and adopted Amendments Nos 13 and 14 and the first indent, thus amended, of paragraph 1)

President. — On the second indent of paragraph 1, I have Amendment No 26 by Mr Capanna and Mrs Castellina.

What is the rapporteur's position?

Mr Rumor, rapporteur. — *(I)* I am against, Mr President.

(Parliament rejected Amendment No 26 and adopted the second indent of paragraph 1)

* The complete text of the amendments will be found in the Annex.

President. — I have three amendments on the third indent of paragraph 1:

- Amendment No 37 by Mr Pannella and others;
- Amendment No 6/rev. by Mr Romualdi and others;
- Amendment No 27 by Mr Capanna and Mrs Castellina.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against all three amendments, Mr President.

(With successive votes Parliament rejected Amendments Nos 37, 6/rev. and 27 and adopted the third and fourth indents of paragraph 1)

President. — I have two amendments on the fifth indent of paragraph 1:

- Amendment No 38 by Mr Pannella and others;
- Amendment No 28 by Mr Capanna and Mrs Castellina.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(With successive votes Parliament rejected Amendments Nos 38 and 28 and adopted the fifth indent of paragraph 1)

President. — After the fifth indent of paragraph 1, Mr Estier and others have tabled Amendment No 15 on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am in favour, Mr President.

(Parliament adopted Amendment No 15)

President. — I have two amendments on the sixth indent of paragraph 1:

- Amendment No 16 by Mr Estier and others on behalf of the Socialist Group;
- Amendment No 29 by Mr Capanna and Mrs Castellina.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendments Nos 16 and 29 and adopted the sixth indent of paragraph 1)

President. — After the sixth indent of paragraph 1, I have Amendment No 39 by Mr Pannella and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 39)

President. — I have three amendments on the seventh indent of paragraph 1:

- Amendment No 30 by Mr Capanna and Mrs Castellina;
- Amendment No 40 by Mr Pannella and others;
- Amendment No 17 by Mr Estier and others on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(With successive votes Parliament rejected Amendments Nos 30, 40 and 17 and adopted the seventh indent of paragraph 1)

President. — On the eighth indent of paragraph 1, Mr Scott-Hopkins and Mr Fergusson have tabled Amendment No 11 on behalf of the European Democratic Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am in favour, Mr President.

(With successive votes Parliament adopted Amendment No 11, the eighth indent, thus amended, of paragraph 1 and point 1 of paragraph 2)

President. — After point 1 of paragraph 2, Mr Scott-Hopkins and Mr Fergusson have tabled Amendment No 10 on behalf of the European Democratic Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) Mr President, I am in favour of this amendment up to the words *implementation of the Final Act*, corresponding to the first four lines of the Italian version.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, we shall withdraw from the fifth line of the Italian text of the amendment to the end.

President. — With the agreement of the author of the amendment, I shall put to the vote the first part of Amendment No 10.

(Parliament adopted Amendment No 10, thus amended)

On point 2 of paragraph 2, I have Amendment No 1 by Mrs Lizin.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 1 and adopted point 2 and then points 3 to 5 of paragraph 2)

President. — On point 6 of paragraph 2, I have Amendment No 31 by Mr Capanna and Mrs Castellina.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 31 and adopted point 6 and then point 7 of paragraph 2)

President. — After point 7 of paragraph 2, I have Amendment No 41 by Mrs Macciocchi and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 41)

President. — On point 8 of paragraph 2, I have Amendment No 32 by Mr Capanna and Mrs Castellina.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 32 and adopted point 8 and then point 9 of paragraph 2)

President. — I have two amendments on point 10 of paragraph 2:

— Amendment No 33 by Mr Capanna and Mrs Castellina;

— Amendment No 18 by Mr Estier and others on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) Mr President, I am against the amendment by Mr Capanna and Mrs Castellina and in favour of the amendment by Mr Estier.

(Parliament rejected Amendment No 33 and adopted Amendment No 18 and then point 10, thus amended, of paragraph 2)

President. — After point 10 of paragraph 2, Mr Estier and others have tabled Amendment No 19 on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) Mr President, I am prepared to accept the first part of this amendment, as far as the words *to coordinate them*.

President. — Since Mr Estier is willing to withdraw the second part of the amendment, I put to the vote the first part only.

(Parliament adopted Amendment No 19, thus amended, and then point 11 of paragraph 2)

After point 11 of paragraph 2, Mr Estier and others have tabled Amendment No 20 on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 20)

President. — On point 12 of paragraph 2, I have Amendment No 42 by Mrs Macciocchi and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 42 and adopted point 12 of paragraph 2)

President. — On point 13 of paragraph 2, I have Amendment No 43 by Mr Pannella and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 43 and adopted point 13 of paragraph 2)

President. — On point 14 of paragraph 2, I have Amendment No 3 by Mrs Lizin.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 3 and adopted point 14 of paragraph 2)

President. — I have two amendments on point 15 of paragraph 2:

- Amendment No 34 by Mr Capanna and Mrs Castellina;
- Amendment No 9 by Mr Scott-Hopkins and Mr Fergusson on behalf of the European Democratic Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against both amendments, Mr President.

President. — I note that Amendment No 9 has been withdrawn.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am still against Amendment No 34.

(Parliament rejected Amendment No 34 and adopted point 15 of paragraph 2)

President. — I have two amendments on point 16 of paragraph 2:

- Amendment No 8/rev./II by Mr Romualdi and others;
- Amendment No 44 by Mr Pannella and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against both amendments.

(With successive votes Parliament rejected Amendments Nos 8/rev./II and 44 and adopted point 16 of paragraph 2)

President. — On point 17 of paragraph 2, I have Amendment No 7/rev./II by Mr Romualdi and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 7/rev./II and adopted point 17 and then points 18 to 20 of paragraph 2)

President. — I have two amendments after point 20 of paragraph 2:

- Amendment No 45 by Mr Pannella and others;
- Amendment No 46 by Mrs Macciocchi and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President, as I should like to see the text worded differently.

(Parliament rejected Amendment No 45 and then Amendment No 46)

President. — I have two amendments on point 21 of paragraph 2:

- Amendment No 21 by Mr Estier and others on behalf of the Socialist Group;
- Amendment No 47 by Mr Pannella and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am in favour of Amendment No 21 by Mr Estier and against Amendment No 47 by Mr Pannella.

(Parliament adopted Amendment No 21, rejected Amendment No 47 and adopted point 21, thus amended, and then point 22 of paragraph 2)

President. — I have three amendments after point 22 of paragraph 2:

- Amendment No 22 by Mr Estier and others on behalf of the Socialist Group;
- Amendment No 48 by Mrs Macciocchi and others;
- Amendment No 49 by Mr Pannella and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) Mr President, I am willing to accept Amendment No 22 as far as the words *all European countries*. I am against Amendments Nos 48 and 49.

President. — Do you accept the rapporteur's proposal, Mr Estier?

Mr Estier. — (F) Yes.

President. — I put to the vote the first part of Amendment No 22.

(Parliament adopted Amendment No 22, thus amended, and rejected Amendment No 48 and then Amendment No 49)

On point 23 of paragraph 2, I have Amendment No 50 by Mr Pannella and others.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am against, Mr President.

(Parliament rejected Amendment No 50 and adopted point 23 of paragraph 2)

President. — I have three amendments on point 24 of paragraph 2:

- Amendment No 23 by Mr Estier and others on behalf of the Socialist Group;
- Amendment No 35 by Mr Capanna and Mrs Castellina;
- Amendment No 2 by Mrs Lizin.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am in favour of Amendments Nos 23 and 35, Mr President, and against Amendment No 2.

(Parliament adopted Amendment No 23 and then Amendment No 35, rejected Amendment No 2 and adopted point 24, thus amended, of paragraph 2)

President. — On point 25 of paragraph 2, Mr Estier and others have tabled Amendment No 24 on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Rumor, rapporteur. — (I) I am in favour, Mr President.

(With successive votes Parliament adopted Amendment No 24, point 25, thus amended, of paragraph 2 and paragraph 3)

President. — Members may now give explanations of vote.

I call Mr Estier to speak on behalf of the Socialist Group.

Mr Estier. — (F) Mr President, ladies and gentlemen, we said this morning that in its original state the motion for a resolution before us was not acceptable,

Estier

in particular because it did not include a sufficiently concrete proposal on security and disarmament problems and because it did not express a clear opinion on the continuation of the CSCE process, which we regard as important because it will largely determine the continuation of the policy of détente. This was the purpose of the amendments we tabled. We are pleased to see that most of them — in any case those provisions to which we attached particular importance — have been approved by a majority in this House and are now included in the text of the resolution.

This applies in particular to the specific proposals to hold a Conference on Disarmament in Europe and to continue the CSCE process whatever the results of Madrid, and also — this is a point of some importance for us — the proposal that the European Parliament should be regularly informed by the Council of the progress of the Madrid Conference. In this context I should particularly like to thank the President-in-Office of the Council for the assurances he has given us on this matter. To be quite frank, we still regret the inclusion of certain negative expressions in the motion for a resolution as it now stands, but the Socialist Group will vote for the motion in a constructive spirit and because it is important in our view for the European Parliament to adopt this text by a large majority so that the Madrid Conference can lead to new steps forward on the road towards peace and security in Europe.

President. — I call Mr Denis to speak on behalf of the Communist and Allies group.

Mr Denis. — (*F*) Mr President, the French Communists and Allies will vote against this motion for a resolution. I have already said that we consider that each nation's position must be its own concern and that France must not take a back seat. I notice that in the speeches of Claude Estier, a French Socialist, and in that of the RPR Member, supranationality is accepted and France's role is disregarded. The conjunction of interests here is significant.

For our part, we will not permit Giscard's government to play down the voice of France in Madrid. This was to be a major debate. The truth is that it has not been, either by its content or by the degree of participation, and indeed at times this morning the hemicycle was almost deserted. The Cold War jamboree to which this debate has given rise is also significant. I notice that the resolution has the support of those who in 1975 were against the Final Act, not to mention the fact that the neo-Fascists are in favour. I note such irresponsible statements as that of Lord Bethell, who said calmly, that if détente appeared to be to our disadvantage we should break off the whole process. Well, let me repeat that there is no reasonable alternative to détente. It is in the interests of all the peoples of Europe, of all men, women and young people in

Europe. Basically, all this reflects the profound discomfort of those who are trying to turn an act of peace into an act of Cold War, as was obvious in certain speeches, including that of Mr Diligent, who left his European defence hat in the cloakroom.

Well, the fact is — with respect to the Members of this Assembly — that Madrid must succeed, and to this end we must have reasonable discussion with the intention of making progress in all spheres on the implementation in all the participating countries of all the provisions, all the principles and all the Baskets adopted in Helsinki. This is what must be done in Madrid and we will put the people on their guard on this point, so that Madrid can succeed, so that new measures can be arrived at with a view to a Conference on Disarmament in Europe and to new progress in all areas of economic cooperation and human contacts. I took note when I heard Mr Thorn say that the new confidence-building measures should apply to the whole territory of all the participating countries. Does he mean by that that the United States and Canada have agreed to apply all the confidence-building measures on the whole of their territory? That's an interesting piece of news. In any event, to ensure success there must be a very different spirit from that of most of the participants in this debate and I should have liked the public to be able to hear what has been said here. We for our part will warn the people because it is on them that everything depends.

(*Applause*)

President. — I call Mr Klepsch to speak on behalf of the Group of the European People's Party (CD group).

Mr Klepsch. — (*D*) Mr President, ladies and gentlemen, my party is pleased that such a broadly-based majority of this House has voted in favour of the motion for a resolution on the Madrid Conference. We are convinced that European democrats have thus demonstrated the central importance they attach to the question of peaceful cooperation in Europe and to the question of Europe's security as matters of common interest. The citizens of Europe can trust us to do our best to protect their interests. My group would like to express its thanks to the other groups for the fact that we have been able to adopt this resolution by such a large majority.

(*Applause*)

President. — I call Mr Haagerup to speak on behalf of the Liberal and Democratic Group.

Mr Haagerup. — (*DK*) Mr President, we have had two series of votes, first of all in the Political Affairs

Haagerup

Committee and then in plenary session. I should like to say that my group notes with great satisfaction that it has proved possible, following considerable preparatory work carried out not least by the chairman of the Political Affairs Committee, Mr Rumor, to establish a firm majority for the report before us. In some of the votes, we in the Liberal Group have taken account of the desirability of achieving as broad a majority as possible. However, we think the outcome has been positive, and my group can therefore wholeheartedly support the text before us and is very pleased that so many people can do likewise.

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

Mr Israel. — (*F*) Mr President, first of all I wish to thank Mr Rumor for his very praiseworthy efforts in drawing up a text which meets our requirements. Allow me to draw your attention to the speech by Mr Thorn, who stated that this Parliament was unanimous in its view that the three baskets formed a balanced whole and each carried equal weight. That is not our view. In our opinion Basket Three on human rights has priority over the other two.

I well understand that the proposal made by my group has disturbed Mr Denis, our Communist fellow Member. We proposed — and this was adopted unanimously — that non-governmental groups who attached importance to the Helsinki Final Act should be given a hearing at the Madrid Conference. And indeed, Mr Denis, if Polish, Bulgarian, Hungarian and Soviet citizens who do not belong to official bodies were heard at Madrid, believe me, things would be rather different! Congratulations, Mr President, for having succeeded in having this resolution adopted almost unanimously. Congratulations Mr Rumor, congratulations everybody.

President. — I call Mr Pannella.

Mr Pannella. — (*F*) Mr President, I am in fact not party to this unanimity which has just been mentioned. Indeed, outsiders in this Parliament are very often ignored: they do not even enjoy the right to have a separate identity. People speak about 'the Parties', 'the Groups' and so on. Sometimes there is talk of 'unanimity'. Well, Mr President, I want no part of it. I believe that the policy to which you are about to give your almost unanimous support is in reality a weak and cowardly policy, as it was in the thirties: the policy of men such as Daladier and Chamberlain. In my view, Mr President, the policy which you are about to apply is one which permits not only *coup d'états* in Turkey, but also the permanent *coup d'état* against the rights of workers, intellectuals, and ordinary men and women in the countries of Eastern

Europe, in the countries of so-called real Communism, but it is certainly not real Socialism! Mr President, we will vote against the motion for a resolution, calmly, in the knowledge that we cannot accept this cowardly, weak policy, this policy of collaborating with Warsaw against Danzig, this policy which insists on not disturbing the agents of disturbance, violence and aggression. It is a policy which pays lip service to the words of Helsinki and of the Charter of Human Rights, but in reality you are daily aiding and abetting those who seek stability through violence, without respect for human rights, for individual rights, for the rights of peace.

President. — I call Mr Romualdi, non-attached.

Mr Romualdi. — (*I*) Mr President, ladies and gentlemen, although we stick by the highly critical and negative comments which I made in my speech this morning and regret that, in the course of the voting procedure, the rejection of some amendments and the acceptance of others have worsened the text rather than improved it, my non-attached Italian colleagues and I will vote for the motion for a resolution. We shall do so to avoid a negative vote on our part being interpreted as opposition to the Madrid meeting, of which we are in fact in favour, subject, of course, to the conditions and provisos I mentioned this morning.

President. — I call Mr Fanti.

Mr Fanti. — (*I*) Mr President, ladies and gentlemen, in the speech he made this morning on behalf of the Italian Communist and Allies, Mr Segré expressed dissatisfaction with the text of the motion for a resolution put before Parliament by Mr Rumor on behalf of the majority of the Political Affairs Committee.

He mentioned the efforts made by us in committee to replace the extremist tone and content of that motion with a positive approach, and expressed our hope that this plenary debate would enable us to make the amendments hitherto rendered impossible by the attitude adopted by the majority in the Political Affairs Committee.

We therefore followed very attentively the debate which has just taken place, and appreciated all the speeches, such as that of Mr Brandt, who adopted a similar constructive approach. We voted in favour of all those amendments — particularly those tabled by the Socialist Group — aimed at improving the motion for a resolution. We even note that on some of these

Fanti

amendments the Group of the European People's Party took a different line in plenary session from that which it followed in committee.

We now have before us a motion which has been amended on some of the points regarded by us as essential, but in which some extremist and unilateral formulations, particularly with regard to human rights, have not been corrected. However, the correct understanding of détente has been clarified and the connection with the problem of disarmament has been stressed. Moreover, the hope has been expressed that the calling of the Disarmament Conference and the Madrid commitment may signify the resumption and continuation of a process of détente which is now more crucial than ever for the fate of Europe and the world.

For these reasons, we Italian Communists and Allies, although we still do not fully agree with the amended text of the motion, have nevertheless decided to moderate our critical attitude and to abstain on the motion for a resolution, in accordance with the announcement we made this morning.

(Applause from the Communist and Allies Group).

President. — I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

We have completed the vote earlier than expected. Question Time is scheduled for 5.30 p.m. and we cannot begin sooner.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I do not know whether it would be administratively possible, but perhaps we might finish yesterday's agenda today. I understand there is about half to three quarters of an hour left on the debate of my colleague, Mr Newton Dunn. Perhaps it might be possible to continue that now? Perhaps we could even debate Wales?

President. — Mr Scott-Hopkins, since neither the speakers nor the Members of the Commission have been informed, we cannot unfortunately take up your suggestion, which is nonetheless quite reasonable.

The proceedings will be suspended until 5.30 p.m.

(The sitting was suspended at 4.25 p.m. and resumed at 5.30 p.m.)

IN THE CHAIR: MR DE FERRANTI

Vice-President

President. — The sitting is resumed.

6. Question Time

President. — The next item is the second part of Question Time. We begin with the questions to the Council. The chairmen of the political groups have asked me to begin with Question No 67, by Mr Blumenfeld (H-429/80):

What action has the Council taken, or does it intend to take, on the requests made by the European Parliament (Rey report — Resolution of 16 April 1980)¹ concerning both the membership of the new Commission and its responsibilities towards Parliament?

and Question No 64, by Mr Spinelli (H-413/80):

Is the Council prepared to adopt the proposals contained in the Rey report on the relations between the European Parliament and the Commission of the Community with a view to the forthcoming appointment of a new Commission?

Mr Thorn, President-in-Office of the Council. — *(F)* It should be stressed that the Resolution adopted by this Parliament on 17 April 1980 concerns not only the Council of the European Community which I represent here but also a number of other institutions and the governments of the Member States. Since the day when I took up office as President of the Council for the fourth time, I have put the contents of this Parliamentary resolution before the institution of which I am President and the conference of the governments of the Member States. Parliament was informed of the Commission's initial reaction by its President, who is here today, in the general debate at its sitting of 16 April. It is for the Commission to add to what has already been said by Mr Jenkins, should it so desire.

As for the Council, it feels that the contents of your resolution do not greatly affect it. However, it realizes the importance of its own relations with Parliament and of questions such as the role of different types of committee in its dealings with the Commission, by means of which close collaboration takes place — a collaboration which has proved its usefulness in many cases, while in others new working methods are under discussion. In certain of these cases, Parliament has invoked the conciliation procedure which permits all

¹ OJ C 117 of 12. 5. 1980, p. 53.

Thorn

of us to appreciate more fully the impact, both in political and legal terms, of this system at Community level.

I assume, however, Mr President, that this problem reflects a medium or long-term concern of this Assembly and that it may well merit examination under procedures other than an oral question. As regards the more immediate problems, to which, it seems to me, this Parliament accords a high priority, i.e. the procedure for the appointment of the Commission, it is my duty as President-in-Office of the Council to inform you that the governments of the Member States do not intend to change the procedure nor the division of competency as laid down in the Treaties, particularly Article 11 of the Treaty establishing a single Council and a single Commission of the European Communities.

Mr Blumenfeld. — (D) The President-in-Office of the Council will not be surprised that, while thanking him for his answer, I must nevertheless tell him that this does not meet the wish of Parliament to take up contacts and enter into a dialogue in good time with the President designate. In addition, we note that the Council has not kept to its self-imposed six-month time limit for the appointment of the future President of the Commission. I should therefore like to ask you, Mr President-in-Office, when you intend to discontinue your current activities and dedicate yourself entirely to your duties as President of the Commission.

Mr Thorn. — (F) As regards the appointment of the members of the Commission, I would remind you of certain points which people, it seems to me, seem to tend to forget. According to the Treaty it is for the governments of the Member States to appoint the Members of the Commission as laid down in Article 11 of the Merger Treaty. As Mr Blumenfeld mentioned, the European Council had followed a suggestion contained in the report of the Committee of Three. The future President cannot be legally appointed since, let us remember, the Treaty only permits a President to be appointed from among the Members of the Commission — which is something which too many people seem to forget. Thus, the European Council felt that it might be useful to designate the future President of the Commission at least six months before the beginning of his term of office, so that this would be known. However, this is not a decision, and there could be no question of appointment as such without infringing the Treaties. We must see things as they are. This was nothing more than a declaration of intent and all declarations of this kind — particularly on the part of the European Council — should be seen in the light of the facts and the respective situation. I can assure you that I myself am the first to regret that the appointment did not take place earlier, and I hope you will not reproach me for this since, as you know, the June European Council had

not concluded what was known at the time as an initial exchange of views on the choice of the future president. It was only later that an agreement was reached on the name of the person in question. Since the European Council itself had reserved the right to designate the future President of the Commission, the subsequent agreement, which was far more informal in character, clearly made the situation far less clear-out for the person who was to be the next president than would have been the case if the European Council had in fact officially appointed him, as you appear to wish and which I personally certainly would have wished.

There is undoubtedly a reasonable explanation for this. The report of the Committee of Three stresses that the choice of the President of the Commission approximately six months before he takes up office is justified in particular by the fact that it enables the person chosen to familiarize himself with the problems of the Community and to take up the appropriate contacts with the governments and Institutions — in other words, to learn his future trade. As far as I can see from my experience over the last six months, the idea of selecting the future President of the Commission approximately six months before he takes up office does not, in the eyes of the representatives of the governments, constitute an innovation in the appointment procedure proper. In other words, the rights and duties of the President of the next Commission derive from his actual appointment — according to the procedures laid down by the Treaties — by the Governments of the Member States, which will probably take place on 1 or 2 December. It is a difficult and risky matter for anybody, but particularly myself, to interpret the thoughts of the members of the European Council. Thus I will not hazard any guesses. Nevertheless, there is one interpretation which is widely held since it makes good sense.

For the first time — and this is perhaps a little exceptional, I agree, but exceptional situations are not infrequent — the person who will probably have the great honour and formidable task of presiding over the future Commission has, by virtue of his previous functions, a certain amount of experience, I might even say exceptionally long experience, of Community affairs. In addition, this same person has the office of President of the Council during this second half of 1980. Predesignation of the kind suggested in the report of the Committee of Three — and which the European Council itself had in mind — would no doubt have given rise to a number of practical problems. Since the main thing, i.e. the possibility of familiarizing oneself with Community affairs, may be taken as read, the practical question is simply whether or not, under these circumstances, a legal provision contained in the Treaties, and which confers upon the governments of the Member States a prerogative to which they obviously attach great importance, should be modified, if only on a *de facto* basis. May I ask Mr Blumenfeld and all the Members of this Parliament to give

Thorn

some serious thought to the legal situation in which we find ourselves. The President of the Commission has not yet been appointed, and if I were to give up my post today — I am not in the private sector, I am in the public sector, as you know, I am a government minister — then I would be nothing. I do not know if Parliament intends to increase the number of unemployed but, if I were to resign, I would no longer have any post whatsoever, and it would depend on the goodwill of the competent bodies perhaps to give me another job in the future.

That is the legal situation. I know that you, Mr Blumenfeld, share my commitment to Europe, and I am sure you will not accuse me of having any ulterior motives if I say that, if we are to look into the question of whether there is any incompatibility, somebody must be designated, as was said at the time, some time in advance so that he can advise the governments in their choice of Commission Members and familiarize himself with Community affairs. It is not for me to make comparisons with earlier situations, but I must point out to you, Mr Blumenfeld, that I have had the rare privilege of seeing four successive Commissions appointed. And I might say, even if Mr Jenkins is listening, that very few governments or Member States allowed their choice to be determined by either your advice or my advice. This unfortunate fact will not stop you giving your advice, nor, believe me, will it stop me giving mine. However, I am afraid I cannot play a determining role in this matter, particularly as it is already some months since I read in the newspapers which names had been selected by the governments, regardless of the opinions of this Parliament or the President-designate. So much for the appointment of the Members of the Commission.

Nevertheless, I have embarked upon a tour of the capitals which I am visiting in turn in my capacity as President-in-Office of the Council, which makes matters a lot easier for me. At least, I know that in this capacity I will be received, whereas I do not know whether the ordinary man in the street, which I would be otherwise, would be received and listened to — or even if he could afford the travelling. I am making this tour of the nine capitals of the Community to do whatever I can to advise the governments on the choice of Commissioners, and you can believe me when I say that I will tell them what this Parliament wishes. I know, for example, that you would like to see a balance between the various political groupings. I will say this in all the capitals. I know that you wish the Commission to include at least one woman. I will say this too in all the capitals. The idea was that the president-designate should be able to familiarize himself with Community affairs. He could have been chosen from the private sector or he could have headed a sectoral ministry. I hope you will nevertheless acknowledge the fact that someone who has had the honour of being a Member of the European Parliament for eleven years, a member of the Council of the European Communities for twelve years and its

President-in-Office four times, has perhaps learned something about the Community in the course of these last twenty-two years and does not therefore perhaps need so long to find his feet. Furthermore, I wonder — and I think this is a question we should all seriously consider — how one should best prepare oneself for the work of the Communities: by staying at home and reading the newspapers and whatever documents people see fit to send me, or by sitting at the Council conference table opposite Mr Jenkins discussing the various problems in a spirit which I think we share, in an attempt to influence, change or determine the Council's approach and preparing to cross the House to go and sit on the other side? Do you really think that I have not been engaged in extremely demanding preparatory work for some time now and that I do practically nothing apart from Community work? This is how I intend to prepare for my task, and I do not think, in doing this, that I have fallen short of the spirit which led my friend Mr Rey and Parliament to adopt this resolution. The legal situation I have already described. Now, if I am asked when I am going to resign from one function, I would ask you in turn if I could put a question to the Members of the Parliament, namely what interest should Parliament have in a President of the Council leaving and another coming to take his place at a difficult moment before the end of the period of office, since the only thing I am concerned about — and I am sure it is the same with you — is doing my duty. I have done my duty as a Member of Parliament, I intended to do it as a minister and I am determined to do it as a future President of the Commission. However, how can you expect me suddenly to drop everything now that I have been given a certain mission to perform, now that we are involved in the budgetary procedure and since it is difficult for a newcomer to familiarize himself with these matters. For the rest, I will admit that I also intended to discharge my national obligation. In three weeks or so, we will be holding the budgetary debate. It was my intention to report to my Parliament on my activities to date. However, I am not hanging on to this post. In spite of the legal uncertainty, I am prepared to resign from it. I would nevertheless invite you to consider the absurdity of the situation whereby someone is being asked to give up one political post before he has been legally appointed to the other. This is the situation in which I find myself. However, you should realize that I never intended to remain as a Minister in my own country after being appointed President of the Commission. If your Parliament, with which I hope to be on the best of terms, thinks it would be in the interests of the Community — personally, I am not convinced — for me to leave my present post sooner, I am prepared to do so.

President. — I call Mr Seal on a point of order.

Mr Seal. — Mr President, as you have seen fit to take two questions out of sequence, and as the President-

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in-Office of the Council has taken so long to answer these questions, and as there are going to be more supplementary questions, would you extend Question Time to enable other Members who have tabled questions which would have come before these two questions to put their questions?

President. — There are no provisions in the Rules of Procedure which allow me to do that.

Mr Herman. — (*F*) On 27 May 1980 in Brussels, in your capacity as Chairman of the Liberal and Democratic Parties of the Community, you, together with the Chairman of the Socialist Parties and the EPP, formally appealed to the Council to nominate the President of the Commission six months before he was due to take up office, so that he could discuss his ideas and intentions with Parliament. As you have just acknowledged, the Council in part gave heed to your appeal since an agreement has been reached under which you have been designated as the future President. Can you tell us how you are going to be able to fulfil Parliament's expectations, since your function as President of the Council takes up a lot of your time and represents something of an obstacle in this respect — at least insofar as the various governments responsible for appointing the Members of the Commission are now more free to do what they wish in this respect, since they are not officially consulted by you?

For the rest, the reply which you gave regarding the procedure appears to ignore the fact that the outcome of the procedure followed not so long ago for the appointment of other presidents was different from that of the procedure to which you have just referred. There is, therefore, a precedent. You say that it was not in keeping with the Treaties but, in the spirit of the Treaties, it nevertheless corresponds to the wishes of Parliament and it had the approval of the Council.

Mr Thorn. — (*F*) I think there must have been a misunderstanding due to the fact that my reply was not precise enough. I omitted to tell you that I have drawn up a very tight schedule of meetings in all the capitals, in order to advise or consult, as you wish, the various governments on the appointment of the Commissioners. I have already started this tour of the capitals and the timetable has been drawn up for each capital. In the case of Germany, I have had to put off my visit a little because of the elections. However, I intend to carry out this mission in its entirety.

You spoke, Mr Herman, of previous appointments. There is, I think, a certain amount of confusion here. I personally can remember four occasions on which Presidents and Members of the Commission were appointed, and I have never seen a Commission appearing before Parliament earlier than December, i.e. before it took up office. This was, as I have already

said, the case last time. Like you, Mr Herman, I deplore this situation, but it is not for me to appoint myself and God knows I have recently had occasion to regret this fact. It was only in the case of Mr Jenkins that the appointment was, for the first time, made in advance, not on previous occasions. It was then that Mr Jenkins took up the contacts he wished to establish and which I myself will be willing to take up. You ask how I am going to manage this. What contacts have to be established, however? I take up contacts every day. I have already taken up innumerable contacts on the subject of the future Commission with certain persons who are here today, with politicians, and, in particular, with trade unionists. The only difficulty arises from the fact that, since I am the President-in-Office of the Council, it is the President-in-Office of the Council that you are asking to discuss matters with you. However, the President-in-Office of the Council as such cannot do this. Every time someone sends me a letter it says 'Mr President of the Council, will you do this or that?' It is up to me to reply on behalf of the Nine and it is therefore the Council which says 'no'. The Council does not intend to delegate its President. However, if you wish to speak to Mr Thorn, President-designate of the Commission, Mr Thorn will always speak with you, as I have already told the chairmen of the groups in this House. I am also prepared, if you like, to discuss things whenever you want in committee with the various groups represented in this House. However, in his capacity as the President of the Council, the President-in-Office of the Council cannot discuss these matters, and the nine governments, who must, as you know, decide unanimously, have not stated that they accept this institutional link.

The individual himself is a different matter, and as regards discussing the programme, I am afraid that here too there might be serious differences of interpretation. Do not forget that the Commission is a collegiate body — Parliament has always made it a point of honour to stress this fact — and that the debate on the appointment cannot take place until January when the composition of this body is known. Moreover, Mr Herman, this will take place in two stages. The President will appear before you in January, in the same way as his predecessors, in order to make a statement in his capacity as President of the Commission, and a month later he will present the Commission's programme on behalf of the collegiate body as a whole. Once the various competencies have been decided and the collegiate body has drawn up its programme, the President will come here to debate the matter with you and will be responsible to you. It would, however, be somewhat premature if someone, whoever it might be — and this at any rate has nothing whatsoever to do with the President of the Council — who had been designated but not yet actually appointed, and who did not yet know who else would form the future Commission, were to go somewhere

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and discuss the future programme of this Commission, since the Treaties and Parliamentary resolutions are perfectly clear on this subject.

I can assure you, Mr Herman, that I intend to respect the prerogative of this Parliament when I have the honour and privilege of being the President of the Commission. I hope that the Commission and Parliament will maintain the good relationship which exists at present and will strengthen their links without perhaps — and here I am thinking of the debates of next January and February — one or two institutions setting themselves up in opposition to a third, as I have the impression that Europe is in for a very turbulent and difficult time in the near future. The institution of which I am currently President, is, I think, one of the three institutions which must, for better or worse, collaborate closely and with all confidence.

President. — I call Mr Blumenfeld on a point of order.

Mr Blumenfeld. — (D) Mr President, in view of what you have just said, and in the light of the urgency and importance of this question and the length of the answers, I should like, on behalf of my group, to request a topical debate to be held at the end of Question Time in accordance with Rule 47 B (1) and (2) of the Rules of Procedure.

President. — I note that you have requested a topical debate. I have also received from Mrs De March, on behalf of the French Members of the Communist and Allies Group, a request for a debate on the Council reply to Question No 62, by Lord O'Hagan, on the sheep meat régime. I shall make a decision on this at the end of Question Time.

Question No 52, by Mr Antoniozzi (H-251/80):

Would the Council indicate whether it is prepared to implement — within the framework of the common agricultural policy and on the basis of suitable measures at both Community and regional level — a forestry policy that is commensurate with present requirements and that possibly also provides for the creation of a special revolving fund linked to the Community's financial institutions?

Mr Thorn, President-in-Office of the Council. — (F) The Council was presented in December 1978 with a Commission communication concerning forestry policy in the European Community, accompanied by a draft Council Resolution on the objectives and principles of forestry policy and a draft Council Decision on the setting up of a Standing Forestry Committee. The Council's work on this matter is continuing unabated, and attempts are currently being made to find legal formulations for the adoption of a resolution which will not prejudice the Member States'

authority. Since wood is not included among the agricultural products listed in Annex II to the Treaty, it is not possible to institute an overall forestry policy within the common agricultural policy.

Mr Antoniozzi. — (I) The President of the Council's reply is, as usual, disappointing. There has been in existence, since 1958, a working party on forestry policy. The fact that this group was set up shows clearly that this is a sector which Parliament, the Council and the Commission consider important. However, between 1958 and the present day, apart from passing around pieces of paper, draft resolutions, demonstrations of good intentions and Commission activities, proposals and studies — a booklet was even brought out and was quite well produced and contained interesting information — apart from all this, nothing has been done.

I should like to ask the President of the Council whether it has been noticed that the demand for wood products is growing by 2 % per year in the Community countries, whereas production is increasing by a maximum of 1 %. I should like to ask whether the Council is aware that wood and woodbased products occupy, after oil, second place among Community deficit imports. There are so many things to be done in peripheral and less-favoured regions for which the Regional Policy could also be brought in.

Does the Council think it will be able to come up with a proposal for the financing of a revolving fund for these areas? I would remind you that this is a question of agricultural policy, in which the forestry sector is involved.

Mr Thorn. — (F) I must ask Mr Antoniozzi to excuse me, since he is, by virtue of this past experience, far more competent in this matter than I am. I am sorry to say that I was not aware of the rate he quoted for the increase in wood consumption. However, I should like to give him some details regarding the basic issue he has raised. Parliament is aware of the difficulties encountered by the Council any time there is talk of expanding the scope of Community action. The same debate and the same controversies occur here in Parliament too. Thus this is a problem with which you are very familiar. Personally, I dare say that the refusal to do anything about a forestry policy would be particularly disturbing and significant. Those who negotiated the Treaty of Rome admit that the omission of wood from the agricultural products listed in what is generally known as Annex II of the Treaty is apparently merely the result of an oversight. This Annex includes products such as denatured ethyl alcohol, vinegar and even natural cork, crushed, granulated or ground, etc. Clearly, we cannot go into questions of ecological balance or environmental policy or even the supply of drinking water nowadays without taking account of the capital which

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the Community forestry resources constitute and which, as you have pointed out, is becoming more and more precious each day. A strict interpretation of the Treaties, however, can unfortunately lead to aberrations such as the exclusion of forestry from the general economic picture. In view of this, it is clear that the inclusion of forestry under some policy or another must not necessarily mean an organization of the market, or Community financing, which is something everybody would be apprehensive about. What I criticize — and I go along with you in this respect, Mr Antoniozzi — is an arbitrary demarcation of the fields of application of Community action. This is perhaps another example of not being able to see the wood for the trees.

Mr Hutton. — Does the President-in-Office recall that in answer to a similar question six months ago in March two Commissioners gave this House an assurance that the Commission would be coming forward with proposals for forestry later in the year. Would the President-in-Office agree that it is now six months later and can he tell this House whether the Council has seen anything of these proposals, for this House certainly has not?

Mr Thorn. — (*F*) This is correct, and I would like to mention that at Question Time during the March part-session, Mr Gundelach, in reply to a question put by Mr Maher — at least as far as I know — stated that the Commission would submit to the Council within the course of the year, as you have reminded us, a specific proposal with a view to setting up a forestry policy. For my part, I can only hope that such a proposal may permit some progress to be made in this sector which, as I have just explained, we recognize as one of great importance. However, it is not for me to reply on behalf of the Commission. So far, as far as I know, we have not received any specific proposals on this matter.

Mr Adam. — I must declare an interest, Mr President. I happen to represent the area in the Community which is the most productive timber-growing area we have. I appreciate the problems that the President-in-Office has with the legal formulations. Could I ask him to remind the Member States that an energetic forestry policy would make a very important contribution to the solution of the unemployment problem in rural areas, and would he also specifically remind the United Kingdom Government that we have lost 7 000 jobs this year in allied industries because of the high energy costs that face the forestry products industry, and that these are real problems which must be dealt with.

Mr Thorn. — (*F*) In answering this semi-question, I should like to thank the honourable Member for

drawing my attention to these problems. I will do what I can to bring this matter to the notice of the Council as he requested.

President. — Question No 53, by Mr Deleau (H-324/80):

Does the Council intend to introduce special measures with a view to checking unemployment especially among young people, at this difficult time when the summer holidays are over?

Mr Thorn, President-in-Office of the Council. — (*F*) The Council is watching with concern the unemployment situation in the Community, especially in some of the regions. It believes that the best way to fight unemployment is to strengthen, under non-inflationary conditions, the Community's potential for growth. With its various policies and resources, the Community is working towards this end, although it recognizes that responsibility for dealing with employment problems lies in the first instance with the authorities of individual Member States, as this House is undoubtedly aware. It may be noted, however, that the European Social Fund devotes a large part of its resources to financing operations to facilitate the employment and the geographical and occupational mobility of young people in particular

Mr Deleau. — (*F*) In the longer term, do not the general problems currently arising from the changes in the economic situation provide good grounds for reconsidering the policy for the training of young people within the Community, with a view to obtaining a more qualified workforce which would in due course help offset youth unemployment, at least in part? If so, would not an appropriate accompanying measure be to introduce mutual recognition of professional qualifications at Community level so as to permit freer movement of young people in search of jobs?

Mr Thorn. — (*F*) This is correct, and the European Social Fund has in fact, particularly in regions with a high youth unemployment rate, not only supported vocational training activities at various levels but has granted aid to support actual jobs. In 1979, the contribution from the Fund represented 40 % of the entire budget, and this amount was used for the benefit of 450 000 young people. Moreover, our Community has undertaken to give its support to measures aimed at improving the training situation for young people, as you yourself suggest. I might mention in this connection that, in its Resolution of 18 December 1979, the Council advocated developing the 'sandwich' system, by the introduction, as part of the transition to active working life, of periods combining training and practical experience. The Social Fund could also be involved in the implementation of experimental sandwich projects.

Mrs Viehoff. — (NL) The President-in-Office of the Council said that there was considerable concern regarding youth unemployment in the Community and now, in his second answer, he has mentioned a few specific points. I should nevertheless like to ask him how he can explain the fact that the Council has cut the appropriations for the preparation of young people for working life by 100 000 EUA, the appropriations for support measures in the field of vocational training by 47 million EUA and the appropriations for support measures for the promotion of employment by 20 million EUA. I hardly regard that as serious concern for youth unemployment in the Community.

Mr Thorn. — (F) In this supplementary question, the honourable Member is, I think, aiming more at the current budgetary problem. I would not like, at this stage, to predict the outcome, but I am sure that Parliament will be able later this month, when we will all be considering the budget, to affirm and stress its priorities and wishes. We realize that we have very little room for manoeuvre and that our colleagues, the Finance Ministers, have not left us much scope. Mr Jenkins and myself deeply regret this fact. Thus, there remains a lot to be discussed on this matter which is why I cannot, as I am sure you will understand, commit myself regarding the details of the budget at this stage.

Mr Turcat. — (F) Mr President, apart from youth training activities, you have rightly linked the reduction of unemployment to growth. What, in your view, is the Community growth rate which would permit unemployment first of all to level off and then to fall?

Mr Thorn. — (F) I should like to thank you for this extremely interesting question. However, since I must be frank to Parliament, it will, I think, come as no surprise if I say that I am not able to answer it and indicate any specific growth rate, as you request. This is more a question for an economist. Speaking as a humble politician I am not able to quote any particular rate just like that. I am certain that the Commission and our experts will regard it as their honour and duty to reply to you, although I fear opinions may well differ considerably on this point. I will, therefore, consult our experts and inform you of their answer in writing as soon as I can.

President. — Question No 54, by Mr Remilly (H-235/80):

In order to allay the fears of the European motor car industry, does the Council intend to introduce effective measures to stop excessive car imports from Japan?

and Question No 55, by Mr Ansquer (H-335/80):

In view of the increasing difficulties in the European motor vehicle industry, does not the Council consider that measures should already have been taken to support this sector which is subject to excessive Japanese competition? If it is not already too late, what urgent measures does the Council propose to take?

Since the subjects of these two questions are related, they may be taken together.

Mr Thorn, President-in-Office of the Council. — (F) The Council is well aware that increasing imports of cars from Japan are causing problems for some, if not all, the Member States. These difficulties must, however, be seen in the wider context of the Community's general commercial policy and trade relations between the Community and Japan. Trade relations with Japan are a subject of great concern and in recent years have often been discussed by the Council and the European Council. In July, the Commission submitted a general communication to the Council advocating a new strategy for adapting relations with Japan to the requirements of the new situation. Following an initial exchange of views at its meeting on 22 July, the Council agreed to hold a thorough debate of all the matters arising in connection with relations with Japan at a future meeting. It is therefore not possible for me to say at the moment what conclusions the Council will draw from this important Commission communication.

Mr Remilly. — (F) The current trend is towards concentration of undertakings at international level, as shown by the conclusion of agreements between British Leyland and Honda or between Alfa Romeo and Nissan. These agreements might be detrimental to the European car industry and to European workers. Is the Council aware of this and could it not propose some way of monitoring agreements of this kind?

Mr Thorn. — (F) This question appears to me to be very much a matter for the Commission. At any rate, this is a matter which we are very likely to discuss before the end of this year and, as you know, reactions so far have been, shall we say, slightly divergent from one Member State to another.

However, you are right to stress that the problem is of such importance as to require the Council as such to devote particular attention to it and formulate an appropriate policy. I might add in a personal capacity that, as chance would have it, I have just this week returned from Japan where we discussed these matters. I think it may interest you to know that the Japanese Premier and his ministers are themselves very aware of the scale of this problem and told me spontaneously that they realized that they should accept and exercise a certain amount of self-restraint.

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This is what they told me. I do not know what will come of it, but negotiations are at any rate under way. Visits at both Commission and Council level are planned, which will involve meetings between Japanese representatives and Community representatives not only in the relatively sensitive sectors — be it steel, motor vehicles or television sets — but in the context of overall negotiations. I think that in the light of the economic crisis with which we have to contend, the three sides — the Community, the United States and Japan — should discuss matters and exercise a certain amount of restraint in order to avoid aggravating the situation.

Mr Marshall. — Would the President-in-Office of the Council not agree that, in considering the Commission's proposals, the Council must remember that the only path to secure longterm prosperity for the Community is not to go along the dead-end of protectionism, but rather to seek free and reciprocal trade? Would he further agree that what we ought to be doing with Japan is trying to seek the conditions in which Community exports to Japan can be increased rather than enforce rather unwise protection against Japanese imports into the Community? Would the President-in-Office not agree that in the case of those Community countries which are large exporters of motorcars the imposition of restrictions on imports into the Community may well lead to further restrictions upon our own exports? And finally would he not agree that one of the reasons why Japan has been successful is that its cars are reliable, well-engineered, popular and sell at a reasonable price, and that perhaps the success of the Japanese motorcar industry provides a lesson to certain Community industries which cannot boast all of those characteristics?

Mr Thorn. — (*F*) I hope the honourable Member will understand that I do not wish to follow too much in his footsteps and plug Japanese cars. This is not my intention. In reply to his basic question, however, I should like to say that I certainly agree that we must at all costs — as the Commission has always stressed with the Council's approval — avoid falling into the error of protectionism either within the Community — this is also a temptation — or between the Community and third countries. I am a believer in the laws of the market and protectionism strikes me as the worst possible option. I hope therefore that I have not been misunderstood. I am not saying that we should impose restrictions and thus stem the flow of trade, but that, in the context of open discussion between the main trading partners, the laws of the market must be respected and people should resist the temptation to take advantage of a loophole to flood a market in record time and thus give rise to disproportionate social problems. These are the rules we must respect. Competitors must be given time to adjust to what for them will be the lesser evil.

Mr Ansquer. — (*F*) I will not take up the question of imports of cars from Japan, as you have already replied to my colleague, Mr Remilly, on this point. I should like very simply and very briefly to bring up the problem of these new-style multinationals which appear to be coming into being by virtue of certain agreements between European companies and companies in third countries — in particular, of course, Japan.

Mr President of the Council, with regard to these new-style multinationals which this time may well be to the detriment of Europe, should not the Council adopt a position and perhaps take steps to prevent this type of multinational, which we frequently discuss in this House, causing considerable disruption throughout the European Community?

Mr Thorn. — (*F*) The phenomenon to which the honourable Member has just drawn our attention is, in my view — as I think I mentioned just now — a new one on which we must keep an extremely close and careful eye — and I mean this in earnest. Nevertheless, we must judge each case on its merits depending on the nature of the agreement between Japan and the European company in question, since they are all different and we cannot generalize and condemn them all out of hand. We must not at this stage, I think, give the impression — we were speaking just now about the laws of the market and protectionism — of being opposed to any industrial or technological cooperation between Community companies and companies in third countries. We must, I think, in the relatively near future, if we are to avoid unpleasant surprises, follow the development of this process with a view to developing some philosophy in this respect. Indeed, I think the Commission is already doing this.

Miss Quin. — I am a little disappointed at the general tone of the President-in-Office of the Council's reply to these various questions of Japanese competition, because I think the problem is very serious. I think that in certain sectors there may be a need to invoke the anti-dumping provisions. I am thinking of such areas as the machine tool industry which is coming under very severe strain in Europe at the present time. Would the President-in-Office not agree that some action in certain sectors is going to be needed and that an overall global approach to the relations between Europe and Japan may well not be enough? Some sectoral action will be necessary.

Mr Thorn. — (*F*) The honourable Member should not be disappointed as she has just heard one of her colleagues ask me to avoid falling into the trap of protectionism. You are afraid that we might not be sufficiently alert. You must understand that I am speaking here today on behalf of the nine governments and, as you know, the various parties and countries

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take different approaches. However, I should like to say with the utmost seriousness that I, like yourself, am aware that the problem is — as my recent voyage to Japan confirmed once more — very serious and merits a thoroughgoing debate after the Council and Commission have discussed the matter. The Commission has, for its part, submitted an excellent communication. There has been an initial exchange of views on this subject. We are all still at the negotiating stage and we will have to exercise a certain prudence in examining the problem to which you have just drawn attention. However, we must, particularly at this stage, avoid giving the impression to the outside world — which is waiting for a move from us at this moment — that we are ready to set up barriers, as if we were prejudging the result of the negotiations. I should also like to remind you that the Community's external policy provides for the possibility, in certain clearly defined cases, of defence measures in the form of anti-dumping provisions or protective measures, which are the ones you have mentioned. Measures of this kind can only be introduced by the Council on the basis of a proposal from the Commission. So far, the Commission has not submitted any proposals to this effect and I do not know whether it is intending to do so. We can only pronounce on this matter when the exchange of views I mentioned just now, which is to be conducted in the very near future, is completed.

President. — Question No 56, by Mrs Ewing (H-354/80):

Will the Council give the assurance that oil rig construction sites do not receive subsidies, open or hidden such as favourable interest rates thus in breach of the fair competition principle?

Mr Thorn, President-in-Office of the Council. — (F) Mr President, under the system set up by Articles 92 to 94 of the Treaty, it is for the Commission, in cooperation with the Member States, to keep under constant review all systems of aid existing in those States and to establish whether the aid granted by a State or through State resources is compatible with the Common Market, having regard to Article 92 of the Treaty, or whether it is being misused.

Mrs Ewing. — I think we have here an answer that sums up very well the difficulty experienced by a back-bench MP who is being tossed back and forwards between the Commission's and the Council's responsibilities. With all respect I do not feel that answer will satisfy the people who asked me to raise the question in the House. In my area I represent most of the oil rig yards. Is the Council aware of the disquiet of those in this area who fear the empty order book in a very bad situation of unemployment?

Is the Council aware that we have to suffer the disadvantages of this industry and that it would be more

unfair if we have empty oil rig yards when we know perfectly well that some Member States are subsidizing orders? Is the Council simply going to say it is the Commission's fault? I feel I really must ask that this question be treated more seriously.

Mr Thorn. — (F) I did not say and do not intend to say that it is the Commission's fault. We were speaking just now, in connection with a question of a more personal nature, of the rights, duties and prerogatives of the Council on the one hand and of the Commission on the other. I try to be as consistent as I can and am therefore unable to say anything more on this question on behalf of the Council in a field where the Commission — and I think we must give it credit for this — in fact plays a role, with courage and clear-sightedness, which neither the Council nor any of the national governments would wish to have to play. There can be no question, therefore, of my saying that the Commission is failing in its duties in this respect. Thus, the question you have put is a matter for the Commission and, if you address this question to me, I cannot, as I hope you will understand, say that the Council as such is aware of it, because it is not a matter which falls within the Council's competency, nor can I say on behalf of the nine governments whether or not they are aware of this problem, in view of the fact that they have not yet discussed it within the Council.

President. — Question No 57 by Mr Balfe (H-365/80):

Under what is known as the 'Gentlemen's Agreement' Parliament and Council would not normally question each other's expenditure. One by-product of this is that it is impossible for Members of the Parliament to ask public questions about the running of Parliament and the expenditure incurred. Is the Council prepared to use its good offices to prevail upon the authorities controlling Parliament to allow Members to table Questions about the functioning of Parliament?

Mr Thorn, President-in-Office of the Council. — (F) It is not for the Council to influence the European Parliament as regards the implementation of its section of the budget and I do not think you would welcome such a move. As for the auditing of the budget, responsibility in this matter rests with the Court of Auditors.

Mr Balfe. — That was a non-answer. The point of this Question, as is quite clearly stated here, is to question the 'Gentlemen's Agreement', namely, the agreement whereby the Council and Parliament do not ask questions about each other's expenditure. We have now got to a point where the reputation of this Parliament as a wasteful Parliament is increasing by the day. Unless some effective means can be found of questioning the expenditure of Parliament, Parliament will fall

Balfe

into disrepute. Will the Council make some endeavours to open up the budgets of this Institution for public questioning and help us to be more accountable?

Mr Thorn. — (F) May I ask the honourable Member whether he is aware of how strained relations between the Council and Parliament sometimes become over the budget? Do you think, in these circumstances, that it is for the Council to say to the Parliament, 'your budget is not transparent enough, this or that could be criticized or you should do such and such a thing'? I think it is the natural and the fundamental task of Parliament *vis-à-vis* public opinion and the Court of Auditors, to carry out its responsibilities in this respect. All I can say is that my colleague, the President-in-Office of the Council of Finance Ministers, made certain recommendations to Parliament yesterday regarding the budget, — one of which was a proposal for a certain amount of self-restraint. It is not for me, speaking on behalf of the 'Grand Council' as it were, to get involved in the question of how Parliament implements its budget. This would be turning Parliamentary traditions upside down. Do not ask too much of me.

Mr Patterson. — Would not the President-in-Office of the Council agree that the Treaties give this Parliament the right to control its own Rules of Procedure? Therefore it lies in our own hands to set our own house in order. Would he then therefore encourage Mr Balfe to ask the members of his group on the Committee on the Rules of Procedure and Petitions to support impending changes in the Rules which would first of all require the Presidency to answer questions, and secondly encourage the enlarged Bureau and the Bureau to disclose what is going on there.

Mr Thorn. — That is not a question for me to answer.

Mr Hord. — It takes two to make an agreement. Having regard therefore to the fact that very substantial increases in expenditure for 1981 are proposed for Parliament, this is the time when this agreement should be broken so that Parliament can, in fact, determine its own situation for the future. Would the President-in-Office of the Council agree with this observation?

(Laughter)

Mr Thorn. — Yes.

Mr Simpson. — I would just ask the President-in-Office of the Council, from his long experience in many capacities, to confirm that the running of this

Parliament is best left in the hands of the parliamentarians and that the honourable Member, Mr Balfe, has elected officers of the Parliament, a Committee on Budgets and a Committee on Budgetary Control, to whom he can make his representations.

Mr Thorn. — Yes.

President. — Question No 58 is held over until November at the author's request.

Question No 59, by Mr van Aerssen (H-301/80):

Attacks on vehicles carrying fruit and vegetables from Spain have recently increased in the French-Spanish border area. What is the Council doing to prevent such outrages in the future and to ensure that the law is respected on the roads of Europe?

Mr Thorn, President-in-Office of the Council. — (F) I hope the honourable Member will excuse me, but my reply is very brief. It is up to the Member States to ensure that order is maintained within their respective territories.

Mr van Aerssen. — (D) Does the President-in-Office of the Council share the view that the very fact that this matter had been brought up here and the question answered in this way will in itself have a certain psychological effect as regards the prevention of occurrences of this kind in the future?

Mr Thorn. — (F) One can always hope. I cannot, however, give the honourable Member any assurances on this matter.

President. — We will now move on to the Questions to the Foreign Ministers meeting in political cooperation.

Question No 74 by Mr Balfe (H-366/80):

During 1979 and for the first five months of 1980 the following totals of parking tickets were cancelled by the London Police because of diplomatic immunity being claimed by the offenders:

Belgium	280
Denmark	58
France	2 885
Germany (Federal Republic)	217
Ireland	161
Italy	654
Luxembourg	20
Netherlands	47
Total	4 322

Recalling that diplomatic immunity was instituted to protect foreign nations from malicious prosecution and bearing in mind that diplomats in London are abusing this

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law by evading fines, will the Foreign Ministers take steps to end this abuse of diplomatic immunity?

Mr Thorn, President-in-Office of the Foreign Ministers. — (F) The honourable Member's question has not been discussed within the context of political cooperation, and I am therefore unable to answer it on behalf of the Nine.

Mr Balfe. — Would the President-in-Office agree that this question was not only prompted by £ 25 000 in lost fines to the London ratepayers and traffic congesting the streets of London, but is a genuine enquiry as to whether people who are constantly talking about European unity and the need for us to work together to build a wider Europe, could not begin by setting examples — and I include British diplomats abroad in this — in at least not claiming diplomatic immunity — or should I say abusing diplomatic immunity — when they get a parking ticket for illegally parking their cars? Indeed, might I suggest that some of them might, as all citizens of all the Member States must when they are in their own Member States, practise parking their own cars legally rather than abusing diplomatic immunity?

Mr Thorn. — (F) Speaking personally, I wholeheartedly share your view, and the fact that the Nine have not discussed it does not mean that I do not think it is important that we should join together in an attempt to avoid abuses of this kind.

President. — Question No 75, by Mr Lomas (H-375/80):

Have the Foreign Ministers of the Member States taken any action regarding the disappearance of Argentinian citizen, Silvia Angelica Corazza de Sanchez, following her arrest in May 1977?

and Question No 78, by Mrs Ewing (H-428/80):

Will the Foreign Ministers use their good offices to persuade the Argentinian Government to release Dr. Ernesto Villanueva, an eminent sociologist and former rector of the University of Buenos Aires, now being held at the disposal of the National Executive Power, and grant him permission to leave Argentina which was refused in March of this year?

Since the subjects of these two questions are related, they may be taken together.

Mr Thorn, President-in-Office of the Foreign Ministers. — (F) The two specific cases mentioned by the honourable Members have not been discussed within the context of political cooperation. As the Presidency has repeatedly stressed, the Nine have always followed the development of the situation as regards human rights in Latin America with great attention. On

numerous occasions, both within international bodies and during their contacts with the authorities of the countries concerned, the representatives of the Nine have stressed their concern for the respect of human rights. They will not fail to do so in the future, and I can assure you they will do this on a very regular basis, particularly in connection with the facts to which the honourable Members have drawn our attention in these questions.

Mr Lomas. — It is all very well to say that we express our concern about the lack of human rights, but I would like to ask the President whether the Member States are actually prepared to do anything about cases not just like this one individual because, after all, she is only one of an estimated 10 000 people who have disappeared in the last five years in Argentina. Are the Member States prepared to do any more than simply wring their hands and express concern?

Mr Thorn. — (F) I am afraid there has been a misunderstanding and I think you underestimate the importance which we attach to this question. We must draw a clear distinction between deliberations of the Council of the Nine meeting in political cooperation, and steps taken in specific cases by the various Member States of the Community. Certainly, when we have a meeting in the context of political cooperation, we discuss the major issues, i.e. questions of principle as regards political cooperation, in the few hours available to us every few months, and this is how it comes about that the Nine, in their communiqués, state their views regarding the principle of the respect or non-respect of human rights in one country or another.

However, this has never prevented our Member States taking on-the-spot action in the various capitals, if they were represented there, in connection with specific and special cases when they were brought to our notice — which unfortunately is something which happens practically every day.

Mrs Ewing. — May I say that in the case of the prisoner whose name I have here there is a principle which concerns the Community, because this man was granted a research scholarship to Glasgow University and an entry visa to the United Kingdom — that is to say, to the Community. Might I therefore ask the Council to make an approach to the Argentinian Government?

Mr Thorn. — (F) The honourable Member will realize or, I hope, at least believe me when I say that I am not familiar with the specific dossier in question. However, I undertake to have it sent to me and to check whether or not any approaches have been made, after which I will inform you.

Mr Welsh. — Would the President-in-Office please tell us whether in his opinion there is any action that the Foreign Ministers meeting in political cooperation can realistically take in these cases involving individuals who have problems in other countries?

Mr Thorn. — (F) If I understand you correctly, you are somewhat sceptical. Nevertheless, I would say on the basis of results already obtained that I do in fact think that we might achieve something.

President. — Question No 76, by Mr Doublet (H-406/80):

Do the Ministers for Foreign Affairs meeting in political cooperation consider that the way the recent Olympic Games in Moscow were conducted and the entire political campaign which preceded them did serious harm to the Olympic spirit, and that it is desirable to remedy this state of affairs once and for all by changing the regulations of the games, particularly as regards the role and composition of the Olympic Committee, the scope and magnitude of the summer games, and the provisions concerning their location, for which a permanent site, ideally in Greece, could be considered?

Mr Thorn, President-in-Office of the Foreign Ministers. — (F) The Foreign Ministers have not discussed the specific question of the way in which the last Olympic Games in Moscow were conducted, nor the question of revising the regulations of the games nor the question of transferring them to a permanent site. These are, moreover, questions concerning the international Olympic Committee and the various national olympic committees which so far have not been regarded as coming within the competency of the governments of the Nine. I regret, therefore, that the Presidency is unable to reply on behalf of the Nine.

President. — Question No 77, by Mr Christopher Jackson (H-422/80):

In the light of the Commission's reply to Written Question No 1858/79¹, do the Foreign Ministers consider that the application of sanctions against the Soviet Union for repeated violation of the Helsinki Accords might contribute to the cause of human rights, for instance by the agreed suspension of certain exports by Member States in order to cause the maximum economic nuisance?

Mr Thorn, President-in-Office of the Foreign Ministers. — (F) The Foreign Ministers have not so far discussed the problem raised by the honourable Member. The Presidency cannot therefore answer on behalf of the Nine. I am sure, however, that the honourable Member is aware that the problem of the application and respect of the Helsinki Accords will be discussed at the Madrid Conference beginning on

11 November 1980. We have also had occasion to discuss this matter within the context of the Rumor report this morning and afternoon. It is therefore the question of sanctions which we have not discussed, and this was the way in which you phrased the question.

Mr Christopher Jackson. — I appreciate the point that the President-in-Office has made and in relation to our debate this morning may I ask him to agree to raise with his colleagues the possibility of a strategic review by the Nine and the Commission of our trade with the Soviet Union and Comecon countries?

Mr Thorn. — (F) Obviously I am willing to pass on the suggestions made by the honourable Member to my colleagues, but I should like, in all frankness to make the following remarks: there are proper procedures, which have in fact been in operation within NATO for some time, for the examination of trade of a strategic nature. It would therefore be superfluous, in my view, to discuss such procedures within the Community, as they already exist within the framework of the Atlantic Alliance. However, as regards the general use of trade for purposes of persuasion, negotiation and dissuasion, this clearly raises major questions of principle, as we have seen on other occasions. Generally speaking, trade relations are more or less neutral, since there is no point in them unless they are in the interests of both parties concerned. Their use for purposes of sanctions normally involves a binding decision by the United Nations Security Council. Occasionally it has been possible to do without a decision of this kind, as in the case of Iran, where we were faced with a really flagrant violation of international law. However, in the light of this example in particular, I think you will agree that it would be extremely indiscriminating, and perhaps inefficient, to make an approach of this kind normal practice, and it would, at any rate, require very thorough examination.

Sir Brandon Rhys Williams. — Is it not obvious that the cynical flouting of the whole spirit of the Helsinki Agreement by the Soviet Union raises issues that go far wider than trade and are part of an ideological battle between the things in the Western countries we believe in most sincerely and the beliefs of the rulers of the Soviet Union? That being the case, and the invasion of Afghanistan and the recent deterioration in relations between East Germany and West Germany giving such clear examples of the ways in which the Russian rulers are tending at the present time, will the Council give serious consideration to increasing the output of ideological warfare to convey to the peoples of the Soviet Union and the satellite states the beliefs that we have in Western countries? Will the Council set up a University of the Air, broadcast in Russian and in the major East European languages, to make certain that all those peoples do receive clearly and

¹ OJ C 198 of 4. 8. 1980, p. 8.

Rhys Williams

regularly the messages that we wish to bring them as to the foundations of our civilization, technology, economy, constitution and fundamental democratic beliefs?

Mr Thorn. — (*F*) I am sure it will come as no surprise to the honourable Member if I tell him that I cannot reply to this question and proposal on behalf of the Nine. However, I personally wonder whether what you suggest would really be desirable. Do you not think it would be duplicating something which already exists? After all, there are already, as far as I know, BBC broadcasts of this kind, to say nothing of Radio Free Europe. There are also programmes broadcast by the various national radio stations. Do you really think it would be advisable, at this stage, to take — let us say — joint initiatives in this field, as there could not be any question of Community initiatives? I wonder, that's all.

Mr Balfé. — As one of the members of the Comecon Committee, I wonder firstly whether the President-in-Office of the Council would accept that if we are to talk about European cooperation there is a need to promote trade between the different parts of Europe, and secondly, whether he will note the distinction between the subject of this question and countries such as Argentina, Chile, Uruguay, South Africa and many others where there are gross violations of human rights which appear to go unnoticed by the British Conservative Party.

The answer is 'Yes!'

(*Loud laughter*)

President. — It is not within the remit of Members to both ask and answer their questions.

Mr Fergusson. — Surely one has to distinguish between what is a matter of survival for the Community and what in comparison are mere pinpricks. I wonder whether the President-in-Office, who has embarked on the question of the general principle of embargoes and that sort of thing, might not agree that the limitation of exports of strategic materials and technology to Eastern Europe, which is operated within NATO — he has already referred to this himself — might be re-examined and expanded through the good offices of the Foreign Ministers meeting in political cooperation.

Mr Thorn. — (*F*) We have considered and discussed the advisability of action of this kind. We have given it consideration on numerous occasions. So far, it has always been thought that since this discussion takes place within the context of the Atlantic Alliance — for reasons which should be obvious — it would be better

to keep it this way and to continue to discuss it in this context, since it can perhaps be discussed with more competence, on the basis of greater knowledge and perhaps more freely than at Community level, which I think would be counterproductive. I can assure you that we are by no means unconcerned about this matter, but I think it is better discussed — particularly from the point of view which you mention — within NATO than at Community level.

Mr Prag. — Is it or is it not obvious to the Ministers that the Soviets will continue to flout all the principles of the Helsinki Final Act as long as the West is willing to go on granting them all kinds of favours?

Mr Thorn. — (*F*) I do not think the Western countries and the Community Member States would be willing to grant them all kinds of favours if they ride rough-shod over the principles of Helsinki.

President. — Question No 79, by Mr Ansquer (H-439/80):

Could the Foreign Ministers meeting in political cooperation define the territory within which they feel the Palestinian people should exercise their right to self-determination as they envisaged it in their Venice declaration on the Middle East?

Mr Thorn, President-in-Office of the Foreign Ministers. — (*F*) In their declaration of 13 June in Venice, the nine Heads of State and Government stated that it was necessary to arrive at an overall solution to the Israeli-Arab conflict. They stressed the right of all the States in the region, including Israel, to exist in security, within recognized and guaranteed frontiers, but also stressed that Israel must put an end to the territorial occupation it has maintained since the conflict of 1967. It is against this background that the Nine have adopted the view that the Palestinian people should be enabled, by means of an appropriate procedure laid down within the context of the overall solution, to exercise to the full its right to self-determination.

Mr Ansquer. — (*F*) Mr President-in-Office, I have no wish to ask you an embarrassing question in connection with this extremely important and difficult problem, but after hearing the statements made by the French President on the occasion of one of his visits to the Middle East, it would appear that the European Council meeting in Venice adopted the principle of self-determination for the Palestinian people. If this principle is to apply, it seems to me that it is essential that they must be allocated a specific territory in which this process of self-determination may take place. I should merely like to ask you whether this territory has already been discussed by the Council of Ministers meeting in political cooperation.

Mr Thorn. — (F) The principle of self-determination, the principle of a possible state of Palestine being set up in the future and the way in which the withdrawal of the troops from the occupied territories and a transfer of sovereignty could take place, etc., are a series of questions which are not dealt with specifically in the Venice Declaration, but which should receive some specific attention if the Heads of State and Government intend to continue in the direction indicated in this declaration, and it is the job of the Foreign Ministers and our assistants to attempt, without prejudging the outcome, to determine the position of the Nine with the view to establishing a common approach and, as far as possible, to maintain contact with the various parties involved in the region in question, in order to see whether or not we can establish a certain convergence of the various points of view.

Mr van Aerssen. — (D) Since the President-in-Office of the Council undertook, following the Venice Declaration, to make a fact finding tour of the Middle East with a view to clarifying the situation — which is something for which we are grateful to him — I should like to ask when this directly elected European Parliament can expect the Council meeting in political cooperation to present a new Middle East initiative to this House, as this is something which is of considerable urgency at this moment and has also been the subject of urgent requests on the part of the Egyptian President?

Mr Thorn. — (F) As I said in my previous answer to Mr Ansquer, I should now like to amplify my original answer by saying that the Venice Declaration was a point of departure which set out certain principles including — I should like to stress this in this context too — that of the security of all the States in the region — thus Israel should be no exception — and the guarantees which are required. It is true that all these words give rise to a corresponding series of questions — in both your mind and mine and indeed in everybody's mind — and it was following my visit, which has been referred to as a 'fact finding mission' that the Nine adopted the view — without prejudging the issue — that the terms must be clearly defined. What exactly is meant by 'security'? What could be understood by 'guarantees'? How could the phased withdrawal of troops take place in practice? What has been done so far is, if you like, mere shadow boxing. What we must do now is to try and achieve maximum convergence of views on all these points, and it is in the light of all these ideas, following preparatory work carried out by the Foreign Ministers, that the Heads of State and Government will be able to re-examine the question and see what initiatives they can take. As I am sure you are aware, between now and December there will be various other important occasions when this matter will be discussed. For example, I think it will receive further attention at the Luxembourg Summit or the European Council. Speaking in a

personal capacity, I think it is after this European Council that we will be able usefully to return to this question.

President. — Question No 80 by Mr Romualdi (H-456/80, formerly 0-48/80):

Firstly, what has been done at Community level to ensure the safety of European citizens in Iran and Iraq and to protect their possessions and our countries' very extensive interests in the area of the Persian Gulf, the Red Sea and the Indian Ocean?

Secondly, what is the Foreign Ministers' position (a) with regard to initiatives to restore peace in this area of crucial importance to the European economy and (b), within the context of our alliances, with regard to the strategic measures to be taken in order to guarantee free navigation in the Strait of Hormuz and particularly the proposal that a European naval squadron be formed?

Mr Thorn, President-in-Office of the Foreign Ministers. — (F) I should like to remind you that in this situation the Governments of the Nine have acted at national level with a view to ensuring the safety of their citizens, their possessions and their interests. As regards efforts aimed at re-establishing peace in the area, the Presidency can only refer to the declaration of the Nine adopted in New York on 23 September 1980, in which, *inter alia*, we approved the appeal made by the Secretary-General of the Islamic Conference for an immediate cease-fire, on the basis of the consultations undertaken by Mr Waldheim, the Secretary-General of the United Nations, and where we stated our preparedness to support any international initiative aimed at promoting a political settlement of the dispute. In this same declaration, the Ministers also recalled the crucial importance, for the international community as a whole, of free navigation in the Gulf, which must at all costs not be jeopardized.

As regards the question of a defence policy in the region of the Gulf, I would remind you that the Nine meeting in political cooperation are not competent in this field.

Mr Romualdi. — (I) Mr President, I am sincerely grateful to the President of the Council for his reply and take due note of what has been done to protect the possessions and lives of European citizens in Iran and Iraq, and with a view to re-establishing peace and security in a part of the world which is a centre of crucial interest for the development of our economy and indeed the defence of our independence and freedom.

I regret that, after previous errors and attitudes which have contributed to the weakening, and hence the upset, of certain political and military balances, without which the war between Iran and Iraq would perhaps never have broken out — to the all-too-

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evident advantage of the major power which is more close at hand to influence events — Europe and its allies now must look on virtually helpless as these events which could well jeopardize. . .

President. — May I remind you, Mr Romualdi, that you must ask a question and not just read a speech?

Mr Romualdi. — (*I*) . . . To conclude, I should like to ask the President of the Council whether or not the safety of navigation, which is vital to our economy and our defence, could be ensured by means of practical measures which so far, however, it has not proved possible to set up or even envisage except in words.

Mr Thorn. — (*F*) In a personal capacity, I would agree, but it is by no means a matter for the Community or the Council of the Nine to say that we could guarantee this either by providing the means or by our action. Theoretically, it would be possible, but it is not for the Nine to examine or decide this question.

Mr Marshall. — Could the President-in-Office first of all join with me in thanking the Iraqis for rescuing the crew of a British ship that was imprisoned as a result of the war? Secondly, can he tell me whether the Council has made any estimate of the impact of this war upon oil reserves and on the West European economy if the war goes on, and can he tell us whether he expects to see a further twist in the energy inflationary spiral over the next few months? Finally, would he not agree that the involvement of Russia in this war does emphasize how important Turkey's membership of NATO is and how foolish the mischievous attacks on the new Turkish régime are?

Mr Thorn. — (*F*) I am sure you will agree that if I were to answer all the questions put by the honourable Member, this would involve us in a foreign policy debate which would last the entire evening. I cannot go into these matters now but I will say that I basically agree with him and can only answer in the affirmative. As long as this war lasts — and particularly insofar as it constitutes a threat to free movement and navigation — it can only cause increased problems for our economy. The Commission is currently looking into the scale and impact of these problems and it is that institution which will be able to give you figures which, for the rest, will vary depending on the way in which the conflict develops and on which countries become involved in this area of conflict.

President. — Question No 81, by Mr Baudis (H-460/80):

Can the Council state what action it has taken or is proposing to take in the context of the European judicial area, to put an end to the fascist attacks which have in

recent weeks caused terrible suffering in the cities of Bologna, Munich and Paris and are threatening to destroy the democratic bases of European unification?

Mr Thorn, President-in-Office of the Foreign Ministers. — (*F*) Mr President, on 13 July 1976 the European Council invited the governments of the Nine to cooperate in combating the scourge of terrorism. On 7 and 8 April 1978 the European Council recalled that higher priority should be given to efforts aimed at intensifying cooperation between the Nine with a view to defending our societies against terrorist violence, and invited the competent Ministers to step up their cooperation. The implementation of the decisions of these European Councils was entrusted to a group of high-level officials of the Nine Member States concerned with matters of European political cooperation. This group has on the one hand drawn up an agreement between the Member States of the Community regarding the application of the European Convention on the suppression of terrorism, which was signed by the Nine on 4 December 1979 in Dublin, and is currently, on the other hand, working on a convention regarding cooperation in penal matters which forms part of the European judicial area project covering not only terrorism but major crime in general and should involve a new extradition treaty between the Member States. Following the last meeting of the Ministers of Justice in Rome, it was decided that the remaining difficulties should be examined within the context of political cooperation. Apart from the drawing up of these legal instruments, it should be pointed out that the problems of coordinating the efforts of the Nine in the fight against terrorism and crime are the subject of concertation at the level of our colleagues, the Ministers of the Interior.

Mr Baudis. — (*F*) This reply does not strike me as adequate. The fight against the appalling crimes of Bologna, Munich and Paris should be organized on a European scale. How, in practice, are we to put an end to the activities of these European nazi and fascist groups which take racism and dictatorship as their ideals and use violence to undermine the European democracies? Why do our police forces not introduce a greater degree of coordination on information and activity? Freedom of expression is all well and good, Mr President, but it does not give people the right to commit crimes which should be mercilessly punished.

Mr Thorn. — (*F*) I can only go along with what the honourable Member said. How are we to react to these events? He has already given the answer, i.e. by stepping up cooperation between our police forces. As you know, people tend to get a little touchy as regards national prerogatives in this field. I think we must all make an effort in all the countries of the Community to strengthen cooperation between the various police forces in this struggle. However, if we are to tackle

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this evil — you have just drawn particular attention to the shameful Munich attack — I think there must be a reaction on the part of all the democratic forces in all our countries. We must avoid making this an instrument for partisan politics, but we must make our indignation felt in no uncertain terms in order, right from the outset, to encourage our police forces and to show that we are resolved to do all we can to oppose things of this kind.

Mr Israël. — (F) Mr President of the Council, do you not think that your reply, which consisted of indicating the measures which the Nine could take was not completely adequate. Do you not think that certain international implications call for a greater commitment on the part of the Council of Ministers than merely coordinating the various legislation regarding the suppression of terrorism. At the present moment, everything looks as though we are faced with a vast international conspiracy. The relations of the Nine with certain countries should be revised and examined very closely in the light of the organization of international terrorism. I should therefore like to ask whether or not you think we should reflect a little on the blows which are being dealt to our democratic system by certain countries outside the Community?

Mr Thorn. — (F) I fully realize what the honourable Member is driving at in his question, but I do not think we should be too hasty in drawing conclusions as regards a particular country or another. I agree with Mr Israël that the question is of such gravity as to justify our governments and the Community examining it, as you wish, and considering whether or not it would be appropriate to change our policy. However, I will not at this stage go so far as to say our policy as regards various countries must be revised.

President. — The second part of Question Time is closed.*

I must now make a decision on the requests for a topical debate. Mrs De March's request cannot be considered as the question referred to was not called. I still have the request by the Group of the European People's Party (CD Group). Since it concerns a matter of great importance and is supported by all the groups, I feel it is appropriate to grant the request for a topical debate.

We shall therefore immediately start the debate on the Council reply to Question No 67, by Mr Blumenfeld, on the membership of the Commission and its responsibilities towards Parliament.

I call Mr van Aerssen to speak on behalf of the Group of the European People's Party (CD Group).

Mr Van Aerssen. — (D) Mr President, ladies and gentlemen, we requested this topical debate because the President-in-Office of the Council's answer to our questions did not satisfy us on all points. Mr President-in-Office of the Council, it is not a question of your doing your duty — both you and we know that you do. You have always done your duty as a European, you deserve the highest praise from us, and indeed you have never heard us criticize your commitment on this count. We too do our duty, but that is not what is at stake here.

The directly elected European Parliament is — and I have said this time and again — an Assembly which is developing a constitution for Europe, and the appointment and designation of the President of the Commission while he is at the same time President-in-Office of the Council is an important institutional issue. We are only discussing the problem from this standpoint, and I believe, Mr President-in-Office, that as a constitutional expert you fully appreciate this.

From our viewpoint what is happening at present is incompatible. A President-in-Office of the Council cannot simultaneously act and serve as 'President-designate of the Commission', without getting into legal difficulties which he cannot answer for in any event. That is our side of the problem.

The problem now affecting you personally is that the offices are incompatible. Now you have said, Mr President-in-Office of the Council, that you have not yet been designated. On the other hand you have given us examples which show that you are acting as a President-in-Office of the Commission, namely by visiting governments and discussing the composition of the new Commission with them. Mr President-in-Office of the Council, you will understand that a directly elected Parliament also attaches some importance to the principle of precedent. You are either a President of the Commission or you are not a President of the Commission! If you are not, then you cannot undertake the tasks which you yourself mentioned. In other words, we believe that this question has given rise to a dilemma, to an 'in-between' state. Mr President-in-Office of the Council, you will agree that this problem cannot be solved without the agreement of a directly elected European Parliament. I believe that you have been the victim of a misconceived policy in the Council, and for this reason we must protest here quite clearly to the Council about this matter. However, we do not wish the office of a President-designate of the Commission to fall victim to such a misconceived Council policy, and for this reason we wish the office — not your person — to be brought out into the open. We therefore once again call on you personally to clarify this situation and to explain clearly to this Parliament what your present role is. You can depend on my colleagues and myself to support you and to give you the backing for such a decision.

* See Annex.

Van Aerssen

Mr President-in-Office of the Council, we want to enter into an institutional dialogue with you as the future President of the Commission, the grounds for this being for instance that in our view the directly elected European Parliament should itself decide on the programme of the new Commission. Against this background, we would ask you to accept this topical debate in this light and make a clear personal decision which can be supported by us as an institution.

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

Mr Scott-Hopkins. — Mr President, first of all I should say that I am full of sympathy for the President-in-Office in the situation in which he finds himself. It is a most unfortunate question of timing that things have happened the way they have. Speaking for myself and my group, there is no doubt that we accept the legal position as it is and as he explained it very fully at the beginning of Question Time this evening. I accept that he is not as yet the President-elect of the Commission. This is something that cannot happen until the other Commissioners elect him as such, although he is President-designate. I am not going to argue about that at all, nor am I going to argue with him about the right of Parliament to give its advice at this stage on the choice of Commissioners. That, I accept once again, is for Member Governments to decide as they so wish. Several Member Governments have so decided. Several Member Governments, including my own, have announced their decisions. That is accepted. I am sure he went round and whispered in their ears what he himself hoped would happen. I do not doubt he did that. I am sure that with all his great experience and knowledge of these matters and acceptability at governmental level, he would have no problem in having access to Chancellors and Prime Ministers throughout the Europe of the Nine. Whether he was successful in persuading them is something that he may whisper in our ears at a later stage but not at this moment in time.

However, let us move away from that. As I said, the timing of this whole operation is most unfortunate. It so happens that Luxembourg has the presidency at this moment. As Mr Thorn says, throwing his arms up, that is not his fault. It just so happens. Nevertheless it does put the Parliament and himself and the Council in an extremely difficult position. I have no doubt, and my group has no doubt, that as President of the Council he has consulted — but as President of the Council — with lots of other governments concerning all these grave problems of the future. But, of course, the one thing he has not done is consult with us. He made that rather strange remark when he was on his feet earlier on that when he was President of the Council, as he is right now, he cannot consult with us. I accept that he cannot consult with us — as President. He has said that. But he said, of course, that he can do so as Mr

Thorn: *Je pense le faire*. However, he has not done it. At least he has not had the courtesy to consult with me or my group, but I am sure that was a mistake on his part which he would rectify in the very near future.

However, that is not quite as it should be. I do ask him to remember that we are a newly elected Parliament, of 18 months standing now. We are very sensitive about our rights and responsibilities. We do not want to act illegally, but we do believe in the notion of accountability - accountability to our electors. I would beg him to remember that. I am sure his mind is in a turmoil in dealing with the vast problems of the future, but I do beg of him to come to this House informally — that is the only way he can do it — and to consult with us concerning these matters. For instance, on the question of portfolios it is not for us to decide who the portfolios should go to, but we would like to give him our advice. I haven't, and I very much doubt if my honourable friends from the Christian-Democratic or indeed even the Socialist Group have done so. He does not have to take our advice, but it would be very helpful if we could feel that we had given him advice as to who should have this or that. Perhaps even more important, we would like to be able to be consulted on what the future programme is going to be and where the priorities are. We all of us have our own list. I am quite certain everybody here has his own list of priorities and ideas on what we hope he will achieve as President during his four years. I think it would be very advantageous for him to hear informally the advice of the various political groups as to what we hope will be the priorities of his programme during the coming four years — not the details, which would take hours, but the priorities.

So I come to my conclusions because my five minutes are very nearly up, Mr President. Because of the sensitive situation, because we are a new parliament directly elected and we have a responsibility to our electors, I think he has really got to make up his mind very soon. You know, Mr Thorn — and I say this with great friendship to you — no man is indispensable. I found out in my rather poor and lowly way that it does not really matter if I am run over by a bus tomorrow. Somebody else will fill my shoes. Somebody else will fill your shoes very adequately when you are gone. I would really beg of you to consider, perhaps a little later this year before the end of November, whether you should not decide between one job and the other. I do not believe that you can do the job I have outlined to you, which ought to be done before Christmas, if you are going to continue as President-in-Office of the Council. I beg of you to make up your mind during the next six weeks as to where you think the priority lies. I know where I think it lies and I beg of you to take that decision too.

President. — I call Mr Haagerup to speak on behalf of the Liberal and Democratic Group.

Mr Haagerup. — (DK) Mr President, in his speech earlier today the President of the Council said that we were in a somewhat unusual situation. We might even say that the situation is entirely unprecedented. If we look into the problem, facing us more closely, we see that it is an institutional and perhaps constitutional problem and at any rate we have a practical problem and perhaps also a legal problem which we must come to terms with. This in itself would seem to be enough to contend with, and I do not think that there is any need to turn it into a personal problem too.

It might well be said we have rarely if ever had a prospective Commission President with such qualifications as those of the current President of the Council, i.e. four times President of the Council and many years in the European Parliament. This gives him a unique background, and I will make no bones about the fact that we in the Liberal Group are somewhat proud to have a fellow Liberal who is so qualified for the job of President of the Council and is also universally regarded as having the necessary qualifications to perform the functions of President of the Commission.

What particularly caught my attention in the President of the Council's earlier contribution — as I understood it — was that he was prepared to enter into a fruitful debate on what he referred to as the new working methods and the new consultation procedure which this Parliament has declared itself in favour of, and which is mentioned in, for example, the Rey report, which also received the support of my group. I should like to say on behalf of my group that we look forward to a debate of this kind, and we should like to urge all the groups, institutions and individuals affected to show the necessary tact, flexibility and goodwill, so that we will not get bogged down in a problem which is to a great extent simply a result of circumstances.

President. — I call Mr de la Malène to speak on behalf of the Group of European Progressive Democrats.

Mr de la Malène. — (F) Mr President, my group's position in this debate is quite clear. We did not vote in favour of the Rey report. I have, in this very House, explained why we could not be a party to Mr Rey's report, and so for us the matter presents no problem.

Our position is clear. Mr Thorn has been a personal friend of mine for many years; I knew him on the benches of the first Assembly, I knew him when he was President of the Political Affairs Committee of the former Assembly, and I have had the honour of serving under his chairmanship. I have followed him throughout his career and I am sure that we are all pleased — or at least my group is pleased — to see him now as President-in-Office of the Council of Ministers. We would not like to see him leave this

office prematurely. We have given our opinion on a report, but that does not make it Community law. Because we have voted for or against a document does not make it Community law. The Council would still have to approve it as well. We might even hope that it will do so. I could continue in this vein, but this is not a legal problem. There is no legal problem. We hope that Mr Thorn will retain the presidency until the end of the year. He will then assume the presidency of the Commission and we are glad that this is the case — I say this both on my own behalf and on behalf of my group — since I know him too well not to be pleased.

Naturally, this does not prevent Mr Thorn, as Mr Scott-Hopkins has so rightly said, from meeting some people on a personal level and consulting others, as Mr Scott-Hopkins requested, on shall we say the allocation of portfolios, to employ a well-known expression. It does not prevent him consulting us or our spokesmen on matters which we would like to be given priority in the Commission programme which Mr Thorn, as President of the Commission, will be presenting to us in January. This I believe is how, knowing the people involved and on the basis of our analysis of the legal position, we should resolve a problem which we feel is not a serious matter for the Community — it has other things to do.

President. — I call Mr Coppeters.

Mr Coppeters. — (NL) Mr President, I believe we should approach the problem of the Presidency of the Commission not from a legalistic, but from a moral point of view — our main consideration should be the well-being of our Institutions. It must be difficult, if not impossible for Mr Thorn to assume his new role as President of the Commission, or indeed even get round to thinking about it, before he has resigned as President of the Council. Might I just remind you that in autumn 1976 Mr Jenkins visited the capitals of all the Member States of the Community twice! Secondly, Mr President, one thing we do not need at the present time is confusion about who is doing what job. It is very harmful for our Institution in the present situation where — and I think we would all agree on this — there are unfortunately many reasons why the Commission's authority needs to be clearly strengthened, or even restored. We were entitled to hope that Mr Thorn — coming as he does from a small country — would make this a priority. A President-in-Office of the Council and Minister for Foreign Affairs really cannot and should not see the problems of the Community other than from the point of view of the national governments. That is his job for the moment; any confusion with the views and attitudes of the Commission is therefore out of the question.

Thirdly, I would like to return to the matter of the composition of the Commission. Mr Scott-Hopkins spoke of the priorities of the future programme. I

Coppieters

would like to raise again the question of what portfolios should have priority, and would remind you of my wish that in the next Commission there will be a Commissioner primarily or exclusively for youth. When we see what little time we have left, at most a couple of months, it will be extremely difficult to take the necessary steps in time to find a suitable candidate in one of the Member States.

I would like to conclude, Mr President, by saying that after all we have been through with the Council, after their incredible treatment of us on the matter of the budget, we sorely need Mr Thorn's political power and skill. It is high time he took his place at the head of the Commission. Small as it is, Luxembourg certainly has the qualified candidates who can take over as Minister for Foreign Affairs, and perhaps even as mayor of Luxembourg.

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

Mr Glinne. — (*F*) Mr President, ladies and gentlemen, I would like to reiterate our very high regard for Mr Thorn. In the old Parliament, over many years and at many levels of responsibility, he displayed great talent. This talent was reaffirmed after the direct election of Parliament and more recently during an extremely delicate assignment to the Middle East.

I want Mr Thorn to know that we followed this difficult trip with great attention and sympathy.

On the matter of Mr Thorn's current dual responsibility I would like to read out a remark made during the debate on the Luxembourg presidency. I quote the report of proceedings of that day's debates:

We would like you as soon as possible to become either full-time President of the Council or full-time President of the Commission. We say this because we consider that the President of the Commission needs to devote himself to important procedural discussions with the governments of the Member States and with his new Commissioners, and because we expect the new President of the Commission of the European Communities to come before Parliament with a declaration of intent which can then be followed by a debate. We therefore hope that you will very soon be taking up your duties as President of the Commission.

We have just listened, Mr President, and with great attention, to the speech you made in reply to the question put to you. We were fully satisfied. Your reply was thorough, carefully expressed and to the point.

I would like to conclude by saying that my group recognizes that, over the years, positive and meaningful relations have been built up between the Parliament and the Commission. I must say at once, however, that above all we would like to see a considerable improve-

ment in relations between Parliament and the Council. And we are looking to you, Mr Thorn, before you assume full responsibility as President of the Commission of the European Communities, to make a further contribution as President of the Council by making some tangible progress towards the goal for which we are all aiming.

President. — I call Mr Beumer.

Mr Beumer. — (*NL*) Mr President, it is clear from the letter sent by the Chairman of my group, Mr Klepsch, to Mr Thorn, President-in-Office of the Council, which is included in Document No 1-462/80, firstly, that the Group of the European People's Party attaches great importance to more effective cooperation between the new Commission and Parliament and secondly that it believes that there are still many possibilities of achieving this within the framework of the Treaty itself. The letter shows clearly how this can be done, and makes five specific proposals. These are briefly as follows: firstly Parliament's right to be genuinely consulted, secondly a genuine right of amendment, thirdly information on petitions, fourthly inclusion in proceedings before the Court of Justice, and lastly a form of right of legislative initiative. These proposals can be discussed in the preliminary consultations. If they are put into effect, they will not only have a considerable influence on and indeed strengthen relations between the Commission and Parliament but will — and this is the essential point — affect relations between these two Institutions and the Council. This is what makes the position of the President-designate of the Commission as President of the Council so unsatisfactory, particularly in view of the political and material importance of the subjects which are to be dealt with, such as the composition and the programme of the Commission, as well as the five proposals I just mentioned.

I think we would all agree that the problems facing the new Commission in the coming year can only become greater. The President-designate of the Commission should surely have begun at once to make specific preparations, together with Parliament to resolve these problems, even though he would have been hard-pressed to cope with all the demands in time. He has not done so, but this debate provides an opportunity to rectify that. We want to give the new Commission as good a start as possible to strengthen its position, if possible by a solid vote of confidence on a programme which we will have discussed fully and approved. It would be most unfortunate, not least for the Commission — which certainly needs to recover some authority — if the procedure under Article 144 of the Treaty had even to be considered because the Commission did not fulfil these conditions. We must ask the President-designate of the Commission in the interests of his role and his relations with, and respect for, Parliament as an institution, to act from now on exclusively

Beumer

as the President-designate of the Commission. We welcome him in this capacity, but that means of course that he must bite the bullet in the very near future.

President. — I call Mr Spinelli.

Mr Spinelli. — (*I*) Mr President, I cannot pretend to be in the least surprised at the way in which the Council is now approaching the appointment of the new Commission.

The appointment of the Commission has always followed the same procedure — after a few attempts, agreement is always reached among the governments of the Nine on whom to designate as President. It is of course true that the rules require the governments to act together in appointing the Commissioners, but in practice each government puts forward its own nominees, who are accepted blindly by all the other governments. To try to modify this really absurd way of staffing a collegiate body which will have to operate in harmony for four years, pressures were applied for the President to be appointed six months beforehand, not so much so that he may acquire a certain familiarity with Community affairs — if a President is appointed one is justified in assuming that he already knows something of the Community and is thus able to take any urgent action initially required — but rather so that he may be able to carry out the preparatory work needed to form a sufficiently homogeneous Commission.

We know that Mr Jenkins has also tried to influence the method of appointing the Commission, but without much success, for the procedure I have described has continued.

Parliament, through Mr Rey's motion for a resolution, insisted that there should be a public debate in Parliament on the method of appointing the Commission, with a view to creating a body which would then be able to face up once more to the responsibilities conferred upon it by the Treaty.

Yet the Council is not even doing what it usually did in the past. Indeed, by making the appointments at the last moment it makes it impossible for the President to exercise a choice. Moreover, it is well known that this choice is an open secret, since the names which will be proposed by the individual governments are basically already known. In this connection, I believe that the British Government has already officially nominated someone. Need I add that it is not the individual governments which should make the nominations, but the Nine acting together.

Each government is already thinking of how to bring about a certain balance by assigning this or that department of the Commission to this or that representative — something which should not occur, since

it is the Commission which should collegiately establish its priorities, how to organize its own work and to distribute the responsibilities.

Parliament has asked for a chance to give its views on the method of selecting the Commission, in such a way that that body may become effective once again. The Council is doing everything it can to prevent Parliament from doing so. In my view, unless Parliament decides to react more precisely and energetically against this concept of the Community, so as to prevent the development within it of national fiefs or fiefs of particular interest groups, we shall see a further worsening of the situation and finally put Mr Thorn himself, whose European credentials neither I nor anyone else questions, in an impossible situation.

President. — I call Mr Antoniozzi.

Mr Antoniozzi. — (*I*) Mr President, rather than dwelling on the specific subject dealt with by the previous speakers, I would like to make a very brief and rapid observation on the roles of the Council of Ministers, Parliament and the other institutions.

I would say that the idea behind the election of the European Parliament by direct universal suffrage was to give it greater political weight, with a view to bringing about a new and different institutional balance. Yet we are constantly presented — this is why I think a reform in this field is essential — with purely formal declarations by the Council of Ministers, and this does not apply to you personally, or not only to you, Mr Thorn, but to you and your predecessors, and not only those of the recent past. The Council of Ministers, when each new presidency makes its inaugural statement to Parliament, is full of polite formulae and generously open to the prospect of institutional development, sets hearts and imaginations afire with the promise of a better future, but invariably, in the space — alas, too short — of a few months for which a President of the Council remains in office, things remain unchanged.

I went very quickly to look up some past speeches and reread the utterances of the five Presidents of the Council who have held office in the last two years: François-Poncet (17 January 1979), O'Kennedy (19 July 1979), Ruffini (January 1980), Colombo (April 1980), and Thorn (8 July 1980). When we reread these speeches, we see that Mr François-Poncet said that the election of the European Parliament by universal suffrage was a historic stage in the construction of Europe. While Mr O'Kennedy, for his part, said 'today a page of European history has turned', and went on to talk about institutional development. Mr Ruffini spoke on similar lines, and Mr Colombo, who incidentally is one of the few who has contributed to development in this field, spoke of the report by the Three Wise Men, of the relations between institutions

Antoniozzi

with which the Political Affairs Committee concerns itself, and said he would try to ensure that the themes of the Three Wise Men's report would form part of the studies on institutional development which Parliament would be making.

You yourself, Mr Thorn, ought to tell me how it is possible for you at such an important juncture, to deal at the same time with political cooperation, for which you are responsible, with the Council of Ministers, for which you are also responsible, with the European Council, in which you take part together with the Heads of State, and with the future Presidency of the Commission. I have little faith in the function of the Council of Ministers, for it has always disappointed us, and also because its lifespan of six months is not enough for it to play a worthwhile part in relation to a Parliament such as this.

(Applause)

We should at least find a way of extending the President's term of office to one or even two years, particularly when we ask ourselves what the President of the Council of Ministers represents. He is the President of an arbitrarily formed collegiate body, who does not represent a majority in the Council of Ministers, and who here comes before an institution which itself does not have a real majority capable of giving even the smallest amount of political direction. Therefore, Mr President, if we do not find a way of changing direction — of altering the situation, the balances and the institutional development with a real sense of responsibility and goodwill, we shall continue, as we and you have done in each six-month period, to talk a great deal but merely for the benefit of the Parliament archives and of students of European parliamentary literature.

I would like to remind you of some observations you have made. Towards the end of your inaugural statement, you said:

We must now devote ourselves to implementing the decisions that have been approved, so as to make the structural changes needed to improve the basic machinery of our Community, which must be reviewed with a view to strengthening Community cohesion and solidarity.

And the last sentence of your statement was:

This is a long-term project, as we are all aware, but we must start on the foundations immediately, and any ideas or suggestions the European Parliament can make will undoubtedly be of value.

We hold you to your word.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — *(D)* Mr President, I think this topical debate has shown the President-in-Office of

the Council how much importance the whole House attaches to this problem, which concerns both us and you, Mr Thorn. You said in reply to my earlier question that you had a remarkable record of dozens of years of experience as a Member of the European Parliament, as a minister and as President-in-Office of the Council. Allow me to point out to you, Mr Thorn — in all humility — that many Members of this House have also had a great many years of experience as Members of Parliament, as ministers, as Prime Ministers and as Presidents-in-Office of the Council. In other words, both our institutions can call on a great fund of experience, but that is really not the point. Our primary consideration must surely be to prevent any damage being done to the office of the President of the Commission and the Commission as a whole. Secondly — and I think this is in your own interests too — we want to achieve some clarity as regards the legal snares and intricacies by which you also seem to be beset.

You said yourself that it was impossible for you to free yourself from these legal ties. You mentioned relations between the Council and the Commission, but to my surprise you said very little about relations between the Commission and Parliament, which is really the point at issue here.

We have to address you here today in your dual role, although our main interest is in talking to you in your capacity as President elect of the Commission.

Let me remind you, Mr Thorn, that four years ago the current President of the Commission, Mr Roy Jenkins, resigned as a Member of the United Kingdom cabinet when he was appointed President of the Commission. He then travelled throughout Europe as a backbencher, visiting all the capitals, where he was received by chancellors and prime ministers on the strength of his own personality. You too, as a well-known personality, will be warmly received anywhere in the world on the strength of your reputation as a politician and statesman. As I said, that is precisely what Mr Jenkins did, and on the strength of these discussions, he set up his Commission. At that time, he had no opportunity to enter into official discussions with the European Parliament. Meanwhile, however, — as other Members have pointed out — we have a directly elected European Parliament, and we do not want to see the President-in-Office of the Council put on his Council hat and at the same time conduct negotiations in his capacity as President elect of the Commission.

(Applause)

That is something this House cannot accept, not even if it should be in its own interests. We want to enter into discussions with you as soon as possible.

I put a direct question to you earlier, as befits old acquaintances — not to say friends. I asked you quite simply when you intended to resign as President-in-

Blumenfeld

Office of the Council. The question may have sounded rather rudely abrupt, but what I meant to say was that this House expects you simply to cut through the legalistic Gordian knot by entering into discussions with the chairmen of the political groups and with the committee in your capacity as President elect of the Commission.

We want to strengthen the position of the Commission, improve relations between Parliament and the Commission and monitor the work of the Commission more effectively. We want to give the European Parliament added weight in the legislative sphere, for which we need a dialogue and discussion in an atmosphere of mutual confidence before you take up your duties. Once you have taken up your duties, it is up to us under the terms of the Treaty of Rome to express our confidence, or lack thereof. We certainly have no wish to withhold a vote of confidence, but what we need now above all is clarity. I believe that today's debate has helped in that respect, and we should greatly appreciate it, Mr Thorn, if you would now say a few words in reply.

President. — I call Mr Pannella.

Mr Pannella. — (*F*) Mr President, in the major countries of the Nine our governments have, through the Council, become in the last few years anti-European and anti-Community agents. This is the real problem. Paris is not European, nor pro-Community! I know this because I do read your newspapers from time to time, even if I do not always learn a lot from them. However this may be, the problem is that we have here a Parliament which is frustrated because it cannot make its opinions heard on a personal level every day. The reason for this is that the Council, those who wield the power in the Council, are against Europe and the Community. Because Parliament is frustrated, it vents its anger at the Council as best it can. This is why you, Mr Thorn, are on the receiving end of a very natural reaction, because only very few of our debates here have any real significance. This evening it is Mr Thorn's turn to be the target for the slings and arrows of our discontent.

The truth of the matter is, Mr President-in-Office, that everything in your background and in your political stance urged you to take a different line.

You had no need to be here listening to a few trouble-makers who peer through the keyhole at things which they could easily throw the door wide open to see and who are in a sense the 'Peeping Toms' of the petty preoccupations of this Europe of ours.

Mr Thorn, you should have had no truck with this and stated, after your trip to the Middle East, that you were working in July and August — most people work a lot less —, that you did what you could, that you did

not follow the Italian pattern, nor that of other past Presidents-in-Office and that in fact you could, with all your years in politics and your widely recognized abilities, have gone on a pilgrimage around the capitals of Europe in order to try and find a different approach to change our institutions which are more and more coming to resemble nests of vipers. Perhaps one should read François Mauriac rather than de Gaulle or others like him in order to gain some insight into what happens within many of the European institutions.

However, President-in-Office, I agree with Mr Spinelli, and the other Members, that it is obvious you should resign, even if, as you have so rightly pointed out, your legal position is far from being clear.

It is perhaps less obvious, Mr Thorn, that there is in your sub-conscious something which tells you not to trust the people who have nominated you. Indeed, without a clear legal status, who knows what might not happen to you since you are only a Luxembourger!

Mr President, I thank you for my five minutes' speaking time — I think it is the longest I have had for the last six months.

(*Protests and laughter*)

Risus abundat in ore stultorum! I see that I have managed to transform a rather bored and boring House into a smiling one . . .

Mr Bangemann. — (*F*) That is not enough.

Mr Pannella. — (*F*) . . . Of course, but I wonder if you could do as much!

(*Laughter and applause*)

Mr Thorn, I wish you every success in your work.

President. — I call Mr Thorn.

Mr Thorn, President-in-Office of the Council. — (*F*) Mr President, I should like to begin by thanking all those who have spoken during this debate for their plain speaking and also for the understanding which almost all — one might as well say all — seem to have shown for my difficult situation. I should also like everyone to know that this cannot be a question of personalities, since the stakes are much too high — we are discussing institutions and their inter-relationships — and I think that insofar as one's past must be a criterion for future expectations, as some of you have recognized, you may rest assured that I shall personally never impede relations between the European Institutions and that I shall do my best to improve cooperation between them with a view to European integration.

Thorn

Now, I should like to say just a few words on what Mr Blumenfeld said. He spoke about experience, and I too have a certain amount of experience. He must have been unusually inattentive when I referred to this because I was not trying to compare experience, it was simply that when I said there had been a desire for the President-designate to have time to prepare for his task, I mentioned that I had a certain amount of European experience and that as a result perhaps I might be granted one month's reduction in my probationary period. I did not intend to compare myself with the Members of this Parliament. I had no wish to weigh my experience against yours.

So, I am tempted to say, as de Gaulle once did, ladies and gentlemen *'je vous ai compris'*. I think that the last few speakers — Mr Pannella and Mr Antonozzi to name but two — put the matter into better perspective. Unfortunately, I am the President-in-Office of the Council, and this House is not particularly happy with the Council, so to some extent I am the butt of that discontent. Let us all be honest enough to admit this.

Be this as it may, let us look at things realistically. Some of you have said: you cannot be both President-in-Office of the Council and President of the Commission. And believe me, I know some people in this House who really believe what they said! Well, I am not both President of the Council and President of the Commission. The President of the Commission is sitting opposite me. There is only one Commission and I must warn you, quite independently of today's problem and my own difficulty, against the danger of getting into a situation where, every four years, there would be two Presidents of the Commission. This is also very harmful for the institutions, and we must — now that we are gaining experience in this matter — avoid any repetition of this situation. We must avoid seeing the Commission, so to speak, 'fade away' over a period of years, with the setting up of a parallel system of consultation. Up to now there has been no danger of this, but at one time it was thought that the person who was to become President of the Commission should have a certain preparation period, firstly in order to learn the ropes and secondly in order to make useful contacts. This is what I have tried to do. You may or may not like it, but there it is.

The President of the Commission, that is to say the old Commission, relinquishes his duties on 5 January. The new Commission will not take up its duties before that time. I wanted to say, and I shall repeat it now, that in any case it was my intention not to stay in office for a single day after my official appointment although there is no legal incompatibility involved, as far as the period between 1 December and 5 January is concerned, but I intend to leave at the very latest on 1 December when I am appointed. Now you are asking me to leave earlier. I shall think seriously about this. I take note of what I have heard from various

sides and, conscious as I am of the mission I am about to undertake I shall try to reduce the interregnum to a minimum.

But let us now turn, in the interest of the institutions, to the task before us. Let it be quite clear between us that, how can I put it, the influence which the president-designate can bring to bear on the choice of Commissioners is very limited. Let us have the honesty to state this and accept the fact. You all know this as well as I do.

So, let us not use this argument when we know that it has little bearing on the matter and that anyway, quite apart from my personal situation, I shall do my utmost, like you, to ensure that the Community has — in particular from my own point of view — the best possible Commissioners. Unfortunately, this will not only depend on me.

Secondly, the Commissioners and the President of the Commission will be appointed on 1 or 2 December, not before. We shall not know their names beforehand. Immediately afterwards, I shall try, as my predecessor Mr Jenkins did, to bring them together and establish as quickly as possible — before actually distributing portfolios — the necessary team spirit.

You have been talking about the sharing out of portfolios, but, ladies and gentlemen, is there anyone in this Chamber who is not aware that one cannot discuss the sharing out of portfolios when one does not know who the Members of the Commission will be? Please remember that, until we know this, we cannot discuss portfolios — and do you know who is responsible for discussing the distribution of portfolios? The Commission itself. It will be the new Commission which meets to share out portfolios, and you in the European Parliament would surely not ask any designated, pre-designated, supposed or presupposed Commissioner to distribute portfolios when this is one of the basic prerogatives of the collegiate body, as has always been Parliament's wish. So there will not be any negotiations on the sharing out of portfolios before December at the earliest, and one might as well say before January. As for the Commission's programme, this must be worked out and defended on a collegiate basis. The personal power which, in some roundabout way, some of you seem to think the President of the Commission exercises, does not exist. Mr Jenkins can corroborate me. The President of the Commission does not draw up the programme, it is the Commission which does that. So, if we take these three points as our basis — and these are matters of fact which everyone in this House must be aware of — then nothing has happened to prejudice the new Commission's role or the relations between that Commission and Parliament. But, between now and January, contacts must be established. Believe me that in my view that whenever I step down as President-in-Office of the Council, the prospective President, or, to use the customary term, President-designate of the

Thorn

Commission, should establish contact with Parliament. Let me now reply to Mr Scott-Hopkins, who said 'We have not been consulted'.

What was the exact situation? I have a letter here from the President of Parliament, and I also have a letter from a group chairman on this matter. But, this letter was addressed to me in my capacity as President-in-Office of the Council, and I repeat, if only for the form, that this is a mistake! When I am asked for, I come, and I am here today, as you well know, not as the prospective President of the Commission. I am here on behalf of the Council of the Nine and you are asking the President-in-Office of the Council to give a reply which must be agreed upon with nine governments! And, whoever may occupy this seat tomorrow instead of me, this reply will be the same; it will be no. Do you understand? So, if I resign this evening, the only difference tomorrow will be that, when you ask the President-in-Office of the Council about a dialogue, the person who is here instead of me will reply on behalf of the Nine. It will be exactly the same, whatever his personal attributes, because the nine governments are not in favour of institutionalizing this dialogue. There remains the dialogue with the prospective President of the Commission. And here I can say as the person concerned, that I agree. Even Mr de la Malène, who is thought to be very strict on such matters, agreed that there could be contacts. And I am prepared to have contacts with all the Groups in this House to hear what they have to say, as well as with the Bureau of Parliament and the Political Affairs Committee, in order to listen to your concerns on priorities, problems, and the programmes we wish to draw up.

But I have said before and I say again, ladies and gentlemen, in this month of October our house is not in danger. Because I shall listen to you and I can give a number of strictly personal views, but only the Commission can share out the responsibilities, it is for the Commission to draw up a programme, and the institutionalized debate with Parliament will take place when the Commission has been appointed and has taken up its duties. Because it is only when a Commission has been appointed that it will come before you, as it is obliged to do, and set out its programme, and then you can give your official opinion. Until such time, any discussions will be unofficial. I am not speaking here on my own behalf but on behalf of the Nine Member States who, whatever happens, will not accept an institutionalized exchange of views, and no-one, particularly if he has not yet been appointed, can take on responsibility for the Commission as a whole. This is your only mistake.

But the fact is, as some of you have already said, that you do not want to see me wearing my President-in-Office hat! For myself I am quite willing to leave it in the cloakroom. But it would appear that just knowing that I have such a hat in the cloakroom worries some people. So let me say quite frankly that I do not want

this— although I am sure that I am in the right and that it does not make the slightest difference — to impede the working of the Institutions, and I shall reconsider my position, I shall see that this source of embarrassment which some of you seem to feel is removed as soon as possible. Believe me, I shall be at your disposal in the near future; I shall meet the Groups even in my present capacity, if they care to arrange a time, and I shall try to make things easier for everyone in the interests of relations between the Institutions.

I should just like to add a remark about the documents which have been circulating this afternoon. I should just like to ask that, if possible, documents of this sort be avoided. It is somewhat annoying to read at two o'clock in the afternoon that the President-in-Office of the Council's explanations were unsatisfactory when he had not yet started speaking at that time!

(Applause)

We are all men of good will; I accept that this is true of others, let them accept that it is true of me as well.

As President-designate of the Commission, I agree with you and I shall do everything in my power to ensure the best possible relations between Commission and Parliament and also, let me add, between Commission, Parliament and Council. I understand what you want. I have not only listened to you and understood what you had to say, but I shall attempt to make your job easier. As of now, I am prepared to reconsider my position. I shall give you my decision in the next few days.

(Applause)

President. — The debate is closed.

7. Order of business

President. — At the suggestion of the Commission and with the agreement of the rapporteur it is proposed that the rest of the debate on the report by Mr Newton Dunn on the protection of workers from harmful exposure to metallic lead (Doc. 1-453/80), which was scheduled for the beginning of tomorrow's agenda, be moved to the end of the agenda for tomorrow's sitting.

Are there any objections?

That is agreed.

8. *Urgent procedure*

President. — I have received from the Council requests for urgent debate pursuant to Rule 14 of the Rules of Procedure on the following:

- two proposals for regulations concerning agriculture in Northern Ireland (Doc. 1-314/80)
- proposal for a directive concerning agriculture in the French Overseas Department (Doc. 1-348/80)
- two proposals for regulations on fish stocks Docs. 1-350/80 and 1-433/80)
- proposal for a directive on taxes affecting the consumption of tobacco (Doc. 1-328/80).

The request for urgent debate is justified by the fact that the Council is required to take a decision on these matters before the end of the year.

I have also received from Members the following motions for resolutions with requests for urgent debate pursuant to Rule 14 of the Rules of Procedure:

- motions for resolutions by Mr Carossino, Mr Didò, and Mr Lega and others on the floods in Italy (Docs. 1-482/80, 1-495/80 and 1-478/80)
- motion for a resolution by Mr Combe on behalf of the Liberal and Democratic Group, on the floods in France (Doc. 1-485/80)
- motion for a resolution by Mr Deleau on behalf of the Group of Progressive European Democrats on the serious situation in the iron and steel industry (1-496/80)
- motion for a resolution by Mr Linkohr on behalf of the Socialist Group on energy policy and the threat to oil supplies (Doc. 1-490/80)
- motion for a resolution by Mr Glinne and others on the dispute between Iran and Iraq (Doc. 1-497/80)
- motion for a resolution by six political groups on the earthquake in Algeria (Doc. 1-491/80/rev.)

— motion for a resolution by Mrs Fullet on behalf of the Socialist Group on the disappearance and prostitution of young girls in refugee camps in South-East Asia (Doc. 1-494/80)

— motion for a resolution by Mr Blumenfeld and others on terrorist attacks in Europe (Doc. 1-493/80).

The reasons supporting these requests are set out in the documents themselves.

I shall consult Parliament on these requests at the beginning of tomorrow's sitting.

9. *Agenda for next sitting*

President. — The next sitting will be held, tomorrow, Thursday 16 October 1980, at 10 a.m., 3 p.m. and 9 p.m. with the following agenda:

- Decision on urgency
- Muntingh report on whale products
- Joint debate on the Schwartzberg and Hoffmann reports on air transport
- Fischbach report on credit insurance
- Pearce report on Community systems of generalized tariff preferences after 1980
- Clinton report on import duties on mixtures and sets
- Ligios report on the eradication of African swine fever in Sardinia
- Jürgens report on the destination of Community aid for rice seed
- Continuation of the debate on the Newton Dunn report on harmful exposure to lead

3 p.m. — Voting time.

The sitting is closed.

(The sitting was closed at 8.10 p.m.)

*Questions which could not be answered during Question Time, with written answers**Question No 60, by Mr Hutton (H-329/80): deferred**
* **Question No 61, by Lord Douro (H-349/80)*

Subject: Financial aid to Accession States

The Commission is proposing in the 1981 budget a specific aid to Portugal of 90 million EUA in commitments. Do the Council not agree that aid to the other accession state, the Kingdom of Spain, would also be desirable?

Answer

It is the Community's regular policy to treat each applicant for accession individually.

At its meeting on 7 October the Council agreed to grant pre-accession aid to Portugal, on the understanding that this aid could under no circumstances be used as a precedent.

The Commission has not placed before the Council a proposal for granting pre-accession aid to Spain nor has Spain submitted any request on these lines.

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* **Question No 62, by Lord O'Hagan (H-400/80): withdrawn**
* **Question No 63, by Mr Welsh (H-412/80)*

Subject: Renegotiation of the Multifibre Arrangement

Following the publication of a draft communication to the Council document 1/277/80 EN which concludes that the multifibre arrangement will be renewed for a further period after 1981, what plans does the Council have to consult Parliament before it approves the Commission's negotiating mandate and will it give an undertaking to seek Parliament's opinion before any new agreements are finalized?

Answer

As it has done in the course of negotiations on previous multifibre arrangements, the Council will, in the case of new arrangements apply the 'Westerterp' procedure, which is designed to ensure 'fuller participation by the European Parliament in the field of trade agreements'.

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* **Question No 65, by Mr Pedini (H-414/80): deferred**
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Question No 66, by Miss Quin (H-424/80)

Subject: Commission proposal on income support for workers in the shipbuilding industry

What progress has Council made in discussions on the proposal of the Commission, submitted to the Council on 1 August 1980, to provide assistance from the European Social Fund for income for workers in the shipbuilding industry?

Answer

The Council hopes to discuss the proposal for a Regulation to which the honourable Member refers, on 27 November 1980, if it has received the opinions of the European Parliament and the Economic and Social Committee by that time.

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Question No 68, by Mr Adam (H-434/80): deferred

Question No 69, by Mr Megahy (H-437/80): deferred:

Question No 70, by Mr Seeler (H-442/80): deferred

Question No 72, by Sir Fred Warner (H-446/80): deferred

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Question No 72, by Mr Kavanagh (H-451/80)

Subject: Disaster situation of small farmers in the Community

Will the Council examine immediately the very serious situation in which the majority of small farmers in the Community find themselves following the exceptionally bad weather of the past Summer, with a view to calling on the Commission to make appropriate proposals as soon as possible to alleviate the situation?

Answer

The Council is not unaware of the difficult situation facing certain small farmers in various areas of the Community as a result of the exceptionally bad weather at the beginning of the summer. It is of course willing to examine with all due attention any measures which the Commission might deem it should propose in order to cope with the difficulties mentioned and mitigate the hardship suffered.

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Question No 73, by Mrs Desmond (H-453/80)

Subject: Cuts in Regional Fund Aid to Ireland

Will the Council ensure that any proposed revision of the Regional Fund in view of Greek entry to the Community will not have the effect of reducing Ireland's share of this Fund?

Answer

The attention of the honourable Member is drawn to the fact that the Commission has not yet forwarded to the Council the awaited proposal for a revision of the ERDF Regulation concerning the establishment of quotas to take account of the accession of a new Member State to the Community.

The Council is therefore not in a position at this stage to comment on the question put by the honourable Member.

SITTING OF THURSDAY 16 OCTOBER 1980

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IN THE CHAIR: MR DANKERT

Vice-President

(The sitting was opened at 10 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

I call Mr Patterson.

Mr Patterson. — My comments refer to Question No 57 during Question Time yesterday, where the phraseology of the minutes is rather odd. I asked Mr

Thorn two questions and I am recorded as having spoken. This is followed by a question from Mr Hord and another from Mr Simpson which Mr Thorn is recorded as having answered. In fact, as I recall it, Mr Thorn answered all our questions in the same way, by nodding. Perhaps my questions could be recorded in the same way as Mr Hord's and Mr Simpson's or theirs in the same way as mine.

President. — You are right. It would be quite easy to correct that. Since there are no other comments, the minutes of proceedings are approved.

2. *Documents received*

President. — I have received from Mr Combe and others a motion for a resolution (Doc. 1-498/80), tabled pursuant to Rule 25 of the Rules of Procedure, on a European regulation for the profession of dental prosthetist.

President

This document has been referred to the appropriate committee.

3. Immunity of a Member

President. — I call Mr Sutra.

Mr Sutra. — (*F*) Mr President, ladies and gentlemen, I wish to make a personal statement to the House regarding events at the moment in my country. In July 1979 I took part in a pirate radio broadcast. I was indicted. The proceedings in my case were dropped by decision of the Chamber of Indictments to the Court of Appeal in Toulouse but proceedings are continuing against those who were charged with me, including five Socialist members of the French *Assemblée Nationale*, Mr François Mitterand, Mr Laurent Fabius, Mr Pierre Guidoni, Mr Raoul Bayou and Mr Gilbert Senes.

I informed the French Minister of Justice that Members of Parliament in my country were being denied parliamentary immunity and that proceedings in my case had been dropped, because by an oversight my parliamentary immunity had not been withdrawn. I am anxious that this Parliament of which I am Member be acquainted with the letter which I have sent to the Minister in France . . .

President. — I advise you to refer this matter, or to have it referred by me, to the Bureau of Parliament. We can hardly discuss it here. This is a matter for the Bureau. Are you in agreement?

Mr Sutra. — (*F*) Mr President, I had absolutely no desire for a debate. I wanted to inform the House of which it is my privilege to be a Member. If you feel that the information I have given is enough, I shall not read out the letter which I have sent to the Minister. At any rate, it has been given to the press and is available from today.

President. — I call Mr Glinne.

Mr Glinne. — (*F*) The working party on a Statute for directly elected Members of the European Parliament happens to be meeting today. Mr Sutra could no doubt make use of this opportunity to outline his case.

President. — Do you agree, Mr Sutra?

Mr Sutra. — (*F*) Entirely, Mr President.

4. Agenda

President. — I call Mrs Squarcialupi.

Mrs Squarcialupi. — (*I*) Mr President, I wanted to point out how in this Parliament there are first, second, third and even fourth-class debates. We began discussing the Newton Dunn report on harmful exposure to lead on Tuesday. Now it seems that the subject is going to be placed on the agenda as the last item today, which means that the debate will be continued in the evening and the voting will take place on Friday. A topic that could have been dealt with in an hour or an hour and a half is being spread over three days, which means that Members pay less and less attention to the matter. This is not the first time, Mr President, that health questions have been treated in this way and it shows that, as far as this Parliament is concerned, matters of health or people's welfare are rated second, third or even fourth class.

President. — Madam, I can only say that your remarks are justified, but I have to say at the same time that the report was put where it is now at the request of the Commission and with the approval of the rapporteur, and that is the normal procedure, and so you have to accept it.

5. Membership of committees

President. — I have received from the Group of European Progressive Democrats a number of requests for appointments to committees:

— Mr Fanton as member of the Committee on Agriculture;

— Mr Cousté and Mr Turcat, replacing Mr Fanton, as members of the Committee on Energy and Research;

— Mr Cousté as member of the Committee on Budgetary Control;

— Mrs Fourcade as member of the Committee on External Economic Relations;

— Mr Vie as member of the *ad hoc* Committee on Women's Rights.

Since there are no objections, these appointments are ratified.

6. *Deadline for tabling amendments*

President. — I propose that noon today be fixed as the deadline for tabling amendments to all the items for which urgent procedure has been adopted.

Since there are no objections, that is agreed.

7. *Decision on urgency*

President. — The next item is the decision on various requests for urgent debate. We shall begin with two proposals for regulations on agriculture in Northern Ireland (Doc. 1-314/80), which form the subject of the Barbarella report (Doc. 1-492/80):

I call Mr J. D. Taylor to speak on behalf on the European Democratic Group.

Mr J. D. Taylor. — Mr President, on behalf of the European Democratic Group and as a Member for Northern Ireland, I would like to commend this resolution to the House as a matter for urgent debate. It concerns some of the major sectors of our agricultural industry, particularly pigs and poultry. We had a national aid scheme which we now have to discontinue at the request of the Community. In its place the Commission now has this new regulation before the Council of Ministers. The Ministers have requested a decision this week so they can reach a decision themselves next week. I therefore commend the request for urgent debate and hope it will be supported unanimously this morning.

President. — I call Sir Henry Plumb.

Sir Henry Plumb, chairman of the Committee on Agriculture. — Mr President, speaking on behalf of the Committee on Agriculture, I wish to say that this proposal has been before the Committee on Agriculture. Mrs Barbarella reported to us on it. Both aspects of the report had the support of the Committee on Agriculture. Therefore I request urgent debate on behalf of the committee.

President. — I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda of today's sitting after the Jürgens report (Doc. 1-444/80).

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President. — We shall now consider the proposal for a directive on agriculture in the French overseas departments (Doc. 1-348/80), which forms the subject of the Cresson report (Doc. 1-489/80).

I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda of today's sitting after the debate on Northern Ireland.

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President. — We shall now consider the proposals for regulations on fish stocks (Docs. 1-350/80 and 1-433/80).

I call Sir Henry Plumb.

Sir Henry Plumb. — This matter again, Mr President, has been before the Committee on Agriculture. We are not yet in a position to prepare a report. Therefore we would request on behalf of the Committee on Agriculture that this be held over for debate at a later stage, hopefully at the November part-session.

President. — The chairman of the Committee on Agriculture has not supported the request for urgent procedure.

I put the request to the vote.

The request is rejected.

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President. — We shall now consider the proposal for a directive on the consumption of manufactured tobacco (Doc. 1-328/80).

The committee responsible has not yet been able to draw up a report on this proposal.

I call Mr Beumer

Mr Beumer. — (NL) Mr President, on 25 August 1980 this report was referred to the Committee on Economic and Monetary Affairs, as the committee responsible, and to the Committee on Budgets for an opinion. The Committee on Economic and Monetary Affairs appointed a rapporteur at its first meeting after the summer recess on 23 September. The rapporteur had exactly one week to get to know the subject, which of course has its controversial aspects. We are to deal with the subject at the end of the month, so

Beumer

that our report can be placed on the agenda for November.

President. — The rapporteur for the committee is of the opinion that the request should not be adopted.

I call Mr Deleau to speak on behalf of the Group of European Progressive Democrats.

Mr Deleau. — (F) Mr President, the Group of European Progressive Democrats feels that this proposal is important but asks that urgency be rejected because we do not think that at the moment we have enough information on this subject which is essentially technical. It is also a subject which falls well within the competence of this House and which deserves to be considered. Consequently, Mr President, ladies and gentlemen, I ask you to vote against the urgency of this proposal to amend a directive and to refer it — as was indicated just now — to the appropriate parliamentary committee, so that a report can be drawn up for consideration at a future part-session.

President. — I put to the vote the request for urgent procedure.

The request is rejected.

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President. — We shall now consider three motions for resolutions, tabled by Mr Carossino and others on behalf of the Communist and Allies Group (Doc. 1-482/80), Mr Didò and others (Doc. 1-495/80) and Mr Lega and others (Doc. 1-478/80), on the difficult situation facing farmers in Albenga.

Since the three motions for resolutions concern the same subject, I propose what we take a single vote on urgency.

I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda for the sitting of Friday, 17 October 1980.

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President. — We shall now consider the motion for a resolution (Doc. 1-485/80), tabled by Mr Combe and others on behalf of the Liberal and Democratic Group, on the floods in France.

I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda for the sitting of Friday, 17 October 1980.

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President. — We shall now consider the motion for a resolution (Doc. 1-490/80), tabled by Mr Linkohr and others on behalf of the Socialist Group, on energy policy and the threat to oil supplies.

I call Mr Galland to speak on behalf of the Liberal and Democratic Group.

Mr Galland. — (F) Mr President, on behalf of the Liberal and Democratic Group I should like to say in connection with this motion for a resolution that there are several reasons why we intend to vote against urgency.

Firstly, there is a reference in the preamble to this motion for a resolution to the threat to Community oil supplies from the Persian Gulf. This seems to us to link up with the motion for a resolution which Mr d'Ormesson rightly put before the House two months ago and which has now been incorporated in a new report by Mr Diligent. This is an extremely tricky problem which requires to be looked at very carefully.

Secondly, Mr President, there is reference in point 2 of the motion to the Community's energy budget for 1981. This is a matter which the Committee on Energy and Research has naturally decided to look into and there will be a debate on the subject in November. As for point 3 of the motion, which calls on the Commission to make immediate proposals for an action programme, Mr Davignon gave an undertaking to the committee two days ago on behalf of the Commission.

Lastly, Mr President, several members of the committee feel that it is vital to define a Community energy policy. This will be the subject of an oral question with debate tabled by the Liberal and Democratic Group. A big debate on energy is scheduled for January in this Parliament. This is not a matter which can be dealt with urgently on a Friday morning and without any preparation.

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

Mr Linkohr. — (D) Ladies and gentlemen, the conflict between Iran and Iraq is a particularly urgent matter. That is why two motions on this subject have

Linkohr

been tabled. One of them was signed in fact by all the political groups. It would not be very bright to separate the two motions and we want a debate today or tomorrow, whenever there is time, on Community oil supplies and how to cope with the crisis. There is a whole series of questions which have to be settled as quickly as possible. We have a crisis procedure in the Community which has never been put to the test. Since matters are not yet clear in this respect, it is up to Parliament to consider it.

We do not want the reduced oil flow and the resulting crisis for the Community to encourage those who are in favour of intervention in the Middle East. Oil should not be the cause of the Community or the Member States getting involved in military adventures. We therefore call for urgency.

President. — I call Mr Klepsch to speak on behalf of the Group of the European People's Party (C-D Group).

Mr Klepsch. — (D) I shall be brief. Our Group fully understands the reasons which prompted Mr Linkohr to table this motion. If we vote against urgency, however, it is because we hope that at the next part-session a group question can be tabled with a debate and that at the end a resolution can be adopted. I agree with the comments of the first speaker, who said that it would be inappropriate to discuss such an important topic for just a couple of minutes here in the House on Friday. In our opinion, urgency should be rejected, provided we all agree to have a proper debate on this matter at the next part-session.

President. — I put to the vote the request for urgent procedure.

The request is rejected. Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the appropriate committee.

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President. — We shall now consider the *motion for a resolution (Doc. 1-491/80/rev.), tabled by six groups, on the earthquake in Algeria.*

I call Mr Ansquer.

Mr Ansquer. — (F) Mr President, ladies and gentlemen, speaking as chairman of the European Parliament's delegation on relations with the Maghreb countries and on behalf of the members of this delegation, may I strongly urge the adoption of urgency in respect of this motion for a resolution? The disaster at

El Asnam has left the people in a desperate situation, and it is essential that this Parliament respond to urgent needs with all due promptness. I know that the Commission has responded swiftly with aid of a million EUA from unallocated funds. But I should like this debate to be an expression of our solidarity and I should like us to look at the means at the Community's disposal, both for immediate help and in the aftermath of the disaster. I am sure, too, that everyone in Parliament will think it sensible if the parliamentary delegation for relations with the Maghreb countries adds its support to this motion for a resolution and thus shows how it feels affected by the disaster. Our delegation has already done the groundwork for a meeting with the Algerian National and Popular Assembly, and it will feel bound to express its sympathy and solidarity with the Algerian people.

President. — I fully understand your wish to speak in your capacity as chairman of the delegation for relations with the Maghreb countries. As far as speaking time is concerned, however, I must put you down for the Group of European Progressive Democrats because, according to the Rules of Procedure, delegation chairmen are not yet allowed to speak on the subject of urgency.

I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, if there are any procedural problems, I am willing to point out that Mr Ansquer was speaking on behalf of the Liberal and Democratisation Group.

President. — Mr Bangemann, there are no procedural problems at all, but we must ensure that no precedent is set.

I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda for the sitting of Friday, 17 October 1980.

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President. — We shall now consider the *motion for a resolution (Doc. 1-493/80) on the terrorist attacks in Europe.*

I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

President

This item will be placed on the agenda for the sitting of Friday, 17 October 1980.

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President. — We shall now consider the *motion for a resolution (Doc. 1-494/80), tabled by Mrs Fuillet and Mr Glinne on behalf of the Socialist Group, on the disappearance into prostitution of young girls in refugee camps in South-East Asia.*

I call Mrs Fuillet.

Mrs Fuillet. — (F) Mr President, ladies and gentlemen, the abolition of slavery was an important milestone in the defence of human rights. I think we all agree with that. But slavery still exists. It exists today in countries where people barter little girls against rice or some other foodstuff. Such things are unacceptable. Who buys these girls? Pimps who force them into prostitution and who then make a fat living out of it. How old are the girls? Ten or twelve, or fourteen at the most. And where do they come from? From the refugee camps in South-East Asia.

Ladies and gentlemen, there are many Members who feel that after a year of this it has to stop. They have put their names to this motion for a resolution. It has been signed by the Socialist Group and also by Mrs Scrivener, Mrs Moreau, Mrs Fourcade, Mrs Martin, Mrs Squarzialupi, Mrs Macciocchi and Mr Caillavet. The final text has been amended. It is going to be available at any moment. Together, we ask you to vote in favour of urgency so that we can make known our revulsion and our indignation.

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

President. — I call Mr Purvis.

Mr Purvis. — Mr President, as you know, we have debated three times this year the problems of the refugee camps in South-East Asia on the basis of urgent motions. If indeed there is a problem of removal of girls from these camps, we want to establish the facts.

The United Nations High Commission would maintain that in fact there is no particular danger from the control camps, that in fact only 25 % of the children that arrive in these camps from Cambodia are girls, and this would explain the rather low percentage of girls in the camps.

I would recommend that this should not be taken as an urgent motion tomorrow. It should be referred to

committee, and we should do an in-depth study to see exactly what the problems are. There is a grave danger that we will rush to conclusions on the basis of emotion without getting at the facts. We must look at the facts, and I therefore, on behalf of this group, oppose urgency for today.

President. — I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda for the sitting of Friday, 17 October 1980.

I call Lady Elles on a point of order.

Lady Elles. — Mr President, I cannot see that this vote can be of any relevance because we have been told that we are going to have an amended text, so how can people vote on a text which they have not had? Were we meant to be voting on the text we have before us? I would like to have this clarified.

President. — Lady Elles, I think there is no problem on the text. We are only voting on urgency for the moment and we have decided that amendments can be tabled until 12 o'clock.

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President. — We shall now consider the *motion for a resolution (Doc.1-496/80), tabled by Mr Deleau and others on behalf of the Group of European Progressive Democrats, on the situation in the iron and steel industry.*

I call Mr Deleau.

Mr Deleau. — (F) Mr President, ladies and gentlemen, it was our Group which tabled this request for urgent debate on the iron and steel industry. For reasons of which you are all aware, the subject was given a good airing last Tuesday. It was agreed on Monday, at the meeting of the group chairmen, that a wide-ranging debate on the iron and steel industry would be scheduled as a matter of urgency for the November part-session and that our motion would be included. Given that promise, we withdraw our request for urgent debate.

(Applause)

President. — I note that the request for urgent debate has been withdrawn.

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President. — We shall now consider the *motion for a resolution (Doc. 1-497/80) by Mr De Pasquale on the conflict between Iran and Iraq.*

I call Mrs Castellina.

Mrs Castellina. — (I) Mr President, I wanted to say that I have nothing against an urgent debate on this matter but that it should definitely not be based on the motion which has been tabled. Each and every one of you knows — and there have been explicit statements to this effect — that we are dealing with an invasion of Iran by Iraqi troops. I think we should be setting a dangerous precedent if we adopted a resolution which failed to condemn this invasion in unequivocal terms.

Secondly, Europe has implemented a boycott against Iran. If we are willing to acknowledge the seriousness of the present conflict, we should be ready to lift this boycott.

For these reasons, I think it is quite impossible to have an urgent debate based on a motion of this kind.

President. — I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

This item will be placed on the agenda for the sitting of Friday, 17 October 1980.

8. *Regulation on whale products and whale hunting*

President. — The next item is the report (Doc. 1-451/80), drawn up by Mr Muntingh on behalf on the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-192/80) for a regulation on common rules for imports of whale products.

I call Mr Muntingh.

Mr Muntingh, rapporteur. — (NL) Mr President, all is not well with our natural environment. Wherever we turn in the world, we hear warnings of the disappearance of plants and animals and even whole eco-systems, and I am referring not to single plants or animals, but to stupendously large numbers. The

effects are the same as those of a nuclear war: hunger, misery, extreme social changes, poverty, despair and death. And if nature dies, man will surely follow.

Today's debate is concerned with one specific part of nature, namely, cetaceans, comprising 84 species, covering eight families and 28 genera. Whales are a very special kind of animal, being warmblooded mammals whose young are born alive, and are suckled and cared for by their parents most touchingly. They are playful creatures which talk to each other and help each other, cover enormous distances and can live to the ripe old age of 90 years. Whales are remarkable and intelligent creatures and their history is closely linked to man's own. They are true friends of man. There are all kinds of species and sizes of whales, the largest — in fact, the largest animal that has ever lived on this planet — measuring up to 30 metres or more in length, while the smallest is only a little more than a metre long.

Whales used to be found all over the world, in oceans, bays, inlets and estuaries. Nowadays, however, they have become rare. There used to be tens of thousands of bowheads, now there are only a few thousand left. There used to be tens of thousands of right whales, nowadays there are only a few hundred. There used to be several hundred thousand blue whales, the largest animal that has ever lived, whereas nowadays there are only a few thousand left. The same goes for the playful humpback whales and many other species. There are so few left of some species that one is led to wonder whether they can still find each other in the vast ocean expanses.

It is man — and more specifically, Western European man — who has brought these animals to the very verge of extinction. I am ashamed to say that the principal blame lies with the Dutch, together with the British, the Norwegians and later on the Americans. At the moment, it is mainly the Japanese and the Russians who are continuing the disgraceful work we started. As far as hunting is concerned, we in Western Europe may have grown wiser and be full of good intentions to help whales by affording them protection, but at the same time we are still gaily contributing to their extinction by polluting their environment with all manner of chemical and organic poisons, oil and radioactive waste. We have even gone so far as to make plans — as the ecocide we have been practising means that there are precious few whales left — to exploit the remaining whales' main source of food, krill, which will effectively reduce their chances of survival still further.

It is not without a sense of shame that we in the European Parliament are calling in our motion for a resolution for protection for whales. After all, we ourselves are to large extent responsible for the present situation. But that should not detract from the sincerity of our appeal. We have learnt from our past mistakes,

Muntingh

and we want to try to prevent others from making the same mistakes. That is why we are calling for an overall policy on the protection of whales, taking the form of a ban not only on the import of all whale products but also on commercial whaling in our waters, and reflected in a cautious and responsible attitude towards krill fishing and a policy aimed at putting an end to the pollution of the seas and oceans surrounding us with oil, chemicals, pesticides and radioactive waste. What, after all, would be the point of protecting the last whales in, for instance, the Mediterranean from whale-hunters, while allowing them to die out as a result of poisoning?

The Commission's proposal calls for an import ban on a large number of whale products. The Committee on the Environment, Public Health and Consumer Protection wholeheartedly supports this proposal, but feels that it does not go far enough. The committee believes that there must be an import ban on *all* whale products to show all the other countries in the world that the world's largest trading bloc intends its proposed measures to be taken seriously. Our proposed measures should reinforce the demands put forward by a majority of the members of the International Whaling Commission for a total moratorium on all whaling. As to the Commission's point that a total import ban would be inadvisable because of the impossibility, as things stand, of enforcing it, our reply is that we must first of all take the political step of imposing a total ban to make our intentions unmistakable to all the other whaling nations, and as a second step should do everything in our power to reinforce the political deed by further specific measures. I am sure no-one in this House seriously believes that it is not possible somehow or other to get around any legal provisions. That being so, it is surely better to impose a total ban, carry out an immediate check on as many products as possible, and then gradually reinforce the monitoring machinery than to impose a partial ban and only carry out whatever checks are feasible at present. The danger in this latter case is that we shall never get as far as imposing a total ban, and the trade in whale products will find new ways of getting round the ban, ways which are likely to have dire consequences for the remaining whales. The Committee on the Environment, Public Health and Consumer Protection also believes that in view of the deplorable state of the remaining whale population, the Commission's proposal to give the industry a year in which to make the necessary changes is too long. Six months should be quite adequate in view of the fact that substitute products are already available for all whale products and of the practice in industry of stockpiling well in advance whatever is thought necessary in the circumstances.

The imposition of a total ban at short notice should make it easier for the Commission to comply with another of the committee's wishes, namely, that economic pressure be applied to the whaling nations — in particular Japan and the Soviet Union — to get

them to put an end to their irresponsible whaling practices. We think it extremely important that, in view of the historical blame which attaches to them for the decimation of the whale population, the countries of the European Community should pull their full financial and economic weight in an attempt to protect the remaining whales, and we would urge the Commission to examine all possible ways of so doing. It is difficult for me at the moment to say precisely how we should go about this task, but I am sure that suitable possibilities are open to us in field of import or credit restrictions. For the time being, though, I should like to leave the choice of methods up to the Commission.

While I am on this point, I should just like to point out that the resolution adopted in 1972 at the Conference on the Human Environment, which called for the imposition of a moratorium on commercial whaling, has never been implemented. Mrs Van den Heuvel — and I am speaking now not only in my capacity as rapporteur but also as a member of the Socialist Group — has tabled an amendment urging renewed discussion of this moratorium in the context of Basket Two, to be discussed by the Conference on Security and Cooperation in Europe in Madrid next month. I believe this to be a good thing.

I should also like to point out to the Commission that two countries applying for membership to the European Community — Spain and Portugal — have close connections with whaling. Portugal is not even a member of the International Whaling Commission. Spain is a member, but does not adhere to the agreed quota, which is extremely annoying. It would be a good idea if the Commission were to use the negotiations on accession to make it clear to these two countries that they will be expected to put an end to their commercial whaling activities.

And, as Mrs Van den Heuvel said, would it not be a good idea for the Commission to appeal to the Spanish government — perhaps even as a kind of mediator — to get the Spanish authorities to release the international environmental organization Greenpeace's ship, the Rainbow Warrior, which has been held since 18 June? The Commission would be negotiating from a position of strength, as the Rainbow Warrior was intercepted by the Spanish authorities something like 60 nautical miles from the Spanish coast, which means it is debatable — in the light of the discussions at the Conference on the Law of the Sea — whether the ship was arrested in Spanish waters, and even if this were the case, I find the legal authority for the Spanish authorities' action somewhat dubious. The whale as a species — as opposed to an individual — cannot be regarded as a *res nullius*. The whale as a species is an inhabitant of this planet and I go along with Greenpeace in wondering whether Spain has more right to slaughter whales than Greenpeace has to afford the species non-violent protection.

Muntingh

There have been cases in which whales have saved people from death by drowning by keeping them above water, as they do with their own young. If only we could follow the whales' example! I fervently hope that we shall be able to repay the debt by saving the whales from extinction. If we do succeed in our aim, it will only be in the very nick of time. It is vitally important that the Commission's draft proposal, the European Parliament's resolution and the Council Decision on the regulation — incorporating the amendments this House would like to see made — should be implemented, and that the Commission should act on our resolution.

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

Mr Verroken. — (NL) Mr President, ladies and gentlemen, I should like to begin by congratulating the rapporteur and thanking him for his comprehensive, well-rounded and interesting report on the whale problem. The work he put in was far more than any of us had asked of him.

What precisely is the point at issue? The Commission has submitted a proposal for a regulation concerning an import ban on a specified list of cetaceans to be imposed by 1 January 1982. The European Parliament's Committee on the Environment, Public Health and Consumer Protection, on the other hand, has come out unanimously in favour of the imposition of an import ban on all whale products from 1 July 1981 rather than the Commission's proposed date. There were five factors which brought us to this conclusion: firstly, the motion for a resolution tabled by Mr Sherlock and others, putting the case for an immediate and general ban on all products; secondly, the opinion of the Committee on Agriculture, which also tended to favour a general ban in view of the fact that substitutes were already available for all whale products. The Committee on Agriculture also came out in favour of allowing trade and industry a reasonable period of adjustment.

As regards a ban on whaling — a problem which is outside the terms of reference of the regulation — the Committee came out in favour of granting an exemption for non-commercial whaling, thus going some way towards meeting the special case of Greenland. Thirdly, the Committee on External Economic Relations approved the proposal for a regulation, adding that a general ban would not affect the Community to any significant degree from the financial point of view. The countries most affected are the United Kingdom and the Netherlands, and to a lesser extent France and the Federal Republic of Germany. Fourthly, let us see what the Washington Convention has to say about this, and on this point, let me just remind you that the Committee on the Environment, Public Health and

Consumer Protection is currently studying a second proposal for a regulation on the Washington Convention, which seeks to impose a ban on all products. That being so, I wonder whether we are perhaps not duplicating work here. Why for instance, do we need two regulations? And if there is in fact no duplication of work, would it not be sensible for both regulations to agree on this point? Fifthly, what happened to Recommendation No 33 from the Stockholm Conference in 1972/73, calling for a general 10-year moratorium on whaling? In this respect, the International Whaling Commission has fairly consistently been guilty of evading the issue. In our opinion, a moratorium is something completely different from a quota system and the highly questionable policy of the 'most sustainable yield', which is what the IWC decided on. The only way the other countries which have failed to meet their obligations and the Community can conform to the terms of the recommendation is by imposing a total import ban on all whale products. The import of a single whale's tooth, a single whalebone or a single dollop of ambergris automatically implies the death of a whole whale.

Finally, let me say that my group not only supports the idea of a total import ban, but also feels that it would not be unreasonable to set the deadline at 1 July 1981 rather than 1 January 1982. So much for the draft regulation itself.

Let me turn now very briefly to the problem of the resolution, which is wider-ranging than the regulation due to the fact that it deals with many aspects over and above concern for the whale population. We endorse the appeal to Japan, the Soviet Union, Spain and Portugal to review their policy on whaling, and of course we share the concern about the pollution of our seas and oceans. As regards paragraph 15 of the motion for a resolution on krill fishing, we should just like to make the point that we should not forget the problem of world hunger. If it is true that krill are 16 % animal protein, and that a reasonable whale population needs more than 100 000 000 tonnes of krill per year; if it is true that the present whale population — particularly the endangered species — has been reduced from 600 000 to something like 6 000; in other words, if it is true that the whale population has been reduced to only 1 % of its normal size, it will take dozens and dozens of years to bring it back to a normal level, which means that there are in the meantime tens of millions of tonnes of krill potentially available. Subsequently we shall be faced with a serious moral dilemma, but in any case, the question of world hunger must always be given absolute priority.

(Applause)

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

Mr Sherlock. — Mr President, I am afraid my colleague Stanley Johnson has not yet arrived from the airport. I must say — beginning as I am sure he would — that when, at the very first meeting of this Parliament, my colleagues, Stanley Johnson, Miss Hooper, Mr Newton Dunn and myself signed our request for a ban on the import of whale products in the hope of putting an end to this terrible trade, we welcomed the first useful step in this direction which was the appointment of our greatly respected colleague, Mr Muntingh, to prepare the report on this subject. We knew that he would approach it with his customary care and thoroughness and a genuinely inspired love for the creatures he was setting out to protect.

Mr Muntingh has already given ample demonstration this morning of what our committee believes is the right approach, and we can give him wholehearted and complete backing, both for the honesty of that report and for the way in which it accurately reflects our committee's opinion.

There is some small anxiety remaining with regard to some small remote communities where any prohibition on catching a limited amount of whales on basically a non-commercial scale might be considered to be interfering too much with their way of life, especially as some of them are members of this Community. There may be at times some technical difficulty in the identification of products which are so far removed from their original source that their positive identification could present problems.

I am asking Parliament to give its support so that we can lead the way on this topic as we have on so many other similar topics and give the threatened cetacean species a better chance for survival than they would have without our help.

(Applause)

President. — I call Mr Coppieters.

Mr Coppieters. — *(NL)* Mr President, I should like very briefly to say a few words on the amendments I have tabled. First of all, though, I should like to express my admiration for this report we have before us and for the introduction we heard this morning from the rapporteur, in which he showed a good deal more respect for, and love of, nature, than many others show when they are talking about people.

My amendments have a twofold purpose. The first one seeks to give the Commission's proposals rather more bite by giving Spain and Portugal less leeway and introducing this package of measures into the accession negotiations rather than waiting for the date of formal accession. It also calls for pressure to be brought to bear by the parliamentary delegations for relations with Spain and Portugal. The other amend-

ment attempts to counter one of the arguments for whaling, namely that whale oil is essential in the manufacture of industrial lubricating oils. A large number of whales fall victim to this trade, whereas we know, that — particularly in the countries associated with the Community under the Lomé Convention — the jojoba plant thrives and is an acceptable substitute for whale oil. The Community could set up an interesting project in this respect in conjunction with the associated countries, and would at the same time invalidate one of the main arguments for whaling. I hope that these amendments will be acceptable to the Commission and the rapporteur and that they will meet with the House's approval.

President. — I call Mr Lyngé.

Mr Lyngé. — *(DK)* Like everyone else here I listened with great interest to Mr Muntingh's introduction to his own report, which he has put so much work into. We Greenlanders take a different view entirely. I should like to point out that we in Greenland note with increasing concern the traditional Europe whaling nations' interest in taking administrative steps on our behalf to make it impossible for us to hunt our quarry. After centuries of ruthless exploitation of our whales, as a result of which bowheads — to take an example — have been brought to the very brink of extinction, we are now faced with a proposal which we fear boils down to imposing a total moratorium on all forms of whaling, a policy which would strike to the very heart of a thousand-year-old culture. We Greenlanders have always gone out whaling. Whalemeat accounts for an important part of our daily diet, and our whaling activities have never threatened whale populations. Nor do we have the slightest desire to kill off the whale altogether. But that apparently does not matter. We are apparently to refrain from our disciplined and sensible practice of exploiting our resources.

European imperialism has adopted many guises over the century, but we shall certainly not tolerate a new and more subtle form of administrative imperialism in our own waters. The European Community is empowered — by virtue of the Treaty of Rome — to issue regulations on commodities concerning the Member States, in this case whale products. But beyond this, the European Community has no right to get involved in the formulation of a whaling policy. That being so, there are a number of points I feel strongly about and which I should like to make on this proposal before us. I have — together with the Danish Members of my Group — tabled a number of amendments to Mr Muntingh's motion for a resolution, and I should like briefly to explain the point of these.

As regards the first, our proposal is that the 12th indent of the preamble be deleted on the grounds that, according to the International Whaling Commission's

Lynge

information, the sperm whale is no longer an endangered species.

Our other amendment is of enormous importance to us in Greenland. Both the Greenland *Landsstýri* and the Danish government have clearly and unambiguously inclined to the view that, apart from its interest in the trade in whale products, the European Community has no power to get involved in the formulation of a whaling policy. Such a move is quite simply not provided for in the Treaty. We must therefore resist any request on the part of the Commission for us to get involved in what really belongs to the work of the International Whaling Commission. All the European whaling nations are, after all, represented on the International Whaling Commission, and that should surely suffice. We therefore propose that paragraphs 2, 3, 4, 5, and 8 of the motion for a resolution be deleted, that the words 'Commission, Council and' in paragraph 10 be deleted, along with the words 'on the basis of the measures taken by the Community' in paragraph 17. We should like to see paragraph 11 deleted on the grounds that the idea of giving the Member States *carte blanche* to enact national legislation at their discretion which is more stringent than that provided for in the Convention would be a dangerous step to take from our point of view. For instance, on 4 September this year, the Netherlands imposed a total ban on imports of sealskin products of any kind, despite the fact that seals as a whole are by no means an endangered species. This action is in contravention of Articles 30-34 of the Treaty of Rome and is having a serious effect on seal-hunting in Greenland, which is in fact blameless. This is an unfair and quite absurd situation, which can in no circumstances be tolerated.

We should like to see paragraph 18 deleted on the grounds that the question of marine mammals should rightly be dealt with together with marine resources. This is true of whales and of seals, which are currently being discussed by the Committee on the Environment. Hunting seals and whales is a legitimate occupation as far as we in Greenland are concerned, an occupation to which there is no alternative, but this aspect is at present being neglected, and is not regarded as a legitimate occupation. The Greenlanders are simply being made an object of fun, as this House refuses to recognize whaling as a legitimate occupation. We therefore think that paragraph 18 should be deleted.

We should also like to see paragraph 19 deleted, and we have made this point in writing, which I should now like to change orally by amending Article 1 (1) of the amended text of the Commission's proposal to read: 'with the exception of imports into Greenland of teeth and bones of whale'. The justification for this proposal is that these byproducts are an element in traditional folk handicrafts in Greenland. Such imports can never ever attain the kind of level likely to affect the true extent of whale-hunting.

Finally, I should like to tell the House that the Greenland *Landsting*, the local parliamentary institution in Greenland, at a meeting held only a few days ago, came out unanimously — that is, with the support of all shades of political opinion — against the Commission of the European Communities becoming involved in the International Whaling Commission. This is one area in which the Community's powers must not be extended.

IN THE CHAIR: MR ROGERS

Vice-President

President — I call Mr Burke.

Mr Burke, Member of the Commission. Mr President, I would like to join with those speakers who congratulated the rapporteur on the excellent quality of his report which deals not merely with the role of whales in the marine ecosystem, but also contains a large number of suggestions for Community measures to protect these species and combat marine pollution. I am glad to note the large measure of agreement between your rapporteur and the Commission on the worrying situation of the large whale species and the need to stop importing whale products, the use of which encourages commercial whale hunting, which has already pushed certain stocks and species to the brink of extinction and which is jeopardizing others.

The Commission feels that knowledge of the state of conservation of most of the whales is so inadequate that it seems indispensable to end commercial exploitation which could endanger the populations of the various species and bring about a permanent change in the ecological balance of the sea. The Commission therefore hopes that, in the light of Parliament's opinion, the Council will take a decision on the draft regulation as soon as possible. Parliament is aware that the Council already expressed a favourable attitude to this measure at its meeting of 30 June.

As regards the products in question, the Commission has proposed a plan for the commercial importation of the main whale products. With the exception of some which do not appear to provide much incentive for hunting, these are chiefly primary products. On the other hand, the Commission's proposal also includes leather treated with whale oil. It does not, however, include other secondary products like leather articles containing sperm oil, cosmetics and lubricants containing whale oil, pet food and many other goods containing primary whale products. The Commission felt that there should be some limit on this list of principal products, at least as a first step. It could indeed prove too difficult and too expensive to extend the controls to all goods containing whale products.

Burke

However, in view of the European Parliament's opinion, the Commission is ready to include immediately in the list the most important secondary products, that is to say Chapter 42 of the Common Customs Tariff articles of leather such as handbags and saddles, Chapter 43, fur skins, raw or tanned, and Chapter 64, footwear. Moreover, in order to reinforce the proposed measures at a later date, if necessary, or avoid problems which could arise in connection with the distortion of competition, the Commission is currently examining what other secondary products, that is to say products containing primary products, could or should be added to this list.

Now, in the light of the findings of this examination, the Commission will, if necessary, propose this additional measure, which could be submitted to the Council before the entry into force of a system of import authorization. At present it is convinced that it is more important to reach a quick decision on the current proposal so as not to delay the deterrent effect that this decision will have on users.

As regards the transitional period up to 1 January 1982, proposed in order to permit a system of authorization to be set up by the Member States and to enable users of these products to switch to alternative products, the Commission considers that the deadline is the shortest possible for this purpose and that it is also reasonable from the whale conservation angle. Regrettably, it does not feel that it can follow the rapporteur's opinion on this point.

As regards the development of an overall strategy to protect whales, the Commission will examine this problem in detail as part of future measures. For the present the Commission proposes that the Community participate in most of the international conventions for the conservation and management of whales — International Convention on the Regulation of Whaling; Convention on the Conservation of Migratory Species; Convention on the Conservation of Antarctic Marine Living Resources; Convention on European Wildlife and Natural Habitats.

The Commission has just sent to the Council a proposal for a regulation concerning the uniform application in the Community of the Convention on International Trade in Endangered Species of Wild Fauna and Flora. This proposal goes further than the provisions of the convention as regards the control of trade in whale products. The aim would be to incorporate the regulation we are discussing today into the broader regulation on the application of the Washington Convention in order to avoid any pointless administrative duplication. In its recommendation to the Council of Ministers concerning the Community's participation in the International Whaling Convention, or a revised international convention which may replace it, the Commission advocated a ban on the hunting of endangered cetacean species, except for hunting by coastal populations which traditionally

depend on such activities. This means that, in the Commission's view, the hunting of whales by Greenland Eskimos for the purpose of securing their own nutritional needs should be allowed, subject to such restrictions as may be needed to prevent the extinction of the species concerned.

Future Member States of the Community will have to comply with Community law once they accede to the Community, subject to possible transitional arrangements which might have been provided for in the Accession Treaties. The Commission is examining the need for measures to regulate whaling in waters where the Community is responsible for conserving living resources. The Commission is also examining the suggestions that it should ensure that Japan and other countries engaged in whaling impose a moratorium on whaling and that it should recommend krill conservation measures during the negotiations on the Convention on the Conservation of Antarctic Marine Living Resources. The Commission wishes to state that it has devoted all its attention to the fight against sea pollution as part of the second environment action programme and that the activities pertaining to this are continuing, as the rapporteur and the House know.

Mr President, I think it might be helpful if I was very briefly to give, as is usual, an indication of the Commission's view on the particular amendments. Some of these have already been covered in my remarks. Take Amendment No 1 by Mr Coppieters. I have already referred to that in my speech, so I do not need to repeat myself.

In regard to Amendment No 2, I would point out that the liquid wax contained in the seeds of the jojoba shrub is indeed a potentially valuable substitute for sperm oil and could have promising prospects as a cash crop in arid areas. At present, however, no commercial plantings are sufficiently mature to provide information about promoting its cultivation on a large scale. Some attempts to introduce this crop in Kenya some years ago resulted in complete failure. The plant is, in fact, not yet domesticated and basic research into agronomy, plant breeding, pest and disease control, cultivation techniques and economic aspects must be undertaken before any development programme can be considered. This research might last several years. Community aid does not in general allow for this kind of long-term scientific programme, which anyway would have to be requested by the recipient countries. In these circumstances the Commission is obliged to leave this field to the Member States' bilateral aid programmes. At present the United Kingdom Government is in close contact with research organizations in the United States of America, Mexico and Israel dealing with this basic research. As soon as concrete and relevant progress is achieved in the technicalities of this crop the Commission might consider the financing of projects to develop it, provided that such proposals were submitted by countries receiving Community aid. I have referred to the material of Amendment No 3 in

Burke

my speech. I would indicate that the Commission is open in relation to Amendment No 4. In relation to Amendment No 5, the Commission will pay close attention to this suggestion and is prepared to discuss the possibilities for a Community proposal on this matter in the coordination meeting in the Council which will be held before the Madrid Conference. The Commission is open on the question raised by one of the speakers. I would indicate that in regard to Amendment No 6 we have no information on the legal aspects of the arrest of the 'Rainbow Warrior' and we do not see immediately how we could make formal representations to the Spanish authorities.

I would have to indicate disagreement in regard to Amendment No 7. It is the Commission's opinion that commercial whaling has already pushed certain species and stocks to the brink of extinction and is at present jeopardizing others. This is one of the bases of the proposal concerning the imports of whale products. Amendments Nos 8 and 9 I will take together. I would indicate here that the Commission disagrees. The Commission already proposed Community participation in the main international conventions dealing with the conservation of cetaceans and will examine the development of an overall strategy in detail as part of future measures, as I have mentioned already in my speech.

In regard to Amendment No 10, as I have already mentioned, the Commission is examining the need to regulate whaling in Community waters, so I would have to register disagreement here. Again I would have to disagree on Amendment No 11. The Commission already advocated a ban on the commercial hunting of endangered cetacean species in its recommendation to the Council on Community participation in the International Whaling Convention, as I mentioned in my speech, and took the same position in its proposal to the Council for authorization for the Commission to negotiate on behalf of the Community for the establishment of the Convention on the Conservation of Antarctic Marine Living Resources.

In regard to Amendment No 12, as referred to in my speech, the Commission is prepared to examine the suggestion contained in paragraph 8 of the report, which examination will of course cover the possibilities for representations to all remaining whaling nations, so I would have to say no to that amendment. In regard to Amendments Nos 13 and 14, the Commission is open,

In regard to Amendment No 15, I would agree. The position of the Commission in regard to these amendments has been referred to in my speech already.

With regard to Amendment No 16, I would have to say no here. I would indicate to Parliament that there is no point in only urging the governments of the Member States to make use of all means available under international conventions. Both the Council and

the Commission have to play an important role in this respect. Finally, as regards Amendment No 17, I would say that the Commission's view here is relatively open, as already referred to in my speech.

I think, Mr President, that I have covered as best I can the various points made in the course of this debate and I would commend the House for its interest in this very important subject.

President. — I call Mr Muntingh.

Mr Muntingh, rapporteur. — (NL) Mr President, I have one question and one remark to make to the Member of the Commission. As for my question, I did not quite catch the Commission's reply to Amendment No 6 tabled by Mrs Van den Heuvel on the question of the Rainbow Warrior. Perhaps Mr Burke would be so good as to repeat his reply.

I should like to go on to say to Mr Burke that I appreciate his remarks. There is, in fact, a large measure of agreement between the Commission and the Parliament. Nonetheless, as spokesman for the Committee on the Environment, Public Health and Consumer Protection, I feel that he did not go far enough in his reply, and we are bound to stick to our original contention that the Commission could make things so easy by simply imposing a ban on all imports of whale products. That would be the simplest solution, and, politically speaking, it would be a much sounder way of protecting whales. I have to say therefore that I cannot share the Commission's view.

There is one final remark I should like to make to Mr Lyng. I must say that I am extremely disappointed at the attitude of the Danish Socialists, and of the Danes in general, because I modified my report after consulting Mr Lyng by replacing 'whaling' by 'commercial whaling'. As I said, I did this at the express request of Mr Lyng, which necessitated changing the whole report. And now Mr Lyng comes along with these amendments. In the circumstances, I have to say that I must unfortunately reject them.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, in regard to the second part, I would say that I have noted the position of the rapporteur. It is a matter of regret that the Commission cannot perhaps move as far and as quickly as Parliament would wish, but nevertheless we have taken a number of steps and will continue to do so. So we must register disagreement on this point, while accepting the urgency of the matter.

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What I said about the question of the 'Rainbow Warrior' was that the information available to the Commission in regard to the legality or otherwise of the action taken by the authorities of the State to which the rapporteur referred is not quite clear. The Commission, not being as yet in possession of all the facts, is unable to make a judgment as to legality and therefore is not able at this stage to indicate to Parliament whether or not it is possible for us to take action. However, I shall have the matter further studied and perhaps be in touch with the rapporteur and the committee on this point.

President. — The debate is closed.

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

9. Air transport

President. — The next item is a joint debate on the report by Mr Schwartzberg, on behalf of the Committee on Economic and Monetary Affairs, on restrictions of competition in the air transport sector (Doc. 1-724/79), and the report (Doc. 1-469/80) by Mr Hoffmann, on behalf of the Committee on Transport, on the

Memorandum of the Commission on the contribution of the European Communities to the development of air transport services.

I call Mr Schwartzberg.

Mr Schwartzberg, rapporteur. — (F) Mr President, ladies and gentlemen, the report which I am proud to be able to submit to you today is an own-initiative drawn up by the Committee on Economic and Monetary Affairs and stems from a motion for a resolution tabled in 1978 by Mr Kofoed on restrictions of competition in air transport. Briefly, this motion for a resolution asked that the Commission of the European Communities carry out a survey of the competition situation in the aviation sector and draw up a common aviation policy which would meet the need for lower transport costs, a more transparent fares structure, and efficiency in Community air transport.

The Commission met this request, at least in part, by presenting during last year an extremely detailed memorandum on the European Communities' contribution to the development of air transport services. This document contains, in particular, an analysis of the market situation in air transport and a series of suggestions for remedying some of its shortcomings. The Commission's memorandum was itself a follow-up to the judgment handed down on 4 April 1974 by the European Court of Justice, laying down that the

rules governing competition are applicable to air transport.

Lastly, Parliament's Committee on Transport undertook a wide-ranging study of the Commission memorandum and today submits its draft report on this problem, signed by Mr Hoffmann, which I am pleased to be able to say is very close in spirit to the original thinking behind my own report.

The question of competition in air transport was discussed by the Committee on Economic and Monetary Affairs in 1978 and 1979 and on 23 and 24 January last. The report which is before you today was only adopted after extensive discussion which, unfortunately from my own point of view, showed up differences of opinion within the Committee on Economic and Monetary Affairs as to the direction Community air transport policy should take. This led me to abstain during the voting. Consequently, I will have no trouble in commenting on the first two parts of this report, that is the market study, which notes certain shortcomings in competition, and secondly the conditions needed to increase competition in the air transport sector. On the other hand, on the general policy guidelines for air transport in the Community I shall set out, with your permission, the two opposing theories, including the one supported by a number of my fellow Members who advocate 'across-the-board deregulation', to use the hallowed expression, a notion which I cannot subscribe to since, in my original draft I had tried on the contrary to strike a balance between the principles which have governed the organization of Community air transport up to now and the necessary increase in competition which I personally want to see controlled.

Thus, the first point made in this report is that some increase in competition in air transport is necessary. Let me briefly sum up this aspect of the report. We are all familiar with the Community air transport market. And for many of us, as Members of the European Parliament, this is virtually part of our everyday life, since we are heavy users of airlines, almost what one might call the champion consumers of this means of transport.

The fact is that the present air transport system, which is mainly based on bilateral agreements between companies and governments in Member States, often leads to excessively high fares. This is true. In the Community air fares are generally relatively high. This can be illustrated by the fact, as a Member of this House pointed out during a recent debate, that it is almost as cheap to go from London to Copenhagen via New York as to buy a direct ticket from London to Copenhagen. This clearly shows that action is needed to ensure that air transport does not remain the luxury of the privileged few but becomes much more democratic and readily accessible to the largest possible number of European citizens. Making air transport

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more readily accessible would also fit in perfectly with the aims of the Treaty of Rome, since Article 2 of this Treaty expresses the desire to see closer relations established between the States belonging to the Community.

Ladies and gentlemen, Europe cannot be built without the citizens of Europe, without contact between the inhabitants of our nine countries becoming closer, more frequent and easier. Making air transport more democratic also means bringing the Community home to people in Europe, as a more unified Community; it means breaking down barriers in Europe and stimulating the move towards unity. The first six paragraphs of the motion for a resolution therefore stress the need for increased competition in Community air transport.

I now come to the second main aspect of this report. If we need to increase competition, what we must do in concrete terms is to emphasize the three major changes which would contribute to this. These three conditions are set out in the interesting and constructive report by the Commission of the European Communities and I have restated them in my draft report, with further details as appropriate. The three conditions are: a certain amount of opening up of markets, a more flexible fare structure, and lastly eliminating technical and administrative barriers.

Let us look at the problem of opening up markets, firstly for scheduled air services. One of the suggestions made in the Commission memorandum is that an airline company should be able to open a new route to a new destination or provide an existing service at a lower fare. The memorandum suggests that traffic rights could be applied for and granted for such operations, provided, naturally, that operating these services did not cause difficulties of noise, pollution or airport congestion. Secondly, for non-scheduled services the memorandum recommends that the procedures for authorizing them should also be made more flexible, so that users would be able to choose from a wider range of cheap fares.

The second condition which must be created, or which we must work towards, is that of making the fare structure more flexible. As the general fare structure stands, it is a mass of special fares which resembles an impenetrable tangled thicket and is quite incomprehensible for most consumers, who are lost in this maze and can't find their way through it unless they happen to have the superior skills of a Sherlock Holmes. Therefore, in the interests of the consumer, precedence must be given to simplifying the fare structure and making it clear and understandable. In future, rates must be as simple as possible and the terms must be comprehensible to all consumers.

On the actual means of making fares more flexible, my report basically takes up the suggestions put forward in the Commission memorandum, that is the introduction of special rates on condition that the fare is paid

in advance, introduction of an off-season rate, introduction of a ticket covering the journey alone without additional services, creation of a European round-trip ticket and general application of standby fares. However, I did not include in my report the proposal made in the Commission memorandum for the introduction of a third class, since this appeared to me to be highly undesirable from a social point of view at a time when we should conversely be trying to even out living standards within Europe.

The third objective is that of eliminating technical and administrative barriers. The fact is that the administrative and technical differences between regulations in various Member States push up costs and create distortions of competition. It is therefore desirable to harmonize technical standards for aircraft, pollution limits and rules on staff working conditions so that airlines can have the same operating conditions and be subject to identical safety standards and tax liabilities.

So much, ladies and gentlemen, for the first two parts of the report. Now, I shall conclude by speaking about the third part of the report which is where the problems lie, i.e. the basic concept of air transport policy, which gave rise within the Committee on Economic and Monetary Affairs to a clash between two quite different points of view.

There are in fact two ways of looking at competition in air transport. Some people are in favour of increased competition, but believe that this should be reasonable, gradual and balanced, in a word that it should be controlled competition introduced carefully and by stages. Others, on the other hand, are in favour of total, all-out competition, even the law of the jungle. This is what the discussion is about and where the difficulty lies.

A number of my colleagues on the Committee, whilst supporting the general lines of my original draft wanted to see this report state more explicitly what role the private companies can play in increasing competition. I accepted this point of view, and the motion for a resolution, in its present form undeniably bears the stamp of my desire to reach a compromise on this matter. Thus, paragraph 5 stresses the role of independent companies. Paragraphs 7 and 11 contain a number of measures aimed at giving them easier access to the market. Lastly, paragraph 14 asks the Commission to ensure that companies make their financial situation fully transparent. Although they are justified in themselves, these amendments to my original report would no longer be acceptable if they were seen as the first steps towards a more general policy of rapid deregulation.

This is why I personally — and this is strictly my own view — am quite unable to back the amendment which has totally distorted the original version of paragraph 3 of the motion for a resolution and has added

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to it the words 'and urges the Commission to work for a steady process of deregulation'. This amendment completely upsets the balance of my original report, and profoundly changes the spirit of it. There was in fact in my original report no suggestion whatsoever of overall deregulation. Quite the contrary, because it supported increased competition, but in a controlled, gradual and balanced way. I feel that across-the-board application of all-out competition to air transport would be risky and dangerous. It might well, for example, jeopardize some of the social, regional and safety requirements which must at all costs continue to be taken into account. This is why I insisted upon maintaining the words of warning I had included in paragraph 19 of the motion for resolution. The desirable increase in competition 'should not cause a disruption of air transport services which would be prejudicial to users'.

Surely it is plain for all to see that if the market were thrown open to unbridled competition between companies, then some uneconomic routes serving outlying and less prosperous regions would very quickly be dropped or have their service reduced. However, these routes, which are often barely profitable or even lose money, these services for a small number of passengers, are important for the economy of our Community. The temptation would be for companies to vie with each other on the high passenger-density routes and more or less drop routes which showed no or little profit. They would be sorely tempted to cream off the profitable routes whilst leaving aside the others. This temptation would particularly be strong for private companies which are not obliged to provide a public service. In the United States, in the last two years, since the Airlines Deregulation Act came into effect on 29 October 1978, 11 regional routes have been dropped.

Overall application of all-out competition would thus be likely to hit regional and inter-regional routes, and thus affect the very future of Europe's regions. So, we must make allowance as the Commission so wisely did in its memorandum, for the Member States to continue granting financial aid under Articles 92 and 93 of the Treaty to companies which are obliged to provide a public service. It is also essential to point out that implementing all-out competition might jeopardize the quality of the services provided and perhaps even passenger safety. I am putting this a little strongly, but what I wish to get across is that it is essential to take account of the fact that during certain peak periods air corridors are already overcrowded, and that the capacity of airports is itself stretched to the limit at certain times. I would add that all-out competition without any restrictions might also harm the employment situation, the future prospects and the social protection of airline personnel. Job security must be one of our priorities, as should cooperation with the personnel of the airlines under consideration. Lastly, total all-out competition without any restrictions might well lead to an increase in the discharge of

pollutants into the environment and to excessive energy consumption at a time when energy is a rare and expensive commodity.

As a result, ladies and gentlemen, I feel that the public would not appreciate it if, in abandoning air transport entirely to the play of market forces, the European Parliament ignored the role airlines have to play in providing public services, or disregarded the importance of passenger safety and the future of Europe's regions and of airline personnel. This is why I agree with the Commission memorandum when it states that 'a completely deregulated market would lead to a chaotic situation'. This is why I personally cannot accept the amendment to paragraph 3, which completely alters the spirit of my report by asking the Commission to aim at a steady process of 'deregulation'. This is a basic clash of opinion which led me, in committee, to abstain from voting so that today, likewise, I am obliged to dissociate myself from this report, which I should have liked to be able to present both on behalf of the Committee on Economic and Monetary Affairs and on my own behalf. It is the duty of the rapporteur to be the faithful echo of the majority point of view in his Committee. It is not, however, his duty to vote — and call up on his fellow Members to vote — against his own conscience. However, I should like to think that some compromise can still be reached. After all, ladies and gentlemen, an amendment can itself be amended. So, I sincerely hope that certain amendments before us, which are very useful, will enable this report to revert to its original spirit, which was that of increased competition, but gradual, balanced and controlled competition. Were this not to be the case, I would regretfully be forced, for my own part, into not voting for the report which bears my name.

President. — I call Mr Moreland on a point of order.

Mr Moreland. — Mr President, my first point is that many of us are interested in hearing the whole of Mr Hoffmann's remarks.

Second, I hope, whatever our view on this subject, that we will insist in future that a rapporteur sticks to presenting the views of his committee and does not go off on his own personal views. It is very confusing.

President. — I think it is for the committee to do this rather than the House; the rapporteur presents a report which is drawn up on behalf of the committee but, quite obviously, if a committee alters the report to such an extent that the rapporteur has reservations, then he also has the right to say so.

I call Mr Hoffmann.

Mr Karl-Heinz Hoffmann, rapporteur. — (D) Mr President, ladies and gentlemen, I should like first of all to thank Mr Schwartzenberg for having allowed us to deal with his report on competition in air transport today. I am largely in agreement with what he had to say.

The report was approved by the Committee on Transport, after four hearings with people who participate in European air transport and after some very intense discussions, by 13 votes in favour, 1 against and 5 abstentions. At the start, the points of view expressed in the Committee seemed to be in direct opposition like two sides in an ideological conflict. On the side were the revolutionaries, who are of the opinion that unbridled competition ought to be established in the Community immediately, whilst on the other side were all those who wished to keep the tried and tested structures of European air transport and thought that decisions on competition should be taken and implemented gradually and without upsetting the balance of the market.

(Laughter)

Now, after lengthy discussion, the two stances have gradually drawn closer together so that there is no longer such a blatant split as at the start.

I should venture to say that one of the reasons for this drawing together of our opinions was the outcome of the experience of unrestricted competition in the United States from October 1978 to October 1980. The last two years have shown, after the surprisingly gratifying results initially obtained, such as larger passenger volume, a drop in fares and higher employment, that these improvements did not carry on into the second half of 1979 and in 1980. Passenger volumes rapidly decreased, air transport fares rose during the last few months by 30 %, many airlines went into the red, regional air links in the USA were either dropped or had to be granted aid, and employees lost their jobs.

Not least because of the way matters developed in the USA, the Committee on Transport puts forward the view that the decisions on competition contained in the Treaty of Rome cannot be applied without certain exceptional provisions being included. Compared to the United States, European air space is extremely compartmentalized. In the European Community no single economic, financial, tax or socio-political system is yet in sight, and the cost of air traffic control and of fuel, as well as landing and freight charges are far higher. In addition, because of the ban on night landings and detours which can be attributed to the lack of cooperation between civil, national and military authorities, operating costs are higher.

Nonetheless, the Committee demands that immediate steps be taken within the framework of airline

companies' fare policy to improve the consumer's position, because it feels that the fare structure which is still in existence today is absurd, completely obscure and thus not in the users' interests. It would, however, be out of place to dangle the idea that they will shortly be able to fly at rock-bottom fares in front of users' and passengers' eyes. There are still too many restrictions which must be abolished before this can be achieved. In this matter, this House should honestly explain to its electors that it wishes to make its contribution to improving the terms of competition, the services offered and also to lower air fares. In the opinion of the Committee on Transport, however, it must also make quite clear that air transport's duty to provide a public service, job security and airline productivity through efficient management must continue to be maintained. In order to do this, efforts must be made simultaneously to achieve an improvement in air transport safety, a reduction in pollution caused by air transport and cuts in energy consumption.

Ladies and gentlemen, the Committee on Transport voted in favour of a market economy with certain social obligations. This comprises not only competition and markets, but also a responsibility for the overall interests of this Community — and on this point, in particular in order to maintain or set up air links to less developed or less favoured regions — and also, above all, so that fare agreements may be reached with the trade unions, in order to provide for the social protection of airline employees and to ensure their participation in the running of the company be ensured.

These basic points, ladies and gentlemen, are fully covered by the motion for a resolution prepared by the Committee on Transport, and I therefore ask you to approve that motion for a resolution.

(Applause)

President. — I call Mr Seefeld.

Mr Seefeld, chairman of the Committee on Transport. — (D) Mr President, ladies and gentlemen, I am very pleased that we have the opportunity to be allowed to speak about another sector of European transport policy, and I should like to begin — how could I do otherwise — by thanking both rapporteurs, Mr Schwartzenberg and Mr Hoffmann. I should like to add that I was particularly pleased to see that the ladies and gentlemen on the Committee for Economic and Monetary Affairs, their chairman and their rapporteur showed very good judgment in this matter. The report which has been available for a long time was postponed precisely in order that we might carry out a rational discussion of this problem together here today. It would not have been right for us to have to hold two debates within a short period of time on a similar, and, in many respects, identical subject.

Seefeld

I should also like to thank the Commission because it has, ladies and gentlemen, once more submitted a sound piece of work, which is worthy of being applied as a practical policy.

Parliament's Committee on Transport takes pains to raise important topics. The Committee on Transport would like to arrive at a situation in which a meaningful, uniform and clearly thought out transport policy could at last be pursued within the European Community. We hope, with the subject matter of today's debate, to take another step in this direction in an important sector.

With this, Mr President, I now come to what is perhaps the most important aspect of what I have to say. Mr Hoffmann will no doubt excuse me if I take the final item in his motion for a resolution and put it first. Paragraph 40, if we approve it, will read as follows:

The European Parliament instructs its President to forward this resolution to the Council, the Commission and to the Parliaments of the Member States.

In our experience, forwarding a resolution to the Council normally means sending a resolution on to a committee made up of nine governments, in which the Ministers, at least hopefully, leaf through the document once. I should be a bad chairman of my committee if I did not take this opportunity to demand that the Ministers take personal cognizance of what the freely-elected Members of the European Parliament have to say on Europe's transport policy, and in this particular case on air transport policy.

(Applause)

We haven't turned out rubbish, ladies and gentlemen. For the last year the Committee of which I have the privilege to be Chairman has been busying itself with this question. We have been deliberating since 24 September 1979. We have held eight sittings and discussed the matter for many hours. We have listened to experts in many fields at four public hearings and they provided us with useful ideas and gave us the benefit of their expert advice. As a result, it would be desirable for the civil servants who are charged with counselling the ministers of our nine governments to take extremely close interest in our proposals. My own personal impression is that the European Parliament will once again not have enough power to push through what is a businesslike, relevant and well-founded piece of work, but I also hope that we are nonetheless advancing step by step. The reports tabled by Mr Schwartzberg and Mr Hoffmann are ideally suited to achieving this.

Mr President, ladies and gentlemen, please allow me to briefly sum up what motivated us in this matter and what we should like to present to you today in this House.

Mr Hoffmann states that the main problem is that of the user. We are all users of air transport wherever we may have obtained our experience of this means of transport. He also states that there is the problem of the airlines' viability. We want to protect jobs, we wish to reduce pollution and we wish to reduce energy consumption. The users of air transport want good air links and good connections. They want international cooperation to take place so that flight plans are not simply based on the national lines which exist at the moment. We need cooperation between the European airlines, because we are of the opinion that an efficient air traffic network can only be set up in this manner.

We need a reasonable price structure. There are hundreds and thousands of different fares, so that almost no-one is able to find his way around them. It is quite possible that we, Members of the European Parliament, together with a few other people make up the small number of passengers who pay the full fare. Anyone who wants to look around the world a little, who has a little time to spend, who knows how to use the special fares, does so. We wonder why it is impossible to set up a reasonable European fare policy, and we hope that this will be achieved.

Lastly, users of air transport want safety. I should like to remind you in this respect that we have discussed air traffic safety here many times. I now seize this opportunity to appeal to the countries which are part of the Eurocontrol organization, to do everything in their power to avoid seeing an achievement in European air traffic safety damaged by national idiosyncrasies. I should also like to speak here in favour of an extension of this organization.

There still remains the impression we all share that our airlines must remain economically viable. We do not want to ruin them and sacrifice them to an open market. We are not in favour of total liberalization. We want sound competent, viable airline companies. All this is expressed in Mr Hoffmann's report and also in what Mr Schwartzberg said.

Ladies and gentlemen, as Chairman of the Committee on Transport, I wanted to take this opportunity to urge you to support the reports which are before you today. In my opinion, the air transport sector is an important part of European transport policy, and we ask all the Members of this House who work in this sector to examine regularly together with us ways of ultimately arriving at a uniform, overall and meaningful transport policy, which will be understood by the inhabitants of all our countries. This is a matter of great urgency because transport policy has unfortunately, during the years in which the European Community has been in existence, been neglected. We wish to change this and therefore we ask you to support both the reports which are before you today.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, when in 1978, in my capacity as Commissioner for Transport, I launched, through some speeches, a debate on this important question and subsequently we published the memorandum which is before you, I hoped to evoke a response commensurate with the importance of the subject and the expectations of our citizens. I am happy to say that the reports before us, and indeed the debate we are now having, form comprehensive responses to the requirements of the situation.

I should like to recall the fact that the Commission has benefited enormously from the very detailed preparation carried out by Parliament's Committee on Transport, which held four hearings on the Commission's memorandum. These hearings produced evidence which will be extremely useful for the Commission's future work in this area. In addition, the written representations we have had in response to the memorandum and the very wide and public debate which has taken place since its publication have shown clearly what a wide variety of opinions exists on the approach to the development of civil aviation in the Community. The Committee on Economic and Monetary Affairs has specifically addressed itself to restrictions of competition, one of the central topics in the debate.

I am bound to say that the most conservative opinion, that is that we should change nothing in the present system, is very much a minority opinion and is not even fully shared by all of the airlines operating in our Community. The opposite opinion, that is that we should remove all controls and restrictions and allow the free and unfettered play of market forces, seems equally to be a minority opinion and is not necessarily shared by all the user interests. The Commission's July 1979 memorandum occupies, if I may say so, the middle ground of this debate. This is confirmed by the endorsement, admittedly qualified in certain respects, by both the Committee on Transport and the Committee on Economic and Monetary Affairs. I take the view that we have judged the public mood correctly and that we should proceed along the lines mapped out by the memorandum and by the committees of this House.

Having said that, my political instinct leads me to wonder if we should not lead from a somewhat more advanced position now. It is for this reason that I was particularly interested to see the minority statement attached to the Committee on Transport report. The authors of that statement will realize, of course, that I do not accept their view that the report of the Committee on Transport and by implication the Commission's memorandum, which it broadly approves, contain conclusions which are contrary to the Treaty.

I do however applaud the emphasis which this minority statement places on the benefits of competition in this sector. This House should not forget that there have been some significant developments in relation to air fares since our memorandum was published in July of last year, and that some more may be in the offing. These represent an acknowledgement by airlines, cautious though it may be in some cases, of the necessity of competition. It also represents in my view a reaction by airlines to ever-keener competition from other modes of transport within the Community.

During the discussions in which I have participated a great many harsh words have been said about airlines, many of them by airline operators. We must, however, recognize that airline operators are not by any means insensitive to what is going on in the market and that they will do what is necessary in order to survive. Some will do it reluctantly, other less so, but they certainly will do it.

I believe that the Community institutions — Commission, Parliament, Council and Economic and Social Committee and indeed all the others — have a duty to lead rather than to follow. The Court of Justice of our Community has already given its view on a very important part of this debate in declaring that the competition rules of the Treaty apply to air transport. Our first concern must be to ensure that air services within the Community meet our people's needs. We cannot ignore the very substantial outside influences at work, but we must not lose sight of our main objective.

Mr President, the fundamental question is this: is the present bilateral framework of policy, founded on the 1944 Chicago Convention, the most suitable framework for aviation policy in the Community? It was built in very different times and in very different circumstances when air transport was a very different business. At the very least, we can argue that it is time to ask if we should not release ourselves from the restrictions of a purely bilateral approach and rather use the multilateral approach which the convention also provides, to build a Community policy more in tune with our needs.

I have said on a previous occasion in this House that the Commission favours evolution rather than revolution. We do not believe that the present framework is what we need, but the situation is so complex that we believe it better to proceed step by step rather than to try to wipe the slate clean and start again from the beginning. This is neither a comfortable nor an easy option because we must then judge the size of each step.

Unlike the Committee on Economic and Monetary Affairs, I prefer not to talk about deregulation. This term has acquired a very specific meaning, and I am afraid that its use often tends to generate more heat than light. What we need to do is gradually to replace

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the present regulatory system by another which will be less restrictive in its effects and allow greater latitude for the operation of market forces, forces which are now being reflected in airline policy in many of our Member States. This is very much in line with the approach adopted by your two committees, which specifically approve the suggestions made to this end in our Commission memorandum. The Committee on Transport in paragraph 10 of its motion for a resolution gives its view on what the full implementation of the Treaty's competition provisions would mean. I must say with all due respect to the committee that the picture painted is rather exaggerated. This is not the time for a complete analysis of the legal aspects of this question. We will have an opportunity for that on a later occasion.

I should like, however, to deal with some of the principle aspects of the matter. Let us start with Article 90. Article 90 (1) of the Treaty allows the Member States to give special or exclusive rights to enterprises. In granting such concessions, however, Member States may not enact or maintain in force any measure contrary to the Treaty. I submit to you therefore that the committee is not correct in concluding in its explanatory statement that the preliminary draft of a regulation applying Article 85 and 86 of the Treaty to air transport would affect behaviour imposed on the airlines by governments. Such rules are the responsibility of Member States. If they are contrary to the Treaty the matter would have to be resolved directly with the governments under Article 90 (1).

In relation to Articles 85 and 86, apart from the exemption provisions of Article 85, paragraph 3, the question is whether the Commission has the right to intervene under Article 90 (1). I would like to indicate to the House that we are studying this point very carefully. If the answer is positive, we may then have to consider the defence which may be put forward under Article 90 (2), regarding the non-applicability of the competition rules if they obstruct the performance of the particular tasks assigned to, for example, a State monopoly.

Since the Court's judgments on the applicability of the general Treaty rules to air transport, the question is not whether the rules of competition apply, but in what way they do so. The Commission believes that they should be applied in a systematic way in the framework of a coherent air transport policy which takes account of the special characteristics of the sector and of the particular needs we have defined in the Community context. We believe that this approach is preferable to the risks involved in a possible series of unrelated decisions based by national courts on Article 88 and by the Commission on Article 89.

Our objective, as stated in the memorandum, is to give more scope for competition and for innovation in fares and services. This means that we must innovate in rela-

tion to the rules to be applied to the market and in relation to the rules governing access to the market. The Commission will shortly put forward a proposal on the development of interregional air services, and in this proposal you will see the beginning of the kinds of innovation I have just mentioned.

A great deal more could be said on this subject. There are many positive aspects of the present system which we will want to keep. Your report mentions some of these, such as interlining facilities, agreements between airlines on aircraft maintenance, and many others. We want to retain these positive elements. I should like, however, to emphasize the fact that some of these positive elements will be strengthened by a greater degree of competition in fares and services rather than damaged by it.

There is one other innovation which I should like to promote, and which I think the debate on our memorandum has helped to develop. This is quite simply a greater degree of sensitivity to user interests. I would like to see much greater scope for the expression of user opinion on aviation policy. You will find this reflected in our forthcoming proposal on interregional air services, and I hope that it can go much further than this.

I should like to conclude by saying that I believe that the Commission has achieved its objective in publishing the memorandum. We now have a broadly agreed approach to policy in this sector which aims if I may say so, at a European solution to a European problem. This House has shown its concern with the Community's needs and even more importantly the creativity and the imagination which we will need to tackle our problem successfully.

May I say, Mr President, in conclusion that this debate today is not in fact a conclusion. I believe that it marks the end of only the first phase in the development of a new air transport policy for the European Community.

IN THE CHAIR: MR MØLLER

Vice-President

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

Mr Key. — Mr President, I wish to thank the rapporteurs for their reports and the Commission for their initial proposals to us in this vital field of air transport. And I welcome the Commissioner's last comment that it is a problem that should be faced from the European angle. The Socialist Group, although not opposed to

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changes, is very cautious when it comes to considering the form of changes proposed by certain interests within this sector. We welcome the reports, but we also like the idea of an evolutionary rather than a revolutionary approach to this situation. We also believe that this is just the first stage in what will be a long process. Hence, we have tabled to the resolution by the Committee on Economic and Monetary Affairs amendments that are more in line with our views; for indeed we are more sympathetic to Mr Hoffmann's approach when he says that existing bilateral systems should not be abolished until evidence is provided that free access to the market can be guaranteed within a balanced, multilateral framework, without causing serious market disturbances or disrupting the existing air traffic network. Indeed, our slogan would be that we want better value and a better product for the consumer and not just something as crude as cheap fares.

Our case is not for an open-skies policy. We are asking for a gradual development, and we can see examples, as the Commissioner mentioned, of the response of existing national airlines within their own countries and also between countries, on the shuttle services and on something called the 'new European product' by British Airways.

The reports call for greater flexibility in pricing and product innovation, but they also recognize the vital need for scheduled services and for a network.

The Socialist Group's four main points are as follows:

We urge that any initiative taken as a result of these reports should be part and parcel of a common and coherent policy covering all forms and all modes of transport.

Secondly, with regard to the Community's rules on competition, we emphasize that increasing competition must not, in particular, have the effect of lowering the quality of the services provided or eroding the social rights of airline personnel but, on the contrary, if it is to be acceptable it must remain compatible with the maximum protection of users and of the environment, of air transport safety and of the future of company employees. Indeed, we recognize that competition already exists in this field when it comes to discussing timings, airport slots, consumer services and indeed the share of the market.

Thirdly, with regard to what are termed 'cheap European fares', European air fares are, by and large, based on European costs, and unless we can get the costs down we cannot by definition get the fares down. Generally speaking, in the United States costs are lower and hence fares for flights between the Community and the USA are lower. We contest the point, made in the Committee on Economic and Monetary Affairs, that the prime movers for lower fares in this

development have been the independent operators; indeed, probably the cheapest way across the Atlantic is by one of the national carriers. Again, the Committee on Economic and Monetary Affairs says on the one hand that fare structures should be simplified and more transparent but on the other hand it approves the proposals in the Commission's memorandum for making fare structures generally more flexible. And that corresponds to our own view.

Our final point — and it is quoted all the time — concerns the American experience. We have considered the American experience, and I share the views of the Commissioner. One has to be very careful when one compares like with like, and I also get very worried when the word 'deregulation' is used, because when one looks at what has happened one can see figures on services that have extended in the United States and those that have declined. We also have to consider the economic situation of many of the airlines there. One sees many of them now calling not for just a new form of regulation, but for assistance from their national and local governments. One has to be very careful of what is termed 'the thin-route services' which have been withdrawn and the efforts that are being concentrated on the highly-competitive trunk routes. We want an expanding network of services, and this must take into account, firstly, the present structure of the European air transports network and the scope for interlining; secondly, the potential demand for and the anticipated profitability of new routes; and thirdly, the availability of other modes of transport, because one cannot consider air transport in isolation: one has to see how it fits in with all other modes and decide, if we want a common integrated transport system, how they can all work together.

Finally, one has to consider the air-traffic control system, and here there is a marked contrast with the United States. In Europe we have no European air-traffic control system. The use of Eurocontrol is not even expanding at the moment, it is in fact declining, and therefore we call in the report and in our amendments for an extended air-traffic control management system, and we hope that this will be carefully considered.

So, Mr President, the Socialist Group welcomes the initiatives. We want to see innovations and cheap fares, but we also have a responsibility for air safety, for long-term stability in this sector, for the security and development of employment and the care and consideration of the community and the environment. For these reasons we tread step by step; for us it is fair fares and proper service for the consumer, not just cheap fares. We look forward to the Commission's new regulations that are coming forward and we hope for development, and this is just one stage in that development.

(Applause)

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

Mr Janssen van Raay. — (NL) Mr President, ladies and gentlemen, I should like to begin by thanking Mr Schwartzberger on behalf of the Christian-Democratic Group for his kind agreement to postpone the debate on his report until today. This move was both efficient and useful. I shall not myself be discussing the report in detail; that will be the job of one of the other members of the Committee. Instead, I shall restrict my remarks to Mr Hoffmann's report.

We have greatest possible admiration for the enormous amount of work Mr Hoffmann has put in under the brilliant chairmanship of Mr Seefeld. Mr Hoffmann was nominated rapporteur on 30 October last year, and his report is now being discussed here in this House less than a year later. Our congratulations are due to him for this feat, especially in view of the fact that no fewer than four hearings have been held in that time. Please accept our heartfelt thanks, Mr Hoffmann. I cannot possibly go into all the points in the report, and so I shall restrict myself to a few central aspects. I should like to point out most emphatically on behalf of the Christian-Democratic Group that we are not satisfied with the current situation in the air transport sector. We want to see changes made — nay, changes must be made! The present fares system is wrong. It must be made fairer and more transparent, and there must be more scope for competition. All these points are clearly made in the report. I was particularly pleased to hear Mr Burke say that he regarded the report as only a first phase, and not as an end in itself. That is also the view of the Christian-Democratic Group. We must proceed further along this road.

We should like to see more competition in this sector, but there is a difference of opinion here, and I should like to devote rather more time to this point, especially in view of the minority report submitted by our Conservative colleagues. We regard air transport as a public service too, a point which we believe should always be borne in mind. Consequently, we should like to see the establishment of a framework within which more competition is possible. But as air transport is a public service, we cannot simply allow all cut-throat competition criteria to be applied willy-nilly. For instance, we believe that even marginal routes should be dealt with in this spirit of public service. That is something akin to a minimum condition as far as we are concerned, and it is something we must always bear in mind. Air transport cannot be compared with other branches of industry where the idea of 'public service' is of less importance or even of no importance at all. That is certainly not the case with air transport. As regards our Conservative colleagues' minority report, I should first of all like to express my admiration for their enthusiastic contribu-

tion to the work of the Committee on Transport in an all-out attempt to make the Committee's report such that they would be able to support it too. Unfortunately, they were not successful, which is why they have now produced a minority report. On the one hand, I think this is a shame, but it is certainly not a disaster, because the fact is that they have followed the same line of thought as the rest of us, but have simply gone one step further. Anyway, that is how I see their attitude, and the fact that we are not ourselves willing to go any further at this particular moment in time does not of course mean that we shall never follow their example. That is what I meant when I said that the appearance of a minority report was no disaster, because — if I have understood their point correctly — we are in any case on the right road. They simply wanted to go one step further, in the direction of greater competition, and we would rather not take that step — at least, not yet. That is the situation we have today.

Another aspect — and please forgive me for touching on this point again in my capacity as rapporteur on Eurocontrol — is that this report too stresses the importance of an integrated air traffic control system. It is a matter of great regret to me as a Dutchman that the Netherlands in particular are still violating the terms of the Treaty, and I was shocked to read a report in the *Frankfurter Allgemeine* suggesting that the delaying tactics of the Dutch Government were due to the influence exerted by the Philips Company in the Netherlands. This suggestion was made in the *Frankfurter Allgemeine* on the grounds that Philips are supposed to have built a technical installation of their own in Amsterdam. I am choosing my words carefully, but these accusations were, after all, printed in a quality German newspaper, and as such should be thoroughly investigated. We cannot simply pretend that there is no substance to these reports. If that is really the reason why the Dutch Government continues to violate the Treaty, it is bound to give rise to a scandal of immense proportions. I just wanted to make that point in public here in this House. However things stand, we remain in favour of an integrated air traffic control system. That is an important aspect which deserves to be emphasized.

To sum up briefly, we can go along very largely with the report, and we shall support Mr Hoffmann in his aims. We are glad that a first step has now been taken towards an integrated air transport policy. Mr Seefeld has already pointed out that such a policy is of great importance to the people who elected us, because we, as politicians in this House, must be prepared to tackle issues of this kind so that, when the next elections come round in 1984, the level of participation will be higher than last time. It is precisely this kind of issue which directly affects all the people in our Community.

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

Mr Moorhouse. — Mr President, I take as my text Article 85 of the Treaty of Rome:

The following shall be prohibited as incompatible with the common market: all agreements between undertakings, decisions by associations of undertakings and concerted practices which have as their object or effect the prevention, restriction or distortion of competition within the common market.

These words, from Chapter I of the Treaty's Rules on Competition, state one of the fundamental principles upon which this Community rests, and I venture to quote them to remind the House that behind all the arguments and counter-arguments we have heard so far in this debate and in previous debates, there lies an issue of principle.

That said, I am somewhat encouraged by the tenor of the remarks made by several Members of this House today, and I would particularly like to say to the Commissioner for Transport how much we appreciated his comments on the two reports: the Schwartzberg report and the Hoffmann report. What he said today augurs well, I think, for the future and may indicate that there is a greater move towards competition in air transport within this House as a whole than we might have expected even a few months ago.

I shall address myself mainly to the Hoffmann report, leaving my colleague, Mr Hopper, to speak about the Schwartzberg report.

I have to place on record our regret that we consider Mr Hoffmann's document to be cautious in the extreme, but I think, as I have perhaps just implied, that Mr Hoffmann is moving somewhat towards us in his rethinking of the subject. I venture to hope so anyway. And certainly public opinion in Europe must hope so, because his, as he has said, is the gradualist, the evolutionary approach. But when we consider how far this approach has got us in the field of Community transport policy over the past 25 years, we must surely ask ourselves whether there is not now a case for something a little more radical.

Mr President, we do not seek to overturn the air transport market in the Community, but we do seek to make it a great deal more responsive to the needs of the travelling public, whom we represent, for we believe that airlines exist not to provide employment, nor to symbolize national sovereignty, but to serve the public. That is what we are all here to do — to serve the public, and that includes the airlines. And, manifestly, the system at present is not working in the public interest.

To take but one of many undesirable aspects: competition is virtually non-existent on the main trunk routes

of Europe. Governments, Member States insist in their bilateral agreements that national air carriers enter into revenue-pooling agreements, whereby the revenue from a particular route is shared between the airlines operating that route in an agreed proportion, regardless of which airline enjoys the most support. And on some routes too there are capacity restrictions.

Now I find it hard to believe, and so do my colleagues, that this system is creating a growing market, which is what surely all of us want, and thereby new job opportunities, either in the airlines themselves or in the aircraft manufacturing industry, about which I believe Mr Cottrell will shortly be speaking. Why is it that the French Government was able to veto the British Airways' proposal for a £ 20 Channel Hopper flight from London to Paris, so preventing British and French citizens from moving freely and cheaply from one country to another? And why is it that the West German Government, again pressurized by a national air-carrier, was allowed to stop a small night cargo service flying from the United Kingdom to Düsseldorf, which was serving the interests primarily of a great many German companies? Why is it also that British Caledonian, after applying more than a year ago, still cannot get the necessary permission to operate between the United Kingdom and several airports in Western Germany at offpeak periods and at lower fares in order to meet a demand which is thought to be there? Finally, Sir, why is it that British Airways can effectively prevent the citizens of many cities within Europe — Toulouse, Stuttgart, Rotterdam, Antwerp, Aarhus, Palermo — from flying directly from their cities to many of the regional airports in the United Kingdom? I believe that this European Parliament is owed an answer on this question.

Let me now quickly turn to two other essential points in this debate, and one is, in our view, access to the market. As the Commission's memorandum points out, another of the Community's fundamental principles — namely, the right of establishment — applies directly to air transport. Now Members will be aware that the present licensing system makes it very difficult indeed for independent operators to secure particular routes against the wishes of the national carriers, and so we endorse the Commission's practical suggestions in this regard and look forward to the kind of further proposals which Mr Burke has outlined today and in previous speeches.

Secondly, the air tariff system. Mr Hoffmann's report quite rightly points out the absurdly complicated array of bargain fares currently on offer, hedged about with restrictions. We seek a simplified system with lower fares, and we believe that competition is the key. We call in support the view of, amongst others, the European Bureau of Consumers, which recently published a report entitled: Application of EEC competition rules would undoubtedly bring air fares down. We can endorse the Commission's thoroughly sensible and

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practical proposals on the wider application of cheap tariffs, as set out in their memorandum.

It now falls to me formally to move certain amendments which have been tabled in the name of Mr Hopper and myself on behalf of the European Democratic Group. I do not propose to speak on the amendments individually, because I think that they are self-explanatory and furthermore they have been discussed at great length among the various groups, but I will say that what we seek to do is to make Mr Hoffmann's report a little more open-minded to the possibility of radical reform, to draw attention to the need for such reform in the interests of the travelling public and to eliminate some of the more pessimistic conclusions drawn in Mr Hoffmann's motion from the American experience of deregulation.

Now I think I have just time to say a few words about the American experience, since this has been widely alluded to, particularly in the Hoffmann report. Mr Hoffmann and I have had to disagree about some of the evidence which has been put into his report about the American experience. I have the advantage of possessing information which may not have been available to Mr Hoffmann when he wrote the report — namely, a report from the General Auditing Organization of the United States. Furthermore, I received only this morning a communication from the US Civil Aeronautics Board *à propos* of the American experience in 1980. Mr Hopper will speak on the latter point, but it is clear from the General Auditing Organization's report that up to the end of 1979 the regulation which has been so much decried has led to significantly increased traffic in the United States; has led to a rate of fare increases lower than increases in airline costs and consumer prices; did during that period lead to higher profits; certainly improved productivity — and, I am sure, that is still true; gave more flights and greater capacity to the American public; provided more small community services to and from larger communities; and there was no adverse effect on safety.

To conclude: surely there is plenty of scope for initiative within the Community. We see no good reason why in a Community committed to the idea of a common transport policy national air-carriers should be allowed to keep particular routes for all time regardless of performance, and we consider that licences should be awarded on strict merit for, say, ten-year periods. But it is painfully evident that actual prospects for initiative as things stand within the Community are almost zero, and the time has come for this Parliament to say, 'Enough is enough'. We appeal to the House to support our amendments for the sake of the citizens of Europe, the prosperity of

the Community and its air transport services and, most important, the spirit of the Treaty of Rome. To quote the Lufthansa advertisements: This is an authentic passenger statement.

(Applause)

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

Mr Martin — (F) The question we must ask is whether the outcome of the vote this House takes on the motions for resolutions annexed to the reports submitted by Mr Hoffmann and Mr Schwartzberg will, as one fears it might, be the signal the Commission was waiting for before submitting to the Council its draft regulation applying to the aviation and navigation sectors Articles 85 and 86 of the Treaty of Rome. As far as the French Communists and Allies are concerned, we shall oppose this project just as vigorously as we have denounced other plans for integration in the transport sector — in particular for railways and infrastructures — as the plan which is now being drawn up is aimed at nothing less than throwing open the skies to free market forces and the thirst for profits. As a result, legal quibbling aimed at providing a legitimate basis for a Community decision in the air transport sector will in no way prevent us from continuing our struggle against the foul deed which is now being prepared.

In the Commission policy, set out in its memorandum of last July, and in the two motions for resolutions tabled by Mr Hoffmann and Mr Schwartzberg, there is a shared objective which we, as responsible Members of this Parliament are forced to describe as a real threat to the national and democratic achievements of the peoples of Europe who already have national airlines, providing a public service.

Of course, as usual, the partisans of open competition profess their good intentions. To judge by what they claim to be their objectives, then it is in the interests of consumers, of rationalizing costs, and of making the fare structure more transparent, etc. that we should rid air traffic of the regulatory system which, in the opinion of certain people, has become too restrictive. And then they go on to preach free access to the market and to competition as if this were an ordinary commodity like any other. A campaign is being waged on the subject of prices, a campaign aimed at tricking the public and exploiting the legitimate desire for more democratic air transport in order to attack the national airlines by directly questioning their public service function and their route monopoly. Some people on the Committee on Transport, wanting to show just how Community-spirited they were, went as far as to recommend drastic rationalization (in other words mass redundancies) for the national airlines in their countries.

Martin

This slander campaign against nationalized companies, which is the work of a real pressure group and is receiving tacit support from the Commission, is part of a move which is not restricted to Europe alone. The fact is that, leaving aside the conflict on the price question, an all-out offensive is being waged to set up within the Community the system instituted from 1977 onwards in the United States, known as 'deregulation'. The aim of the giant US airlines, who are behind these moves towards deregulation — and this is the economic philosophy the Commission now backs — is to put a stop to the rising share of developing countries in international air traffic, with airlines showing a far higher growth rate than those in the industrialized capitalist countries. The imperialists' concern at seeing their profit base eaten away, as well as the desire to guarantee the future of a few large private groups, explains the counter-offensive which has been launched in this sector over the last few years to regain their lost share of the international market and to extend as far as possible the area in which totally free competition applies. There has been no lack of American pressure aimed at exporting their kind of deregulation; we have had the American policy guidelines on the conduct of international air transport negotiations, the law on 'Competition in International Air Transport', passed by the American Congress on 15 February this year, and attempts to influence IATA.

No effort has been spared to get European governments to abandon all protectionist measures in favour of their national transport companies, or even to make them give up the idea of having a national airline at all. Under these circumstances, it can hardly be claimed that the Commission memorandum, in taking up cudgels for deregulation, was not directly inspired by what is happening in America. And it is not denials that they approve this plan from one or two ministers which will be enough to convince us that the danger here is merely illusory. We for our part regard all the statements and reassurances as a product of workers' opposition to the consensus politics and the intended sell-out which underlie these moves at European level.

There is no doubt that in France this opposition is considered as being more difficult to overcome than in other countries, because there is a powerful public sector and an influential and energetic Communist Party striving to defend and develop State-owned industries.

We will not be fooled either by the well-turned words of warning which the rapporteurs have included in their texts. In one case this amounted to making a gradual liberalization of the market appear all the more appealing by painting a sombre picture of the foreseeable outcome of all-out deregulation. Leaving aside any conflicts there may be between the supporters of the fast method and those who recommend a gradual move towards deregulation, we are still left with the essential point on which we are in fundamental disagreement, that is the idea that deregulation is

the only way of improving the management of air traffic and making it accessible to a wider public. We reject this argument. Far from fulfilling the legitimate expectations of more democratic access to air transport, this policy would have disturbing consequences for both nations and consumers.

First of all, a fare war does not on any account mean that fares will become more transparent or guarantee that they will become cheaper, by being closer to minimum operating costs. There are already certain private companies who are not unfamiliar with the policy of using one set of prices as window dressing to attract customers, combined with another set of real prices at normal rates. The national airlines on the other hand, have, already shown their ability to devise fare structures which are extremely clear. The fact is that the law of open competition, without having any lasting effect of improving the fare situation, might force certain companies into suicidal management practices. Even more basic is the fact that if the operation of routes were no longer subject to the obligations involved in operating a public service, this might well rapidly lead to the dropping of routes which were considered to be insufficiently profitable. Only a national network which has the duty to provide a public service can give passengers a guarantee of continuous service and the advantages of a system which balances out costs, by considering the whole network to be a single operating unit.

It is quite clear that the deregulation which would inevitably result from the proposed gradual liberalization is above all a weapon pointed at nationalized companies and the advanced rights which their workers have struggled to win. Using arguments based on competition, private interests would in future be in a stronger position to resist the workers' demands and then we would see their acquired rights brought into question. The French Communists and their Allies also denounce the Commission's objective, which is repeated in the motions for resolutions now under debate, of increasing the powers of Eurocontrol, even to the extent of envisaging a European system for managing air traffic movements.

We refuse to see this supranational organization granted any further powers, and in particular the authority actually to manage air traffic in the upper airspace of Member States.

We feel that the organization of air traffic control on a national basis is an important aspect of the sovereignty of our Member States.

However, while we refuse to accept the policy suggested in the motions for resolutions this in no way means that we are against a new fare policy which would give a wider public access to the modern means of transport which the aeroplane represents.

Martin

Even now, without upsetting their financial situation, some national companies could, by reducing their margins, significantly cut their fares. And I shall not go into what a large saving it would be for users if the profits of the major oil companies were cut.

But our action goes much further than just the problem of fares, which would in any case be far less of a difficulty if the general situation created by austerity policies, unemployment and low wages did not do much more than high fares ever could to dissuade ordinary people from taking the plane.

This question involves our whole conception of the controlled economic and social development of our national potential. In view of this potential we cannot but oppose any policy of European integration in the transport sector.

We claim for France the right to adopt without hindrance whatever policies of transport cooperation, on a bilateral or multilateral basis, are suited to its interests. All European plans, because they strip away basic elements of our sovereignty, increase the damage done by competition between different modes of transport and lead to further over-investment and the abandonment of whole regions as dictated by the desire for profit. For all these reasons, we shall vote against the two motions for resolutions.

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

Mrs Tove Nielsen. — (DK) Mr President, I should like to call attention to a few points of principle in today's debate on restrictions of competition in the air transport sector.

My departure point is of course the motion for a resolution put forward by a member of my own party, Mr Kofoed, here in the European Parliament in 1978 in which he drew attention to a number of abuses which dominate the air transport sector. In particular I wish to underline Mr Kofoed's central point concerning the losses incurred when flying certain routes, and which are borne by users on EC routes. I will not conceal the fact that for me there is no doubt that increased competition between the different operators would be a distinct improvement on the present situation. I asked the Commission if it intended to carry out a survey of what proportion of the prices being paid on internal EC flights goes to cover losses on routes outside the EEC. By asking this question, I am of course calling on the Commission to undertake such a survey so that we, the responsible Members of Parliament from the various Member States, will have a more reliable basis on which to take a decision about how to deal with these monopoly-like companies in the future.

It is quite amazing that we have an air transport industry which despite a great increase in efficiency and improved use of resources, and despite a sharp rise in the load factor has constantly kept the prices for its services at an absurdly high level. Of course I do not lay the entire responsibility for this regrettable situation on the airline companies. The politicians are equally to blame since they have permitted airline companies to adhere to a monopoly-like situation and in so doing have helped to uphold an industrial structure which is completely obsolete and which is only now breaking down. I am convinced that with greater liberalization of the market the efficiently run operators in Europe would develop to become sound economic companies able to serve users far better than at present. I therefore think that their fear of greater freedom of competition is totally unfounded and is probably only the result of lack of confidence in their own capabilities.

As a Danish Member of the European Parliament I cannot avoid touching on the very special situation which applies in SAS. I should like to ask the Commission in its future plans to look into SAS as an example of a company which was established to provide a better use of resources and as destiny had it, became a link between one EEC Member State, Denmark, and two associated States, Sweden and Norway. That of course does not mean that SAS should be regarded as sacrosanct. SAS must be subject to the same sound competition as the other companies. But it is worth understanding SAS's special structure.

The other subject I would like to touch on in this context is the question of charter companies. These companies are in my opinion one of the few positive aspects of air traffic today. They sell air travel at moderate prices for the ordinary consumer. We must admit that the situation which prevails among the normal airline companies has resulted in one of the most hostile price levels of all from the consumer's point of view. I know that the individual airline companies have numerous price offers but no consumer has an earthly chance of surveying and therefore availing of them. The charter companies have been able to prove on black and white that it can be profitable to fly on internal European routes at prices far below those applying at present in the normal airline companies.

I do not want to express an opinion here today on the Danish charter company Sterling Airways' charges against SAS, but on this point, let me just say to the Commission that in my opinion there is no doubt that the big airline companies abuse their monopoly on flights to certain destinations. I found it very wrong that an airline company which does not itself want to fly a route over which it has a monopoly can transfer this right at will to any operator it wishes, without consulting other authorities. The key to the whole problem is of course that the airline companies all wish to maintain a net of flight routes covering the whole

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world. This wish, which must be considered irrational and indeed can only be a question of prestige, means that individual consumers on those routes with a high load factor must help pay for many of those distant destinations with lower load factor. This course of action bears out in my opinion the criticism often levelled against monopolies. I believe that this situation must change and I maintain that the Commission's proposal does not go far enough and does not provide for sufficiently rapid progress towards competition between the airline companies. It is after all — and this cannot be emphasized often enough — the consumers who will be the victims during the many years of continued strict regulation to which we must look forward.

Let me add that I do not think the situation can be changed overnight but I for one would have liked the Commission to display considerably greater vision. Thus while a sudden change is not possible, I definitely think we must look for a system of progressive adaptation. It would be desirable if over a period of a few years different companies could have the possibility of flying on any routes they wish within the Community. It must be in everyone's interest that those companies which can fly cheapest on a particular route should be permitted to do so. If there is consumer interest in a route then it will be sure to survive.

As is evident also from my question to the Commission, I believe that individual routes should in principle pay their way as regards costs and intake from ticket sales. If a government wishes to maintain flights to a specific destination when this is not economically justified, then it should be up to the government concerned to make a contribution to the individual airline companies on this specific route, and for example by paying for a certain proportion of the seats. This need not of course mean that the individual airline companies are subsidized which would be a distortion of competition, but responsibility for controlling this would be the task of the Commission. I call on the Commission to play a far more imaginative and active role in the struggle to introduce competition between the airline companies which will be to the users' advantage. We must remember once again that the airlines exist to serve the user and not the reverse.

Mr President, in conclusion let me say that we in the Liberal Group do not see any great difference between the two reports which are now up for discussion together. However, since there are slight differences it would perhaps be best if we voted separately on each.

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

Mr Nyborg. — (DK), Mr President, on the subject of the Schwartzberg report let me say that we welcome the fact that today we have an opportunity to discuss restrictions of competition and developments in the air transport sector, such a discussion being long overdue. Nevertheless, we greatly regret that it has taken so long to come this far inasmuch as the basis for the Schwartzberg report was in fact a motion for a resolution tabled in 1978. There is and has been for a long time an urgent need for a transport policy in the EEC. The Commission and, in particular, the Council have not lived up to their obligations in this sphere.

Today there are two reports up for discussion — one of them more than six months old — and it is obvious that there are significant differences between them. In view of the fact that the same discussions took place in two committees, it is not surprising that there are such differences. However, since this is so the House must try to reconcile the two resolutions which we will be discussing and will presumably also adopt. The conclusion from all this must be that we must organize our work better in future and must not request two different committees to make a report on the same subject, since that can only give the public a confused picture of what the European Parliament's views actually are. We welcome the fact that the Commission submitted a memorandum on developments in the air transport sector in the EEC, since the transport sector is of vital importance for the future development of the Community.

Paragraphs 5 and 11 of the Schwartzberg report should be singled out for special mention. The private operators have been the prime movers in bringing about lower fares for the benefit of consumers, while at the same time these operators have tried to take the lead as regards offering a wider choice to individual users.

To remedy the unfair conditions of competition under which the independent operators are working especially where charter flights are concerned, we should urgently request the Commission to submit a proposal to the Council along the lines of paragraph 11 of the Schwartzberg report.

The situation which prevails in the air transport sector is in open contravention of the spirit of the EEC Treaty, and if the Commission cannot ensure a fair policy in this sphere, and if it fails to bring open abuse by the Member States before the Court, the operators concerned should themselves bring an action. Independent operators which find the existing charter rules restrictive can bring an action before the Court. May I ask why Sterling Airways has not brought the Danish Government before a Danish court for not fulfilling its obligations under Article 88 of the EEC Treaty, which are namely — as long as there are no Community provisions — to ensure compliance with the rules of competition within the Community? In this specific case, the private operators should bring charges

Nyborg

against their national governments in their national courts, which must then request the European Court for an enforceable judgment.

I am fully aware that, on this question, the Commission is in a difficult situation, inasmuch as its adversaries are not only the big airline companies but also the governments of the Member States. This is the reason the Commission is treading warily. This it must of course do, but there is a difference between that and their still not having taken an official stand on Sterling Airways charge which has now been under consideration for years. I do not think that in this matter the Commission has fulfilled its obligations as the guardian of the Treaty.

When fixing rules for air transport in the EEC we must strive energetically to remove technical and administrative barriers in the air transport sector so that distortions of competition and unnecessary bureaucracy can be avoided. The objective of an air transport policy should be to offer users the best possible service while at the same time strengthening the individual operators' competitive position and providing the same opportunities for all companies.

Finally, let me say that I find it extraordinary that we are speaking today with the Member of the Commission responsible for transport and only with him. Mr Vouel, the Member of the Commission responsible for competition policy is missing, although competition policy is just as important an aspect of this issue as transport policy.

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

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

IN THE CHAIR: Mr de FERRANTI

Vice-President

10. Agenda

President. — I call Mr Collins.

Mr Collins. — Mr President, I refer to the last item on today's agenda, that is to say the Newton Dunn report on exposure to lead. I have consulted members of my committee on this, Mr President. I have

consulted the coordinators of some of the political groups and members of the Bureau and indeed the rapporteur. The discussion on this report started on Tuesday. It was supposed to continue tonight and be voted on tomorrow morning. I would suggest first of all that this is very unsatisfactory. Nobody now knows what they are voting about.

The second thing is that the report says that this is a unanimous report, but there are in fact 36 amendments to it from members of my committee. I would submit, therefore, that in the circumstances it would be better if I were to ask for this report to be referred back to committee and thereby taken off the agenda.

President. — Mr Collins, your request is certainly in accordance with Rule 26 (2). The report is therefore referred back to committee.

11. Votes

President. — The next item is the vote on the motions for resolutions on which the debate has closed.

We shall first consider the motion for a resolution contained in the O'Connell report (Doc. 1-450/80): *Consumer action programme.*

(Parliament adopted the first seven indents of the preamble)

On the 8th indent of the preamble I have Amendment No 23, tabled by Miss Hooper and others, on behalf of the European Democratic Group, seeking to amend the indent to read as follows:

recognizing the need to examine in detail the reasons behind the failure of the Council of Ministers (rest unchanged).

What is the rapporteur's opinion?

Mr O'Connell, rapporteur. — I feel Amendment No 23. is unnecessary and would leave the original as is.

(Parliament adopted Amendment No 23, the eight and ninth indents of the preamble and paragraphs 1 and 2)

President. — On paragraph 3 I have Amendment No 7, by Mrs Krouwel-Vlam seeking to amend paragraph 3 to read as follows:

3. Considers that the Commission might encourage codes of conduct in limited areas on an experimental basis: these must take account of the interest of consu-

President

mers and the Commission should also promote consultation between the consumers... (remainder unchanged).

And Amendment No 25, by Mr Albers and Mrs Schleicher, on behalf of the Group of the European People's Party (Christian-Democratic Group) seeking to replace the paragraph with a new text to read as follows:

3. Considers that the Commission must encourage industrial codes of conduct which take account of the interests of consumers and that it should also promote consultation between the consumers, industry and traders with a view to the conclusion of agreements. *Legislative provisions are necessary only when voluntary agreements do not suffice or do not work.*

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee is opposed to Amendment No 7. I personally would be in favour of it. I would be against Amendment No 25.

(Parliament rejected Amendment No 7 and adopted Amendment No 25)

President. — On paragraph 4 I have Amendment No 8 by Mrs Krouwel-Vlam seeking to replace the paragraph with a new text:

4. Considers that it is important to increase the funds allocated to the environment and consumer protection service of the Commission for the Community's consumer policy to be really effective, and recommends the setting up of a Directorate-General for the Environment and Consumer Protection together with extra staff in accordance with the guidelines set out in Annex I.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee would be against this, Sir but I personally would be very much in favour of it.

(Loud laughter)

(Parliament rejected Amendment No 8 and adopted paragraphs 4 and 5 a)

President. — On paragraph 5 (b) I have Amendment No 9 by Mrs Krouwel-Vlam seeking to amend the subparagraph as follows:

- (b) regular meetings of ministers responsible for consumer affairs should be held and the Commissioner responsible... (remainder unchanged).

Mr O'Connell, rapporteur. — The majority opinion was against this, but I personally would be in favour.

(Parliament rejected Amendment No 9 and adopted paragraph 5 (b))

President. — On paragraph 6, I have Amendment No 10 by Mrs Krouwel-Vlam seeking to replace the paragraph with a new text:

6. Considers that the Community should continue its financial aid to European consumer associations so as to enable them to have the necessary information and resources to influence the framing of a policy for consumers.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — Yes, in favour.

(Parliament rejected Amendment No 10 and adopted paragraph 6)

President. — On paragraph 7, I have Amendment No 11, by Mrs Krouwel-Vlam, seeking to amend the paragraph as follows:

7. Believes that in making proposals to harmonize national consumer protection legislation the Commission should seek to promote high standards which take account of progress and innovation in this field, but should also be sensitive to existing national practices and preferences, and seek to legislate by 'minimum' directives which allow Member States to go further in consumer protection.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — It is a minor change but acceptable.

(Parliament rejected Amendment No 11 and adopted paragraph 7)

President. — After paragraph 7, I have Amendment No 3, by Mr Combe, on behalf of the Liberal and Democratic Group, seeking to insert the following new paragraph:

- 7 a. Considers, moreover, that the Commission can achieve concrete results only by respecting national customs and habits.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — I would be opposed to it.

(Parliament adopted Amendment No 3)

President. — I call Mr Sherlock on a point of order.

Mr Sherlock. — I think, Mr President, that our rapporteur, though he started off very well, has slipped into confusing what is the committee's opinion and his own. He began by making a clear distinction between the two, and believe me, there is a clear distinction.

(Laughter)

President. — Your point is noted.

On paragraph 8, I have Amendment No 12, tabled by Mrs Krouwel-Vlam, seeking to delete this paragraph.

What is the rapporteur's position?

Mr O'Connell. — No comment.

(Loud laughter)

(Parliament rejected Amendment No 12 and adopted paragraphs 8 and 9 in succession)

President. — After paragraph 9, I have Amendment No 4, tabled by Mr Combe on behalf of the Liberal and Democratic Group, seeking to insert the following new paragraph:

- 9 a. Requests that efforts should be stepped up to achieve better dialogue and consultation between representatives of consumers, producers and traders.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — I think the committee would be in favour of this.

(Parliament adopted Amendment No 4)

President. — On paragraph 10 (a), I have three amendments:

— Amendment No 13, by Mrs Krouwel-Vlam, seeking to replace subparagraph (a) with the following text:

- introduce Community measures, including uniform control of advertising of alcohol, tobacco and addictive drugs in general and also introduce Community measures aimed at reducing:

- (1) the consumption of tobacco
- (2) problems caused by the excessive consumption of alcohol
- (3) the misuse of addictive drugs;

— Amendment No 26, tabled by Mr Alber and Mrs Schleicher on behalf of the European People's

Party (Christian-Democratic Group) and seeking to amend this subparagraph as follows:

- (a) Introduce Community measures aimed at
 - reducing the misuse of tobacco,
 - preventing the misuse of alcohol,
 - curbing the misuse of pharmaceuticals,
 - and counteracting the dangers of drug addiction;

— Amendment No 24/rev. II, tabled by Mr Provan and others on behalf of the European Democratic Group and seeking to replace this paragraph with the following text:

Calls on the Commission, in line with its emphasis on the promotion and not merely the protection of consumer interests, to:

- (a) introduce Community measures aimed at reducing:
 - (i) the consumption of tobacco,
 - (ii) problems caused by the excessive consumption of alcohol
 - (iii) the misuse of addictive drugs;

(remainder unchanged).

I call Mr Collins.

Mr Collins. — Mr President, I am not sure the amendments by Mr Provan and by Mrs Krouwel-Vlam are in fact mutually exclusive, and I would ask you to look at that again, please.

President. — I propose that, to make the vote as clear as possible, we take a separate vote on the parts of these texts which precede subparagraph (a) and then on subparagraph (a) itself.

What is the rapporteur's opinion?

Mr O'Connell, rapporteur. — The committee would be opposed to all these amendments. You should first vote on Amendment No 13 as it departs furthest from the original text.

President. — That concerns the second part. We are still on the first part before paragraph A.

I call Lady Elles.

Lady Elles. — Mr President, as I understand it there is a slight confusion in that the amendment tabled by Mr Provan uses exactly the same words as the original report for the first part of the paragraph. Since you are asking us to vote on that, all we are doing is voting, in fact, on the text of the report as it stands, which was

Lady Elles

presumably agreed in committee. Where the difference comes is when we get to subparagraph (a), and then the differences are clear. So could it please be made quite clear that the first part of Mr Provan's amendment is precisely the same as the wording in the text to which there is no other amendment?

President. — Nonetheless we have to vote on it. We must take it in order. It is difficult to say which departs furthest from the text, but I suggest we abide by my original decision, which is to vote first of all on the first part of Amendment No 24.

I call Mr Provan.

Mr Provan. — Mr President, I think the confusion arose because you did say it was Amendment No 24 that we were voting on, whereas in fact, as Lady Elles has pointed out, the first part of Amendment No 24 is in fact the actual text of the report itself. I think if we could clarify that, we would then make some progress.

President. — Well, it is nice to have that clarified!

I call Mr O'Connell.

Mr O'Connell, rapporteur. — Mr President, I would have thought that Amendment No 13 introduces a whole new concept, as you will see, and because of that should be taken first.

President. — You are entitled as rapporteur to give your opinion, but we must proceed with the voting.

(Parliament adopted the first part of Amendment No 24/rev. II. It then rejected Amendment No 13 and adopted Amendment 26 thereby making the second part of Amendment No 24/rev. II void.)

On paragraph 10 (b) I have two amendments: No 27 by Mr Alber and Mrs Schleicher on behalf of the European People's Party (Christian-Democratic Group) seeking to delete the subparagraph, and Amendment No 2 by Mrs Scrivener on behalf of the Liberal and Democratic Group, seeking to amend the subparagraph to read as follows:

- (b) ensure *more effectively* proper representation of consumers on official standards organizations at a national and European level.

What is the rapporteur's opinion?

Mr O'Connell, rapporteur. — I am against Amendment No 27, and in favour of Amendment No 2.

(Parliament adopted Amendment No 27, thus making Amendment No 2 void.)

President. — On paragraph 10 (c) I have Amendment No 14 by Mrs Krouwel-Vlam seeking to amend the paragraph as follows:

- 10 c. calls on the Commission to transmit urgently to the Council the draft directive to harmonize laws on advertising medicinal products.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — Yes, it is a little more precise.

(Parliament rejected Amendment No 14 and adopted paragraph 10 c.)

President. — After paragraph 10 (c) I have Amendment No 6, tabled by Mme Fullet, seeking to insert a new paragraph:

- (a) Introduce Community measures aimed at
 - reducing the misuse of tobacco,
 - preventing the misuse of alcohol,
 - curbing the misuse of pharmaceuticals,
 - and counteracting the dangers of drug addiction.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee did not discuss this. I accept it.

(Parliament rejected Amendment No 6 and adopted paragraphs 10 (d) and 10 (e).)

President. — On paragraph 10 (f) I have Amendment No 15, tabled by Mrs Krouwel-Vlam, seeking to add the following text at the end of subparagraph (f):

the Commission should maintain its initiative to set up an internal working party on prices with the support of the European Parliament, and inform the European Parliament regularly on its activities.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — No comment.

(Parliament rejected Amendment No 15 and adopted paragraph 10 (f).)

President. — On paragraph 10 (g) I have Amendment No 16, tabled by Mrs Krouwel-Vlam, seeking to add the following phrase after the word 'frequently' in subparagraph (g):

at European, national and regional level... and amend the word 'details' to results.

President

What is the rapporteur's position?

Mr O'Connell, rapporteur. — I am in favour.

(Parliament adopted Amendment No 16 and subparagraph 10 (g) as amended.)

President. — On paragraph 10 (h) I have Amendment No 28, tabled by Mr Alber and Mrs Schleicher, on behalf of the European People's Party (Christian-Democratic Group), seeking to delete this subparagraph.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee is against this.

(Parliament adopted Amendment No 28 and subparagraph 10 (i).)

President. — On paragraph 10 (j), I have Amendment No 17, tabled by Mrs Krouwel-Vlam* seeking to amend the subparagraph to include the following phrase:

especially in relation to tourism.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The Committee is opposed to the amendment.

(In successive votes Parliament rejected Amendment No 17 and adopted sub-paragraphs 10 (g) and 10 (k).)

President. — On paragraph 10 (l), I have Amendment No 18/rev., by Mrs Krouwel-Vlam, seeking to replace this paragraph with the following text:

10 (l) The Commission should continue and intensify its policy on waste management, encourage the recycling of materials and measures to promote the durability of products and simpler packaging.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee would be in favour of this.

(Parliament adopted Amendment No 18/rev.)

President. — On paragraph 10 (m), I have Amendment No 19, by Mrs Krouwel-Vlam, seeking to add the following phrase:

especially by consultation of consumers on EEC measures on prices and energy saving and by ... (remainder unchanged).

What is the rapporteur's position?

Mr O'Connell, rapporteur. — I am against it.

(In successive votes Parliament rejected Amendment No 19 and adopted sub-paragraphs 10 (m) and 10 (n).)

President. — I now have Amendment No 29, tabled by Mr Alber and Mrs Schleicher, on behalf of the European People's Party (Christian-Democratic Group), seeking to add the following new subparagraph:

(n, a) in order to eliminate the distortions caused by the varying tax burdens on consumers, the Commission should at last press ahead with fiscal harmonization, necessary also for other reasons, and at the same time take measures to ensure that this does not lead to an increase in the per capita tax burden on the consumer.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — No comment on this amendment.

(Parliament adopted Amendment No 29.)

President. — On paragraph 10 (o), I have Amendment No 20, tabled by Mrs Krouwel-Vlam, seeking to add the following phrase:

the Commission should put forward measures to allow for collective legal action by consumer organizations.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee would be opposed to this amendment.

(Parliament rejected Amendment No 20 and adopted sub-paragraph 10 (o).)

President. — On sub-paragraph (p), I have Amendment No 1, tabled by Mr Combe, on behalf of the Liberal and Democratic Group, seeking to delete this sub-paragraph.

What is the rapporteur's position?

* Amendment No 5, by Mrs Scrivener, was withdrawn.

Mr O'Connell, rapporteur. — The committee would be against that.

(Parliament rejected Amendment No 1 and adopted sub-paragraphs 10 (p), 10 (g) and 10 (r).)

President. — On sub-paragraph 10 (s), I have Amendment No 21, tabled by Mrs Krouwel-Vlam, seeking to add after the words 'on consumer education' the following words:

programme defined by the public authorities.

What is the rapporteur's position?

Mr O'Connell, rapporteur. — No comment on this amendment.

(Parliament rejected Amendment No 21 and adopted sub-paragraph 10 (s), followed by sub-paragraphs 10 (t) and 10 (v).)

President. — After sub-paragraph (v), I have Amendment No 22, tabled by Mrs Krouwel-Vlam, seeking to add the following new sub-paragraph:

10 w. Consumer interests should be properly represented in all areas where Community measures affect them and this means, in particular, strengthening the role of the Consumer Consultative Committee (CCC).

What is the rapporteur's position?

Mr O'Connell, rapporteur. — The committee would be opposed to this.

(Parliament rejected Amendment No 22 and then adopted paragraph 10, thus amended, and paragraphs 11 and 12.)

President. — Explanations of vote may now be given.

I call Mrs Krouwel-Vlam.

Mrs Krouwel-Vlam. — *(NL)* On behalf of my group, let me stress once again how much we welcomed the second consumers' programme from the Commission. Some excellent objectives are outlined with regard to the consumer, but the resolution concerning the implementation of these objectives stands in the way of any development of a vigorous consumer policy. The vital measures which are needed to counter inequality between consumers and producers have been left out. This Parliament has once again this afternoon shown that it sides with the producers rather than the consumers. Since this resolution simply

disregards the interests of the consumer, my group will be voting against it.

(Applause from the left)

President. — I call Mrs Squarcialupi.

Mrs Squarcialupi. — *(I)* Mr President, the European consumer was supposed to play a leading role in the economic life of the Community after the direct elections. Instead, he has been pushed into the wings. Our group will vote against the motion because it does not respond to the needs of the European consumer but leaves plenty of leeway for the demands of the manufacturers and the large distributors and of those who hold the reins of economic power, and whose interests always clash with those of the consumer.

President. — I call Mr Maher on a point of order.

Mr Maher. — Mr President, I wonder if some knowledgeable person in this House would give us a clear definition of what is a consumer.

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

Mr Sherlock. — Mr President, my group will, of course, be voting for the complete directive as amended. I speak as the principal architect of the many amendments that went through at committee stage. I am very sorry that some seem to take the view that now the political balance of Europe has shifted since the genesis of this directive within the Commission that life will go on unchanged. I will take this opportunity of assuring them that on every possible opportunity it will not go on unchanged. There has been a change of directive which is a change of attitude. Fondly, foolishly to imagine that because there is such a change of attitude, those of us who are on the right side of this hemicycle are against the consumer is a particular postulative lunacy which I cannot embrace, nor will my colleagues on this side of the House do so.

We are curiously enough, ill-shaped as we may be, consumers also. We shall protect the consumer interest, but we shall protect it, not by treating every consumer as if he were an incapable unfortunate, unable to make any sort of decision for himself. This is the true shift that has occurred, not only in my country, but in Europe as a whole.

(Applause from the right)

President. — I call Mr Alber to speak on behalf of the Group of the European People's Party (CD Group).

Mr Alber. — (D) Mr President, the aim of the second consumer action programme is to enlist the consumer as a genuine partner. In my opinion, the report as amended fully satisfies this requirement. We want consumers to be mature and informed, not treated as though they were children. The interests of the consumer are fully protected. It is another matter that the Socialists could not push through their ideas. It is just as well that the voting went as it did.

(Applause from the Group of the European People's Party)

President. — I call Mrs Weber.

Mrs Weber. — (D) Mr President, I really must speak out against Mr Alber's charge concerning the ideas of the Socialists. The House rejected just now a similarly important amendment which ran — and I think it is perhaps pertinent to read it out again —

present a proposal for a directive introducing stringent regulations on advertizing which exploits children for purely commercial purposes.

I do not think the question here is that we are trying to treat people like children or that we are trying to limit the freedom of decision of partners who are equal, but rather that we are trying to protect children from advertizing which exploits them. If you ask me, it is an absolute disgrace that the House rejected this amendment.

(Applause from the left)

President. — I call Mr Ghergo.

Mr Ghergo. — (I) Mr President, what we are concerned about are the real interests of the consumer and not all this tub-thumping which does not help anyone or anything. As for the regulations which we approved in the report, we have tried to make them practical and above all applicable. We do not want to create a lot of bureaucratic red tape which would be costly, serve no purpose and the cost of which would in the end be borne by the consumer we are trying to protect.

President. — I call Mr Combe to speak on behalf of the Liberal and Democratic Group.

Mr Combe. — (F) Mr President, our group will vote for the report as it stands. We feel that there was

indeed a need to keep the consumer better informed but that there was also a need for genuine consultation — and the amendment which provides for this has been adopted — between, consumers, producers and traders. We believe that when everyone is better informed, there will be fewer difficulties and the consumer will be able to make a reasoned choice.

President. — I call Mr Collins.

Mr Collins, chairman of the Committee on the Environment, Public Health and Consumer Protection. — Mr President, I asked for the floor because I think that the House deserves to understand the pattern of my own vote in the final vote on the motion for a resolution. At this time of poverty and unemployment in the Community, it is important that the interests of the consumer, however we may define him — whether we define him as somebody who goes to autumn festivals in Strasbourg or as somebody that buys beans in a supermarket in Glasgow — need to be strengthened, and I believe that the balance of power in the Community institutions at the moment is moving back towards the views of what I think are commonly called in this Parliament, however incorrectly, the producers.

Strength and commitment from the Parliament are therefore needed in this motion for a resolution. I am not convinced that they have in fact been achieved, but I believe that my rôle as chairman demands that I should not vote against this motion, because I have to recognize that almost any commitment in the present balance of power is better than none at all.

Therefore I shall abstain:

President. — I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

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* *

President. — We shall now consider the *von Wogau Report (Doc. 1-339/80): Attainment of customs union.*

(Parliament adopted the preamble and paragraphs 1 to 7 (a))

On paragraph 7 (b) I have three amendments by Mr Beumer:

Amendment No 1 seeking to add a new indent:

— to submit proposals to harmonize VAT and excise tariffs to finally remove all levy and refund problems in connection with internal frontiers.

President

Amendment No 2 seeking to amend the first indent of paragraph 7 (b) to read as follows:

... is not calculated or collected to the same extent at the time of importation ... (rest unchanged)

Amendment No 3 seeking to amend the sixth indent of paragraph 7 (b) to read as follows:

— to make more use of existing provisions... (rest unchanged).

I would point out that in some languages the wording of Amendment No 1 is imprecise.

What is the rapporteur's position?

Mr von Wogau, rapporteur. — (D) I propose that the three amendments by Mr Beumer be adopted as they stand.

(With successive votes Parliament adopted Amendments No 2, No 1 and No 3, subparagraph 7 (b) thus amended, subparagraphs 7 (c) to (f) and paragraphs 8 to 10)

President. — I call Mr Rogers.

Mr Rogers. — Mr President, I, and other Members, have noticed that the microphone amplification is not very good. I wonder if the technicians can adjust them or whether it is simply that Members are not speaking into their microphones properly.

President. — There has been trouble with the microphones this afternoon. It is being investigated and I would ask Members therefore to speak as precisely and clearly as they can.

I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

We shall now consider the *von Wogau interim report (Doc. 1-440/80): Technical and administrative obstacles to trade*.*

I call Mr Purvis.

Mr Purvis. — I have a great admiration for Mr von Wogau and yourself as chairman of the subcommittee on technical barriers to trade, for the tireless and punctilious work you are doing in this whole field of technical barriers. And I fully support the motion, so far as it goes, but I think the restrained

approach — the perhaps realistic approach — in calling only for what we are led to believe is practical, conceals a certain impatience and frustration on Mr von Wogau's part and certainly on my part. I perhaps am in a position to speak more openly. While we are straining at the gnat, the camel is being swallowed every minute of every day at every border post in the European Community. And that was the purpose of the amendment I have just withdrawn: to try and get a final date when there will be no more border controls in Europe. They will be removed and, if we have not sorted out our problems by then, they will simply lapse. That is the thrust of what I wish to pursue in the Committee on Economic and Monetary Affairs in the coming months.

President. — I call Mr von Wogau.

Mr von Wogau — (D) Mr President, I should like to take this opportunity of saying that I am very pleased by what Mr Purvis said. The fact is that the committee has come to the conclusion that with regard to this problem of the technical barriers to trade the situation is that there are constantly new technical barriers emerging while others are disappearing. We realize that if we are going to achieve anything, other methods will have to be used. What we call for in this report is that once a year we discuss the establishment of the Common Market as a whole, and not simply various sectors in it. You may rest assured that our committee, in the time between reports, will be exerting pressure for the steady removal of these barriers which still exist at our frontiers and which give our citizens no idea that they are living in a Community. I think the adoption of this report would be a step in the right direction.

President. — I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

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* *

President. — We shall now consider the *Muntingh report (Doc. 1-451/80): Whale products*.

(Parliament adopted the first eleven indents of the preamble)

On the 12th indent, I have Amendment No 7/corr., tabled by Mr Lynge and others, seeking to delete this indent.

What is the rapporteur's position?

* Amendment No 1, by Mr Purvis, is withdrawn.

Mr Muntingh, rapporteur. — I am against, Mr President.

(Parliament rejected Amendment No 7/corr. and adopted indents 12, 13, 14 and 15 and paragraph 1)

President. — On paragraph 2 I have Amendment No 8/corr., by Mr Lyngge and others, seeking to delete the paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — Against.

(Parliament rejected Amendment No 8/corr. and adopted paragraph 2)

President. — On paragraph 3 I have Amendment No 9/corr. by Mr Lyngge and others, seeking to delete this paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — Against, Mr President.

(Parliament rejected Amendment No 9/corr. and adopted paragraph 3)

President. — On paragraph 4 I have amendment No 10/corr., by Mr Lyngge and others, seeking to delete this paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am against it, Mr President.

(Parliament rejected Amendment No 10/corr. and adopted paragraph 4)

President. — On paragraph 5 I have Amendment No 11/corr., by Mr Lyngge and others, seeking to delete the paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am against, Mr President.

(Parliament rejected Amendment No 11 and adopted paragraphs 5, 6 and 7)

President. — Amendment No 5 by Mrs Van den Heuvel seeks to add a new paragraph after paragraph 7 as follows:

7 a. requests the Council, Commission and Member States, during the discussions in the second basket on cooperation in the economic, scientific, technological and environmental spheres at the follow-up Conference on Security and Cooperation in Europe to be held in Madrid in November 1980, to bring up the matter of commercial whaling and to press for a positive statement by the Conference concerning a ten-year moratorium on commercial whaling.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am in favour of this amendment, Mr President.

(Parliament adopted Amendment No 5)

President. — On paragraph 8, I have two amendments:

— Amendment No 12/corr., by Mr Lyngge and others, seeking to delete this paragraph,

— Amendment No 1 by Mr Coppieters, seeking to amend this paragraph to read as follows:

8. Requests the Commission, in the context of the Community's relations with Japan, the USSR and all other countries still engaging in whaling, to bring pressure to bear on these countries to impose a moratorium on whaling.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am against Amendment No 12 and in favour of Amendment No 1.

(Parliament rejected Amendment No 12, corr., and adopted Amendment No 1 and paragraph 9)

President. — On paragraph 10, I have Amendment No 16/corr., tabled by Mr Lyngge and others, seeking to delete the words: 'Commission, Council and'.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am against, Mr President.

(Parliament rejected Amendment No 16, corr., and adopted paragraph 10)

President. — On paragraph 11, I have Amendment No 13, corr., by Mr Lyngge and others, seeking to delete this paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am against, Mr President.

(Parliament rejected Amendment No 13/corr. and adopted successively paragraph 11 and paragraphs 12 to 14)

President. — After paragraph 14 I have Amendment No 2, by Mr Coppieters, seeking to add a new paragraph to read as follows:

- 14 Requests the Commission to study the possibilities of promoting cultivation of the jojoba plant, which provides a viable alternative lubricating oil to whale oil, as a commercial crop in countries with an arid climate, in particular, countries associated with the Community under the Lomé Convention.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am in favour, Mr President.

(Parliament adopted Amendment No 2 and paragraphs 15 and 16)

President. — On paragraph 17, I have two amendments:

— Amendment No 3, by Mr Coppieters, seeking to replace the paragraph with a new text to read as follows:

17. Takes the view that, in the current negotiations on the accession of Spain and Portugal to the Community, the Commission should draw the attention of these countries to *the need to take without delay measures parallel to those envisaged by the Community, and taking effect at the same time, rather than waiting for the date of formal accession;*

— Amendment No 17, corr., by Mr Lyngé and others, seeking to amend the paragraph by deleting the words:

on the basis of the measures taken by the Community.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am in favour of Amendment No 3 and against Amendment No 17.

(Parliament adopted Amendment No 3 thereby making Amendment No 17/corr. void)

President. — After paragraph 17 I have Amendment No 4, by Mr Coppieters, seeking to add a new paragraph to read as follows:

- 17 Requests the parliamentary delegations for relations with Spain and with Portugal to draw the attention of

their colleagues from those countries to the need to take measures to protect cetaceans, in parallel with the Community and before formal accession.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am in favour, Mr President.

(Parliament adopted Amendment No 4)

President. — On paragraph 18 I have Amendment No 14 corr., by Mr Lyngé and others, seeking to delete this paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am against, Mr President. *(By a sitting and standing vote Parliament rejected Amendment No 14/corr. it then adopted paragraph 18)*

President. — After paragraph 18 I have Amendment No 6, by Mrs Van den Heuvel, seeking to add a new paragraph to read as follows:

- 18a. Requests the Commission to make representations to the Spanish authorities to persuade them to return to its owner the vessel 'Rainbow Warrior' of the international environmental organization, Greenpeace, which is currently under arrest in Spain.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — I am in favour, Mr President.

(Parliament adopted Amendment No 6)

President. — On paragraph 19, I have Amendment No 15 corr., by Mr Lyngé and others, seeking to delete this paragraph.

What is the rapporteur's position?

Mr Muntingh, rapporteur. — *(NL)* Mr President, there is one small thing I have to comment on. Mr Lyngé said this morning that he wanted to see this amendment interpreted in such a way that there can indeed be a ban on the import of whale products, but that he would appreciate it if there were a special measure for the Greenlanders. I have no objection to this in itself. The point is that we get a total ban on imports. There can be a separate measure for the Greenlanders at a later date. I am against the amendment as it stands.

(Parliament rejected Amendment No 15 and adopted paragraph 19)

President. — Anyone who now wishes to give an explanation of vote may do so.

I call Mr Skovmand.

Mr Skovmand. — *(DK)* Mr President, I should like to say that we shall be voting against this motion. We feel that with these laudable and first-rate efforts to save the whales we are thinking too little about the small communities which depend on hunting and fishing. We shall therefore be voting against.

President. — I call Mr Muntingh.

Mr Muntingh. — *(NL)* Mr President, when I look round this Chamber, I see a great emptiness, just like the oceans where whales are concerned. I want to say that on this occasion — and this is unusual in my case — I am delighted to be about to vote in favour of this motion together with the Evangelical People's Party — I mean the European People's Party — and the European Democrats.

(Applause from various quarters on the right and centre)

President. — I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

(Applause)

12. Air transport (continuation)

President. — The next item is the continuation of the joint debate on the reports by Mr Schwartzberg (Doc. 1-724/79) and Mr Hoffmann (Doc. 1-469/80) on air transport.

I call Mr Romualdi, non-attached.

Mr Romualdi. — *(I)* Mr President, the non-attached Italian Members cannot but endorse the report by the Committee on Transport which has just been explained by Mr Hoffmann, and the memorandum which relates to it, which shows conscientious concern — and this is perhaps the difference between it and Mr Schwartzberg's report — that the present state of air transport in Europe should not be indiscriminately disrupted at a time when, because of the crisis which exists for various reasons in many sectors, alterations which are too radical in nature and difficult to apply, as these would be, might well lead to a really and truly chaotic situation.

There is no doubt that fares are inordinately high when compared with other parts of the world, and that a system of competition might well lead to far-reaching policy reviews and to great advantages. However, on the other hand, it is impossible not to take account — if we may quote as an example the case of the United States of America — of the economic difficulties which almost all the American airline companies are now experiencing, precisely as a result of a far too free a system of competition on fares. In this respect, one cannot help but point out that any deterioration in the economic situation of the European airline companies at a difficult time like this might have new, weightier and riskier social repercussions and lead to new disturbances of all kinds, both in business and in everyday life, which in our opinion it might well be possible to avoid.

We would be in favour of maintaining a large variety of different fares, since experts claim that these are to the consumer's advantage — because they make it possible to grant reductions to match the pockets of the whole range of consumers. On the other hand, we have doubts about the usefulness of rapidly setting up the joint committee as proposed in paragraph 31 of the motion for a resolution, both because there already is one — the Economic and Social Committee, in which the various categories of workers, managers and business owners have proportional representation — and because this would be, just as it is intended to be in certain countries, not a new, useful and productive meeting point, but a new point of conflict which would have dangerous consequences for social harmony.

Lastly, on the subject of paragraph 37 of the Hoffmann motion for a resolution, it is only natural that we should prefer products produced by European industry. But only on condition — as was the case, for example, for the Caravelle and the Airbus — that they are competitive in all senses of the word and that they offer all possible guarantees of viability and safety which are necessary in this very sensitive sector.

President. — I call Mr Josselin.

Mr Josselin. — *(F)* Mr President, ladies and gentlemen, the report from the Committee on Economic and Monetary Affairs which is before us today on restrictions of competition in the air transport sector does not appear acceptable to me in its present form. The desire it reflects to achieve outright deregulation in Europe cannot be shared by a Parliament which claims to want to defend the rights of workers, protect the consumer and further regional development.

Ladies and gentlemen, deregulation, if unchecked, would in fact endanger all those things. I was pleased, in this respect, to note that the report submitted by Mr Hoffmann on behalf of the Committee on Transport

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together, to a somewhat lesser degree, with the remarks which Mr Schwartzberg made in his speech, perceptively drew this House's attention to the dangers of deregulation. As a Socialist, I am unable to accept the idea that all-out competition should be allowed to interfere with the working conditions of airline staff, which are already difficult enough. There is a real danger of a further cut in manpower and an increase in working hours. I am also unable to accept the idea of any cut-back in the measures which are essential for the safety and protection of travellers and staff.

As a member for Brittany, which is one of the outlying regions of the Community, I have other reasons to fear this deregulation. If profitability is to be the only criterion, then airlines will of necessity only provide flights on routes which can guarantee high load factors for medium or wide-bodied aircraft. I would be extremely surprised if Sir Freddy Laker were to show an interest in providing flights to my region. We have already seen in France how air transport is gradually being denationalized and the very notion of public service is being eroded away. In the name of profitability and making fares reflect true costs, Air Inter has come not only to apply higher fares on routes which carry fewer passengers but even to give up some of them. Private companies, when asked by local authorities to take over these routes, are reticent and often demand subsidies from the regional or local authorities, and in the long run they always fix higher fares than the national airlines. At a time when we ought to be favouring inter-regional airlinks, so that the inhabitants of Brittany, for example, would no longer have to go via Paris in order to get to Dublin, should we be encouraging, or even considering, renewed centralization of air transport networks in the capitals of Member States alone? Should we allow outlying regions, which are already faced with huge problems, once more to be victimized in this way?

Ladies and gentlemen, public opinion in many regions — and not only airline users — would find it hard to understand how our Parliament could accept a policy of this sort, with its inevitable outcome, when in a few weeks time during the budget debate voices will be raised on all sides of this House demanding a more ambitious regional policy in the name of European solidarity. Regional policy must not be seen as a balm to heal the wounds inflicted by other policies. On the contrary, all our policies, including transport policy, should help to re-establish the balance between regions which is so vital for the construction of Europe. For all these reasons — and I shall now conclude, Mr President — I urge my fellow Members to approve the amendments to the Schwartzberg report tabled by the Socialists. By so doing, they will show that, while a concern for greater transparency in the economics of air transport and for improved organization in this sector is a good thing, this must not be at the expense of the airline staff, users and our regions.

President. — I call Mr O'Donnell.

Mr O'Donnell. — Mr President, colleagues, there is no doubt whatsoever that the Commission's memorandum on air transport has made a tremendous impact on the whole Europe aviation scene. My old friend, Commissioner Burke, has every reason to be pleased with the response to his constructive if somewhat provocative original document. Mr Hoffmann and Mr Schwartzberg are also to be congratulated on their contribution to this debate by way of their excellent reports.

From the continuing public debate provoked by the Commission's Memorandum over the past year and the mass of documentation that is now available to us, two very important and inescapable conclusions can be drawn. These conclusions are underlined very clearly in the Hoffmann report. The first is that the introduction of an American-style deregulated open-sky policy in Europe would be a formula for chaos and for a small country like Ireland as well as for Europe's other peripheral regions another disaster.

The second conclusion that can be drawn is that there is considerable scope for improvement and development of the existing system through a carefully regulated evolutionary process.

During the course of this debate much has been said about the American experience of deregulation. My distinguished friend, Mr Moorhouse, this morning put forward some evidence and information he had received from the United States. I also have evidence of the working of the deregulation policy there and I am afraid it differs considerably from what Mr Moorhouse has said. It is now quite clear from the information available to me that deregulation in the United States has led to a number of serious economic and social problems. Fares have been increased substantially. The smaller cities and towns have lost services as the air carriers drop their less lucrative routes and concentrate on the higher density routes. As an example of what is happening, take the state of West Virginia which is larger than some European countries. The position is now so bad that the majority leader of the United States Senate, Mr Robert Byrd, has threatened recently to have the chairman of the CAB dismissed. And as well as this, of course, the major American carriers are now reporting massive financial losses, staff redundancies and sales of aircraft and even of office buildings. If deregulation has produced results like this in the United States, how can it succeed in Europe where conditions are very different?

Taking into account then, Mr President, the unhappy experience of deregulation in the United States and bearing in mind the present severe economic and financial difficulties confronting the world's air carriers as a result of ever increasing fuel costs and

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handling charges, it is, in my humble opinion, sheer madness to think that liberalization of deregulation in Europe would lead to cheaper air travel and expanded regional services. All the evidence available to us overwhelmingly confirms this fact. The Hoffmann report underlines this very clearly.

Recently Mr Anders Bjork, a rapporteur on air transport for the Council of Europe, reported that a failure to regulate international air transport in a sensible fashion could lead to a concentration of services between the major centres of population with a decline in service for the smaller communities.

My British friends have frequently referred to the excellent regional service as provided by Air UK, Logan Air and so forth. Air UK, one of those airlines, is at present dropping a number of routes. Recently they dropped the routes from Exeter to Dublin, Blackpool to Dublin and Blackpool to Belfast, while British Midland Airways, another independent airline, has withdrawn from the Liverpool to Dublin service. Indeed the situation has been summed up very well recently by Mr Peter Villa, the Managing-Director of Air UK, who said that the end result of this clamour for cheaper travel would be a continuing reduction of regional air services by all airlines.

The final point I want to make, Mr President, is that the vulnerability of small countries with small airlines to a deregulated policy is well illustrated by the recent experience of Icelandair and of the Irish airline, Aer Lingus, both of whom are now victims of rising costs and economic disadvantages of scale in the present highly competitive position in the North Atlantic. The Managing Director of Icelandair said recently that the Atlantic is now a jungle where the big kill the small.

I want to say then in conclusion, Mr President, that the Hoffmann report is a realistic assessment of the European aviation scene, based on all the evidence available to us. I congratulate Mr Hoffmann on that report and I fully endorse it.

IN THE CHAIR: MR ROGERS

Vice-President

President. — I call Mr Cottrell.

Mr Cottrell. — Mr President, I take as my brief another section of the Hoffmann report which deals with the aerospace manufacturing industry. What I would like Members to consider is that the challenge which faces us in the European aerospace industry today is very serious indeed. It is simply this: if the current pattern continues, the European civil airline construction industry together with about 400 000 jobs are directly at risk and may disappear altogether.

Just look at the figures. Nine out of ten civil aircraft flying in the world today are American built. The EEC manufacturers enjoy only a fractional 7.8 % share of their own market. Within the next 5 years world airlines and European airlines will require 3 000 new aircraft worth £ 84 000 million. Despite the modest but well-merited success of the airbus so far, the likelihood is that most of these new aircraft bought by the airlines we have been talking about today will be built in America. It is a sad and bitter truth that the European nations have been incapable so far of agreeing on a joint approach which meets the needs of the market. There is no range of European airliners to tempt the airline customers. The great nationalized airlines about which we have heard so much and which enjoy such an enormous transfusion of funds from the European taxpayer do precious little to support their own European construction industry.

In this context I particularly deplore the decision of British Airways not to buy the European airbus, a decision which amounts to a slap in the face for an attempt in at least one area of the market to keep the aerospace industry in Europe airborne. One must equally say that the manufacturers and certainly the Member State Governments are guilty of not providing an incentive for the range of airliners which will attract orders. It is difficult, I accept, to persuade an airline to make a non-standard purchase, for example, to fit the airbus into an otherwise Boeing fleet. Well these difficulties would not arise if the airbus was to spawn a whole range of airbuses — medium, short and long haul — which the airlines could buy off the shelf to fit into a standard fleet just as they do with American aeroplanes now.

Now I represent the city of Bristol in this Parliament, home of perhaps the largest industrial aerospace complex in Europe. There is Rolls Royce on the engines side and British Aerospace next door building the air frames. The skill, ability and technology exists there in abundance and in the other European centres — Toulouse, Munich, for example, and many more — to begin work now on the design of a range of Euro-airliners, to be cooperatively built and financed and ready for the great burst of airline re-equipment towards the end of this decade. I am bound to say at this point that liberalization of the market in air fares will boost air travel and encourage the demand for more airliners. Let them be European airliners.

I digress slightly at this point to move two amendments which stand in my name and that of my colleague, Mr Moreland, concerning what I believe to be the restrictive practices of the IATA cartel which prevent such a liberalization of the market.

Returning to the aerospace theme briefly, Mr President, the Commission, I know, stands ready to propose aid for finance, research and marketing in getting the European airliners we need into the air. They could effectively act as a midwife to this new

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range of airliners by bringing the airline firms themselves and the manufacturers to the table at this vital time to tailor the aircraft to the customers needs. This Parliament should give its full support to such an initiative and declare, incidentally, to the Council of Ministers the conviction of the Member States that it will bear the dreadful responsibility of allowing the civilian aerospace industry in Europe to die through a lack of political will if it ignores our voice here today.

(Applause from the right)

President. — I call Mr Cardia.

Mr Cardia. — *(I)* Mr President, even if we take account of the explanations which Mr Schwartzberg has made today and even if we appreciate the attempt which our colleagues in the Socialist Group have made to amend the text of the motion for a resolution tabled by the Committee on Economic and Monetary Affairs, the position of the Italian Communists was, in committee, and still remains in this House one of opposition to overall approval of this motion for a resolution. The Italian Communists are, however, in favour of approving the Hoffmann motion for a resolution which has received many amendments tabled by us. We feel that it is very difficult, if not completely impossible, to alter a text such as the one which Mr Schwartzberg himself has criticised by way of amendments, since it is a text which is based, in our opinion, on principles which are very far removed from, if not completely opposed to, those which are the basis of the 'Hoffmann text'. We are very surprised that this fact has not yet emerged more clearly from Mr Burke's speeches.

In what we shall call the Schwartzberg text, apart from a certain request that caution be exercised and that the process be gradual, the fact of the matter is that liberalization and competition assume the role of immediate objectives which should be achieved as soon as possible and whatever the general situation. These are — as in the economic philosophy of the father of neo-liberalism, Milton Friedman, which, incidentally is at the root of the controversial experiments in deregulation which have been carried out by the Carter administration in the last few years — the need for economic efficiency, social usefulness and social freedom. This notion however comes up against the realities of a market which is today only partially and very imperfectly competitive, dominated as it is by the presence of huge multinational firms and by the concentration of economic and political power. Any request for real competition is thwarted by this concentration if it is not backed up by vigorous democratic control policies and State intervention.

The Hoffmann text does not rule out, however, the possibility that measures which facilitate access to the market and to competition may be adopted both in the

transport sector in general and more specifically in the air transport sector; these are sectors — we must remember this — which are to a great extent dominated by the giant American firms such as Boeing, McDonnell Douglas and Lockheed and not just American firms, of course, but the Hoffmann report also requests and demands that such measures should be put forward within the framework of a Community transport policy and air transport policy, understood as being one of the cornerstones of the Community, and that they should contribute towards achieving what is enshrined in Article 2 of the Treaty of Rome, 'a harmonious development of economic activities . . . (and) a continuous and balanced expansion . . . (in the Community)'.

From this point of view, liberalization and competition are not objectives, but instruments used for implementing Community policies, which should be protected and promoted, whilst taking account of the true situation of the market, of the size and nature of the concentration of firms, of the possible interests of the public and services which should be provided for society.

The Treaty which established our Community, even though — and we should like to remind you of this — it is riddled with free market philosophy, nonetheless takes account of this complex problem when it lays down that free movement, and therefore competition as well, of transport services should be carried out, and here I quote verbatim, 'within the framework of a Common transport policy', which today definitely does not exist, and it also takes account of the problem when it states, in Article 90, to which reference has been made during this debate, that 'undertakings entrusted with the operation of services of general economic interest . . . shall be subject . . . to the rules on competition insofar as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them'. I should like to quote as examples of such obstacles not only to the fairness and transparency of fares, but also the question of safety and of the provision of air services — which is very difficult from the purely economic and competitive standpoint — for the most far-flung and outlying regions of the Community, for which air services, both for cargo and passengers, are a basic prerequisite for their continuing existence and development.

The Commission memorandum on air transport, to which the Hoffmann report refers, is based very largely on these lines, arguing that the interests of the general public take precedence over the forces of private enterprise which have a tendency to exploit the profit margins which exist within the air transport market. What is needed is to move courageously forward along these lines and not along any others. This in our opinion implies combining certain aspects of liberalization, and aspects of State control, organizing the market and carrying out economic and techni-

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cal integration, whilst always bearing in mind the interests of users and workers in a sector which is so vital and sensitive. However, even this memorandum, which has provoked a good deal of interest, Mr Burke, will have no meaning as long as this Parliament has not succeeded, in a way in which this House still has to determine, in persuading the Council and through the Council the national Governments, just how urgent it is to draw up and implement together with a coherent common agricultural policy, a common transport policy both of which are laid down in the Treaty as the joint foundation stones on which the economic and geographical integration of the Community should be built up.

This is the real problem which needs to be solved, before we tackle the more ambitious and less concrete projects aimed at achieving the economic unity of the Community! In this sector the present Commission is bequeathing to the new Commission a heavy backlog of inaction which it inherited from former administrations and which the fact that it has now submitted this memorandum to some extent mitigates, but nonetheless the new Commission is left with a legacy of inaction. Therefore it is the duty of Parliament, Mr President, ladies and gentlemen, to take action. It is Parliament's duty to extricate the common transport policy from the blind alley in which it has unfortunately been aimlessly wandering for more than 20 years.

(Applause from the Communist and Allies Group).

President. — I call Mr Damseaux.

Mr Damseaux. — *(F)* Mr President, Commissioner Burke, ladies and gentlemen, I should first of all like to thank the rapporteurs, Mr Hoffmann and Mr Schwartzberg, for the excellent work they have done for us and I should like to join Mr Seefeld in complimenting the committee.

In the question which concerns us today the problem, in our opinion, is as much, if not more, one of competition than of transport, and in this respect I should like to make three remarks on three points where the two reports denounce a state of affairs which we, as Liberals, are quite unable to go along with.

My first remark involves the need to reestablish competition in air transport. As Mr Schwartzberg so rightly stresses in paragraph 6 of his motion for a resolution, 'efforts must be made to bring about a real increase in competition in air transport in the Community, which will benefit users, while promoting the productivity and competitiveness of the airlines and the economy of the Community as a whole'. Indeed we are faced with a monopoly organized and fostered by the Member States. Technical and administrative barriers are such that new companies find it impossible to gain access to this sector. And yet the need to main-

tain this monopoly is not borne out by a startlingly healthy financial situation in this sector, whether it be the shaky balance in the Netherlands or the 3 000 million Belgian francs' annual deficit of Belgium's national airline, Sabena. What we really need is a return to a more healthy concept of air transport; we must seek profits in this sector, as in others, by improving the general structure, opening up the market and, setting up real competition, so that the European air transport industry may be as well-placed as the American one.

My second point is that fare structures are too complex and only permit specialists to make the best possible choice of fare. For the same flight, depending on the day of departure and length of stay, there may be up to thirty different fares. This is socially indefensible.

Only powerful companies have any real ability to choose because they have access to information and can take advantage of the system, whereas private users who lack information and have to find things out for themselves have the dubious privilege of paying through the nose. This situation also kills competition since, because the fare structure is so unclear, it only allows the privileged few to travel at fair prices. My third point is that, while I support paragraph 7 of Mr Schwartzberg's motion for a resolution, my group's views on the subject of the high fares which exist within the Community and the disparity between them and fares in America need to be qualified somewhat. The rapporteur would seem to attribute this to 'the specific geographical, social, ecological and energy constraints peculiar to the European Community'. The fact is that it is once again the monopoly situation — and the subsequent lack of competition — which is at the root of the excessively high level of fares in Europe. A small number of companies, working together within IATA, have no difficulty in concluding agreements which violate the Treaty and setting price levels which they would be unable to obtain in a free market situation.

In conclusion, Mr President, ladies and gentlemen, my group considers that the free movement of persons and goods is seriously impaired by these three points. We shall support the amendment tabled by Mr Cottrell to paragraph 5 of the Hoffmann Report stressing the harmful effects of IATA's restrictive practices, and also Mr Albers' amendment to paragraph 3 of the Schwartzberg Report, which 'approves in principle the submission by the Commission of a memorandum on the development of air transport services in the Community', but we shall more particularly support any measures which are likely to increase competition in this sector. My group will vote for both reports, with the reservations I have expressed, but hopes that, without causing an immediate and radical upheaval in air transport, which would have a too serious and sudden disturbing effect on the sector, the Commission will take account of our arguments by

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gradually implementing the legal measures needed to put a stop to the present intolerable monopoly.

President. — I call Mr Doublet.

Mr Doublet. — (*F*) Mr President, I thank you on behalf of the Group of European Progressive Democrats for having given me this opportunity to speak. Ladies and gentleman, what I have to say will be made all the easier by what previous speakers have said, and in particular by the admission by my friend Mr Schwartzberg, with whom I should have been sorry to have to disagree, that he was not entirely in agreement with the report which bears his name. With your permission I shall be impersonal in my criticism and shall address my remarks to the report drawn up by the Committee on Economic and Monetary Affairs.

It is with the firm conviction that the European aerospace industry must be competitive that we should examine the Schwartzberg and Hoffmann reports, which I am pleased to be able to praise for their high quality. We are critical of the Schwartzberg report, firstly because it is based on a comparison of the lowest published fares in the United States with the highest basic fares published in Europe. These basic rates are only used in a minority of cases. But it is above all because of its frequent references to 'American deregulation' that we are against approving the Schwartzberg report. It has already been said that when 'deregulation' was applied in the United States it caused losses, redundancies elimination of air services to 170 towns in the United States and an increase in air traffic control. In Europe the whole problem is made more serious, or would be, by the fact that there is competition from surface transport, which does not exist in the United States, and also by the fact that Europe has difficulty in maintaining air traffic control, which means that flights must be programmed and agreements reached between companies in order to avoid a merry-go-round whose very idea makes our blood run cold. What would be the outcome in Europe of the policy of drawing lots between companies to decide the arrival and departure times! But in our opinion the most serious point is that this report takes no account of the notion of 'public service' which we believe must be applied to all forms of transport. The airline companies are not afraid of competition. Our companies are profitable, in spite of their high overheads, and productivity is good. They could very easily come to terms with a new set of rules. For example, it is the idea that it is a 'public service' which means that Air France runs a daily flight from France to Réunion and three flights a day to the West Indies.

I can sum up our views like this: all-out freedom, no; regulated competition, yes. These are the reasons why the Group of European Progressive Democrats will vote in favour of the Hoffmann report and will unfor-

tunately have to vote against the Schwartzberg report.

President. — I call Mr De Keersmaecker.

Mr De Keersmaecker. — (*NL*) Mr President, I should like to begin by endorsing the well-deserved praise addressed to the two rapporteurs, Mr Schwartzberg and Mr Hoffmann, and to give an assurance of our support for the motion for a resolution contained in the Hoffmann report, which sets out all the points judged worthwhile by the Committee on Transport after full discussion of the Commission's memorandum on the development of air transport in the European Community.

Of course, in the short time available, we cannot possibly comment on all the aspects dealt with in the report. That being so, I should like to concentrate on the problem of competition, and I should like to point out right at the outset that we should like to see the terms of the Treaty fully applied in this field. Clearly, our aim must be to improve the state of air transport in the European Community, and I am thinking here of such things as fares and services. One of the ways these improvements must be made is by properly applying the terms of the Treaty, particularly those concerning competition.

The question is really not one of whether we are for or against the application of the principle of free competition in the air transport sector; what really matters is what approach we should adopt and what path we should follow. That is the question the Hoffmann report and — indirectly, in the form of an opinion — the Schwartzberg report — are trying to answer. We have frequently compared the state of air transport in the European Community with the situation in the United States, to bring out what we might call the abuses in Europe. I have a couple of doubts as to the wisdom of this attitude, both of which were — incidentally — brought out perfectly clearly in the report itself. Firstly, there are various reasons why the situation in Europe simply cannot be compared with the situation in the United States; and secondly, it must be remembered that the new situation is a result of the Air Deregulation Act. The consequences of this piece of legislation should persuade us of the need to proceed with maximum caution and not rush to conclusions. You have only to look at the figures on profitability and services. I realize that some Members have cast doubt on the accuracy of these figures because of a report which was discussed recently in the *Washington Post*, but I have checked on the situation and found out that the official statistics are published by two federal agencies in the United States, namely the Air Transport Association and the Civil Aeronautics Board. These two sets of statistics present an even more gloomy picture than those in the Hoffmann report, and simply underline the existing negative trend.

De Keersmaeker

That must surely be reason enough for us to seek to apply the principle of free competition stage by stage, rather than in a headlong rush, in this sector. There will have to be accompanying measures to counter the lack of integration in other fields — economic, financial, fiscal and social — and to ensure that a variety of existing situations, which may not be quite as they should be, are not brought into question too. The most important thing, though, is to ensure that any such steps should not, in the short term, have an adverse effect on employment in and the services provided by our airlines. I believe that that is the general conclusion we should draw from the Hoffmann report, and it is one I can wholeheartedly endorse.

President. — I call Mr Purvis.

Mr Purvis. — Mr President, the Edinburgh-Brussels air route is allocated to British Airways. There is one flight a day to Brussels; there is no return flight. The flight to Brussels stops at Manchester. Although the onward flight has the same flight number it is not the same plane — you have to get off with your hand luggage, go through security, passports and customs, and wait for another plane. It is easier for me to go via London, as almost all Scottish travellers to Brussels and everywhere else in the world have to do. I leave later in the morning to make my meetings in Brussels. British Airways complain that there is not enough demand and yet will not give up the licence.

Why shouldn't British Airways or Sabena or KLM or Air UK, or any other airline which wants to, be able to fly to Edinburgh, Amsterdam, Brussels and on through Europe and pick up passengers anywhere *en route*. This is the rigidity of the present bilateral licensing system which works to the disadvantage of the regions of Europe, concentrates all traffic through congested capital airports and prevents bus-stop regional services across national boundaries. This is the lack of choice brought about by lack of competition and by the heavy emphasis on State monopolies. And from the regions it is not that easy to make use of those much-advertized special discount fares because of the multiple stages and the complicated conditions. There are the airport formalities that add to costs and slow down travel times, so that it takes five hours from Edinburgh to Brussels, eight or even ten hours from Strasbourg or Luxembourg to Edinburgh. I can reach New York quicker and cheaper and less exhausted.

In both these reports and in Mr Schwartzberg's speech — and other speeches — much emphasis has been put on the problems of the regions and peripheral areas as justification for the status quo. The misleading impression is often put about that only State airlines can provide services in and to such places. The Scottish experience demonstrates otherwise. The network in the Highlands and Islands was developed in the '20s and '30s by private enterprise airlines. It was taken

over in the 1940s by the State airline. Its service deteriorated, routes were cut out because of the State airline's high costs, its distant management and the unsuitability of its larger aircraft, which could not operate economically into the smaller airfields with smaller passenger and cargo loads. Consumer discontent rose, passengers and local authorities clamoured for the smaller third-line airlines to be let onto these routes — many of them lifelines for these communities. Now those independent airlines that are operating and developing new or lapsed routes have been able to improve frequency and reliability by using the appropriate aircraft. They have been able to reduce, or even eliminate, the subsidies required to maintain such services by having lower operating costs and increasing passenger loads.

It is a fallacy that only State airlines can provide service in remote and difficult areas; the smaller independent airlines can do just as well, sometimes much better. If the lifeline routes are indeed unprofitable, it is up to government to decide whether subsidy is justified or not, and good governments should be guided by the best value criterion rather than blind loyalty to the State airline or for that matter any independent airline. We should look objectively therefore at experience in the regions, those regions which have tried both ways. We should ask the passengers, the businessmen, the tourist boards and the local authorities. I would suggest you read a Scottish Consumer Council report published one year ago which goes into this in detail. I would ask the Commission to make a special study of the regions and their relationship to air transport. Do not be misled by myths!

President. — I call Mr Lalor.

Mr Lalor. — Mr President, it is quite clear that all the Members speaking here today and the Commissioner have one idea in mind, namely, the provision of a better, cheaper, safer and generally improved air service. I am one of those from a peripheral area who feel that if that is left to private enterprise and if the State is excluded, there is the great danger that we may be left out of the reckoning altogether. I am a little encouraged on the other hand listening to Mr Purvis and his experience, and if the House is not going to get it circulated, I would be very interested in a copy of the Consumer Council report that he spoke about, because certainly it is something that can and would engage my attention.

As an Irishman I am particularly interested in the Irish airline, and this is why. Our experience in Ireland has been that we did have American airlines that have come in for a great deal of praise here today from my friends in the European Democratic Group. Air Canada and PanAm did introduce a service into my country and then gave it up, simply and solely because it was not paying. This is where I get worried, because

Lalor

we have had a pretty long and bitter experience of newcomers who promise a lot but provide very little. I was listening to the Commissioner himself talking about evolution rather than revolution. This has been said quite a lot, but frankly I felt that Mr Moorhouse was inclined to preach revolution in connection with air transport.

I was very interested in what Mr Cottrell had to say, but he seemed to be more concerned with an aircraft manufacturing industry rather than with what we are really talking about, i.e. airline services. It struck me listening to him that if the Japanese got to hear about the problem, they would move in with their customary efficiency, as they have already done in the automobile industry which we will be discussing shortly. We are ahead of ourselves here in this regard in trying to create something which, as I see it at the present time, we have not got.

On the US deregulation scheme, which seemed to merit so much praise today from Mr Moorhouse, my view is that it has created quite a deal of ferment in services in the US, and the information available to me is very much in line with the information already conveyed to the House by a number of speakers who have heard of the considerable hardships it has caused to regional communities in the US. I would like to hear that particular contention authoritatively denied, because certainly the information available to me, and obviously to a great number of others in the House, is not keeping with what we have been told here.

Now, let me say a word on the question of Skytrain. As I see it, Skytrain merely creams off a small part of a busy route already established by others. Thinking from a European Parliament point of view, I would suggest that some of those Skytrain operators could be invited to fly from the capitals of the EEC into Strasbourg on a daily basis from Monday to Friday to see how they would fare. This experiment might be encouraged to let the Members of this Parliament see how well it would operate. In twelve months or two years time, we would be in a position to judge what can be provided. The current system is open to much criticism. The claim has been made that this international cooperation or coalition between governments has had the effect of keeping fares artificially high. I have done a study of this thing and I find that in real terms air fares have been reduced. We are all willing to have a go at the airlines, but I think in fairness that should be said.

I am one of those who despite the reports — and our spokesman has already reflected our views in this regard — believe that sensible cooperation among carriers can and does hold down fares without harming the consumer. We are worried about the consumer, and the whole object here is to look after the consumer. In the peripheral areas, certainly in my country, we worry about the takeover by supermarkets of the old businesses. I do not want the same thing in the airline business.

President. — I call Mr Hopper.

Mr Hopper. — Mr President, it is gratifying to find such widespread agreement among the principal parties on the need for liberalization in the airline industry. Where European Democrats differ from their colleagues in other parties is not upon the direction that is desired but the speed.

We have heard much discussion of the effects of deregulation in the United States. I draw the Houses's attention to paragraph 19 of the motion for a resolution contained in Mr Hoffmann's report: 'Parliament points out that the deregulation policy in the United States has led to an overconcentration on the most profitable routes and the closure of many less profitable services'. I would like to suggest to Mr Hoffmann that it is premature to pass judgement on the consequences of the American experience and, further, that the evidence which we possess does not warrant this paragraph 19.

A little while ago we had reference by Mr O'Donnell to the chairman of the Civil Aeronautics Board of the United States. I have a slight advantage over Mr O'Donnell: I spent 20 minutes yesterday evening talking to him on the telephone and I told him of the confusion, the factual confusion, about the state of play in the US airline industry and of the need for us to be brought up to date.

He has sent me a telegram, which I propose to read. Before I do so, I should like to point out that is unemotional and totally factual. It reads:

In response to your enquiry, please be advised as follows:

1. Since the passage of the Airline Deregulation Act in the United States in October 1978, no US city [and please note the very precise wording] which had its air transportation service licenced by the CAB has lost all of its air service. In many small communities service by twin turbo-prop small aircraft has replaced large jet service. Service at some cities has increased; at other cities it has declined generally, in response to market demand.
2. Because of severe increases in fuel costs of approximately 100 %, which has resulted in an average fare increase of approximately 20 % and because of the US recession, domestic traffic has generally declined during the first 9 months of 1980. Service levels are slowly adjusting to traffic levels.
3. The total number of aircraft departures per week from airports in the United States as of 1 June 1980 was 131 191, compared with 128 345 on 1 November 1978. On 1 November 1979 total departures per week had reached 135 968.

Fourthly, and finally, between 15 August 1978 and 15 August 1980 our scheduled certificated airlines offering jet service ended service in 409 pairs of cities but started new service in 626 pairs of cities for a net gain during the 2 years of 217 additional pairs of cities.

This is signed 'Marvin Cohen, Chairman, Civil Aeronautics Board of the United States.'

Hopper

Now, let me recapitulate to paragraph 19 of the Hoffmann motion for a resolution . . .

President. — Do you wish to submit that in evidence?

Mr Hopper. — I wish to submit that in evidence!

Contrary to Mr Doublet's statement — and I would remind the House that Mr Doublet told us that airlines service had terminated in 171 United States cities — according to the chairman of the CAB, making what is presumably a statement of fact, no city has lost its airline service. Secondly, despite a 100 % increase in fuel costs there has been only a 20 % increase in fares in the last 2 years. Thirdly, despite the recession in 1980, at 1 June 1980 there were 2 846 more departures weekly than before deregulation. Fourthly, by 15 August 1980 there had been a net increase of 217 in pairs of cities served.

Mr President, I would also like to refer to the statement that there has been a loss of employment. In fact, such figures as we have obtained, also from the CAB, show that employment in airline services today is very significantly above what it was 2 years ago.

The European Democratic Group has moved various amendments to Mr Hoffmann's report seeking to sharpen its competitive edge. In particular, we seek to delete paragraph 19 of the motion for a resolution, which is factually wrong.

On the other hand, the Schwartzberg report has a more radical approach, which is, perhaps, what one would expect from its author, a radical Socialist, and also what one would expect from the Committee on Economic and Monetary Affairs. The Committee on Economic and Monetary Affairs is the committee about the Common Market. It is a committee that is aware that competition is beneficial in most areas of life and that airlines are no exception. On behalf of the European Democratic Group, I move one small amendment to paragraph 5 of the motion for a resolution contained in the Schwartzberg report and commend the rapporteur on his excellent work.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — In order to allow the work of the House to continue, I shall be very brief. I would make a few points. First, I would commend Mr Doublet's motto as a good one, and I quote: 'Liberté sauvage — non, concurrence réglementée — oui.' But of course the problem before us is how precisely we interpret this, and this is the line generally that I have tried to put to the House to show the general thrust of our policies.

Secondly, I would stress the fact that a more liberal approach does not in any way exclude a public-service rôle for air transport. I think, perhaps, some tendencies in the debate put the idea of liberalization and public service in too much of a contra-distinction.

Thirdly, the main European airlines have a self-imposed or a government-imposed mission as 'national' airlines. Added to this, as I pointed out in my remarks, are the effects of the system of bilateral agreements. These two factors mean that airlines are not necessarily structured to meet all the requirements of the market. It frequently means that they cannot properly respond to the need for regional services, because they have not got the appropriate equipment, as Mr Purvis made clear in his contribution a short while ago.

Lastly, I would point out that American airlines and European airlines have in common — and we should remember this when we speak about these matters — not only the effects of the US deregulation but also the huge increase in fuel prices.

I would therefore thank the House for their approach to this memorandum and say that I have been stimulated by the contributions and have taken note of all the points made. I hope that this, as I said earlier, is the end of the first phase. We can now go on to try and translate this into legislative action which will benefit the European citizen.

President. — The debate is closed.

The motions for resolutions will be put to the vote during the next voting-time.

13. Directive on credit insurance

President. — The next item is the report by Mr Fischbach (Doc. 1-457/80), on behalf of the Legal Affairs Committee, on

the proposal from the Commission to the Council (Doc. 1-373/79) for a directive amending, as regards credit insurance, Directive 73/239/EEC on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct insurance other than life insurance.

I call Mr Fischbach.

Mr Fischbach, rapporteur. — (F) Mr President, ladies and gentlemen, the Commission proposal now before Parliament relating to the Council Directive of 24 July 1973, on coordinating national provisions on indemnity insurance, essentially modifies two of the provisions of the first directive of 1973: Article 2 (2) (d) and

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Article 7 (2) (c). The Legal Affairs Committee readily agreed to accept the second change — concerning Article 7 — in the light of the opinion of the Committee on Economic and Monetary Affairs, but had more difficulty with the proposed amendment to Article 2 (2) (d).

Let us take a look at the new wording of Article 7. In paragraph 2 (c) of this Article, it is proposed to put an end to the right enjoyed hitherto by the Federal Republic of Germany alone to impose a ban on the simultaneous undertaking of suretyship insurance and credit insurance, in conjunction either with one another or with other classes of insurance. There can be no doubt that the current situation tends to distort competition within the Community between firms in the indemnity insurance field, inasmuch as no firm engaged in several classes of insurance may engage in credit insurance in the Federal Republic of Germany, while German credit insurance companies are free to do business in the other Member States of the Community. The Legal Affairs Committee approves this move which, to make it acceptable to the single Member State affected, is coupled with a number of additional guarantees for insured parties. We feel that, in its proposal to the Council, the Commission was right to take the view that, in future, the possible simultaneous undertaking of suretyship insurance with other classes of insurance did not justify any changes to the provisions of the First Directive, which, should be sufficient to protect the interests of insured parties. Firstly, suretyship insurance is not generally regarded as a particularly high-risk sector, and secondly, the principle of compulsory specialization is not applied in an absolute manner. However, for form's sake, the Legal Affairs Committee would like to see the title of the proposal under consideration amended by the addition of the words 'and suretyship insurance', on the grounds that the directive, in its amended form, relates to both credit and suretyship insurance.

As regards credit insurance, the Legal Affairs Committee adopted a different approach and very largely endorsed the position of the Commission. Considering that credit insurance is a particularly hazardous class of insurance, where risks are unavoidable the Commission was certainly right to propose a substantial improvement in the guarantees given by the insurer to the insured party. Thus, the text proposed by the Commission provides for a substantial increase in the capital of companies providing credit insurance and the introduction of special accounting provisions. To illustrate this point, let me just cite the proposed increase in the guarantee fund from 400 000 EUA to one million EUA. I would also draw your attention to the introduction of a new mechanism known as the 'equalization reserve'. Having said this, however, the Legal Affairs Committee proposes a number of new technical amendments to the Commission's text. For instance, regarding the transitional measures for the increase in the guarantee fund set out in Article 1 (5) of the proposal for a directive, the Legal Affairs

Committee would like the Commission to consider whether this increase should not be effected progressively during the transitional period. This is the purpose of the amendment to the text of the new point (d) of Article 17 (2).

As regards the setting up of the equalization reserve, the Legal Affairs Committee approves the underlying principle, but considers that it should be established on a broader basis, using the two methods of calculation it has adopted, between which each Member State may choose. The Legal Affairs Committee also agrees with the Committee on Economic and Monetary Affairs that the obligation to create an equalization reserve should not apply to undertakings whose premiums in that class are below 5% of the total amount of premiums or contributions receivable by the undertaking concerned.

Finally, as regards the special accounting rules proposed by the Commission, the Legal Affairs Committee, in the interests of clarity and to protect the insured party, came out in favour of the accounts being so drawn up as to make a clear distinction between the technical reserves set aside for credit insurance and the results of credit insurance business.

I should now like to move on to deal with the second major innovation in the Commission's proposal for a directive, namely, Article 2 (2). Here, the Commission proposes the definitive exclusion from the scope of application of the First Directive of credit insurance operations transacted for the account of or with the guarantee of the State. The Legal Affairs Committee cannot go along with the Commission's proposal in its present form, firstly because it would have the effect of distorting conditions of competition between public and private sector undertakings as regards credit insurance in contravention of Article 92 (1) of the EEC Treaty, and secondly because it would remove one of the mainstays of the common commercial policy, namely the harmonization of Member States' export policies. Indeed, the fact that an undertaking in the export credit insurance field and transacting operations for the account of or with the guarantee of the State does not need to comply with the present directive and, more particularly, with the supplementary guarantee requirements it contains, constitutes a clear case of discrimination against private sector undertakings, which fall clearly within the scope of the present proposal for a directive.

In this respect, the guarantee element provided by the State may be regarded as a form of direct aid enabling public sector undertakings to enjoy a monopoly on the credit insurance market. The committee feels that export transactions between Member States within the Community do not involve any appreciably greater risks than transactions within a single Member State. However, in order to avoid putting forward a proposal which would purely and simply ban export insurance credit with a State guarantee within the Community,

Fischbach

the Legal Affairs Committee has opted for a compromise under which the scope of the present directive is to include export credit insurance transactions carried out with the guarantee of the State, insofar as these relate to trade between Member States. The Committee fully realizes, however, that cases where the customer of the insured party is a national of a third country must continue to be excluded from the scope of the directive on export credit insurance pending further coordination, since in such cases credit insurance involves not only a guarantee against economic risks but also against political risks, which are not a factor in trade between the Member States.

The fact that the Legal Affairs Committee does not wish to state a period within which this coordination should be achieved does not mean that we have abandoned all hope of one day seeing the emergence of a common export policy worthy of the name. The fact is quite simply that experience has shown it to be unrealistic to lay down a definite deadline. However, the Committee feels that the Commission should, within 18 months from the adoption of this resolution, formulate recommendations pursuant to the second indent of Article 155 of the EEC Treaty, with a view to working out the basis for such further coordination.

Finally, let me move on to Article 4 of the Commission's proposal. The Legal Affairs Committee proposes to increase by six months the time allowed for the amendment of national provisions and by a further six months the time allowed for the implementation of these new provisions. The committee unanimously recommends Parliament to adopt the amended text of the proposal for a directive, a text which will undoubtedly constitute a great step forward towards a common export policy based on the principle of free competition and, above all, the principle of equal treatment for public and private sector undertakings.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call Mr Turner on a point of order.

Mr Turner. — On the point of order which your predecessor agreed I could make immediately after Mr Fischbach's speech, I do not think that time allocated to groups is solely for speaking on behalf of a group. For instance, only one person speaks for a group but many people in the group may speak in the group time. Your learned predecessor said that Mr Fischbach must speak for five minutes as rapporteur; for the rest of his time he could speak only as a member of the group. But I think that he is entitled to collect group time from anybody he wants and to speak as rappor-

teur or on his own behalf. And so, if I may just make it plain, there is no reason why the rapporteur in using up his Group's time should be regarded as speaking for his Group rather than as rapporteur.

President. — Mr Turner, can I request you not to press this point? We are due to go into this matter later and I ask you not to bring it up again at this point.

I call Mr Balfour to speak on behalf of the Committee on Economic and Monetary Affairs.

Mr Balfour, draftsman of an opinion. — Mr President, any directive which liberalizes competition within the internal market and which provides adequate safeguards for the consumer should be encouraged. However, in my view and in that of the Committee on Economic and Monetary Affairs, this directive does not go far enough in liberalizing competition. Nor does the report prepared by Mr Fischbach, on behalf of the Legal Affairs Committee, in our view go far enough in removing state aids from the internal market in the field of export credit insurance.

Clearly Member States must continue to play a major rôle in export credit insurance, particularly where political risks in unstable parts of the world are involved. What I cannot accept is the continued existence of national aids, even on a parity basis between public and private sector undertakings, in the field of political risk insurance within the European Community. The Commissioner, when he appeared before the Legal Affairs Committee, is quoted as having said: 'It is impossible under the Treaty to say that public undertakings must not engage in particular areas of economic activity.' But the point surely is this. There should be no need for political risk insurance within this Community, and if it is felt by undertakings that there is such a need, the insurance cover should not be provided by Member State governments at subsidized rates, as it is at present and as I fear it is likely to continue to be in the future.

Freedom of competition between public and private undertakings in this field is of little use when protectionism is, in practice, perpetuated through the dominant rôle played by state undertakings. There has been a total lack of progress in harmonizing export credit insurance in the last seven years. Industry within the Community would undoubtedly benefit if the Commission could make such progress: for European consortium tenders would stand a better chance of winning contracts involving multinational procurement. It is for this reason that I ask Commissioner Tugendhat, whom I would like to congratulate on his recent reappointment to his post, to draw up within the next 12 months proposals for future export credit insurance harmonization. Thereafter we shall ask him

Balfour

to propose measures for the harmonization of export credit itself, and, who knows, maybe, in due course, even for the creation of an export credit bank.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — I felt it best to intervene at this stage in the debate so that the House would realize where we stood, which is, I think, really not very far away from where Mr Fischbach was standing, but it seemed easier to make these comments at the beginning rather than at the end.

I would like to begin — it is customary to do so but I mean it nonetheless sincerely — by thanking the Legal Affairs Committee and Mr Fischbach, its rapporteur, for the very careful attention they have given to the proposal for a directive. I had the privilege, as he will recall, of attending a meeting of the Legal Affairs Committee on 8 July 1980 and on that occasion I made a statement which was later made available to the members of the committee in written form and now forms Annex III to the report submitted to Parliament. It is in fact pages 24 to 28 in the English text. I am pleased, Mr President, and I register my thanks, that this text is available, as it expresses the motives for introducing this proposal and gives the Commission's view on certain questions which very properly preoccupy the committee. It is, of course, with some pleasure therefore that I find the statement actually incorporated into the committee's very thorough subsequent deliberations.

The Legal Affairs Committee's report makes a number of proposals for amendment which the Commission welcomes and will gladly adopt. That includes the point made by Mr Fischbach in his speech when he wanted an amendment to the title. I will not list all the ones that we are accepting. I think there is only any point in talking about the ones where there is a difference between us. Basically there are two proposed amendments on which the Commission finds itself unable to agree with the proposals of Parliament. This does not mean — and I want to emphasize this — that the Commission is in any sense out of sympathy with the underlying ideas behind those amendments. The problem is that we believe that there are practical difficulties which are very difficult to overcome in present circumstances.

The first point on which I have to express a reserve, Mr President, is Article 1, paragraph 1, where the effect of the proposed amendment to the Commission's text is that export credit insurance operations for the account of or with the guarantee of the State would be made subject to the provisions of the 1973 coordination directive which imposes various requirements upon undertakings carrying out non-life insurance to the extent that the customer of the insured is a national of a Member State. On the other hand, to the

extent that the customer of the insured is a national of a non-Member State, the directive would not apply, pending, it is said, further coordination.

The Commission, Mr President, is fully in sympathy with the idea that, as regards these intra-Community operations, State-backed export credit undertakings ought to be placed on an equal competitive footing with private undertakings. The question is how this result which we all want can best be achieved and in particular whether it is in fact practical to subject this part of the State-backed organization's activities to the requirements of the directive. Now it may well be that it is practical, but one can, I think, see certain problems even at this stage. That is why in my statement to the Legal Affairs Committee the most I could do was to undertake that a study would be carried out.

Mr President, the House will find that this undertaking is in the third paragraph from the end of Annex III to the report. I made the statement after full discussions with my colleague, the Commissioner responsible for competition policy. It is only when we have the results of the study that the Commission as a whole will be able to decide whether its existing proposal should be modified. In the meantime I have to say that the Commission feels obliged to stick to the existing text of its proposal. We want — and I want to explain why we feel obliged to do so — the Council to be able to start work on the other parts of the proposal without waiting for the result of the study. This must not be seen as in any way prejudicing the outcome of the study which will be carried out as rapidly as possible and the results of which will be communicated to Parliament, as well as being kept in our own organization and being the concern of the Council. So I can assure the House that not only do I wish to see the study carried out as quickly as possible but the results will certainly be communicated also as quickly as possible to Parliament.

The second matter on which the Commission is not able to accept an amendment proposed in the report concerns the method of calculating the equalization reserve, which is the subject of Article 2, paragraph 1, in the Commission's original proposal and appears in the report of the Legal Affairs Committee under Article 1, paragraph 4, where it is introduced into the proposed new Article 15 B of the first coordination directive as paragraph 2 of that article — and I cannot help saying at this stage, Mr President, that I sympathize very much with Mr Fischbach when he pointed out to your predecessor in the Chair that this is the most horrendously complicated subject, not only in itself, but to talk about as well.

There is agreement between us that there ought to be an equalization reserve for credit insurance business, and that the contributions to it ought to be deductible for tax purposes. The Commission proposed a single basis for calculating the annual contributions to the reserve, with a ceiling at least for tax purposes. The

Tugendhat

proposed amendment sets out alternative methods. The first indent describes a mathematical technique at present used in the Federal Republic of Germany. The second indent reproduces the Commission's proposal, except that the restriction to 12 % of the net premiums, put in to prevent manipulation to secure tax benefits, has disappeared.

It will be noted, moreover, that, while there is still a ceiling on the amount of the reserve computed on the Commission's basis, there is no ceiling on the reserve calculated as set out in the first indent, hence an imbalance which makes the proposed amendment as it stands unacceptable.

The Commission, however, does accept that its own proposal is by no means the last word on the subject. Since it was made, a group of national experts set up by the conference of the insurance supervisory authorities of the Member States, a group under the distinguished chairmanship of Dr Angerer of the German insurance supervisory office, has produced a detailed report on technical reserves in general and equalization reserves in particular. The Commission, which participated in the group's work, is therefore very much aware that the discussions in the Council will take full account of this most valuable report. We feel obliged to maintain our existing text for the present, while keeping an open mind in our approach to these discussions.

Mr President, the House will see that the Commission welcomes the report of the Legal Affairs Committee and that, while it does not find itself able to commit itself to accepting two of the proposed amendments, even on those two amendments our attitude is by no means totally negative but rather one of a willingness to look further into the matters in question. We are very anxious indeed that work in this important sphere should proceed with the minimum of delay and that is why we feel it right to advocate the course of action I have outlined, but, as I say, in the two areas where there is a difference of view between ourselves and the Parliament we are keeping an open mind. We will ensure that the first report, the report which I mentioned, is received by the Parliament at the earliest available opportunity.

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

Mr Sieglerschmidt. — (D) Mr President, ladies and gentlemen, I should like to begin by addressing a brief word to the Commission.

I was pleased to hear Mr Tugendhat describe so clearly how he intends to deal with the amendments proposed by the Legal Affairs Committee, which I hope will be adopted by this House. However — and

this criticism is not directed specifically at Mr Tugendhat — we note with increasing concern the way in which praise is lavished on our proposals here in this House, but subsequently, when it comes to the crunch and the proposal is forwarded to the Council, our proposals practically disappear without trace.

It is time the Commission realized, Mr Tugendhat, that this kind of attitude does not exactly act as a stimulus to the work of this House. I appreciate, of course, that you are in a similar situation in that you have problems in transforming the texts you submit to the Council into Community legislation. In my opinion, the traditional link forged over the years between the Commission and the European Parliament should be exploited more effectively than has been the case recently. This is now the third proposal on insurance law we have discussed in this House. Many of us — including myself — were not very happy at this bit-by-bit approach, and I should like to ask you the specific question whether we can now work on the assumption that this will be the last set of proposals for insurance legislation, or whether further action is thought necessary in other areas?

Finally I should like to comment briefly on the question of harmonization, not because I happen to come from the Federal Republic of Germany, but, let me stress, for reasons of general interest. The situation we have here — as is so often the case, and not always in relation to the Federal Republic of Germany — is that eight Member States have a particular system and the ninth is the odd man out. The question then is how should we go about this process of harmonization? There at least we have reached an acceptable compromise which is also satisfactory from the point of view of the Federal Republic of Germany, but I should like to warn the Commission against regarding harmonization as a kind of democratic vote whereby the minority is in the wrong. You really ought to examine more closely — and let me refer you here to the next proposal which is on legal protection insurance — whether it might not be possible in some cases when one Member State's system is clearly good and suited to the needs of the consumer, to harmonize the other eight Member States' systems on that basis, and not *vice versa*.

Finally, let me stress once again that the Socialist Group supports the creation of equal conditions of competition for export business and would particularly like to see equal conditions created in the export field as regards subsidies. That is a point I think well worth making again here.

That is all wanted to add to what was said by the rapporteur. I have been able to be brief because Mr Fischbach's report coincides entirely with my own ideas and because, in this case, there was a large measure of agreement in the committee.

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

Mr Turner. — Mr President, first of all I should like to congratulate Mr Fischbach very much on what he has done. We all know he has worked very hard and he has got the right answers. I think Mr Balfour has also got the right answers, although they are not the same.

The Legal Affairs Committee came to the conclusion that there are two principles involved. The first is that all groups in the EEC must be subject to the same conditions, whether they are private or governmental, and that is why we and Mr Fischbach in the Legal Affairs Committee insisted that governments who take part in credit insurance inside the EEC shall be subject to the same conditions as private parties.

Secondly, we all, I think, entirely agree with Mr Balfour and the Committee on Economic and Monetary Affairs that the time has come to put an end to governmental aids — and this is one example of them that exists now — where governments support exports between countries within the EEC. We gave a lot of thought to this, and we decided in the end that we would not press this point on this particular measure, because there were so many advantages to be got in the field of insurance without pressing the principle regarding national aids. However, we do insist on the immediate necessity for recognizing constitutionally and legally the fact that governmental and private bodies in the EEC are subject to the same conditions, and I am very glad that the Commissioner has — I think he has — accepted the principle. He said that he is proposing to accept it soon when he has given it more thought, and I think that is showing his willingness. He is also saying that he will put the detailed proposal for the directive straight to the Council while he gives further thought to exactly how he can ensure that national governments within the EEC are put under the same legal constraints as are private parties, and I hope he succeeds in that. It may be he will have to amplify the proposals we have made to take account of all the things the various governments within the EEC do, but I think he is agreed that that is an objective which he supports.

Now, on the question of national aids, it is regrettable in a way that the day after we talked at length about non-tariff barriers, which are proliferating all the time, we are having to talk about national aids, which are again proliferating all the time. This directive touches on one of them, which is, as I say, governmental interference in the insurance of exports within the EEC. However, we have decided, obnoxious though these are, not to press the point in this directive, simply because we feel the Commission is making great headway with insurance law generally with the number of directives which it has given to us recently and we have gone through. That does not mean for one

moment that our staying our hand means we do not regard these national aids as obnoxious, and we want to get rid of them as quickly as possible.

Those are the general principles, and I now need only comment on one thing. That is the other point Mr Tugendhat talked about, which is Article 1, paragraph 4 (2), where the Legal Affairs Committee put in two alternatives for the equalization reserve. Now, our view in this group on that is that we like the compromise that the Commission had arrived at. We should regret any national government diverging very far from that compromise figure of 150 %, and we hope that there will be no need to vary at all; indeed for my part I hope that the Commission will be able in its further consultations with the countries in question to come to some agreement on a common percentage figure. If they do not do that, then I urge the governments concerned, those who think the figure is too high and those who think the figure is too low, not to vary from the figure of 150 % by any large amount. If they do, then we shall have to take the matter up again in Parliament, because we shall consider that they have strayed from the principles of this directive, which have been put forward by the Legal Affairs Committee.

And so, Mr President, may I end by saying that we are glad that the Commission is being cooperative. I think we are being cooperative too, and I hope that the Council, which so often is the graveyard of so many good intentions, is cooperative as well and will cooperate quickly.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, I feel the need to return in view of the fact that Mr Turner and Mr Sieglerschmidt both talked about the cooperativeness of the Commission. I do not want there to be any false impressions; I do not want there to be any accusations of bad faith later on.

Firstly, so far as Mr Sieglerschmidt is concerned, I cannot say that there will be no further proposals on insurance. There will be. We feel the need to do this because insurance is an extremely large area; it is an extremely complicated area, and it simply is not practical in our view to produce one great jumbo measure that will incorporate everything. So I am sorry that I cannot meet him on this point. We shall be introducing further measures.

I entirely agree with him that a tyranny of the majority can be just as odious to a minority as any other sort of tyranny. It is therefore extremely important that all points of view be taken into account. Obviously, in the end, as in any democratic organization — or, indeed, undemocratic as well for that matter — some points of view have to triumph; but I think it is extremely

Tugendhat

important that all points of view should receive a full and proper airing when formulating proposals for the Community as a whole and proposals which have to apply in the Community as a whole.

So far as Mr Turner is concerned, I felt, if I may say so, Mr President, that he was taking me a little further than I meant to go, and that is why I feel the need to make it clear that I am not going quite as far as he seemed to be suggesting. Indeed, in the report which I have here, on page 4 in the English text, I am quoted as saying that I can at this stage make no commitment as regards the conclusions of the study. Let me repeat myself. I made it clear where we stand on the objectives, we support the objectives. I made it clear that we have an open mind in many respects and that is why we are looking at the study in that way; but I cannot enter into a commitment to prejudge the outcome of this study, and I would not like him to feel later that I had gone as far as he had said and then gone back again afterwards. That is why, even though it would be very convenient and pleasurable for me to end this short debate by agreeing with everybody, I cannot go quite as far as that.

President. — The debate is closed. The motion for resolution will be put to the vote at the next voting time.

14. *Community system of generalized tariff preferences after 1980*

President. — The next item is the report (Doc. 1-455/80), drawn up by Mr Pearce on behalf of the Committee on Development and Cooperation, on the

communication from the Commission on the Council (Doc. 1-67/80) concerning guidelines for the European Community's system of generalized tariff preferences for the period after 1980.

I call Mr Pearce.

Mr Pearce, rapporteur. — The Commission has produced a document indicating the shape of the generalized system of preferences (GSP) for the period after 1980 and it is the job of my report to comment on these guidelines.

The report has arrived somewhat later than we would have wished, but this is because of congestion in the list of resolutions waiting to come before this House. It will be followed up shortly, I hope in the November part-session, by a further report on the Commission's detailed proposals applicable from 1981 to 1985.

Mr President, we welcome the work that the Commission has done to think into the long term about the

further development of the GSP system, although I think it has to be said that there is still some additional work to be done to clarify our thoughts fully. We note that the GSP system is a principal constituent part of the Community's overall aid policy. It is intended to benefit the developing countries, particularly the poorest of the developing countries. We think that it will be useful in the coming months to work with the Commission to compare the situation of GSP in the overall aid programme with all of the other aspects of Community aid to make sure that there are not overlaps between different aid measures or underlaps, if I may coin a word.

We are all worried about the low level of utilization of GSP. It is perhaps a hollow gesture to offer a scheme which is intended to benefit the very poor countries but which for one reason or another they are unable to utilize fully. The fact that only 60 % of the offer has been taken up in recent years give rise to concern, both on the part of the Commission and, I am sure, to Members of this Parliament. We urge the Commission to take all possible steps, particularly including publicity measures, to increase the take-up under this scheme.

The scheme is intended to benefit the very poor countries. Consequently, we would like to see in the future a modulation of the offer according to the level of industrialization or indeed the level of prosperity of the beneficiary countries, so that the poorest countries gain most. Then, as they become richer the level of benefit they enjoy is tapered off. As this happens, we would expect those newly industrialized countries to fall in much more with the general rule applicable to trade between advanced countries — the rules and principals of the GATT.

The countries that benefit from the GSP system are at the moment those established by UNCTAD and since, Mr President, the scheme is an autonomous Community one, and is not the subject of an agreement between us and the beneficiary countries, we think that we should have discretion over the countries to be included.

Further points, more briefly, Mr President. We want to see more agricultural products included in the scheme. It is not good enough to say that CAP products must be totally excluded. We want more publicity and more clarity in the rules of origin, which perhaps are one of the causes of low utilization. We want to see greater simplification of the scheme, fewer categories of sensitivity, fewer rules and regulations and a longer duration of the scheme so that exporters and importers can plan their work more fully and with more certainty.

We would like to be assured that there is adequate consultation between the Commission and the beneficiary countries so that the offer made to them and the rules applicable to that offer do in fact produce some-

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thing that the beneficiary countries want. We would like, as time goes on, some assurance that those consultations have taken place. We would like to ensure finally, Mr President, that in the administration of this scheme, as indeed with Community policies in general, it is the Commission that takes the decisions and that power is not allowed to slip away from the Commission into the hands of committees under the Council of Ministers. The Commission have the responsibility, they should also have the power and we have the right to hold the Commission accountable for what they have done. We will certainly support the Commission in every way in seeking to maintain its power and authority over the scheme.

So, Mr President, I conclude by welcoming the scheme, by welcoming the Commission's guidelines and by looking forward with interest to our examination of the detailed proposals for 1981 to 1985 so that we may see how they compare with the guidelines and our comments on them.

President. — I call Mrs Chouraqui to speak on behalf of the Committee on External Economic Relations.

Mrs Chouraqui, draftsman of an opinion. — (F) It must not be forgotten, Mr President, that the generalized system of preferences was established by the Community on 1 July 1971, and that each year from 1971 to 1980 it has been adjusted and improved. Thanks to the results obtained from the Tokyo Round, it will be possible to continue the scheme after 1980 without derogating from the GATT rules. So, at the start of the scheme's second decade, the Committee on External Economic Affairs decided to report on the experience acquired so far and to define the principal lines to be followed in the future.

The results of the generalized system of preferences to date can be summarized as follows: despite the low level of utilization referred to by Mr Pearce, the benefit derived from the GSP nevertheless increased twelve-fold for industrial goods and fourteen-fold for agricultural produce between 1971 and 1980. Admittedly, the preferential imports themselves represent only 4 % of the total of Community imports of goods included in the scheme. It is also worth noting that the more advanced countries gained greater advantage from the scheme than the poorest countries. One particular figure stands out: 85 % of the benefit arising from the scheme went to only 17 countries, including those with high population densities.

In addition to drawing attention to these figures, the Committee on External Economic Relations, on whose behalf I am presenting this report, has given its approval to a number of new guidelines which I would like to describe, together with the reasoning behind them, and put to the Assembly.

With the decline in economic growth and the profound changes which have taken place in the international economic situation, development policy can no longer remain as it was previously, based merely on the objective of narrowing the gap between the rich and the poor countries. The industrial countries nowadays have to face a worldwide decline in the economic situation, a reduced rate of growth, inflation, unemployment and balance of payments problems; in addition they are faced with the entry into the international market of the newly industrializing countries which are rapidly becoming partners who cannot be ignored in international trade and who are moreover becoming highly competitive, with such products as textiles, steel products, chemicals and electronic equipment taking a large share of our market.

It is in these circumstances that the Community, in drawing up a new system has to strike a difficult balance between a number of conflicting aims: to continue encouraging world trade, particularly to the benefit of the poorest countries, which is the ultimate goal of the GSP scheme, and at the same time to look after the Community's own industries, protect employment, defend the common agricultural policy and finally keep to the undertakings given under the Lomé Convention and to the Mediterranean countries.

With this in mind the Committee on External Economic Relations has given its approval to a number of Commission guidelines and put forward others of its own. Our view is that the scheme should be modified by the adoption of selective or modulated approach to the preferential advantages, with the selective process being based on a classification of the beneficiary countries according to the degree to which they are developed, and by dividing the products into those which are sensitive and those which are not.

Let me explain. The beneficiary countries would be divided into three main groups: firstly, those newly industrializing countries which, are sufficiently competitive albeit in only a few products, for the advantages they enjoy under the GSP scheme to be restricted; secondly, the poorest and least developed countries, for whom we should be continuing, indeed improving the scheme, and thirdly, those developing countries which possess sufficient financial and technological resources to establish processing industries with export potential. To simplify matters as regards the products, it is our view that for non-sensitive goods no ceilings should in future be applied but that for sensitive products Community ceilings should be fixed on the basis of objective criteria and applied individually to each country. The objective criteria the Committee has in mind are these: *per capita* income, industrial growth rate and investments, social situation, penetration of the Community market, the rate at which preferences were utilized during the first period of application, and, lastly, the situation of the Community producers.

Chouraqui

The report also includes a number of other elements to which I shall now refer briefly. It is not considered appropriate to modify the GSP scheme relating to textile goods before 1982 when the bilateral voluntary restraint agreements expire. Secondly, it is our view that in view of the constraints imposed by the common agricultural policy the list of agricultural products should not be extended. We do, however, recommend that the list of agricultural products should be extended for the benefit of the least developed countries. Thirdly, a number of semi-manufactures can probably be added to the list of industrial products. The autonomous, that is to say the non-contractual, nature of the preferences, is to be maintained. However, it is the view of the Committee on External Economic Affairs that it would be appropriate to consult closely with competitor countries in sensitive sectors and even, in the case of certain countries, to insist on reciprocity in the GATT agreements.

The Committee on External Economic Affairs proposes one last measure relating to the social aspect which strikes me as being of particular importance. It is our view that the principal standards of the International Labour Organization, particularly those relating to child labour, should be taken into consideration as they stand.

Lastly, the Committee considers that in order to take account of developments in the international economic situation the scheme should be applicable for a period of 10 years rather than the 20 years proposed by the Commission.

In conclusion, Mr President, it is my belief that before we make any judgment on the GSP we should remember two things. Firstly, that the system has only a modest impact in the field of cooperation and development, and we are pressing the Commission and the Council to make other methods of cooperation available. Secondly, that investment by the transfer of capital and of technology should be encouraged, but care must be taken that such investment is wise from the development point of view and is compatible with the circumstances of the developing countries.

These are the principles which our Committee would like to see established for the coming decade. Let us try and bear them in mind when we come to the proposals for the 1981 generalized system of preferences.

President. — Mrs Chouraqui, you will be leaving us tomorrow, and I know I am speaking for every Member of this House when I say that you will be missed. You were a very active member of the Committee on External Economic Relations and as chairman of the Working Party on Structures I was always able to look to you for assistance. I would like

to express my gratitude to you today and on behalf of all Members of the House wish you all the best in Paris. Don't stay away too long: come back to Strasbourg.

(Applause)

I call Mr Woltjer to speak on behalf of the Committee on Agriculture.

Mr Woltjer, draftsman of an opinion. — *(NL)* Mr President, the Committee on Agriculture has sometimes been criticized — and not always, I'm sorry to say, without reason — for trying to solve the present agricultural problems via increased protectionism and offloading of our problem of surpluses into the developing countries. Many of my colleagues on the committee are so preoccupied with the agricultural problem in Europe that they forget that the problem outside the Community is even greater.

I was more than willing to put myself forward as draftsman of the opinion for the Committee on Agriculture because I feel it is extremely important for the committee to make its position clear on this matter. The fact is that protectionism hits the developing countries particularly hard. I was determined to convince the Committee on Agriculture that such a policy would be disastrous and one which as Europeans we could not and should not follow. So I am pleased to say that the Committee on Agriculture approved my report, admittedly after some hesitation.

It is essential that the developing countries find new markets for their products. It is becoming increasingly apparent that this is their surest way forward. Of course, food aid and technical and financial assistance are of fundamental importance as well, but if the developing countries are not given the opportunity to gain a foothold on our markets, they will have no chance at all. This has been argued more and more forcibly at the UNCTAD talks.

An analysis of how the system has worked in the period now ending is of vital importance if we are to improve the system for the coming decades. Parliament put this question clearly to the Commission in its resolution on the generalized system of tariff preferences for 1980, and I have to say that I was somewhat disappointed by the Commission's analysis. It is not thorough enough and does not get to grips with the real problems. The shortcomings of the system are only dealt with very superficially. The specific question — how can we improve this system to the advantage of the poorest countries — is not really answered.

In fact, the Commission only makes vague suggestions as to how improvements could be introduced — for example, it suggests that semi-industrialized countries benefit most from the GSP. In other words, the poorest countries are not taken into consideration and

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this is what struck me most forcibly. Because if we try to discover where the real problem lies, we are bound to conclude that precisely those areas where the sales potential for the poorest countries is the greatest are excluded from the system. There are admittedly a number of agricultural products on the list, but protectionism is a major factor here. The Committee on Agriculture therefore urges that the system should be improved for the poorest countries. I welcome this and I am delighted to be able to state on behalf of the Committee on Agriculture that in our view no compromise is possible: we must ensure that the poorest countries are given the chance to introduce their agricultural products, including processed goods, into our market. The Commission refrained from dealing with this point in its memorandum. That is unacceptable. In fact, the Commission said that the European agricultural policy makes it impossible to offer more sales outlets for these products. I question that because it means that the European agricultural policy is regarded as static, whereas we are all aware that we are now wrestling with the problem of how to reform it in order to help us to solve our own problems. So we are going to have to make changes and in so doing we must try to create opportunities for the poorest countries.

I must insist, as I did in my report, that goods which are now imported duty-free, from the developing countries, for example certain vegetable oils and fats, should still be duty-free in the coming period. A principal victim of such duties would be the export trade of the poorest developing countries. I am glad that I can express this opinion for the Committee on Agriculture, and I hope that the European Commission will regard the committee's statement as support in its efforts to persuade the Council.

One further point, although it is not directly connected with the generalized system of preferences. I would like to draw your attention to the recommendation of the Committee on Agriculture in paragraph 4 of the conclusions that consideration should be given to whether the Community could supplement the generalized system of preferences by offering a sales guarantee to the least developed countries which are mainly dependent on agricultural exports. The system should, in the case of the very poorest developing countries, where it can be considered completely justified, be brought more into line with the Lomé Convention as regards price stability and stabilization of export earnings. I urge the Commission most strongly to examine this question fully, and to come up with suitable proposals. The poverty in the world goes beyond the limits of Lomé, and I hope that the EEC will give more thought to it as well.

I am glad that I may express this opinion on behalf of the Committee on Agriculture. I know that in many fields we sometimes give opinions which go against the interests of developing countries, but I am thankful that with this opinion in this important area the

Committee on Agriculture has shown that it really is concerned about the poorest countries which are neglected in our present policy.

(Applause)

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

Mr Cohen. — *(NL)* Mr President, ladies and gentlemen, it seems to me that this debate on the scheme of generalized tariff preferences for developing countries is too late to be of any use. After all, we are supposed to be talking this afternoon about nothing but the general guidelines for the system, whereas everyone knows that the Commission's detailed proposals for 1981 are already being discussed by the Council. In a very short time — in November or December, I hope — we shall have to come back to this very same problem, when we shall at least be able to refer to the Commission's proposals for 1981 and thus go into much more detail as regards the merits and the drawbacks of the system.

That does not mean to say that I am not grateful to the Commission for sending us this document on the proposed guidelines with a request by the Council for our opinion. After all, this kind of general debate gives us a chance to say what we really think about the general system of tariff preferences, and also gives us a chance to indicate the general direction of our thoughts — although not in such specific terms as we could with regard to concrete proposals.

Mr President, this system of general tariff preferences has existed for almost ten years now, which means that we have had a number of years' experience in operating it, and we now know its advantages and disadvantages. We have gradually come to realize that not all the developing countries have benefited from the scheme, and that in particular the poorest among them have not had a fair crack of the whip.

The question is of course whether a system like this can ever benefit the poorest countries as much as it does the already industrialized countries — which does not mean to say that we should not do everything in our power to provide more aid in the coming years to the poorest countries in particular.

It is a curious fact, Mr President, that despite the economic recession we are now going through in Western Europe and throughout the world, there is no real groundswell of opinion in favour of doing away with the system of general tariff preferences. The entire industrialized world is quite convinced that this system should be maintained despite the economic recession, and it may even be possible to find arguments to prove that it is now more necessary than ever to persevere with the system and, indeed, improve it.

Cohen

Of course, let us not forget that one of the factors exacerbating the present economic crisis is the reduced level of demand from the developing countries.

In the Commission's report on the state of the steel industry in the Community, putting the case for application of Article 58 of the ECSC Treaty, the point is of course stressed that there has been a fall in the developing countries' demand for our steel products, and the same goes for other commodities as well as steel. Developing countries' demand for our products is falling right across the board, thus aggravating our own crisis. And the fact is that demand is falling at a time when the needs are of course — in principle — enormous, and those needs could be met by the Community's industry. What is needed, though, is sufficient purchasing power in the developing countries to stimulate demand. The system of general tariff preferences gives the developing countries increased income from export sales, thus boosting purchasing power and stimulating demand in those countries. It is therefore not only in the interests of the developing countries, but also in our own interests, to persevere with this system of general tariff preferences and, indeed, improve and extend it. More than ever, it is appropriate here to apply the word which crops up so often in the report of the Brandt Commission; there is truly an 'interdependence' between our interests and those of the developing countries.

Generally speaking then, Mr President, the Socialist Group can go along with the ideas put forward by the Commission in its guideline document. We can also agree to a great extent with Mr Pearce's motion for a resolution on behalf of the Committee on Development and Cooperation. Following on from the opinion of the Committee on Agriculture, we are also very much in favour of the inclusion of agricultural products in the system. Secondly — and we have tabled a number of amendments on this point — we want to see the independent and general nature of the system guaranteed. I cannot help but get the impression that Mr Pearce's attitude is something of the nature of 'I want to have my cake and eat it'. He works on the assumption that the system is autonomous, but nonetheless demands a certain amount of reciprocity; he also refers to 'consultation'; that is something we cannot accept, and that is why we have tabled our amendments to ensure that the system retains its autonomous character. We are also in favour of the system being applied in such a way that, in the future, the poorer countries will be able to derive more benefit from it.

Mr President, that concludes the main points I wanted to make. As I said earlier, this general debate is rather too late to be of any use, because in a few weeks' — or at most, months' — time, we shall have to debate the 1981 scheme itself. It is then that we shall come up against the real problems. Everyone has had a chance here today to make general statements, but in the forthcoming debate, we shall really get to know who is

prepared to do something for the developing countries and who is not. The Socialist Group remains in favour of persevering with the system, extending and strengthening it, and that is a point we shall be stressing over the coming months.

(Applause)

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

Mr Welsh. — Mr President, I should first of all like to offer my congratulations to my honourable friend, the rapporteur, on the excellence of his report and also to Madame Chouraqui, draftsman of the opinion for the Committee on External Economic Relations, who wrote such an excellent opinion which represented the consensus of that committee's view.

I have moved three amendments, which reflect the conclusions of the Committee on External Economic Relations, although of course I am not authorized to speak on their behalf. We have moved those amendments, however, because we think that the points that are expressed in that opinion are very well worth making and should be taken into account in Parliament's report.

In an answer to a written question, No 671/80, the Commission pointed out that of 146 independent countries and overseas territories enjoying the GSP privileges, 60 were signatories to the Lomé Convention and 9, including Yugoslavia, have preferential agreements. None of these countries were supposed to use the GSP. The Commission's reply to Written Question No 412/80, which was posed by Mr Herman, makes their position very clear, because they state there that the Mediterranean countries, the Maghreb, the Mashrek, the ACP countries and Yugoslavia are not expected to use the preferences that are granted to them under the GSP because they enjoy other preferential arrangements. So approximately 67 of the beneficiaries of this arrangement, in fact, are not expected to use the preferences. We should like to be sure that this Commission policy is properly reflected in Parliament's report, and that is why we have moved our third amendment.

We should also like the Commission to explain what they plan to do if these countries do seek to avail themselves of GSP privileges. If the answer is that it would never be advantageous for them to do so, why are they so anxious to remain on the GSP list? According to the Commission's own figures for 1978 — unfortunately those for 1979 are not yet available — of these special countries only Yugoslavia took advantage of the preference, which accounted for 12.2 % of the effective utilization. Of the remaining 77 countries in the scheme, Hong Kong received 10.8 %, Brazil 10.3 %, Korea 9.9 %, Malaysia 8.8 %

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and India 8.5 %. Thus, these six countries accounted for 60.5 % of the full GSP utilization, and I respectfully suggest that the GSP is not particularly appropriate for the Community's development of trade with these particular countries. Indeed, in four cases framework agreements either have been or are being negotiated, and this is surely a much more satisfactory way of developing our trade. Of the remaining preferences, OPEC countries accounted for 6.5 %, Comecon countries for 5.4 % and the five ASEAN countries for 21.2 % and they, of course, also have a special framework arrangement with the Community. The remainder, which was spread among 17 countries, was only 15.2 %, and we would argue that this is the only valid use of the GSP itself.

Mr President, we do not seek to quarrel with the rapporteur's conclusions or this report. What we would point out to the Commission, though, is that the GSP as a system of development is redundant: it is not working, it is helping the wrong people in the wrong way, and the sooner the Commission turns its attention to developing a proper trade policy for the newly industrialized countries and a proper development policy for the truly developing countries, the better for all of us.

(Applause)

President. — I call Mrs Caretoni-Romagnoli to speak on behalf of the Communist and Allies Group.

Mrs Caretoni-Romagnoli. — *(I)* Mr President, we Italian Members of the Communist and Allies Group have expressed our support for the generalized system of preferences on many occasions. We have also, since the question does reappear regularly, had several opportunities to voice our concern about the effective profile of the system and the way in which it is applied. We have no intention, of course, of opposing the report itself today. Mr Pearce and the various draftsmen of opinions have all done extremely good work. The doubts we would like to put before you today concern the way in which the Commission, and indeed this Parliament, are approaching this problem as a whole.

It seems to us that there is a fundamental inconsistency between the Community's policy and in this Parliament's attitude. There are excellent analyses in the reports before us, but when we come to the conclusions we find that there is a sudden loss of quality and things are less clear. We all agree, for example, that the results of the GSP are poor and that it has been the least successful of the instruments available to the development policy. The Commission has admitted that itself. If that is really what is felt, then, why are we here offered so few changes to the scheme and why at the same time as this debate on cooperation are we not tackling the question of restructuring economic

activities within the European Community? The rapporteur states quite rightly in his conclusions that the two questions are linked but that there is a shortage of positive proposals and decisions.

These are the conflicts which we see and which oblige us to point out once again the underlying realities in the hope that this general debate will have its effect, and that they will be dealt with satisfactorily when we come to discuss the concrete proposals to which Mr Cohen rightly referred.

There is one fundamental question which perplexes us. The connection between development and the proper application of the GSP is not particularly clear; nor is it clear how it meshes with the North-South Dialogue. It is our view that these questions also remain unanswered by Parliament: this is a tangle which should be unravelled. Basically, we should be bold enough to say once and for all that the GSP should be a means of cooperating with developing countries, rather than a web of tariff measures for use in accordance with Community requirements. I should like to add that on this question even the Economic and Social Committee is in agreement, and its role is by definition to defend the interests of businesses and workers within the Community.

There then arises a further problem which we have never tackled as forthrightly as it deserves, and that is the question of the proven abuses of the system perpetrated by the multinational corporations. I am referring to the many benefits derived by a few from the facilities which the EEC ostensibly provides for the developing countries. Parliament should not be reticent about this, because we have just had a debate on hunger in the world, and we have just had the Luxembourg meeting on Lomé II. If we are to be consistent about the things which we not only said but voted for, we should be expressing our attitude more forcefully.

As regards the renewal of the GSP scheme it is my belief that the European Parliament should also be scratching where it itches and drawing attention to another factor which is the connection between the common agricultural policy, reform of the common agricultural policy and the possibility of making the scheme effective. For if we do not get to grips with this problem we shall merely continue repeating the old cliché — that the scheme is a good thing as such even though other countries do not derive the expected benefits from it. This, too, was stated quite clearly during the Luxembourg discussions on Lomé II, Mr President, and I see no reason why it should not be said here and why allusion should not be made to it in the proposals we shall be voting on.

There is yet another question which should in our opinion have been highlighted. The scheme fails to work because of the widely differing ways in which these countries are treated by the Community and by other industrialized countries, in particular the United

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States and Japan. Of course we cannot insist that the United States and Japan treat developing countries in one way rather than another. We should nonetheless be aware of this situation, and be prepared to discuss it in depth. It is undoubtedly within Parliament's mandate to do so, and probably within the Commission's.

Before I conclude I should like to say a brief word on the time scale. Even though the 20 year period proposed is divided into five-year phases, it is quite unrealistic. We have only to recall where we were 20 years ago — even 10 years ago — to realize just how much has happened during the five years of the energy crisis. That is why we need the possibility of more action and more change. I believe that fixing too long a time limit would be quite unrealistic.

The last point which we should like to bring to your attention is the approach to the inter-regional dimension. Here too we have had encouraging experience with the Lomé Convention, and I see no reason why we should not use such useful experience throughout the whole range of our policies. We have examined the various amendments with great interest, and I can say that some of our own perplexities and doubts would be dispelled were the Assembly to accept the amendments tabled by Mr Cohen. I am sure Mr Cohen will not be offended if I say in all candour that his amendments will not completely transform the resolution. They do, however, indicate the road forward and it is my belief that those Members of this Parliament who share a particular view of development policy will certainly recognize that to approve those amendments is an advance.

What precisely would we like to see? We would like to see progress so that this scheme fulfils what we consider to be its primary and fundamental function — that of an instrument of development.

President. — I call Mr De Gucht to speak on behalf of the Liberal and Democratic Group.

Mr De Gucht. — (NL) Mr President, I should like to begin by reminding you of the basic principles behind the generalized system of preferences, as formulated in Resolution 21/2 of the UNCTAD Conference in New Delhi in 1968 and as subsequently adopted by the Community. They are three in number: firstly, to boost the export earnings of the developing countries, and particularly the weakest among them; secondly, to accelerate the process of industrialization in the developing countries; and thirdly, to speed up the developing countries' economic growth.

Bearing these aims in mind, we are bound to conclude that, over the past ten years — in other words, over

the first period — the effect of the GSP on the least developed Third World countries has been minimal, not to say negligible. Generally speaking, it is the developing countries which have already gone some way towards industrialization which can and do make use of the GSP. To illustrate this point, let me just remind you that 67.8 % of the funds available in 1978 accrued to the benefit of the ten most developed Third World countries.

The discrepancy is even more striking when one takes a look at the so-called 'non-sensitive products'. Here, the ten most favoured countries skim off 83.7 % of duty-free exports to the Community. There is very little justification for claiming to stimulate the trade activities of the Third World countries in non-sensitive products when there are no quantitative restrictions on precisely this range of products. In my opinion, the two main reasons why the GSP works so badly are that, firstly, the GSP provisions are too restrictive for sensitive products — which are precisely the commodities in which the Third World countries have the best chance on the export market — and secondly, the technical complexity and consequent limited application of the system for the countries for which it was designed. Because of these two main problems, exporters in the Third World countries are unsure about the facilities for exporting goods duty-free or at reduced rates.

It therefore follows that maximum benefit is derived from the system by the best organized countries, authorities, undertakings and private persons. One is bound to wonder whether the benefits built in to the GSP for the developing countries are not indirectly working to the advantage of the multinational companies in the food sector. Admittedly, the laudable aims have a number of built-in guarantees, but would anyone dare to claim that these cannot be got round somehow or other?

In the light of this analysis, there are four possible alternatives as regards the future development of the GSP. Firstly, we could abolish it altogether. This solution is not quite as extreme as it might appear at first sight. Practically speaking, exporters in the developing countries do not really count on enjoying GSP facilities, because they have practically no way of knowing whether they will qualify for tariff preferences when their products arrive in the Community. It is obvious that, in practical terms, the system as it stands at the moment mainly benefits importers in the industrialized countries. One is also bound to wonder whether the developing countries might not have obtained better tariff conditions in the Tokyo Round if some of their number had not been influenced by their — mainly political — dependence on a variety of tariff preference systems, including the GSP.

However, the abolition of the GSP would not be a sensible solution because the system does hold out the hope for the developing countries of free access to the

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Common Market, or rather, the world market. The point should also be made that the GSP improves the Community countries' image in the North-South Dialogue — especially in relation to the United States — and invalidates the veiled criticism of the Community's import policy on agricultural and textile products.

The second alternative would be to allow general free access for goods from the less developed Third World countries. In the short term, this would represent no danger to the Community, as the countries concerned — by dint of their very low level of development — are not in a position to adapt whatever production facilities they have to export-orientated products. However, for political reasons, this option is not tenable in the current protectionist climate.

The third alternative would be to retain the present system with all its attendant disadvantages and justified criticism.

The fourth alternative is to make drastic changes to the GSP. The Commission's earlier proposals tended to take this line, whereas the present ones do not go so far. The important thing is to apply the benefits of the GSP on a product-by-product and country-by-country basis, so that the most industrialized developing countries do not get the largest slice of the cake. We might consider in this respect granting total exemption for the least developed Third World countries.

The scheme itself needs to be radically revised and the products divided into two categories only: sensitive and non-sensitive products. It is worth recommending adoption of a longer period of ten or twenty years, so that the developing countries have a chance to adapt their economic structure to the GSP. Finally, there should be more scope within the GSP for agricultural products.

So much for the question of general tariff preferences. Allow me to make one last point which, in my opinion, likewise touches on the development problem. The real point at issue is not so much tariff preferences, which — like so many instruments of development policy — are little more than window-dressing. What really matters is whether we are prepared to pay a reasonable price for our imports of raw materials from the developing countries. The answer is no, we are not. It is only if we were prepared to pay a reasonable price that the developing countries would be in a position to build up their industrial base, raise their standard of living and pay off their enormous debts. That is the real issue; all the rest is merely incidental.

President. — I call Mr Skovmand to speak on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Skovmand. — (DK) Mr President, in the 1960s the developing countries called for the introduction of tariff preferences on their goods.

This was intended particularly to help small businesses which had found it difficult to establish themselves on western markets. However, the European Community's preference arrangements do not work in this way. They are so complicated and difficult that only the multinational companies which have subsidiaries in the developing countries are in a position to take advantage of them. That is why so little use is made of the system. The Pearce report contains many good ideas, but they are too timidly expressed. Thus it suggests small improvements, when what is needed is radical change. A very clear rule must be brought in — that customs duties must never be paid on the industrial products of developing countries. No more, no less. We had such an arrangement in Denmark before we joined the Community in 1973. The Community ought to introduce this rule to replace the present scandalous and iniquitous system.

President. — I call Mr Almirante.

Mr Almirante. — (I) This is one of those rare occasions, Mr President, when we are faced with an explicit choice, for at the end of the year the generalized system of preferences expires and we may either renew it as it is, give it a thorough overhaul or scrap it altogether. Mr Pearce, the rapporteur, has told us that in November we shall have to consider the question again and come to some decisions, and I must, like previous speakers, thank him for his report. Meanwhile, I think that this preliminary debate should be used for clarifying our ideas, and indeed it has by and large done just that.

I am, however, going to be a little more critical, a little sterner in my criticism than the previous speakers, because my understanding of what I have heard them say, and of what I have heard in these quite excellent reports, is that the generalized system of preferences has been a failure. It has been a failure in concept as well as in practice because it is illogical. If preferences are generalized they cannot be preferences: in order to qualify as such they must be selective, and when they are offered to so many parties without discrimination in respect of either quality or quantity they are inevitably doomed to failure.

We are consequently faced with problems at two levels; the first relating, as I said, to quantity: if there are too many preferences they serve little purpose. We have just heard that 126 countries party to Lomé and other similar international agreements are benefiting from the GSP. Of course there are too many of them. The other problem is one of quality: without a system of selection we end up preferring those which are in any case already favoured. Indeed, every speaker has

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provided impressive figures showing the resulting imbalance. Mrs Chouraqui, whom I must also thank, tells us that 85 % of the benefits of the GSP went in the end to only 17 countries, with the result that those who were wealthy ultimately became wealthier, and those who were less favoured in the balance became poorer.

Indeed, there is in the report a table which illustrates the situation perfectly, and about which the rapporteur says this: 'In view of these figures, it must above all be said that the first objective constantly reaffirmed by the European Parliament of having first and foremost the poorest developing countries benefit by the GSP has never been achieved'. It is nine years since the scheme came into force, and here is the rapporteur saying that in those nine years the objective put forward at the beginning has never been achieved. I believe that that is a very serious state of affairs, and that it is made worse by the fact reported by the Committee on Agriculture that whilst the developing countries were principally requesting concessions on their agriculture — because they had no industry — most of the concessions granted related to industry and only a few to agriculture — with depressing consequences.

I therefore arrive very rapidly at the following conclusions. Firstly, that the imbalance between north and south can only be reduced by a series of measures which genuinely support the poorest countries. Secondly, that the north-south imbalance — and I quote from the report of the Committee on Development and Cooperation — 'represents a threat to peace in the world'. Thirdly, that the GSP has done nothing to reduce that imbalance and may even increase it. Fourthly, that the scheme is simply to be renewed for a four year period after the end of the year, but that it is to be better defined and the relationship between this system and other aid schemes operated by the Community in favour of the developing countries is to be clarified.

We members of the Italian DNI nevertheless give our full support to the report presented by Mrs Chouraqui on behalf of the committee on which it is my honour to serve: her report receives our full approval. We should be moving towards a selective approach to the benefits of the GSP, even to the extent of saying not generalized preferences but selected preferences.

President. — I call Sir Frederick Catherwood.

Sir Frederick Catherwood. — Mr President, I speak in support of Amendment No 2 which underlines the opinion of the Committee on External Economic Relations, put in by Madame Chouraqui, who did an excellent job for us.

Three years ago, Mr President, when I was chairman of the British Overseas Trade Board I paid a visit to a newly industrialized country where I was lavishly entertained by its leading industrialist. He gave me a magnificent lunch, with an orchestra to play, he filled my room in the Embassy with flowers, and finally he sent an enormous oil painting round to the Embassy. I asked our Ambassador the reason for all this magnificent treatment and he said that our British export credits had financed his entire new capital investment, we had sold him the technical expertise to start his manufacturing business, about which he knew absolutely nothing before, and he was now selling at low prices to all our old customers and taking away all our business and putting our own people out of work. He was immensely grateful for all this and he wanted to show that gratitude.

This country I visited is a military dictatorship; it sells us a mounting flood of consumer goods under the generalized system of preferences and absolutely refuses to have any consumer goods back from us again; there is no opposition party and no free trade unions to put a word in for their own consumers and workers, so the money we spend on imports of consumer goods, this police state is free to spend on more factories for more consumer goods to sell on our markets and destroy more of our industries. That makes us completely dependent for vital imports on a country which, politically, is utterly unreliable.

Now that is not free trade, it destroys support for free trade in our countries which we desperately need if we are to make free trade work, it destroys support for preferences for truly developing countries and, if it is not to ruin us, we have got to put a stop to it at once.

President. — I call Mr Fernandez.

Mr Fernandez. — (*F*) Mr President, this debate on the Community system of generalized tariff preferences prompts one first of all to think back to what were the original aims of the system. There was certainly no lack of high hopes — that is the least one could say. Was the aim not in fact to boost the developing countries' export earnings, encourage the process of industrialization and accelerate those countries' economic growth?

One figure alone should suffice to bring out the hollowness of these promises. In 1977, only 2 % of the Community's total imports came under the system of generalized tariff preferences, and I would add that, because of the conditions, the trade advantages offered to the developing countries have only been taken up to the tune of 60 %, and have in the main been used to facilitate the global redeployment of multinational companies.

Fernandez

It has not escaped our notice that these multinationals have for a number of years now been setting up subsidiaries in the countries of Latin America and South-East Asia so that they could take advantage of the derisory pay levels and the absence of social welfare in those countries. At the same time, they have also been responsible for organizing unemployment in Europe, for the fact is that the system of generalized tariff preferences has made it easier for the multinationals to re-export their products to the Community.

The terms of the GSP were in effect decided on unilaterally by the European institutions, which means that, as far as the Member States of the Community are concerned, the GSP is an additional means of influencing the choice open to developing countries. I say 'additional' because this whole process exists in fact to facilitate — both inside and outside the Community — the restructuring and redeployment programmes of the multinationals. During the negotiations on Lomé II, the Community complied with the request put forward by UNICE, the European employers' organization, and demanded guarantees for the investments and profits of these multinationals. This amounted to political interference of a kind which the countries of Africa, the Caribbean and the Pacific rightly refused to countenance.

The establishment of fairer and more balanced relations with due regard for the countries' mutual interests particularly between developed and developing countries, has become one of the major issues of the age.

The results of the GSP show that, far from furthering this aim, it has satisfied the wishes of the capitalist countries prompted as they are by their major companies' drive to maximize profits. Generally speaking, the structure of trade between the developing countries and the capitalist countries has remained the same as in the colonial era. The developing countries continue to supply raw materials and agricultural produce at low prices, these being their staple export commodities. What is more, the GSP has been set up at the expense of the poorest among us. The countries of Africa, the Caribbean and the Pacific have pointed out that the GSP has, from their point of view, made it more difficult to export their manufactured products.

Let me conclude, Mr President by reminding the House of the determination with which the French Communists and Allies have fought for the establishment of a new world economic and political order, which is the only way of meeting the need for fairer and mutually beneficial relations between the developing and the developed countries.

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, unfortunately the Commission's proposal on the guidelines for the

European Community's scheme of generalized tariff preferences from 1980 onwards could have a very serious effect on many Community industries, not least the chemical industry. As the rapporteur points out in paragraphs 4 and 5, the poorest developing countries have benefited least from the GSP and the most developed beneficiaries have benefited most. As my colleague put it, the GSP is helping the wrong people in the wrong way. It is also, alas, harming the wrong people in the EEC in the wrong place, those in the least developed and most disadvantaged regions. It is interesting to note that whereas the Community insists that only products not likely to endanger Community production may be included in the list of agricultural products to be allowed into the Community, no such provision applies to industrial products which could wreak havoc in Europe's industry, especially the chemical industry.

It is ludicrous to pretend that the chemical industries in Brazil or Romania are developing. Indeed the chemical industries in Yugoslavia, Romania — which incidentally last year exceeded its maximum quota for sodium tripolyphosphate — China, South Korea, Brazil and Mexico do not need the slightest help, as Sir Fred Catherwood has just said. Yet they will benefit enormously from the Commission's new proposals. In January last year the 30% import duty on benzoates from China was removed. They flooded into the Community and nearly bankrupted several specialist producers and damaged others who relied heavily, though not exclusively, on benzoates with a considerable loss of jobs. To halt the damage, quotas were put on these benzoates and the flood temporarily halted. But these are not now included in the provisional list of 11 chemicals to be included in the sensitive category, and they most certainly should be. Moreover, it is vital that these should be a mechanism for reimposing duties or reclassifying products when necessary which is both quick-acting and effective. The reclassification of tripolyphosphates to semi-sensitive, which was agreed earlier this year and which prevented or mitigated severe damage to the Community chemical industry, has been abandoned. It is essential that it too should be included in the sensitive list.

There is still time to alter this list and make it more responsive to the growing problems of the European Community in chemical industry.

I beg the Commission to do this if it wishes to preserve this most vital industry from serious damage.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I should like to take this opportunity to express my thanks for the work put in by all the committees concerned, for the reports presented by the committees and for today's debate.

Haferkamp

The reports and the debate have once again reflected the sincere commitment this House has always shown to an effective development aid policy, a sentiment which has often found tangible forms of expression.

If I may sum up the message of this debate in a single sentence, it is that this system should be improved wherever possible, particularly in the interests of those who need the help most.

Today's debate was concerned with the Commission's proposed guidelines for the period after 1980, and the appropriate documents date from March of this year. In putting forward these guidelines, the Commission's intention was to prepare the ground for a debate on matters of principle and of course to lead up to the decisions which will be needed to put the principles into practice. The idea was to hold the debate and take the necessary decisions in good time, so that the practical work could begin on 1 January 1981.

This question is on the agenda for the meeting of the Council of Ministers on 24 November, but if the practical work is to begin on time on 1 January next year, this House must make its view felt at the November part-session.

I do not want to repeat too much of what has already been said here, but as far as the principles are concerned, our first priority was to extend the period and to fix on a period which would enable all the interested parties — that is to say, the developing countries and their exporters, our importers and the branches of industry which might be affected by these imported products — to think and plan over a long period, and to ensure that this system will remain in force for a long time. At the same time, we have introduced the element of regular monitoring.

Secondly, we wanted to help simplify what is at present an extremely complex system. This we have done essentially by reducing the number of product categories, and we hope to be able to simplify the administrative procedures too. We have heard many critical comments here on the present system, the main complaints being that it was too complicated and in many respects well-nigh incomprehensible. I can only agree with the critics — hence our wish to simplify matters.

Thirdly, there is the principle that we should and must differentiate. Let me be quite clear on this point, though: when we talk about differentiation as regards those countries which are to come within the scope of the system, our aim is strictly to differentiate, and not to divide. We think it has become evident over a period of time — and this is something we welcome — that developing countries have indeed developed to a point at which, in many sectors and in many products, they have reached a stage of being perfectly capable of competing on the world market.

The point of differentiating by reference to criteria which you are all aware of is not to reduce our own expenditure, but to make it possible for the poorest countries to derive more benefit from our aid. We believe that those developing countries which have — happily — become genuinely competitive in a particular branch of production should make their contribution towards the development of the poorer developing countries.

What Sir Fred Catherwood and others had to say earlier concerns this general area. Mr Welsh asked why those countries which enjoy preferential arrangements with us — like the ACP countries and others — wish to continue to avail themselves of GSP privileges. As far as the ACP countries are concerned, this is partly due to the fact that, under the GSP, they also derive benefit from industrialized countries which have not signed agreements like the Lomé Convention, such as the United States or Japan. They are afraid that they might relinquish certain rights *vis-à-vis* these countries. In our opinion, these fears are ungrounded. There is, however, another reason, which is that countries wish to preserve the cohesion and solidarity of the 77 Group, and fear that by relinquishing their GSP rights, they will weaken the Group as a whole. Let me repeat what I said just now: our watchword should be differentiation and not division, and that applies here too.

There are problems as regards the implementation of the systems. We heard an urgent appeal for steps to be taken to ensure a higher level of utilization of the systems, and we believe that this can be done in part by the proposed simplification. We should like to intensify the measures we have already adopted: that is to say, the organization of seminars to make the system more widely known, trade-promotion measures and advertising. These are all things we should like to do, provided the necessary budgetary resources are made available. The Council's attitude in dealing with the item concerning non-associated developing countries effectively pulls the financial carpet away from under our feet in this respect. We hope that we shall see some improvement here.

We are concerned that imports of industrial or agricultural products from these favoured countries might generate more problems in precisely those sectors where we already have quite enough problems as it is. Of course, this point has been drawn to our attention by interested sections of the economy. These people are very much in favour of the intervention of experts from the national ministries, and you may rest assured that the protection of our European interests will be clearly stressed. The majority feeling in today's debate seemed to be in favour of granting generous import facilities to these countries. We have heard dissenting voices though. I can only conclude that the debate on the application of the guidelines we are debating here today looks like remaining of topical interest throughout 1981 and beyond.

Haferkamp

I should like to say in conclusion that the Community — as the world's largest trading bloc — has a special interest in cooperation, and that this interest finds expression in the system of generalized tariff preferences. Mr Cohen and Mr De Gucht have pointed out that these are also markets for us. However, over and above these economic considerations, we — as a major element in world trade — have a special responsibility. In our opinion, these guidelines should be an expression of our determination to meet our responsibilities. The forthcoming debate in this House on the application of these guidelines will show whether we can live up to this ambition.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

15. *Regulation on import duties on mixtures and sets*

President. — The next item is the report (Doc. 1-443/80), drawn up by Mr Clinton on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-329/80) for a regulation on the determination of import duties on mixtures and sets.

I call Mr Clinton.

Mr Clinton, rapporteur. — In presenting this report, Mr President, I should like to explain that the Commission is seeking a Council regulation on the determination of import duties on mixtures and sets, and that the Council decided on 11 July to consult Parliament. I think it might also be useful for the benefit of those who might not understand what is meant by mixtures and sets, to explain that the mixtures being referred to here are mixtures of agricultural products, mainly mixtures of meats and mixtures of cereals. Sets are imports of cheese with the cheeseboard and a knife; and perhaps other things could be thrown in as well if this were extended a bit further.

Apparently it is urgent for Parliament to deliver its opinion on this regulation, as it is due to come into force on 1 January. As I see it, this is not the only urgency. The Commission has a problem with the evasion of import duties which they are trying to overcome. In these circumstances I feel sure that all of us would be anxious to cooperate.

The problem on which we are being asked for our opinion could not exactly be described as fraud; but it is certainly bordering on fraud. As we know, there are common customs tariffs on imports of certain products at various levels for different products. In the case

before us it has been found that products are being mixed in such a way as not to come under any tariff heading, or in such a way as to avoid paying the correct import duty. The Commission is trying to ensure that import duties being charged correspond to the actual composition of the mixture.

The tariff classification of these mixtures has given rise to some problems, particularly in the meat sector and in the processed cereal sector. The Commission now proposes that in these two sectors, the mixtures in question shall be assessed in accordance with the quantity, nature and characteristics of each component. If the importer is unable to establish the necessary particulars for each component, the import duties charged will be those applicable to the components subject to the highest import duty. The aim is, of course, to stop some importers from paying a tariff or levy lower than the one they would normally have to pay by taking advantage of loopholes or perhaps a lack of precision in the Common Customs Tariff rules. The measures proposed are purely technical and they have no political implications.

As rapporteur, I am recommending acceptance of this proposal. But while making this recommendation, I am not completely happy, because I feel that the Commission is not going far enough. We have a surplus of meat in the Community. This year we are importing approximately 450 000 tonnes of meat. We also have surplus in at least some cereals. In these circumstances I am disappointed that the Commission is not seeking a total ban on mixtures and sets. As I see it these mixtures are being used not only as a means of evading import charges, but they are also providing employment for people outside the Community at a time when we have 7 000 000 people unemployed in the Community. I feel that only ingredients for mixtures should be imported. If this were the case, checking at the customs frontiers would be a simple and inexpensive operation.

What the Commission says is that the present proposal aims to apply import duties on such mixtures according to the nature of each component of the mixture. This procedure cannot avoid giving the national administration and the trade additional difficulties and it is therefore proposed to apply the system only in areas where it is known that problems exist — that is Chapters 2 and 11 of the Common Customs Tariff. If similar problems are encountered for other products, it is proposed that the Council should extend the field of application. Such an extension might include products put up in sets, for example cheeses imported on a plate together with a knife, and, as I said, if things are going well enough for these people they might throw in a fridge.

Furthermore, it is proposed that the Commission, in accordance with the Management Committee, may adopt specific measures if, as a consequence of a non-traditional presentation, products are imported or

expected to be imported subject to import duties which do not raise the price of the imported products to the level which such products should attain on import. In conclusion, Mr President, I recommend the Commission's proposal for adoption, and I hope that the Commission will also note the views expressed in this report.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission.

— *(D)* Mr President, the Commission's aim in putting forward this proposal was to prevent abuses of the common agricultural policy. I therefore thank the rapporteur for recommending acceptance of our proposal. Mr Clinton raised a number of important questions, such as extending the scope of the proposal to cover all mixtures, or introducing new headings in the Common Customs Tariff and revising the field of application. The Commission has examined these possibilities. To some extent, they contravene the provisions of GATT, or if they were feasible, they would require substantial administrative outlay. We believe that, if our proposal is accepted, we shall be able to achieve our principal aim of preventing abuses. We therefore thank you for recommending acceptance.

President. — Since no one else wishes to speak, the debate is closed. The motion for a resolution will be put to the vote at the next voting time.

16. *Verification of credentials*

President. — At its meeting today the Bureau verified the credentials of Mr Cousté, Mrs Fourcade, Mr Petersen, Mr Turcaç and Mr Vié, whose nominations had been announced earlier. Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau found that these appointments conformed with the provisions of the Treaties. The Bureau therefore proposes that Parliament ratify their mandates.

Since there are no objections, the mandates of Mr Cousté, Mrs Fourcade, Mr Petersen, Mr Turcaç and Mr Vié are ratified.

17. *Decision on the eradication of African swine fever in Sardinia*

President. — The next item is the report (Doc. 1-446/80), drawn up by Mr Ligios on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-368/80) for a decision on financial aid from the Community for the eradication of African swine fever in Sardinia.

I call Mr Ligios.

Mr Ligios, rapporteur. — *(I)* Mr President, ladies and gentlemen, at its meeting on 23 to 25 September last the Committee on Agriculture approved unanimously the draft report which I had presented on the Commission's proposals relating to financial aid from the EEC for the eradication of African swine fever in Sardinia.

It is a virus disease which is called African precisely because in that continent it is found in healthy animals such as wild boar; it has been endemic in the Iberian peninsular — Spain and Portugal — for the last 20 years and has reached France on three occasions and Italy once, in 1969; and in 1978 it appeared in the islands of Malta and Sardinia, apparently having been brought in by a Spanish boat which had discharged food waste.

It is a contagious disease which is specific, that is to say exclusive, to swine; it spreads extremely rapidly via a number of carriers including insects, contaminated meat, even wrapped — that is, pork, of course — and it is extremely dangerous since it is fatal to 80 % of animals affected.

The difficulty in containing outbreaks of the disease results from the fact that at present there is no known vaccine which will check the disease. When it breaks out — and, as far as we know, this is the first outbreak in Sardinia — there has been only one remedy, and that is to avoid the movement of live pigs or of pigmeat no matter how it has been treated, and, ultimately, the eradication of focuses of infection, which means the destruction of the herds, slaughtering individual animals whenever they are infected with the disease.

In the two years since the outbreak started, tens of thousands of pigs have already been slaughtered in Sardinia, causing great economic harm to a region which is already depressed. Even so the process of selective slaughtering of pigs is not ideally suited to complete control of the disease in the reasonably long term. A number of factors — that in the predominantly pastoral economy of Sardinia stock is allowed to roam freely; that thousands of small herds of pigs are kept as a sideline to herds of cattle and sheep with the consequent seasonal transhumance from cold to warm areas, and finally that throughout most of the island there are wild boar and porcupines which are themselves vulnerable to, and carriers of the disease, but which, being wild, cannot easily be controlled — these all show quite clear just how difficult it will be to eradicate the disease completely.

Ligios

I hope you will allow me to stress this point, Mr President, but it represents a danger which may be underestimated in a number of countries and which is a danger for the whole of the Community. Despite the precautions and the sanctions — even penal sanctions — which have been taken by the health authority of the island, the disease could quite easily spread from Sardinia to the mainland and cause very grave harm to pig farmers since, I repeat, there is at present no vaccine which can conquer the disease.

It is for the reasons which I have just explained all too briefly and inadequately — but time does not permit more — that the regional and national authorities have established a programme for the complete eradication of this virus disease within five years, and which has also been approved by the Commission.

The programme provides for the slaughter of the entire stock of approximately 70 000 pigs in the central province of Sardinia — the most seriously affected — from about 4 500 individual herds. Provisions are also made for the later serological control of the disease by identifying healthy carriers with a view to slaughtering them, disinfection and a pest control campaign against certain insects which may be carriers of this virus, for restructuring pig farming in order to restrict free-range grazing, measures to rationalize the use and incineration of solid urban waste and, finally, after a year of scorched-earth policy with no herds of pigs in existence, the reconstitution of the herds.

The expected cost is about 140 000 million lire, in other words about 116 million EUA. The Communities' proposed financial contribution is about 30 million EUA, with the understanding that some of the proposals may be financed by the Guidance Section of the EAGGF.

The Committee on Agriculture approved this project unanimously, and it is now my task on behalf of the Committee on Agriculture to ask Parliament for its approval.

In conclusion, I should like to make two most emphatic recommendations to the Commission: above all else to encourage and broaden the scientific research which will perfect a vaccine to control this virus, whose spread will go on accelerating with the ever-widening connections and exchanges particularly with North Africa and secondly to consider the possibility of creating firebreak zones outside the Community as has been done in the case of other epizootic diseases such as foot and mouth, thus helping in a campaign outside the Community, as in the case of Turkey, where aid has led to positive, and even decisive results.

(Applause)

President. — I call Mr Haferkampf.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I would like to thank the rapporteur for setting out the essence of the problem for us and emphasizing that there are not only economic and social consequences, but also a Community responsibility which is to combat and overcome these difficulties. The Commission welcomes the proposal which has been made here. It helps to combat swine fever by action in many areas of the Mediterranean — not only within the Community but also in other countries where this disease has occurred. We also participate in research projects, the importance of which has been pointed out by the rapporteur.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

18. *Destination of Community aid for rice seed*

President. — The next item is the report (Doc. 1-444/80), drawn up by Mr Jürgens on behalf of the Committee on Agriculture, on the

destination of Community aid for rice seed.

I call Mr Jürgens.

Mr Jürgens, rapporteur. — (D) Mr President, ladies and gentlemen — alas, so few. Anyone looking at Parliament now might think that the scourge of which Mr Ligios was speaking of has broken out here in Parliament, albeit in a different form.

In July 1979 the Commission submitted a proposal to extend the common organization of the market in seeds to rice seed with aid of 12.1 ECU per 100 kg. The European Parliament adopted this proposal, debated it together with the Dalsass Report and proposed in addition that this aid be paid not to the producers but directly to the users, so as to make it more effective. By means of two Regulations (Nos 2878/79 and 2879/79 of 17 December 1979) the scope of aid to seed producers was extended to cover rice seed, and the proposed amount was paid in aid. But Parliament's proposal to pay this aid to the users of the seed was not adopted. For that reason Mr Pininfarina took up this idea again in his motion for a resolution of 14 April 1980 and proposed amending the aid in such a way that it would be paid to users and not to producers.

This step has been taken because it fits in with the basic regulation which was adopted with a view to

Jürgens

providing aid for varieties of seed which are scarce in the European Community — grasses, legumes and oilseeds. In this case of rice the situation is different, since there is no shortage of certified rice seed — indeed production exceeds consumption.

Only 45 % of the total area under rice is sown with certified seed.

The total cost of this aid could have been reduced, and can still be reduced, by trying to ensure that the aid is paid only to the users so that only the users gain thereby. Otherwise there is a risk that producers may see additional profits in Community aid, with the result that the price of rice seed may become too high for the users. Thus we want to achieve two things with the solution proposed here by Mr Pininfarina — firstly to make it possible for growers to use better seed and more certified seed, and secondly to prevent subsidized rice produced for seed from being used for consumption as food.

The Committee on Agriculture has studied this problem and takes the view that the Community can achieve considerable savings by granting the aid only to the users. The Committee on Agriculture therefore supports this motion for a resolution by Mr Pininfarina, and calls on Parliament to vote in favour of the change it demands.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I thank the rapporteur for his work, but to my great regret I am not in a position to say that we accept all of his report.

The rapporteur has already mentioned an important reason which we adduced for paying the aids to the producers rather than to the users, namely the existing basic regulation on seeds.

Moreover, one of the basic elements of our agricultural policy would be fundamentally altered if we were to pay the aids to users rather than producers. Since Mr Pininfarina put forward these ideas and proposed this change in April of this year, a third practical reason has emerged which goes beyond questions of principle: the aim of the operation has been achieved, so the existing procedure has proved to be satisfactory. We find that production of certified seed has increased and that an adequate supply at acceptable prices has been ensured. For example, in Italy this year's production of certified seed was 60 % higher than that for 1969 and thus covered almost 80 % of demand. Moreover, the prices paid by users were lower than in the early part of 1979. The Commission also contacted the Italian intervention agency for rice, which confirmed that the existing regulation operates satisfactorily. Consequently our view is that since, in addi-

tion to the questions of principle I have mentioned, we can see that our aims are being achieved, we should stick to our proposal. When the aid for certified seed came into force, the Commission committed itself to assessing after one year how the payment of aid to producers of rice seed was affecting the development of the market. The Commission is on the point of concluding this investigation, which it initiated. We expect to be able to submit the results at the beginning of November, and as soon as they are available, before the start of the next financial year, the Commission will propose suitable measures.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

19. Urgent procedure

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

- motion for a resolution (Doc. 1-499/80), tabled by Mr Lezzi and others on behalf of the Socialist Group, on the fate of Mr Simon Malley;
- motion for a resolution (Doc. 1-599/80), tabled by five groups, Mr Fanti, Mr Gouthier and Mr Pannella, on the seat of the European Parliament;
- motion for a resolution (Doc. 1-504/80), tabled by Mrs Roudy and others, on the inclusion of women members in the new Commission of the European Communities.

The reasons supporting these requests for urgent debate are contained in the documents themselves.

I have also received a request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on the following report:

- report (Doc. 1-505/80), drawn up by Mr Dankert on behalf of the Committee on Budgets, on the outcome of the deliberations of the Council on the proposals from the Commission for:
 - I — a regulation instituting supplementary measures to contribute to the solution of the principal structure problems affecting the United Kingdom and hence to the convergence of the economies of the Member States of the Community;
 - II — a regulation amending Regulation (EEC) No 1172/76 of 17 May 1976 setting up a financial mechanism.

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

The vote on these requests for urgent debate will take place at the beginning of tomorrow's sitting.

The proceedings will now be suspended until 9 p.m.

The House will rise.

(The sitting was suspended at 7.55 p.m. and resumed at 9 p.m.).

IN THE CHAIR: MR BRUNO FRIEDRICH

Vice-President

President. — The sitting is resumed.

20. *Regulations on agricultural development in Northern Ireland*

President. — The next item is the report (Doc. 1-492/80), drawn up by Mrs Barbarella on behalf of the Committee on Agriculture, on the

proposals from the Commission to the Council (Doc. 1-314/80) for:

- I — a regulation for the stimulation of agricultural development in the less favoured areas of Northern Ireland;
- II — a regulation on a common measure to improve the conditions under which agricultural products in the eggs, poultrymeat, cereals and cattle feed sectors in Northern Ireland are processed and marketed;
- III — an amendment to the latter proposal for a regulation.

I call Mrs Barbarella.

Mrs Barbarella, rapporteur. — (I) Mr President, the Committee on Agriculture was asked to give its opinion on two proposals for regulations on Community action in Northern Ireland.

The first action provides for financing projects to make structural and infrastructural improvements through measures to revitalize rural areas: drainage, land reclamation and the encouragement of cattle and sheep raising.

The second action provides for financing projects for the development of undertakings that process and market eggs, poultry, pigmeat and cattle feed.

It must be pointed out that these two Community actions are part of the package of financial and structural measures intended to resolve the problem of the British contribution. The Committee on Agriculture did not however consider these actions in this light, but was more concerned with their effectiveness and their impact on the Northern Ireland situation.

The committee has borne in mind the present economic and social situation of this region, particularly the fact that Northern Ireland has the highest unemployment rate in Europe, that the traditional production sectors — textiles and shipbuilding — are going through a serious crisis, that because of the poor soil and structural inadequacies farmers are unable to earn a decent living. And it is precisely for these reasons that the committee feels it is absolutely justified for the Community to take action which, through structural and infrastructural improvements, could contribute to a more general economic revival in the region. I would remind you, moreover, that a similar action has already been adopted for Western Ireland which has much in common with Northern Ireland as far as agriculture is concerned.

To sum up, Mr President, the Committee on Agriculture welcomes the intention to continue the policy of regional intervention which the Commission has expressed in these two actions. Parliament encouraged the Commission to follow this line when it gave its opinion a few months ago on the package on the reform of the structural policy.

I would like to point out, however, that with regard to the first action our committee feels that an integrated, or intersectoral, plan of action would have been more suitable for this region.

The growth of the agricultural sector in less favoured areas can in fact be made easier and in many cases made possible only if it is supported by programmes aimed directly at stimulating economic rather than agricultural activity. As regards the second action, the Committee on Agriculture feels that measures to improve conditions for processing and marketing in the sectors specified by the Commission would be useful, although we consider that this type of action could more effectively have been introduced under Regulation No 355 of 1977, which is already in force in the Community. Northern Ireland could then have contributed to the financing of this project. This might have made it easier to avoid possible distortions of competition.

I would like to conclude, Mr President, by saying that the Committee on Agriculture recommends that the Council of Ministers adopts the action in Ireland as soon as possible, but above all — and I must emphasize this — the risk of any possible discrimination between farmers within and outside Northern Ireland must be avoided.

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

Mr Hume. — Mr President, coming from Northern Ireland, I should like to thank Mrs Barbarella for her

Hume

report and for the detailed research she has obviously done into the background to this report. I would congratulate her in particular for putting the agricultural problem in the context of Northern Ireland's overall economic problems.

She rightly points out that it is an area with 15.5 % unemployment based on traditional industries which are in decline — textiles in particular and shipbuilding — and an area which relies very heavily on agriculture. Agriculture employs 10 % of all workers in Northern Ireland directly and a further 3.5 % in ancillary industries such as the pigmeat and poultry sectors, which are referred to in these proposals. I was particularly pleased with the assertion very firmly stated in this report that the Committee on Agriculture would welcome an integrated development programme, an intersectorial one for Northern Ireland as a whole involving not just agriculture but industry as well. I would point out to the members of the Committee on Agriculture that just such a proposal is before this House — a motion for a resolution in the name of the Socialist Group proposed by myself which is already being reported on by the Committee on Regional Policy and Regional Planning. I welcome the support given it by the Committee on Agriculture and I hope that when it comes before this House, the proposal for an overall development plan for one of the poorest regions in the Community will receive widespread support.

Turning to the specific proposals, the agricultural industry in Northern Ireland in the past year has entered a serious crisis. There has been a 50 to 60 % drop in farm incomes. 10 % of all workers are employed in agriculture, as I have said, and 3.5 % in ancillary industries; the beef-breeding herd is steadily declining; pig and poultry production which employs 5 000 people — a major industry — is in serious trouble, not only because of the high cost of feedstuffs, but also because energy costs are generally 30 to 40 % higher in Northern Ireland than in Britain, and transport costs are added as well.

Thus the survival of the intensive livestock system is threatened and many of our small farmers rely on these for their very existence. More than 50 % of our farmers fall into this category.

But I would like to make a strong plea to the Commission and Council — even though the proposals for assistance to the pig and poultry industry in Northern Ireland are obviously meeting with some controversy in the Council of Ministers and several Member States have expressed strong opposition, so much so that they may not be passed, — that they give active consideration to the problem of this industry in Northern Ireland against the background of the serious economic situation that exists there and look at different proposals that might break the deadlock. One such proposal might be a transport subsidy for feedstuffs and grain imported into Northern Ireland from other EEC countries which are in surplus.

Further, these proposals are confined to farmers in the less-favoured areas. I would again like to urge the Commission and Council to insist that all areas in Northern Ireland which qualify under the criteria laid down by the Commission for inclusion in the less-favoured areas are indeed included before these proposals come into operation.

My understanding is that a survey of the marginal lands there reveals that some 50 % increase would be recommended in the size of the less-favoured areas in Northern Ireland if Commission criteria are applied. I call for the publication of that survey now and urge the Commission to insist that all areas which satisfy these criteria in Northern Ireland are included — in other words that the boundaries of the less-favoured areas should be extended in accordance with Commission criteria before these proposals come into operation.

Mr President, I welcome Mrs Barbarella's report; I thank her for the work she has put into this problem — it is clear that she has looked at the Northern Ireland economic problem in a much wider context and that she sees that the agricultural problems are linked to the overall economic problems in Northern Ireland.

I therefore ask that this report be adopted and request the Commission to ensure that not only are the proposals implemented over a wider area than is at present intended but that the finances provided are used to tackle the problems that Mrs Barbarella outlines in her report in addition to existing programmes.

I understand that this matter is to come before the Council shortly, but I thank the Commission for the speed with which it has brought these proposals forward. It is only a few months since I asked Commissioner Gundelach in this House whether he was going to take such action, pointing out that other less-favoured areas had already received such programmes. I would also thank the rapporteur for the concern she has shown for the area of the Community I represent.

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

Mr Clinton. — Mr President, I too would like to thank Mrs Barbarella for the trouble she has taken in preparing this report and for the obvious knowledge she has gained in the course of her studies of conditions in the North of Ireland. She obviously has a very keen appreciation of the situation there.

I can say first of all that I am reasonably familiar with conditions in the North of Ireland and I hope that I can speak objectively and constructively on the proposals before us. Unfortunately, Northern Ireland suffers

Clinton

from many exceptional problems, and I believe that it would be the sincere wish of all of us in this House that every effort should be made to ease and hopefully to solve as many of these problems as we possibly can. Nobody has a greater appreciation of these problems than the last speaker, Mr Hume. He has lived with them for quite some time.

In making its proposals the Commission has rightly drawn attention to the very high level of unemployment and to the level of dependence on agriculture and ancillary industries. I believe that any measures — and this in one of them — aimed at providing reasonable living and working conditions for people in the rural parts of the Community are worthy of support. I can wholeheartedly accept and recommend the first part of this proposal relating to the stimulation of agricultural development in the less-favoured areas. Mr Hume said that these areas should be expanded, and I am quite sure that that is so. This is to be done by improving structures, by improving the land through field drainage, land reclamation, fencing, pasture improvement and so on. It is also proposed to encourage beef cattle and sheep production by providing a sizeable and special annual premium or headage payment. This, I believe, is a good approach, and it should have the effect of reducing milk production in those areas while at the same time providing a reasonable income from beef and sheep.

Similar measures have already been taken in other disadvantaged areas of the Community, and it is only right and proper that the North of Ireland should also benefit from these measures. I am aware that complaints have been made and objections raised to the size of the premium proposed for beef and sheep. But as long as these premia are confined to farmers who are unable to reach the comparable income, they are in my opinion fully justified and should be supported. Otherwise these people will have to be maintained on social welfare benefits. We all know that.

I now wish to comment on the second part of the proposal relating to aid for the processing sector. Mrs Barbarella has drawn attention to some of the difficulties that could arise here. I am very much afraid that if these measures are implemented, we are going to create problems. The Commission and the Council should be advised to seek other ways of giving the same or even a greater level of assistance in such a way as to avoid an imbalance that will inevitably lead to disruption of trade and distortion of the market. I say this with a good deal of experience of how easy it is to create this imbalance. I have been involved in it for a number of years as a Minister. The last thing I would wish to see is this debate developing into an acrimonious debate on Partition and the Border. However, whether we like it or not, a border exists. As long as the balance of advantage rests on one side or the other of this border, nothing will prevent smuggling and the raw materials will go for processing to whichever side has this advantage at any particular time.

It must be said that the vast bulk of the eggs and poultrymeat in the North is produced and processed by strong, well-established, multinational firms, and this sector is much more developed than in the other parts of Ireland. It should be obvious that if exceptional assistance is provided in this area, the poultry industry especially will be destroyed in other parts of the country. The recently approved measures for the West of Ireland, where the position is more acute than in the North, provide for a maximum 50 % in grants, and these grants are subject to the constraints of Regulation 355/77.

Another point that must be made is that in the case of the West of Ireland the 50 % grants are confined to the disadvantaged areas, while in the North the aid proposed is not subject to Regulation 355/77 and is to be made available to the whole of the North. As I said at the outset, I want to see the North getting at least this level of aid, but I want to see it given in such a way as not to cause the sort of problems I have referred to. I believe that it is not beyond the wisdom of the Commission to find such a way. Some people are inclined to take the easy course and say, 'Give it a trial and see how it works out'. When investment has been made, however, it is then much more expensive and much more difficult to find solutions. One of the ways that occurs to me in which alternative aid could be provided without causing disruption would be to extend the West of Ireland's structure proposal, where appropriate, to disadvantaged areas west of the River Bann in Northern Ireland, that is to Derry, Tyrone and Fermanagh. I am sure the Commission can also find other ways to ensure that there is no reduction in the aid now being proposed. Indeed, many good suggestions have been made by Mr Hume in relation to this, and also by Mrs Barbarella. I think an integrated approach is what we want.

It is my intention to vote in favour of the recommendations before us, but I do so on the understanding that before taking this matter further the Commission will take another look at this part of the proposal and also that if their proposals are implemented in full and the sort of disruption I have forecast actually occurs, speedy action to rectify such a situation would be taken by the Commission.

We discussed this whole matter at some length in the Committee on Agriculture. I thought I explained my position very well. I thought I was understood when I explained that I was extremely anxious to see the North of Ireland getting as much aid as we could possibly give it in the unfortunate circumstances in which it finds itself. However I am aware that one representative at least from the North of Ireland came out afterwards and said I was unfriendly to the North. I am very pleased to be able to say to this House that I have always had the most friendly relationships with the farmers in the North of Ireland and I hope that it will always be so, because certainly we can settle nothing by fighting each other on both sides of the border.

President. — I call Mr John D. Taylor to speak on behalf of the European Democratic Group.

Mr J. D. Taylor. — Mr President, Members of the House, I should like to join with my colleague from Northern Ireland, Mr Hume, in expressing my thanks to Mrs Barbarella for the manner in which she presented her report to the House this evening and also indeed earlier this week at a meeting of the Committee on Agriculture.

As has already been mentioned, the two regulations before us are different in nature. They operate in the context of a community which has a large agricultural industry, a major portion of which is concentrated in the intensive section, namely in pigs and poultry, and, of course, also in a community which already suffers from 15 % unemployment. The first regulation will meet very little opposition in this House. Mr Clinton has said that he welcomes the first regulation. I think he said that he welcomes in particular the premiums to be paid under the beef and sheep section of that regulation which will mean some 57 m EUA for the less favoured areas of Northern Ireland over the next ten years. I welcome that regulation and thank the Commission for putting it forward.

This morning we decided to treat these two regulations as urgent. This was because the price of feed-stuffs in Northern Ireland is higher than anywhere else within the Community. We did have a national aid scheme. Unfortunately that scheme contravened Community regulations and requirements and had to be abandoned, and so the Commission has now come forward to Parliament and subsequently to the Council with these alternative proposals.

The second regulation therefore is designed to help this major sector of our industry in Northern Ireland, the intensive sector, employing as it did 15 000 people when we joined the EEC and today now employing only 10 000, and still in decline. The number of sows in Northern Ireland has fallen by 41 % since we joined the EEC. The number of laying hens has fallen by 46 % since we joined the EEC, and indeed the reduction in the laying hen numbers has increased. In the three months from April to June this year it fell by a further 10 %. All this emphasises the urgent need to assist the intensive industry in our province. If small farmers are thrown out of pigs, poultry and matters of that nature there are no other alternative means of employment, because of the 15 % unemployment in our community.

The second regulation has been criticised by Mr Clinton. I want to take up some of the criticisms he made. I think he is being somewhat mean in his approach. I know he said he is going to support it tonight, so long as it is not passed. Well, that is just an Irish way of saying things, but certainly it does not make sense to me in Northern Ireland. We want him to support it

tonight in the hope that it will be passed, because it is there to help all the farmers of Northern Ireland.

Now in the first place he suggested that it should only apply to the three western counties, Tyrone, Fermanagh and Derry. That is not a friendly suggestion, and it is not a suggestion that would be welcomed by farmers throughout Counties Armagh, Down and Antrim.

He also suggested that it should be operated under Regulation 355/77. But in fact, as he himself pointed out, it would operate in the less favoured areas of Northern Ireland, and, as Mr Hume quite correctly emphasizes, the number of areas designated as less-favoured areas is too small in our province. We want to see them extended. In fact they are so small at the moment that there are none of these processing plants that we are trying to help located in the existing less-favoured areas. So if you did it through the particular regulation in the way in which Mr Clinton suggests it would not help the very people we are trying to support at this time in the province.

He did suggest that the aid might be an imbalance, it might lead to smuggling. Mr President, there is no incentive to smuggle things from Northern Ireland into the Republic at the moment because of the MCA situation. None whatsoever! Any movement of agricultural produce from Northern Ireland into the Republic has a legal incentive. Legal imports qualify for a refund from the MCAs, so there is no incentive whatsoever to get involved in illegal activity such as smuggling.

Now Regulation 355/77, as we heard in the Committee on Agriculture, is really intended to support producers. Our problem in Northern Ireland is that feeding stuff is not produced in Northern Ireland but comes from outside Northern Ireland. 80 % of the feeding stuff for our farming industry comes from outside Northern Ireland. So we are helping producers outside Northern Ireland rather than those who rear pigs and hens and have them processed within Northern Ireland. In addition, Mr President, as I understand it — and I think the Commission representative confirmed this in the Committee on Agriculture earlier this week — Regulation 355/77 has a ceiling of 400 m EUA and already there are applications in for over twice that amount. So there will be no funds available.

Finally, the regulation, as I understand it, expires in 1982. There again it would be of short-term benefit to the particular problem which we want to solve in the province.

In conclusion. Mr President, I would say this: we in Northern Ireland have a serious problem because of the large intensive section of our agricultural industry. We would have liked a scheme similar to what the Italians have got. What we have today is only second best. Mere chickenfeed in comparison to what the Italians have got! But at least we want to see it approved.

J. D. Taylor

We want to see no more amendments to it. I therefore hope that our neighbours from the Republic of Ireland, all of whom are here tonight — rather interestingly — and in particular their Minister for Agriculture, Mr McSharry, who has been opposing these proposals in the Council of Ministers, will use this as an opportunity to show sympathy and support for the agricultural industry in Northern Ireland, instead of just voting for it 'so long as it is not going to be approved' as Mr Clinton said. I hope that they will vote for it here tonight and support it in the Council of Ministers and that there will be more goodwill between the Republic and Northern Ireland, which is something we all want.

President. — I call Mr Maher to speak on behalf of the Liberal and Democratic Group.

Mr Maher. — Mr President, I would certainly like to add my voice to the compliments paid to Mrs Barbarella. I am sure she is surprised that there is so much heat created about one particular corner of the Community, but that happens to be the nature of the situation. As far as I am concerned, I do not want to do anything to add to the heat, but rather, indeed, to hold out the hand of friendship, because I think that both in the northern part of the country and the southern part we should be helping each other and supporting each other as much as we possibly can.

It is true, nevertheless — and we have to face the facts — that there are dangers that we should try to avoid. I would like to make my position very clear. I want to do everything I possibly can in this Parliament to support agriculture in the north of Ireland. I have had a long association with the farmers there, maybe in some ways more close even than the parliamentarians who represent that area, because I was for 9 years President of the Irish Farmers' Union and had very close contacts with the Ulster Farmers' Union and very good friends there. I have very direct contact at the moment with the cooperative movement because I am deeply involved in the cooperative movement in the Republic of Ireland. I want to make it absolutely clear that I am 100% in favour of doing anything possible to improve the situation there, and I recognize also that the position is serious.

It is, of course, also serious in the Republic, and that is our problem. In fact, agriculture is in crisis right now in the Republic. Farm incomes have fallen by practically 50% inside 2 years. It might be a little worse in the north of Ireland, but the difference is not great. I must say too that that situation has been contributed to by many of the parliamentarians in this House who bitterly opposed reasonable increases in farm incomes during the recent budget. Even people behind me today who are talking about the crisis in agriculture voted against reasonable increases for farmers only some months ago. Frankly I do not understand this

attitude. We cannot have it both ways. At one moment we are all sympathy for the farmers; another time then we are failing to support them or, in fact, voting down proposals which would give them reasonable incomes. I think it is extremely important that we get rid of this two-faced attitude, this Jekyll and Hyde attitude, which is so common in this Parliament.

Mr President, I do not want to stray off the subject too much, but I think the coming months are going to be extremely serious insofar as agriculture is concerned, certainly in the island of Ireland and, indeed, on a broader front. To come back to my subject, I think it is in the interests of agriculture in the north of Ireland and in the interests of agriculture in the Republic and, indeed, in the interests of a stable agricultural policy that measures taken by the Commission, by the Community, do not create disequilibrium in trade. Now I can understand disequilibrium if it arises in the commercial sense, if one industry is sharper or more effective in the marketplace or in processing than another. That is fair enough, but I think we should not in any way take the risk of creating artificial conditions which would lead to a situation where one group of producers would be disadvantaged as against another group of producers. We have to accept, Mr President, whether we like it or not, that in our island, while there is a border in name, it does not really exist in fact because trade can flow back and forth almost at will. It is a fact of life that if you speak to the people in the Republic, particularly in the poultry industry, they will prove to you that massive quantities of eggs and poultry have been coming across the border down into the South. We know on the Commission's own admission that the UK Government has been applying a subsidy to feed for this particular product, and the Commission has moved against them to try to stop them.

Now I would ask the Commission tonight, is there any question of the UK Government's paying compensation for breaking the law, because they are breaking the law? You see it is alright to move to stop a government from applying a subsidy like that, but what about all the damage that has been done in the meantime? Is there compensation? Or will there be an application for compensation? That is the kind of problem we are grappling with. In fact it has aroused the suspicion, as it were — and this is unfortunate, I think — amongst producers in the South that something like this will continue to happen. I do not know how long it is going to be before this subsidy is stopped. I am not against the subsidy, but I am concerned that it is creating a disequilibrium in trade and that, of course, is something that I think we have to be fair, both Mr Clinton and myself, and speak out about. What I would like to do is to support this proposal totally, but on the basis that on the southern side we also are assured of support so that there will be a balance kept, so that the effects of the Commission proposal will not lead to an artificial flow of products from one side of

Maher

the island to the other. That is all we are saying, and on that basis I too fully support this motion.

I further want to comment on what Mr Hume has said. I am also aware that there are many areas in the north of Ireland that rightly should be included in the disadvantaged regions, and when he or any other Members come up with this proposal I fully support them, because I know these regions. I know they are being discriminated against. And I can tell you that if they were in the Republic they would have been included long ago.

President. — I call Mr Paisley, non-attached.

Mr Paisley. — Mr President, I would like to congratulate the rapporteur, Mrs Barbarella, for the very able way in which she put this report tonight to this House. She showed that she had grasped the situation in Northern Ireland and had set this matter in its proper context — the context of a crisis in Northern Ireland beset economically with a rate of unemployment higher than any other part of this Community. I therefore congratulate her on presenting this report and on the able way in which she highlighted those matters in our economy in Northern Ireland which need to be highlighted in this House.

In dealing with the agricultural industry of Northern Ireland, we are dealing with the basic and most important single industry in that part of the United Kingdom. Agriculture in Northern Ireland employs 10 % of our working population and a further 4 % in ancillary industries. Agriculture in Northern Ireland is at this point of time haemorrhaging to death. Farm incomes have fallen by 60 % in this past year, and even the government has confirmed that. Urgent measures designed to assist the agricultural industry in Northern Ireland are therefore imperative. The first Commission proposal, which is of the greatest financial significance, is limited in its application to the less-favoured areas which means about 40 % of the total land area of the province. The tragedy is this: that although a survey has been made by the United Kingdom Government and although there is a very large number of areas, as the previous speaker from the Irish Republic has just mentioned, that should be included, these at the present time are not included, and I would join with Mr Hume in urging the Commission and the Council of Ministers to publish this report forthwith so that these areas can be included.

I raised this matter in another place, and the British Government went on record as saying that until their report for England and Wales was completed they were not prepared to initiate the report for Northern Ireland. So this is a matter that the Commission and the Council of Ministers must set their mind to. As has been said by the previous speaker from the Irish

Republic, if these areas had been in the Irish Republic they would long ago have been designated as less-favoured areas. What I would like to ask tonight is: if and when that happens, will the first proposal apply automatically to those additional areas? And, if so, will the financial ceiling of 57 million units of account be raised to take account of that extra demand? While the projects envisaged under the first proposal can facilitate and encourage the production of beef and sheep in parts of Northern Ireland, they can, unfortunately, do little or nothing to arrest the current decline in the beef market, which is making beef-farming in particular very unprofitable. The drastic decline in the beef-breeding herd has continued in spite of a recent EEC breeding-cow subsidy, because the United Kingdom Government refused to give the permitted additional subsidy and because the scheme was restricted to full-time farmers. The new subsidy envisaged under Article 11, which can apply to both part-time and full-time farmers, is therefore very welcome and very necessary. But in order to render real assistance to the many part-time beef breeders of Northern Ireland not living in the less-favoured areas, will the Commission give urgent consideration to removing the restriction on the present subsidy limiting it to full-time farmers?

In moving to the second proposal, let me straight away welcome the proposed amendment of the original proposal to include pigmeat as well as poultry and animal feeds rather than merely cattle feeds. I notice that under the proposed regulation the EEC would contribute a maximum of 50 % of the capital cost and that the UK Government would be required to contribute at least 10 % and the beneficiary at least 25 %. Given the present monetary policy of the British Government, however, it is clear that the UK exchequer will not be volunteering to exceed its mandatory 10 % contribution, and therefore in reality this is a proposal under which the beneficiary will in fact have to contribute 40 % of the cost involved. I only trust that the extent of that demand upon potential beneficiaries will not be so great as to be prohibitive in many cases.

While welcoming the second proposal as a means of improving the structure of markets in the eggs, poultry, pigs and animal-feeds sectors in Northern Ireland, I must say that an even more positive and necessary assistance could be given to the whole spectrum of Northern Ireland's intensive livestock sector if the feed-aid grants were re-established. Alternatively, the introduction of an Italian-type levy-rebate arrangement on cereal grain imports would be of tremendous assistance. Northern Ireland's remoteness and separation from the rest of the United Kingdom by sea means that virtually all our feedstuffs have to be imported and then our produce exported. The economic consequences of this for the industry are obvious, and therefore direct assistance to remove the £ 10 per tonne differential in the price of feedstuffs between Northern Ireland and Great Britain and

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general freight assistance would be the greatest possible help that the Community could give to Northern Ireland. And I would welcome the suggestion made by Mr Hume along these lines. This is very important.

Before I came to this Parliament this week, I met the leaders of the Ulster Farmer's Union, who stressed to me the fact that this industry is in crisis and needs immediate short-term aid over the next few months. And I will lay that before the Commission tonight. I would implore the Commission tonight, recognizing the crisis in agriculture in Northern Ireland, to study this carefully and not allow this great industry in Northern Ireland to die. I regret very much that there have been remarks made tonight by representatives from the Irish Republic which I do not think at this time are at all helpful to the situation. I know they have their own problems; but I would have thought that on this occasion, with all the talk of helping hands across the border and so forth, they would have been large enough in their outlook to say they will back agriculture in Northern Ireland and will do their best to stand with these farmers in their present plight.

I must say to Mr Clinton — although I think Mr Taylor perhaps took him up wrongly on this particular aspect that any proposal in this House to set Derry and Tyrone and Fermanagh in a special category and not deal with the difficulties of farmers in County Armagh and County Down and County Antrim would be greatly resented by the people of Northern Ireland. Mr Clinton said he knew Northern Ireland. Well, I am afraid he does not know Northern Ireland, for otherwise he would know that there are less-favoured areas in County Antrim and especially in the south of County Down, which borders on the Irish Republic, and also in the south of Armagh. And to try and divide the province in the way he proposes would be greatly resented by all the farming interests in Northern Ireland.

Tonight this House has had an opportunity of dealing with an important subject, and I trust that even though those from the south of Ireland are giving it their blessing with perhaps many reservations, the Council of Ministers and the Commission will do their best to help the farmers of Northern Ireland and save this great industry.

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

Mr Davern. — Mr President, it is not often that I find myself in agreement with Mr Paisley. However, I feel that he misunderstood Mr Clinton's remarks about the counties west of the Bann. I think Mr Clinton used three names off the top of his head without having a paper in front of him. We are quite well aware that, even though there is good land in many parts of Northern Ireland, there are isolated pockets

of very bad land, where people particularly need to be supported.

I think that he should be assured of our support for Mr Hume's motion to have more disadvantaged areas of Northern Ireland taken into account. It is not a political matter, it is a matter of people. Farmers north or south of that border are having a particularly rough period at the present time.

While I fully support aid for farmers in Northern Ireland under the first section of this regulation, and recognize that they need aid as much as any other section of the Community, I would emphasize that I have serious reservations about part II. The first part, which will deal with the structural areas, can only improve the lot of farmers and the position of the farming community generally at a time where improvement and help are more necessary than at any other time. As Mr Maher quite rightly pointed out, the people in this Parliament who, a year ago, came to Strasbourg determined to attack the farming community have succeeded in helping to put down a hard working group of people in the present year. I hope they will be around to pick them up afterwards and to help and encourage them to find the jobs that are not available in other sectors.

We are fully aware that over 40% of Northern Ireland is a disadvantaged area. The Commission has recognized this and has therefore introduced this regulation to help alleviate the problems there. The recommendation to include Directive 355 was intended to make sure that the benefits reach the small producers. This is the scheme that was adopted in the west of Ireland, and this is the method which the Council used in its regulations. It is the best way of ensuring that that aid reaches the people for whom it was intended.

In the second part of this document, which Mrs Barbarella has so ably presented, she also mentioned the lack of Directive 355. We in Ireland imported 40% of the United Kingdom's export of eggs to EEC countries in the early months of this year alone. Thirty per cent of the eggs sold in the Irish Republic originate from Northern Ireland. Indeed, 12% of all poultry-meat in the Republic comes from Northern Ireland. While it is true that the agricultural industry in Northern Ireland has its difficulties — remember we are not speaking here against Northern Ireland — we wish to point out that there are difficulties in the Republic too. To give the aid to processing and marketing will create a direct imbalance and further worsen the position in the South. If a scheme can be introduced where both sides can be helped where processing and marketing are concerned, it will have the full support of all the members of this Community.

Mr Taylor said that Mr McSharry was opposing this motion. Mr McSharry is only one of the eight ministers who oppose it. The eight ministers oppose it not

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because it applies to Northern Ireland, but because of the dangerous precedent it creates for the rest of the Community and because of the imbalances that it may create in other neighbouring countries.

I hope this opposition will not be seen as opposition to Northern Ireland, but as an effort to protect the farmers in the South who are particularly badly off at this time, who have not only their loss of income to make up, but who cannot meet their overdrafts and their interest payments this year. In the light of this I have tabled the amendment to the report to include Directive 355.

I must say that I am disappointed with the attitude adopted by the Commission, as I was disappointed the other day by the stance they adopted in the Committee of Agriculture. We keep being told by these people, who must think they are oracles at this stage, that they foresee no problems, but if problems arise they will solve them immediately! Knowing the lightning speed with which the Commission, Parliament and the Council normally act, I wonder in what century those regulations will be rectified for the Irish farmers who suffer the adverse effects of this regulation. From a political point of view, as well as from a trade point of view, all the cross border trade will be to the detriment of similar production in the Republic. Mr Clinton mentioned smuggling. Mr Taylor said that, at the moment, it would not be advantageous to smuggle from the North to the South, but it would be advantageous to smuggle from the South into the North. It would also make the task of security far harder on both sides of the border, and God knows the people who try to implement security have a hard enough task as it is!

There is and always has been a large illegal trade going on between North and South in such things as watches, cameras and, indeed, livestock. If the horse is a bad one you can sell him anywhere! This is going to encourage illegal activities, which will be costly to both the authorities in the United Kingdom and the customs and excise of the Republic.

I would ask Mrs Barbarella, the Commission and the Council to consider Directive 355. It is a safeguard for the farmers of Northern Ireland as much as for the farmers of the Republic. I cannot see the Commission acting quickly enough. As Mr Maher said, will compensation be paid to those who suffer under this? I am not happy that the Commission has studied the matter closely enough. I am aware that negotiations are going on in other areas which might be of help to us.

Directive 355 requires that the programmes conform to international and regional programmes for the appropriate sector. I think this would be much more appropriate within the North itself and indeed benefit the agricultural producers who are the people immediately concerned. More particularly, the provisions of

the regulation are not applicable to any other area except those who need the benefit immediately. The same applies in the case of the west of Ireland. Nobody outside the west of Ireland can benefit from that scheme. Part 2 has ensured that the money goes directly to the place it is intended for. I would ask that Parliament consider my amendment to part 2 as a gesture of protection to farmers in both North and South thereby ensuring their incomes.

President. — I call Mr McCartin.

Mr McCartin. — Mr President, Members of the House will perhaps have noticed that the few Irish people in this Assembly seem to have infiltrated every group and party in the House except one, and I am glad to say we have found a very able advocate in Mrs Barbarella, who has defended an important Irish interest in a very able and eloquent way.

I am going to raise some points that have not yet been made, I think, in this debate so far. Before I do so, I would like to compliment Mr Clinton, who spoke on behalf of my group and who was honest and frank about his concern for the imbalances and distortions this package might cause. I attended a meeting in Enniskillen some years ago when Mr Clinton was Minister for Agriculture and representing farmers of the Republic of Ireland in the Council. The president of a well-known Ulster farmers' association told me that benefits from membership of the Community were all going to the Republic of Ireland and that they in Northern Ireland had nobody to put their case, but Mr Clinton tries his best to do this. I can assure Mr Clinton that was also the view of the Ulster farmers. I think they will not have forgotten that.

Hence, I welcome the first proposal in this set of measures for the benefit of farmers in Northern Ireland. The reservations I have about it can equally apply to the measures for the west of Ireland and to other areas because what I want to say is of a more general nature. First, there are no details beyond the few figures which indicate a high dependence on agriculture in the region and which set out the true position in relation to aids and incentives already available to the agricultural sector in that area. If this Parliament, or any committee of this Parliament, or the Commission, is to study what can be done by means of a new scheme to improve facilities for farming or processing of agricultural produce in the west of Ireland, the first thing they ought to do is ask themselves what aids and incentives already are there. I would submit that we had a very generous and valuable package of aids and incentives available to the farmers of Ulster over a very long period.

I know this because I am the only person in this House who has ever farmed in Ulster. I have met the farmers of Ulster; I have bought with them and sold with

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them; I have met them in the fairs and markets and I know exactly what benefits they have enjoyed from British policies down the years. It can truly be said that over a long period they have enjoyed a generous package, and as a result productivity is higher and farm structures are far better than those in the designated areas of the Republic of Ireland, which have land and climate of a similar nature. This is not to weaken the case for assistance to Ulster, but to state what is a fact.

Another serious complaint I want to make is that, in my opinion, the present set of measures will give the UK Government the opportunity to withdraw some of the assistance given to farmers in Ulster. This will be replaced by money from the European Economic Community, and the same thing, I regret to say, will happen in the case of the measures that have been proposed for the west of Ireland.

That is why I want to impress on the Council and on the Commission in particular, that they should investigate the situation and learn the hard facts before putting into effect the proposed measures which they think are an improvement on what was there before.

My next point is this: it is proposed to give assistance to farmers who cannot achieve a comparable income under this package without a development plan. I have grave reservations about this decision, whether it be applied in the south of Ireland or in the north. It is quite true that a number of farmers, with whatever assistance they get, and with the resources available to them, will be unable to plan for a comparable income; nevertheless, the element of planning cannot, and should not, be taken out of it.

If, we are to give assistance, and if that assistance is to be anything more than a mere social welfare handout, we must expect it to improve productivity. That will result in the creation of jobs in the service sector and in the processing sectors. The assistance we give these regions must encourage the increase in production; it can have no other purpose. If it does have any other purpose, it is merely a matter of social welfare. Whatever the state of the markets in the Community, I think there is a case to be made for improved productivity and increased production in these regions, not only for the farming community but for many other sectors as well.

Now, my criticism of the second package is not that expressed by colleagues. I have examined the package of industrial incentives provided by the UK Government for the whole of the North of Ireland over a period of years and it is without exception the best that was available to any region in Europe. 50% grants were the norm. There were generous interest rates and concessions and there were further grants related to the level of employment.

In fact, we are only gilding the lily here. We are only proposing improved measures for a situation that is

already a very generous one. I cannot honestly see that there is very much on offer in the way of improvement for any of the industries concerned. Again, it simply gives the UK Government an opportunity to withdraw some of the money being spent and to replace it with EEC funds. This is regrettable.

The last point I want to make is that there are 300 miles of border. This border splits towns, villages, farms, farmyards and houses. It is not possible to police all that border. It has never been effectively done.

All of Ireland is a deficiency area as far as cereal production is concerned. Cereal prices yesterday, in north and south, taking account of the difference in currencies, were about the same. It is not true that Northern Ireland is at a serious disadvantage vis-à-vis the Republic. But Ireland as a whole is a deficiency area; it only costs £ 3 to transport a tonne of barley from the grain-growing areas of the Republic of Ireland to Northern Ireland and it costs £ 15 to take it from any part of the mainland of Europe or Great Britain to Northern Ireland. So all of Ireland, for the purpose of cereals, must be treated as one area. To do anything else would create unreasonable distortions.

It has been said that smuggling does not occur at the moment because of the MCAs. In fact, one well-known Northern Ireland company has stated, and given figures, that until recently upwards of 7 000 cases of eggs per month were being smuggled. But during the month of August the situation changed. MCAs are now payable with the result that a million and a half eggs per month are now crossing the border legally. However, this seems to make no difference on either side of the border, because the same number of eggs were crossing *illegally* the month before! Should the situation change next month, you will have a recurrence of the same situation. The truth is that similar disadvantages exist on either side of the border. The soil and climate are similar; as are the economic difficulties. We must therefore divide the package in a way which will be equal and fair to all parts of this region. If in the European Economic Community we cannot divide the package in a way which benefits both sides of the Irish border where similar soil and climatic conditions exist, how can we hope to bring about economic convergence between areas like the Ruhr and the Mezzogiorno. This should not be beyond the power of this Community or the Commission.

On the other hand the most recent information we have is that this scheme was put back on the drawing-board because of the opposition of eight out of the nine ministers and that they are now investigating the possibility of applying all the measures to the grain area. For the reasons that I have mentioned I would strongly advise the Commission and the Council to be most cautious in the grain sector because of the fact that all Ireland is a common area as far as the cereal market is concerned. Anything that we do in favour of

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one side or the other will create distortions and create problems which will be costly to solve.

The last point I want to make is that the question has been asked as to why farmers should smuggle poultry or pigs. The reason is that you have a common marketing authority in Northern Ireland, and not all farmers like to pay tax. Some farmers have not declared all their animals, and for that reason they just take them down and sell them in the Republic of Ireland. I know the Northern farmers. I know all the things they will do and all the tricks they will play, and I want to say that I will vote for these measures in the morning with the reservations that I have mentioned.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission.

— (D) Mr President, I would like first to associate myself and the Commission with the sincere thanks expressed to the rapporteur for the report she has presented to us. After this lively and important debate at such a late hour, I see that we are clearly unanimous in this House in believing that we have an obligation to contribute, in a spirit of solidarity, to overcoming difficulties wherever they may occur in the Community. I note that all speakers have acknowledged that in Northern Ireland, the area to which the Commission proposals are intended to apply, there is a particularly difficult situation. There has also been unanimous acceptance of the Commission's first proposal. A number of questions arose, and problems and reasons for concern were raised, particularly with regard to the second proposal.

You may be sure that the Commission prepared this second proposal with great care. If it is adopted, the Commission will monitor its implementation with equal care. In preparing the proposal, the Commission had in mind chiefly agricultural development in this peripheral area of the Community. We wish to promote this development, particularly in the sectors to which this proposal applies. It has also been pointed out in this debate that these sectors have special problems arising from the high cost of imported feedstuffs. The only possibility of making these sectors competitive once more lies in improving the conditions under which these products are processed and marketed. I think there is also considerable agreement on this objective.

It has been suggested by a number of speakers that these measures could be financed more appropriately under Regulation No 355/77. This opinion is understandable. However, on behalf of the Commission I must point out once more that implementation on the basis of that Regulation would be frustrated by the fact that the funds available under it are limited. The specific measure we propose is the only way to achieve our aim of restoring a certain competitiveness to this

sector. But there are other reasons why the use of Regulation No 355/799 would fail to achieve the desired results. I refer to Article 9 of this Regulation, under which it must be proved that these aids are intended to be of direct benefit to the producers of the basic product processed in the region. In the present case, this condition would not be fulfilled, since feedstuffs have for the most part to be imported into Northern Ireland.

To turn to another idea, it was suggested that an integrated development programme should be implemented for all economic sectors in the less-favoured areas of Northern Ireland. It was said that this would probably be more effective than the proposed measures. Well, at the moment we are carrying out such projects in three cases. They are expressly planned as pilot projects, and we will be able to plan and implement future measures of this or a similar kind once the results of the current programmes have been fully evaluated. This will take some time. However, we are dealing here with a situation in which we neither wish nor are able to await the results of pilot projects. We want here to give effective and rapid aid.

It has been pointed out by Mr Maher that care must be taken to avoid imbalances in the poultry trade. In that connection he referred to subsidies in the United Kingdom. I would like here to refer you to the answer given by my colleague Mr Gundelach on this whole problem during this week's Question Time and point out that in this connection the necessary procedures for dealing with a contravention of the Treaty are under way.

Mr Paisley called for further areas of Northern Ireland to be classed as 'less favoured areas' in accordance with Directive No 75/268. Additional areas can be defined and adopted by the Community only if a corresponding application has been made by the Member State concerned, in this case the United Kingdom. The study of the problems called for by Mr Paisley is at present in the hands of the United Kingdom Government and not of the Commission. We cannot anticipate what the result of these studies, or of any decision by the United Kingdom Government to make an application will be. However, you may rest assured that any such application would be assessed and dealt with by us in accordance with the usual rules and principles.

Ladies and gentlemen, as you will have noticed, I am no expert on agricultural questions. But you can be sure of my full sympathy and support for the area of the Community which we are discussing this evening — an area which is experiencing particularly serious difficulties. You can also be sure that the whole Commission shares this sympathy. In dealing in the past with other areas we have also honoured this obligation to aid areas of the Community with special difficulties.

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Concern has been expressed here that solving these problems might cause new difficulties. You may rest assured that we wish to solve problems and not to create new ones. And when the measures which we have proposed come into force, we shall carefully monitor their progress and act quickly to improve the measures and to solve any problems which arise.

While we have every sympathy for, and are currently concentrating on, the special difficulties which we are discussing here, we in the Commission have an overall responsibility for the Community and also an overall responsibility for this particular sector.

Mr President, ladies and gentlemen, it is often said that help promptly given is worth twice as much. The Commission hopes that there will be a rapid and positive decision on its proposals. It is envisaged that this question will be dealt with at the meeting of the Council of Ministers on 10 November. An extremely wide range of proposals have been made in this debate, and these, in addition to what we have proposed, provide suggestions and can contribute to solutions. You may rest assured that we shall be glad to look at these suggestions in a positive light.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

21. *Directive on agriculture in the French overseas departments*

President. — The next item is the report (Doc. 1-489/80), drawn up by Mrs Cresson on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-348/80) for a directive on the development of agriculture in the French overseas departments.

I call Mrs Cresson.

Mrs Cresson. — (*F*) Ladies and gentlemen, the report which I bring before you this evening is presented on behalf of the Committee on Agriculture. It relates to a directive on the development of agriculture in the French overseas departments, namely French Guiana, Guadeloupe, Martinique, Réunion and Saint Pierre and Miquelon. I propose to present this report to you in four parts, in an attempt to deal with the various aspects of what is a complex problem because it has a particular geographical and historical background whose consequences we tend to underestimate. I shall therefore deal firstly with the status of the overseas departments and the reasons for the directive we are discussing today, secondly with their economy, and more particularly with agriculture, which is the

predominant sector in the economy of the overseas departments, thirdly with the measures proposed by the Commission, and finally with the conditions which will be necessary if the appropriations made available for these measures are to be put to good use.

First, what is the status of the overseas departments and why are EAGGF appropriations being provided for these departments?

Now, until 1978 the French overseas departments enjoyed a hybrid and ambiguous status within the European Community. Under the Treaty of Rome they are sometimes treated on the same basis as metropolitan departments, and as such fully integrated into the Community — treated, in fact, in the same way as regions of Member States — and on other occasions they are treated on the same basis as the overseas possessions of the Member States — what are called the overseas countries and territories — where their status is governed partly by the Treaty and partly by the Convention under which those countries are associated with the Community. In other areas it appears that the very existence of the overseas departments was simply forgotten in the Treaty, and the resulting questions were left to be solved by future legislation. The ambiguity of this position gave rise to a legal wrangle. Two points of view were possible: the first, based on Article 227 (2), maintained that if, within the two-year limit, the Council had failed to decide on the terms under which the provisions of that Article would be applied, they would be automatically applied in full; the second — the Commission's view — was that the provisions of the Treaty were not to apply automatically once the two year deadline was passed. We had to wait for a judgment from the Court of Justice on 10 October 1980, the Hansen judgment, to have a ruling on the interpretation of Article 227 (2). Now it is all perfectly clear. All the provisions of the Treaty of Rome and of Community law apply to the overseas departments. What this means is that, whereas before the Hansen judgment the French Government had to make a special request for certain provisions of the Treaty to apply to the overseas departments, since this judgment the provisions apply automatically to the overseas departments and the French Government need only act in order to have them adapted to the special needs of those departments. As far as agriculture is concerned, for example, the application of the whole of the common agricultural policy to these departments must take into account the distances involved, with the consequent constraints, and the tropical nature of the departments' produce. Details have not yet been laid down, however, of the system of practical control over the use of EAGGF funds which the French Government will have to accept since those funds are henceforth available for the overseas departments. It is therefore completely logical that the Commission's proposal aims to replace funds from the European Development Fund (which finances economic development programmes in ACP states associated with the Community and in overseas

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countries and territories) with funds from the EAGGF Guidance Section, which is responsible for financing structural programmes for agriculture within the Community.

It is easy, when we look at the economy of the overseas departments, to see just how shaky it is. This results from a number of factors. First of all the population is young. And short of work. Young people emigrate at an enormous rate; official forecasts put migration from overseas departments to metropolitan France at 300 000 between 1975 and 1990.

Secondly, their economy is shaky because of the importance of the services sector compared with productive sectors: it accounts for example, for 75 % of the gross domestic product of Martinique and Réunion. This is a shaky situation because, as in many Third World countries, the primary sector relies largely on a few agricultural products without sufficient diversification: bananas, sugar cane, timber, essential oils for perfumes, aubergines. It is also due to a heavy balance of trade deficit. The overseas departments export practically all they produce, and import practically everything they need in the way of food and materials. In Guiana, for example, only 10 % of imports are covered by exports, and only 20 % in Réunion. Add to that the fact that, despite government promises going back to 1964, the minimum wage is not based on that in metropolitan France. In Réunion it is 70 % of the mainland minimum, and 70 % of the workers don't even get that. Despite the pressure to emigrate, there are more than 50 000 unemployed in Réunion and more than 30 000 in Guadeloupe. As I was saying, there is little diversification in agricultural produce. In Martinique, Guadeloupe and Réunion the principal resource is sugar cane which, apart from producing sugar, also produces rum. Guadeloupe and Martinique also produce a very important banana crop which supplies most of the French market for bananas. Martinique also produces pineapples, which run into competition from other countries, particularly the Ivory Coast. That is why the Community grants aid for the production of tinned pineapple in Martinique. Aubergines are also a major resource for these two departments, but the disadvantage is that they are a long way away, and that transport costs are consequently high. That is why the Commission has submitted to the Council a draft regulation for a system of aid for the marketing of aubergines produced in the French West Indies, to which this House gave its approval on 16 November last, although the Council has not yet reached a decision. In Réunion, rice is one of the staples of the local diet, and a special exemption from the import levy has been in effect since 1 January 1978; the subsidy on rice production within the Community also applies. The department of Réunion also produces geranium and vetiver oils for export. Lastly, Guiana produces tropical timbers for export.

After this quick survey of the economic and agricultural situation in these departments, let us now see

what the Commission is proposing. Since agriculture in the overseas departments is clearly backward in comparison with other regions in the Community, and since the Community directive on the modernization of agricultural holdings is only partly relevant to the situation here, the Commission considers that a special six-year programme should be established for these departments involving a total of 211 million EUA, of which 96.5 million are to come from the EAGGF. The programme covers the following areas: cooperative irrigation projects, land improvement, flood protection work, reforestation, the improvement of decaying forests and measures to encourage a move towards stock rearing and new crops, all of which will receive 50 % support from the EAGGF, as well as improvement to the agricultural infrastructure, which will receive 40 % support from the EAGGF since the difference will come from the ERDF. It should also be noted that the Community has already made contributions to the overseas departments, when Martinique and Guadeloupe were ravaged by hurricanes David and Frederick, and the EAGGF Guidance Section was called in to repair the damage done to agriculture.

The Committee on Agriculture, which has approved the report which I have the honour to present, considers that the Commission's proposals should be approved. What is proposed is that appropriations from the European Development Fund should be replaced by appropriations from the EAGGF Guidance Section. This aid will enable France to improve the agricultural structure of these overseas departments, reducing the present tendency to single-crop agriculture by diversifying into the production of crops which are at present imported at ruinous cost for an already poor population.

It is, however, the view of the Committee on Agriculture that this financial aid alone will not be sufficient to reduce the serious lack of balance in the agriculture and the economy of the overseas departments. Such aid will not be effective unless a number of conditions are met.

Firstly there must be strict control over the use of EAGGF and ERDF appropriations, which are meant to reduce the current wide gap between incomes, particularly through strenuous efforts to create jobs locally in the agriculture and fisheries sectors. The fact is that the French Government's refusal to allow auditing of the use of ERDF funds denies the Community taxpayer any proof that the amounts spent are in fact benefiting the right people.

Secondly there must be real agrarian reform, aimed at increasing the area of land available for cultivation of food crops, particularly by the enforcement of existing legislation on the expropriation of waste and under-used land.

Thirdly, the safeguard clause must be invoked to protect overseas departments' agricultural produce in the event of market instability.

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The overseas departments, ladies and gentlemen, are not classic Third World countries nor are they backward regions in an industrial whole. They are French departments which exist because of the combined effects of a colonial system and of an industrial and commercial system. Agriculture lies at the heart of their development. The Commission was therefore right to propose this programme, because while it is essential that export crops should continue to be grown, it is just as essential to make further land available for more varied crops and to reduce the ruinous level of food imports which provide a comfortable income for a few major companies but which make the people poorer still. On behalf of the Committee on Agriculture, I therefore ask you to give your approval to the Commission's decision by supporting this report.

President. — I call Mr Clément to speak on behalf of the Committee on Development and Cooperation.

Mr Clément. — (*F*) Mr President, the view of the Committee on Development and Cooperation on this matter is that although the overseas departments may form part of Europe from the political and legal point of view and although the legislation applied to them is, despite undeniable inadequacies, bringing them gradually up to the social level of Europe, from the economic point of view the overseas departments must nevertheless still be considered as developing regions.

One figure stands out in this respect; it is, as Madam Cresson reminded us a moment ago, the fact that in these departments 25 % of the active population is unemployed. Add to that the fact that the agricultural sector remains far more important than the industrial sector and that the trade figures are completely out of balance since consumer needs are met out of imports while exports, which are in any case weak, are still based on traditional agricultural produce. With that in mind the European Economic Community should be treating the overseas departments, which are peripheral and underprivileged regions within the Community, with the same care as is given to other underprivileged regions in Europe. Furthermore, the French overseas departments, although they are an integral part of Europe, are situated close to African and Caribbean states which are signatories to the Lomé Convention, but find themselves competing with the ACP states in the market for tropical produce. Now, the European market has been thrown open to those countries, and their production costs are very much lower than those of the overseas departments, particularly because wages and social benefits bear no comparison with those in the overseas departments. Under those circumstances it was therefore quite right for the Community to attempt to make its own tropical agriculture more competitive by investing in development which will ultimately improve the employment situation.

The second point which the Committee on Development and Cooperation wishes to make is that Europe's tropical agriculture should be developed by diversifying crops and vitalizing associated sectors. Diversification has become necessary both for basic economic reasons and because of the present economic situation. Single crop agriculture entails serious economic risks depending on market trends and competition. These risks are made more serious by the hazards of the climate and your attention has just been drawn, ladies and gentlemen, to the fact that in the space of one year, three hurricanes have devastated the economies of Martinique and Guadeloupe, twice destroying the banana crop with very serious economic and social consequences in those two departments. Under such circumstances it is essential that the agricultural developments which are encouraged should be directed not only towards exports but also towards meeting local requirements. At the same time such developments must not mean abandoning the traditional crops of bananas, sugar cane and pineapples. It is not a question of robbing Peter to pay Paul: for the moment such traditional crops form the foundation of the rural economy of the overseas departments, and the best course is consequently to consolidate them at their optimum level or even, in certain cases, to give them additional impetus. That, for example, is the case with sugar cane in Martinique, where further development is essential not only to give the department self-sufficiency in sugar but also to produce sufficient rum to satisfy the export market.

Thirdly, the Committee on Development and Cooperation considers that two sectors associated with agriculture should not be neglected: firstly fisheries, aquaculture and fish farming, and secondly stockbreeding. To this end, certain investments will be necessary. They would be aimed not only at helping these departments move towards the self-sufficiency they are at present so very far from achieving, but also at developing exports in this area. With regard to stockbreeding the aim should likewise be self-sufficiency in meat.

The last point which the Commission on Development and Cooperation considers should receive Parliament's attention is the development of forestry in French Guiana, which implies the development of local infrastructures. As I am sure you already know, timber and wood-pulp are the second largest deficit item in the Community's trade figures after oil. Accordingly, any real improvement in this deficit must be sought within the Community, and Guiana offers possibilities which are worthy of serious consideration.

These are the objectives which, in the opinion of the Committee on Development and Cooperation, should be pursued in a policy of agricultural development in the overseas departments. Achieving these objectives implies improving infrastructures, financing major studies, obtaining the assistance of the right people and setting out what modifications to regulations this exceptional situation requires — modifications which,

Clément

as I said, the Community can carry out on the basis of Article 227 of the Treaty of Rome and the Hansen judgment. With this in view, Community experts should make on-the-spot studies, in conjunction with local elected representatives and professional bodies and the French administration. That same cooperation must of course continue when these measures are put into effect.

Without prejudice to the simultaneous development which we would wish to see in other economic sectors, and in particular in the industrial sector, Mr President, the Committee on Development and Cooperation would, in conclusion, invite this House to approve the proposal for a directive which is before us with the hope that, firstly, the French Government will add the whole of the sum of 114.5 million EUA provided for in Article 5 of the draft directive and, secondly, in view of the nature and magnitude of the problems which remain to be resolved — particularly those of training and the dissemination of technical information — assistance will be sought from the European Regional Development Fund and the Social Fund. In the view of the Committee on Development and Cooperation it goes without saying that the use of these funds should be subject to clear and detailed audit to ensure the maximum benefit for the people for whom they are intended. That, ladies and gentlemen, will be the best way of giving local employment to a young population which is concerned for its future.

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

Mr Martin. — (*F*) Mr President, ladies and gentlemen, had my friend and colleague Mr Paul Vergès, Member for the island of Réunion, been able to be present this evening, he would of course have been speaking in this debate. He is however detained far from here by other pressing obligations. This being so, I should like to put before you the views of the French Communist and Allies on the proposal for a directive which has been submitted to us.

The agricultural situation in the overseas departments is not a cause for concern, it is a disaster. It is not enough to say that the overseas departments are lagging far behind. Neither can one attribute this lack of advance solely to their population structure or to the size of the services sector — 80 % — compared with productive sectors, although it is true that agriculture only accounts for 8 % of the gross domestic product. And the trade deficit is not merely the cause of the present imbalance but the result of a situation over which, in the final analysis, Mrs Cresson and Mr Clément drew a discreet veil in their reports.

The present situation — and we might as well call a spade a spade — is the result of colonial pillaging. Single crop agriculture for export served no other

purpose than to provide supplementary supplies for the home country, and integrating the overseas departments has simply made the situation worse. In Guadeloupe and Martinique we are seeing the systematic run-down of the staple sugar cane industry, with its production halved since 1960. Even then, the single crop of sugar cane is to be replaced by the single crop of bananas, which are highly unsuited to a hurricane zone. For the sole benefit of a few big companies — like the Compagnie Fruitière de Marseille which is directly linked to the Empain-Schneider group — we think nothing of replacing one kind of colonial single-crop agriculture with another, totally ignoring the need for market-garden produce and other food crops.

In Réunion the productive sectors are declining. The embryonic industries are disappearing one by one, as are the very few holdings producing anything but sugar, which takes 82 % of the area under cultivation, such as geranium and vetiver oils. For example, in 1963 Réunion produced 230 tonnes of geranium oil; in 1979 she produced 76 tonnes. Then there is the aftermath of hurricane Hyacinth. Réunion is producing only a third as much tobacco as 25 years ago and, while sugar production has been stagnating for 20 years, its real value has been declining, since between 1962 and 1973 the value of sugar exports from the overseas departments fell by 60 %! That observation was made in the introduction to the French Seventh Plan.

In fact, the question of sugar cane revenue is not even considered in the Eighth Plan, in other words the situation has become worse still. At the same time it should also be noted that for 20 years neither the Commission nor the Council has been prepared to make regulations to support any of the staple products — sugar, bananas, rum, vanilla, pineapples and so on — of these countries, which were nevertheless regarded legally as being an integral part of the Community. On the other hand, the Community taxes they pay are heavy: in 10 years, for example, Réunion has paid as much as all the overseas departments have received from the Community in 22 years. Let me repeat that in case any of you missed it: in 10 years Réunion paid in as much as all the overseas departments received from the Community in 22 years!

So, today, we are being offered a six-year plan worth 96.5 million EUA to develop agriculture in the overseas departments whilst at the same time Commissioner Gundelach is putting forward proposals for a new regulation on sugar covering the same period which would abolish all aid to sugar producers and raise the coresponsibility levy to 2.5 % on the entire sugar crop. At the end of this period the overseas department's sugar will be put in open competition with the European beet-sugar crop on the European market. Such a policy cannot but lead to the decline of sugar production in the overseas departments.

Martin

The crisis which the overseas departments are going through is caused, despite all the preventive measures which have been taken, by trying to integrate underdeveloped countries into a Community of advanced industrial countries 7000 or 10 000 kilometres away. Serious though the situation is, it is now being suggested that we should continue on the same path, applying the same sort of technical directives and spending another 96.5 million EUA from the EAGGF in the next 6 years, after the 72 million granted from 1958 to 1980. As of now we can predict with some certainty that the situation will get worse, and it is for all of these reasons that we shall be unable to associate ourselves with this proposal for a directive.

President. — I call Mr Sablé to speak on behalf of the Liberal and Democratic Group.

Mr Sablé. — (*F*) Mr President, ladies and gentlemen, one can only deplore the fact that a debate held in order to release appropriations to help the overseas departments, whose plight has been described by the previous speakers, should be used as an excuse for an indictment of events long past. The truth is, but that is not the subject of tonight's debate, that these same overseas departments have standards of living which are seven, eight and ten times higher than those of the independent states around them in the Caribbean and which are in fact higher than those of many other countries throughout the tropics. And, quite simply because these are overseas departments and notwithstanding the criticisms which can be levelled at France's former policies, it is clear that, on several occasions over the past 25 years and more, the people have expressed their desire to retain the constitutional system they enjoy and which indeed enables us to be here this evening in the European Parliament. . .

Mr Martin. — (*F*) After you rigged the ballot!

Mr Sablé. — (*F*) . . . Ah, there my honourable friend I am afraid you are way off the mark. I in fact represent a constituency where most of the local councils are held by the Communists, but at every general election I have a overwhelming majority precisely because the future of Martinique is at stake.

If Paul Vergès was over there with you he would be showing a little more respect. This is exactly what I say in our own Parliament. Your party, even Mr Marchais himself, keep quiet when I speak in the French Assembly. Anyway, that is not what we are here to talk about. I must apologize for that incident but it may have been helpful insofar as it shows my colleagues just how we and our Communist opponents stand.

Ladies and gentlemen, the proposal put to us by the Commission of the European Communities can be regarded as the result of the successive visits by experts

to the overseas departments either to examine the structural weaknesses in agriculture or as a consequence of natural disasters. I do not wish to labour the point, but it has even been suggested that the disasters which have occurred in Martinique and Guadeloupe were really caused by capitalism and colonialism.

At all events, since the Hansen judgment which finally disposed of the overseas departments' ambiguous legal position within the Community, the proposal based on Article 6 of the Council Regulation of 21 April 1970 on the financing of the agricultural policy has been examined in depth by the Committee on Agriculture and the Committee on Development and Cooperation has also given its opinion. This dual process, which implies full recognition of these departments' legal rights and the acknowledgment that they are geographically special — which is indeed in accordance with the judgment from the Court of Justice in Luxembourg — guarantees to this Assembly that every aspect and every consequence of the measures which are proposed have been considered during the discussions. The Commission's intention is clearly to make up for time lost in the wrangles over how the Treaty of Rome applied, and to allow the peripheral and underprivileged regions to make lasting changes in their local economies in line with the irreversible development of social legislation on the European model. Here too I could digress at length, since the people whom I represent here benefit from French social legislation, which is amongst the most advanced and progressive in the world, whilst those independent states which are under the patronage of the honourable Member are not only economically underdeveloped but still in the most abject hunger and misery. . .

Mr Martin. — (*F*) How many unemployed have you got?

Mr Sablé. — (*F*) A good deal fewer than there are in the countries you run! It comes down to Article 39 of the Treaty — all these things are relative, Mr Martin.

Mr Martin. — (*F*) Precisely.

Mr Sablé. — (*F*) Of course, we are underdeveloped compared with Europe but we are a lot further developed than the countries your people govern and it is something we can be proud of.

It is Article 39 of the Treaty that is being invoked here, with a view to rising productivity and individual standards of living in rural areas, and replacing the EDF with the 'Guidance' section of the EAGGF from 1980 onwards in financing structural improvements in agriculture. It must be remembered — although I may be a defender of the constitution I can also criticize, and I do not hesitate to do so when the French Government deserves it; indeed these criticisms often

Sablé

seem to be effective, since over the years the French Government has taken heed of them, to the satisfaction of the people I represent — it must be remembered, then, that ever since the Treaties were signed the overseas departments have, under the terms of Article 117, been subject to various commercial, fiscal and customs constraints but since on account of their tropical produce they were treated in the same way as ordinary associated countries they did not enjoy the advantages and preferential treatment shared by other regions within Member States of the Community. In fact, although they were members of the rich man's club they nonetheless remained underdeveloped countries. That is now being changed, albeit against your will.

Mr Martin. — (F) You said it.

Mr Sablé. — (F) Indeed, it may be that the anomalous situation under which these overseas regions were suffering has been highlighted by the Lomé Convention and the extended policy of cooperation with Third World countries.

The measures proposed in the Directive we have before us have already been discussed piecemeal but they are now brought together in an overall plan for the development of agriculture which includes the opening committing 211 million EUA for a series of programmes over six years, with 96.5 million EUA coming from the EAGGF and 114.5 million from the French Government. The measures relate to all the main sectors — irrigation work, land and pasture improvements, reforestation, fisheries, agriculture, crop diversification and, above all, stockbreeding. We should be proud that such an effort is being made to narrow the gap between regions. This has indeed already begun in other regions — not overseas of course — like the Italian Mezzogiorno, Corsica, Lozère and the Causses. Only a few hours ago we were discussing a motion to assist Northern Ireland and I shall be voting for that motion tomorrow.

It is my view that in order to guarantee the success of the programmes which France will be presenting to the Commission, they must be drawn up in full consultation with the regional assemblies and the professional bodies in the regions concerned. It is in the final analysis they who will be shouldering the risks involved in these programmes. When the French Eighth Plan is adopted shortly we shall have an excellent opportunity for cooperation between central and regional authorities, supported by all the information and documentation Brussels can provide to help such a vast undertaking to succeed.

As far as the diversification of crops is concerned — I am speaking here more particularly to the Commission representatives, I think that Mrs Cresson has already raised this question of aubergines and I would like to remind you that this House gave its approval as long ago as 16 November 1979. So far the Council of

Ministers has not considered the question and I have frequently drawn the French Minister's attention to this and received the usual promises. This will of course given certain honourable Members further opportunity to make accusations of colonialism. I personally would like to see this question resolved very quickly because there are thousands of growers waiting on it. At the same time I would like to make it clear, for the benefit of a number of Members who are legitimately concerned about this, that when we speak of stockbreeding — the question was considered in committee — we are not talking about adding to the Community's surplus of dairy products. As far as we are concerned stockbreeding means improving meat production, and only meat production, since in our departments we are obliged to import vast amounts of meat from third countries, which means paying the agricultural levy and, what is more, paying for the meat with dollars and other hard currencies.

In conclusion, Mr President, I should like to remind the House of one last point. Mention has been made of the resolution adopted by the Arusha Joint Committee on the sugar industry. It is true that the overseas departments' sugar industry is in a state of crisis, and it is easy to understand why since because of social costs, wages are very much higher in the overseas departments than the derisory wages paid in the ACP states where there is no social security. That gives rise to abnormal market conditions. Even so, the ACP states themselves said at Arusha that the overseas departments' sugar industry presented no danger to the Community's sugar industry. I should have liked to be able to say a lot more; unfortunately I was distracted by an unforeseen incident. I would simply like to say that the Commission was right to stress that these measures are being put forward because the overseas departments are genuinely suffering from acute underdevelopment. That is undeniably the case when they are compared with other regions within the Community, particularly as far as agriculture is concerned. What is more the overseas departments are suffering on account of competition from countries associated with the Community where wages are low and there is no social security, and suffering precisely because those countries are signatories to the Lomé Convention. It is for all these reasons that I ask this House to give its unqualified support to the Commission proposal.

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

Mr Pearce. — I would like to say briefly that our group does understand the special problems of the French Overseas Territories. We think it quite reasonable to examine special problems of different groups of people or different areas of the Community and to find practical solutions to those problems that are consistent with other Community policies. We hope

Pearce

and believe that the proposed directive will make a useful contribution to solving the particular problem of the French Overseas Territories and we therefore will support the adoption of this report. I would finally like to thank Mr Clement for having incorporated into his report, which was considered by the Committee on Development and Cooperation, a number of amendments which have made it easier for our group to support it.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission.
— *(D)* Mr President, the Commission proposal seeks to promote structural improvements in agriculture in the overseas *départements*. The Commission wishes thereby to make a positive contribution to overall economic development in these departments. In March 1979 the Commission submitted structural proposals to the Council, and in that connection it entered into a commitment which the present proposal fulfils. It is pleased to be able to do this, and grateful for the support of Parliament in this matter.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

22. Agenda for next sitting

President. — The next sitting will take place at 9 a.m. tomorrow, Friday, 17 October 1980, with the following agenda:

- procedure without report
- decision on the urgency of three motions for resolutions and a report
- joint debate on three motions for resolutions on the situation facing farmers in the plain of Albenga
- motion for a resolution on the floods in France
- motion for a resolution on the earthquake in Algeria
- motion for a resolution on the terrorist attacks in Europe
- motion for a resolution on the disappearance of young girls in refugee camps in southeast Asia
- motion for a resolution on the conflict between Iran and Iraq
- Gillot report on the right of establishment in the field of architecture

10.30 a.m.: vote on motions for resolutions on which the debate has closed

after 10.30 a.m.: vote at the end of each debate.

The sitting is closed.

(The sitting was closed at 11.10 p.m.)

- *Cresson report (Doc. 1-489/80): Agriculture in the French Overseas Departments*
Adoption of the resolution 285
- *Lega et al. motion for a resolution (Doc. 1-478/80): Farmers in Albenga*
Adoption of the resolution 285
- *Carossino et al. motion for a resolution (Doc. 1-482/80): Farmers in Albenga*
Adoption of the resolution 285
- *Didò et al. motion for a resolution (Doc. 1-495/80): Farmers in Albenga*
Adoption of the resolution 285
- *Combe et al. motion for a resolution (Doc. 1-485/80): Floods in France:*
Procedural motion: Mr Hord 285
Mr Bangemann 285
Adoption of the resolution 285
Procedural motions: Mr Bangemann; Lady Elles 285
- *Estier et al. motion for a resolution (Doc. 1-491/80/rev.): Earthquake in Algeria:*
Procedural motion: Mr Enright 286
Explanations of vote: Mr Chambeiron (COM); Mr Glinne (S); Mr Pearce; Mr Sieglerschmidt; Lady Elles (ED) 286
Adoption of the resolution 286
- *Dankert report (Doc. 1-505/80): Economic convergence and the financial mechanism:*
Adoption of the resolution 286
- *Blumenfeld et al. motion for a resolution (Doc. 1-493/80): Terrorist attacks in Europe:*
Procedural motion: Mr Marshall 287
Adoption of the resolution 287
- 13. *Disappearance into prostitution of young girls in refugee camps in South-East Asia — Motion for a resolution by Mrs Fuillet and Mr Glinne (S) and by Mrs Martin and others (Doc. 1-494/80/rev.):*
Mrs Fuillet; Mr Purvis (ED); Mr Collins, chairman of the Committee on the Environment, Public Health and Consumer Protection; Lady Elles; Mr Prag; Mr Collins; Mr de Courcy Ling; Mr Ortoli (Commission); Mrs Fuillet 287
Adoption of the resolution 289
- 14. *Conflict between Iran and Iraq — Motion for a resolution by Mr Glinne (S), Mr Blumenfeld (EPP-CD), Mr Scott-Hopkins (ED), Mr Berkhoutwer (L), Mr Israël (EPD) and Mr De Pasquale (Doc. 1-497/80):*
Mr Habsburg (EPP-CD); Mr Fergusson (ED); Mr Beyer de Ryke; Mr Patterson; Mr Bangemann; Lady Elles 289
Explanations of vote: Lord O'Hagan; Mr Arndt; Mr Moreland; Mr Cottrell; Mr Bangemann; Mr Griffiths; Mr Forth; Lady Elles 291
Adoption of the resolution
- 15. *Inclusion of women members in the new Commission — Motion for a resolution by Mrs Roudy and others (Doc. 1-504/80):*
Mrs Roudy; Mrs Boot 293
Procedural motion: Mr Cottrell 293
Adoption of the resolution 293
- 16. *Right of establishment and freedom to provide services in the field of architecture — Report by Mr Gillot (Legal Affairs Committee) (Doc. 1-439/80):*
Mr Ferri, deputy rapporteur 293
Mr Patterson, draftsman of an opinion 294
Mr Luster; Mr Coppieters; Mr Ortoli (Commission) 295
Adoption of the resolution 297
- 17. *Membership of Parliament* 297
- 18. *Membership of committees* 297
- 19. *Dates of the next part-session* 297
- 20. *Approval of the minutes:*
Mr Kellett-Bowman; Mr Prag; Mr Bangemann 298
- 21. *Adjournment of the session* 298

IN THE CHAIR: MR ROGERS

Vice-President

(The sitting opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received a number of motions for resolutions tabled under Rule 25 of the Rules of Procedure. Details of these can be found in the minutes.

3. *Membership of Parliament*

President. — Mrs Nicole Chouraqui has informed me in writing of her resignation as Member of Parliament.

Pursuant to the second subparagraph of Article 12(2) of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, the Assembly establishes this vacancy and is required to inform the Member State concerned. This will be done immediately.

4. *Petitions*

President. — I have received four petitions, whose titles and authors can be found in the minutes of this sitting.

These petitions have been referred to the Committee on the Rules of Procedure and Petitions for consideration.

5. *Procedure without report*

President. — On Monday, I announced the titles of those Commission proposals to which it was proposed

to apply the *procedure without report* laid down in Rule 27A of the Rules of Procedure. Since no Member has asked leave to speak and no amendments have been tabled to them, I declare these proposals approved by the European Parliament.

6. *Decision on urgent procedure*

President. — The next item is the decision on requests for urgent procedure.

I put to the vote the request relating to the *motion for a resolution tabled by Mr Lezzi and others, on behalf of the Socialist Group, on the fate of Mr Simon Malley (Doc. 1-499/80)*.

The request is rejected.

Pursuant to Rule 25, the motion for a resolution is referred to the appropriate committee.

**

President. — We shall now consider the request relating to the *motion for a resolution tabled by Mr Glinne, on behalf of the Socialist Group, Mr Klepsch, on behalf of the Group of the European People's Party, Mr Scott-Hopkins, on behalf of the Group of the European Democratic Group, Mr Fanti and Mr Gouthier, Mr Bangemann and Mr Nord, on behalf of the Liberal and Democratic Group, Mr de la Malène, on behalf of the Group of European Progressive Democrats and Mr Pannella, on the seat of the European Parliament (Doc. 1-500/80)*.

The authors of this request have asked that this item be placed on the agenda for the second November 1980 part-session.

I put the request for urgent procedure to the vote.

Urgent procedure is adopted.

In keeping with the request of the authors, this item will be placed on the agenda for the second November 1980 part-session.

**

President. — We shall now consider the request relating to the *motion for a resolution tabled by Mrs Roudy and others, on the inclusion of women members in the new Commission (Doc. 1-504/80)*.

I call Mrs Roudy.

Mrs Roudy. — (F) Mr President, this House has indicated on more than one occasion that it is unani-

Roudy

mously in favour of demanding that the 13-member Commission, which at present consists of 13 gentlemen, should cease to be a male-dominated preserve and that women should be properly represented on it. In saying this to you here I am passing on the wish expressed by the ad hoc Committee on Women's Rights, which recently debated this very subject and which would like to use the occasion of the appointment of a new Commission to say once again that it would be nothing short of scandalous if this institution, which incidentally never misses an opportunity to preach the virtues of democracy, were to fail to practice what it preaches by putting its words into action — in other words, see to it that women are duly represented on the Commission.

President. — We know there are 13 male members: whether they are gentlemen or not we shall find out during their period of office.

I put the request to the vote.

The request is adopted.

This item will be placed on today's agenda.

**

President. — We shall now consider the request relating to the *Dankert report on convergence and the financial mechanism* (Doc. 1-505/80).

I call Mr Dankert.

Mr Dankert. — (NL) Mr President, following discussions between a delegation from Parliament and the President of the Council, the Committee on Budgetary Control is proposing the withdrawal of the request made by the European Parliament to the Council to be consulted on the Council decisions concerning the British settlement.

I would explain the urgency of this as follows: the Council has agreed with the United Kingdom that the question of British contributions must be settled finally before the end of this month, which means that if Parliament persists in its request for consultation, fresh difficulties can probably be expected in the Council which may threaten the agreement itself. To prevent that, I would therefore like to see this matter dealt with today. This is such an urgent matter that I would ask you to deal with it before 10.30 a.m., so that a vote can also take place today. As far as the Committee on Budgetary Control is concerned, no debate is necessary on the matter.

President. — In the motion for urgent procedure, there is a request that we deal with the matter before

other business so that the vote can take place at 10.30 a.m. as well. This would be reasonable.

I put the request for urgent procedure to the vote.

Urgent procedure is adopted.

This item will be dealt with as a matter of priority in the business this morning.

7. *Difficult situation facing farmers in Albenga*

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

— *the motion for a resolution tabled by Mr Lega and others, on behalf of the Group of the European People's Party (CD Group), on the situation facing farmers in the plain of Albenga (Liguria) and neighbouring areas hit by the natural disaster of 22 September 1980 (Doc. 1-478/80);*

— *the motion for a resolution tabled by Mr Carossino and others, on behalf of the Communist and Allies Group, on the difficult situation facing farmers in Albenga (Liguria) and neighbouring areas following the floods on 22 September 1980 (Doc. 1-482/80); and*

— *the motion for a resolution tabled by Mr Didò and others, on the situation facing farmers in the plain of Albenga (Liguria) and neighbouring areas hit by the natural disaster of 22 September 1980 (Doc. 1-495/80).*

I call Mr Carossino.

Mr Carossino. — (I) On the night of 22 September an area of the region of Liguria was suddenly hit by disastrous floods, leaving many farms under water and bringing destruction to intensively cultivated areas of vegetables and flowers. An initial brief survey carried out by the authorities concerned revealed that damage to buildings and crops amounted to well over 80 000 million lire.

In the stricken area are concentrated some of our region's most modern and advanced farms. Over three thousand of these farms — three thousand and forty-five to be exact — have been seriously damaged by the floods. And, contrary to whatever the Commission may have been told by a keen official who obviously did not know the true facts, the farmers affected are not insured. Already weighed down by heavy commitments entered into in the past they are now facing an additional financial burden as a result of the floods.

The Italian government has already declared the region a disaster area. Regional authorities in Liguria

Carossino

have passed legislation to enable the farms hit by the disaster to be rebuilt, but all this is not enough given the scale of destruction. The farmers, for their part, have a fight against time on their hands because they cannot afford to lose the winter crop and, with it, the markets — mainly in northern Europe — that they have managed to build up over long years of hard work and sacrifice.

This, then, is why we requested urgent procedure for this resolution. Parliament is being invited to express its solidarity with the disaster victims and at the same time to ask the Community institutions to provide technical and financial aid to back up the efforts being made by the Italian government, the Liguria region and, above all, the farmers in my area to cope with the very difficult task of repairing the damage caused by the floods.

President. — The debate is closed.

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

8. Floods in France

President. — The next item is the *motion for a resolution tabled by Mr Combe and others, on behalf of the Liberal and Democratic Group, on the floods in France (Doc. 1-485/80).*

I call Mr Combe.

Mr Combe. — (F) Mr President, heavy rains caused damage on 21 September in several French departments, in particular Haute-Loire, Lozère, Aveyron, Ardèche, Gard and Haute-Savoie. These floods, or rather this disaster, resulted in seven deaths and several hundred injured being taken to hospital. Trucks, tractors, hundreds of cars and caravans were carried away like driftwood. A concrete bridge spanning the Loire was swept away like a toy, pieces of it being found hundreds of yards away. Roads were broken up and garden walls completely demolished. Departing floodwater left many places several feet deep in mud. Some places in the Haute-Loire around Gerbier-de-Jonc had 350 litres of rain per square metre in 24 hours.

First of all I have to thank the Commission for its initial contribution of 500 000 EUA towards disaster relief. We believe, however, that a decision must be taken to increase the amount of financial aid. Although I have only limited information to hand concerning just one sector, namely the craft sector — and not even the most critical one at that — I understand that 1 800 jobs are already threatened in the department of Haute-Loire alone. Additional aid over

and above that already agreed by the Commission would reinforce the effort being made by the French Government and would moreover stand as proof of European solidarity. I hope that all the political groups will appreciate the magnitude of the task ahead and support the motion.

President. — The debate is closed.

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

9. Earthquake in Algeria

President. — The next item is the *motion for a resolution tabled by Mr Estier on behalf of the Socialist Group, Mr Penders on behalf of the Group of the European People's Party (Christian-Democratic Group), Mr Fergusson on behalf of the European Democratic Group, Mr Fanti and Mr Ansart on behalf of the Communist and Allies Group, Mr Berkhower on behalf of the Liberal and Democratic Group, and Mr Israël on behalf of the Group of European Progressive Democrats, on the earthquake in Algeria (Doc. 1-491/80/rev.).*

I call Mr Pearce to speak on behalf of the European Democratic Group.

Mr Pearce. — Mr President, we wanted to take the chance to mark our sympathy with the victims of this disaster in Algeria. As we saw the story unfolding on our television sets, the population all across Europe was deeply shocked by the events there. We think it is worth taking the opportunity to remark again on the inadequacy of the funds available to the Commission to take urgent action in instances of this kind, at the speed that is required. The Commission needs the means to act speedily.

There are two amendments down in the name of this group. These are designed to try to remove from the motion references to support for the government of Algeria, because it is the people we are talking about. We want to speed relief to the people, not to express our sympathy or otherwise with the political system of that country.

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, I wish merely to say that the Commission shares the sentiments expressed in the motion for a resolution. As you know, we have placed 1 million EUA at the immediate disposal of our departments responsible for emergency relief. Almost half of

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this sum has already been paid out to help finance the measures being undertaken by the World Council of Churches and also the International Famine Relief Organization, and we have issued all the necessary directives to ensure that this work can proceed as quickly and efficiently as possible. I need hardly say that we shall be keeping an eye on the situation and will review the matter of additional aid if this should prove necessary.

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

Mr Glinne. — (*F*) Mr President, may I say on behalf of my group how much we support the way Parliament as a whole has responded in tabling this motion for a resolution and in following it through. Permit me to hope that whatever initiatives are taken by the Commission and the Council are matched by similar initiatives by those Member States of the Community that have not already taken them or signified their intention of doing so. I must also add that we for our part believe that the wording of the resolution should conform to the accepted pattern for resolutions of this kind, except where major political considerations dictate otherwise. It is in fact the practice, when faced with disasters of this nature, to express sympathy not only with the people but also with the government whose responsibility it is to conduct the affairs of the stricken country.

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

Mr Martin. — (*F*) May I also take this opportunity to say how much we Communists in the European Parliament share the pain and sorrow of the Algerian people. I would like to say again how deeply we sympathize with these people in their terrible ordeal. Algeria has suffered a deep wound, been horribly ravaged, but she and her government are facing up to the crisis with tremendous courage. To talk of heroism at El Asnam today is no exaggeration. This used to be one of Algeria's most beautiful cities, with unspoilt villages and settlements dotted all around it. It has been wiped off the map by one of the most devastating earthquakes in the annals of history.

Seeing the scale of the disaster and of the human suffering, seeing the immense wave of solidarity that has swept the world in a growing tide, what an absurd, what a shabby and, I do not hesitate to say it, what a nauseating example of political manoeuvring it seems to be for Mr Purvis to see fit to take it upon himself to table these amendments of his. What you have done does you no credit, Mr Purvis, and I hope for the sake of the dignity of this House that you will find no one here to support such amendments.

Needless to say, we for our part mean to take an active part in any initiative aimed at helping Algeria out of her misfortunes. In our European Parliament too we shall be putting our full weight behind this aid and also the joint resolution which will be presented and signed by the chairman and vice-chairman of our group, our friends Guido Fanti and Gustave Ansart.

In conclusion, I should like to point out that the French Communist Party demonstrated their solidarity with the victims of El Asnam and the Algerian people as a whole at a very early date and in a practical manner.

Our National Conference last Sunday launched a solidarity appeal with Georges Marchais calling upon Communists to support the Algerian people who are so close to us and we have already paid over the first 1 million francs. Simultaneously with our own efforts, other great democratic organizations in France, such as the CGT and the Secours Populaire, have embarked on their own similar schemes. Immersed as we are in our own country in promoting the vast and essential movement of solidarity with the victims of the El Asnam earthquake, it goes without saying that we wholeheartedly endorse the motion for a resolution, to which we are ourselves signatories.

President. — I call Mr Baudis to speak on behalf of the Liberal and Democratic Group.

Mr Baudis. — (*F*) Mr President, as spokesman for the Liberal and Democratic Group I wish to join with the other political groups in this Parliament in extending our sympathy to the Algerian people in their suffering and also in pledging our support for whatever relief we can bring to them. Yesterday morning, as mayor, I chaired a meeting of the town council of Toulouse and with the unanimous support of all the political groups the council at my instigation voted 100 000 francs to help those still in need of aid in that devastated city and the area surrounding it. It is our duty to respond to appeals for help from those in distress wherever they may be. There is no place in such situations for any form of discrimination on the grounds of race or political doctrine. We all belong to the same human race and we have an obligation to extend our friendship to all, regardless of their colour or political complexion, and in a spirit of unity we ought to vote together for the same resolution.

President. — I call Mr Herman to speak on behalf of the Group of the European People's Party (CD Group).

Mr Herman. — (*F*) Mr President, speaking on behalf of the European People's Party I wish to endorse what my colleagues in the other political groups have already said. We support and congratulate the

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Commission on the measures it has already taken in anticipation of our appeal. We want the Algerian people to know that they have our deepest sympathy in these difficult times and where this disaster is concerned it is gratifying to note that, with perhaps one slight exception, we in this House have demonstrated a unanimity untarnished by political rivalries in together extending a helping hand in this terrible ordeal.

President. — The debate is closed.

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

10. *Economic convergence and the financial mechanism*

President. — The next item is the report by Mr Dankert (Doc. 1-505/80), on behalf of the Committee on Budgets, on the outcome of the deliberations of the Council on the proposals from the Commission for

- I. a regulation instituting supplementary measures to contribute to the solution of the principal structural problems affecting the United Kingdom and hence to the convergence of the economies of the Member States of the Community; and
- II. a regulation amending Regulation (EEC) No 1172/76 of 17 May 1976 setting up a financial mechanism.

I call Mr Dankert.

Mr Dankert, rapporteur. — (NL) Mr President, in the first place I always find it rather sad when we hold a debate here and can only say that the Council is obviously out of sorts. Secondly, I must point out that in paragraph 1 of the German text of the resolution, the words 'gebilligt hat' have been omitted; Members will easily see where they ought to be.

To move on to the subject itself: with regard to the supplementary measures for the benefit of the United Kingdom, Parliament decided in September this year to request consultation with the Council if necessary and — if the expenditure was not properly controlled — to set up a management committee with more than advisory powers, clearly distinguishable from the management committee for the Regional Fund; it also decided that the expenditure could be classified as non-obligatory. Well, the Council decision means that apart from one fundamental point our requirements for control have largely been met, that the management committee has in fact become an ad hoc committee, not therefore like the Regional Fund committee but with a more than purely advisory function, and that there has been no agreement between Council and Parliament on the crucial issue, the classification of expenditure.

All things considered, there is therefore some cause for satisfaction, but I would repeat that with regard to the crucial issue we are still not satisfied. I would even say that there remains a deep sense of unease, because the Council is solving its own internal difficulties and the difficulties with the United Kingdom at the expense of the rights of Parliament deriving from the Treaty of Rome. As was pointed out earlier, the Committee on Budgetary Control has been left with the impression, following informal discussions between a delegation from Parliament and the President of the Council, that if it insists on Parliament's being consulted by the Council, the settlement reached on British contributions may still be jeopardized. Moreover, the committee is convinced that in view of the atmosphere of suspicion and cold war prevailing in the Council, the use of the consultation procedure for this particular problem would not provide any opportunity of ensuring respect for the rights of Parliament.

The argument that by foregoing consultation Parliament is also relinquishing its rights is without foundation. We can continue to assert the attitudes we adopted in September; in our view this means that during the budgetary procedure we must ensure that the supplementary measures in favour of the United Kingdom are still classed as non-obligatory expenditure in the budget by Parliament.

We also believe that careful consideration must be given to the ways in which Parliament can ensure that its rights are respected if the Council refuses to accept this classification in December. If no agreement is reached with the Council in the framework of the budgetary procedure, or during the broader consultation which would then be requested with the Council on the classification, consideration would have to be given to bringing the matter before the Court of Justice. Our case in law would be extremely strong: expenditure which results from agreements reached on the basis of Article 235 of the Treaty cannot be classified as obligatory expenditure.

Since, however, this classification as obligatory or non-obligatory is essentially an internal matter and does not therefore arise in the parliaments of the Member States, it seems better in the first instance to follow the path of broad consultation with the Council, divorced from the sensitive issue of British contributions. This is what we propose. We also propose to hold discussions with the Council on the problems of restructuring the budget and on ways of preventing the British settlement from being quoted as a precedent or its operating being used as an excuse for failure to carry out any restructuring. This question must, of course, also be seen in connection with the budgetary procedure for 1981, with a view to the ordering of Parliament's priorities.

The proposal of the Committee on Budgetary Control is therefore reasonableness itself. We hope that this reasonableness may go some way towards making the

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Council once again function properly as an institution of the Community, and that through this the balance between the institutions can once more be restored to some extent.

(Applause)

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, I do not propose to comment on the motion as a whole or discuss the Commission's own position on the matter. I wish merely to make two observations.

The first concerns paragraph 11. I would point out that it is not true that the Commission agreed to changes in its proposal concerning the nature and role of the advisory committee. The Commission remained firm on this point throughout and did not use its right under Article 149 of the Treaty to amend its proposal. The Commission left it exactly as it stood originally and it needed a unanimous vote in the Council to depart from it. I just wanted to set the record straight for the benefit of Mr Dankert and of this House, since it is after all a matter not without importance, judging by the frequent debates on this point.

My second observation concerns what the motion for a resolution has to say about the discussions that took place between the Council and Parliament, which were said to have been helpful in enabling some progress to be made. As you say, these discussions took place between the Council and Parliament, in other words without the Commission, and I do not think that in a case like this one can make a valid distinction between the formal conciliation procedure and the preliminary talks, the purpose of which in fact is to lay the groundwork for the conciliation procedure and give the sort of outcome that you yourselves envisaged, that is to say withdrawal of the request for conciliation.

In the circumstances we find such a situation regrettable, not just for institutional reasons but for practical reasons as well, because it makes it extremely difficult for the Commission, which at any given time may have to draw up new proposals, to use its offices to help the procedure along towards its desired conclusion if it is not at all times kept up to date with the situation as it develops. I therefore appeal to Parliament, and we are making the same appeal to the Council, to ensure that such a situation is never allowed to arise again.

President. — The debate is closed.

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

11. Terrorist attacks in Europe

President. — The next item is the *motion for a resolution by Mr Blumenfeld and others, on terrorist attacks in Europe (Doc. 1-493/80)*.

I call Mr Sieglerschmidt to speak on behalf of the Socialist Group.

Mr Sieglerschmidt. — (D) Mr President, I believe it important to begin by emphasizing that no distinction may be made between people who seek to attain political objectives by criminal means. It makes no difference from which corner a bomb is thrown. We must take steps in our Member States to combat such activities.

On the other hand we must acknowledge that terrorism in our countries comes from a variety of sources. We have terrorist acts from within — we might call it home-made terrorism — and we have terrorist acts from outside. We have seen this in the past few years. One group, the PLO, which has now fortunately become much less active, has shown how terror can be imported into our countries from outside.

Whilst that may be so, ladies and gentlemen, we must beware of closing our eyes to the fact that terrorist acts do not always come from one or two directions. Italy has been aware for a long time of the existence of right-wing extremist terrorism. In other countries of the Community we still have to get used to the idea. There are some people who do not want to accept the facts and cannot conceive that right-wing extremists can do such things. And then, as we have seen, they blame the PLO or the GDR, in the belief that what should not happen cannot happen. Nevertheless, right-wing extremists can and do perpetrate such acts, as they have shown. Our Italian colleagues are only too well placed to confirm this.

What is needed now is that the security forces of those countries in which right-wing terrorism has emerged only recently should react appropriately and effectively to such acts. And in this connection it may be that the approach may not be the same as when one is dealing with the Baader-Meinhof group or PLO terrorists.

Furthermore, our Member States and their governments must recognize that ideological influences from outside also play their part. I should like to say quite plainly, Mr President, that in a vast country such as the United States the existence of a small group calling itself the NSDAP may seem bizarre. For us, however, it is less amusing when they disseminate leaflets in the Federal Republic or show up there in uniform. I believe therefore that our governments must also work together closely with democratic countries outside the Community in an effort to counter these activities. I

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am delighted to learn from the press that all these issues are to be discussed shortly at a meeting of the ministers of the interior of the Community Member States as well as of some countries outside the Community. I regard this as most important. Parliament should come out explicitly in support of the call for this meeting to be held as soon as possible.

Going beyond executive measures, it is undoubtedly true that information on anti-democratic ideologies needs to be provided, in particular for the young, so that people do not fall into the hands of such terrorists. In other words, education is needed on racism, xenophobia and anti-Semitism. However, Mr President, that alone is not enough. It has been said many times before and I want to say it again now, if you want to prevent people, especially young people, from indulging in such terrorist activities, you must give them values. The opposite of values is destruction. If we in these countries want to protect ourselves against destructive tendencies, we must inculcate credible values, and I emphasize the word credible. But we must all, ladies and gentlemen, realize that in order to inculcate credible values we have to convince others that if necessary we are prepared to make sacrifices for these values. I know that this is perhaps not a fashionable thing to say these days, but it must be said. For otherwise we shall not be able to impart these values in a credible manner.

When we speak of these great values, of freedom, justice and solidarity, then we should not allow these right-wing extremists to use and abuse 'Europe'. Just as we have seen the term 'Europe' misused in the service of the shameful cult of apartheid in South Africa, where park benches are marked 'Europeans only', we are now struck by the way in which these groups in France and the Federal Republic of Germany make use of the word 'Europe'. No, ladies and gentlemen, Europe belongs to all democrats, it belongs to all men of good will, but certainly not to those who employ bombs to establish a dictatorship! We are determined to protect this European Community of freedom, justice and solidarity against our enemies, but, ladies and gentlemen, in a manner consonant with the basic values of freedom, justice and solidarity. We must keep these values alive, in accordance with a proverb that is very pertinent to this situation: The letter killeth but the spirit giveth life.

(Applause from the left)

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

Mr Tyrrell. — Mr President, whenever a terrorist bomb explodes, whether it be in Bologna, Munich Antwerp or Paris, the bodies of the victims are likely to be damaged; but, more than that, the spirit of every decent Community citizen is also liable to be damaged. In London last week there were two further

bomb outrages. In Ulster one is used to it as a weekly or even more frequent occurrence, and this week there was yet another terrorist outrage. I agree with Mr Sieglerschmidt that it makes no difference whether these acts are perpetrated by the extreme left or the extreme right. Both are equally evil.

We offer our sympathy to the maimed, we offer our sympathy to the relatives of those whose lives have been prematurely terminated by the acts of the terrorists. But sympathy is not enough. The elected representatives of the peoples of the Community must ask themselves whether they are doing all they can to put an end to these outrageous and inhuman acts.

The Legal Affairs Committee is preparing a report, of which I have the honour to be rapporteur, and one hopes that it will deliver that report to the Parliament for debate before the end of the year. But I would invite the government responsible for law and order in the Community to search their consciences and ask themselves whether they are doing all they can.

It is now nearly a year since the President-in-Office of the Council, during the Irish presidency, told this House that he expected, by the end of December, the nine Member States to have signed the Dublin Convention on the suppression of terrorism. That convention is still not in force. I understand from unofficial sources that two countries are holding back — France and the Republic of Ireland.

In June, the Council of Justice Ministers produced a penal convention. That is not yet in force. I understand, again from unofficial sources, that one country is holding back. That is Holland. I urge the governments of all the Member States to consider whether their objections to these ways forward could not be overcome in the interests of those who are damaged by these outrages.

The ways forward are not easy to see in detail, but some of them are quite clear in their general direction. Clearly, the first and foremost is to improve extradition procedures. Secondly, there is room for improvement in the criminal procedures: the taking of witness statements in one country for use in another; the ability to compel a witness in one Community country to go to another to give evidence in a criminal trial.

There is need for improved police cooperation. The Commissioner of the City of London police in his annual report in June this year deplored the lack of cooperation between police forces and stressed the delays that occur. This is an area in which rapid progress has to be made. There is a need for increased cross-frontier information. Again this is an area in which progress could surely rapidly be made. The Police Commissioner was not referring specifically to terrorism. He was also referring to other crimes of an international nature; e.g. fraud and drug smuggling. But what he had to say applies equally to terrorism.

Tyrrell

In 1976, the Council of Justice Ministers first decided that they would discuss these problems. So far there has been very little, if anything, to show. Progress has been painfully slow. Now there are three goals that they should be aiming at. First is the certainty of detection; second, when detected, the certainty of capture; third, when captured, the certainty of punishment. Only when these are achieved, or within sight, will these sub-human wreckers desist from the inhuman activities which they perpetrate on the innocent citizens of this Community.

So I hope that this resolution, which has the support of five of the groups in this House, will again jog the Council of Ministers into taking such action as they can immediately and into speeding up their procedures, so that these long-term goals to which I have referred come within reach of realization.

(Applause)

President. — I call Mr Seitlinger to speak on behalf of the Group of the European People's Party (CD Group).

Mr Seitlinger. — *(F)* Mr President, mindless terrorism has killed in Europe. We in the European People's Party have always condemned terrorism in any shape or form and we vigorously reaffirm our condemnation of it here today. The anti-Semitic attack in the rue Copernic in Paris, directed against a place of worship, has aroused universal indignation among the French people.

I am sure our Parliament is equally unanimous in its condemnation of and outrage at this crime. Anti-Semitism, no less than any other form of racism or terrorism, is a monstrous violation of human dignity. It is no more tolerable now than it was almost a half-century ago and we are determined to prevent any resurgence of it. All the people of France and all the peoples of the Community must put aside their differences and close ranks in the face of this threat.

I do not need to tell you that the peoples of Europe attach great importance to the values of human dignity and freedom but we have to understand that democratic freedoms do not come as a once-and-for-all gift of the gods but have continually to be earned by the civic effort of the peoples of Europe. Let us not respond to violence but rather let us demand justice under the law. Let us eradicate the seeds of intolerance, terrorism and racism. Let us build together a society founded on justice and brotherhood. Essential to this is the setting up of the European judicial area. Mr Tyrrell, you are wrong to imply that, as regards this matter, France has anything in particular to answer for. Quite the contrary. It was our colleague, Jean Lecanuet, when he was Minister of Justice, who took the initiative in organizing a European judicial

area. The French Government is stepping up its efforts to get some kind of effective Community anti-terrorist organization off the ground. We appeal to the governments of all the Member States not to countenance any threat to our democratic freedoms or to our guaranteed fundamental rights.

(Applause)

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

Mr Chambeiron. — *(F)* Mr President, my friends and I have always taken and will always take every opportunity to carry on our fight against anti-Semitism, neo-nazism and racism. This is why, incidentally, we supported the demonstration organized the day before yesterday by the staff of the European Parliament following the recent outrages.

I should like this House to know that the French people showed by a powerful demonstration what their attitude is to all forms of racism and above all what they thought of official complacency with regard to fascist and nazi ideologies. A few days ago I heard one of our ministers warning against confusing terrorism with the expression of certain political ideologies. Let me say quite categorically that I do not believe fascism and neo-nazism are political views that have any place in a democratic society.

(Applause)

However, I should also like to make one or two observations. It is not enough simply to talk about combating terrorism of fascism. It is not so very long ago that we had former war criminals sitting in this Assembly who had been responsible for deporting thousands of Jews and had incited people to racial hatred, and it needed persistence and relentless pressure on our part to remove them from these benches. But what we should have been doing all along is trying to understand what fascism and neo-nazism are all about! Speaking of our constant preoccupation with these problems, I should also remind you that it was at our instigation that this House voted against the introduction of a statute of limitation on nazi war crimes. What this means is that we have not the least intention of relaxing our efforts. I am well aware that there are those who fancy that these relatively recent events will be forgotten with the passage of time. If we are the ones who each day, every moment keep alive the memory of the fact that some thirty or forty years ago there were men who were prepared to plunge the world into hatred and war, there are also people around today who continue to propagate these criminal ideologies — and that is something we will not tolerate.

But I must say also — and I am somewhat disturbed by some of the proposals I have been hearing — that

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we ought not to use the victims of the attacks in Paris, or Munich or anywhere else to promote the cause of the so-called European judicial area. As I have watched this concept being developed I have wondered if its real purpose is to help suppress terrorism or is it simply an attempt to short-circuit our democratic freedoms. In our view, the only effective way to counter racism, neo-nazism and fascism is by strengthening democracy. We must realize that the best way to eradicate an evil that has plagued us and that has plagued the societies of Europe and the world for forty years is by developing our democratic freedoms. And if we have that attitude, if we always have that attitude, I believe we shall be fulfilling a task for which our electors sent us here, that is daily to strengthen our democratic freedoms and ensure that the kind of society we want to build rests on the solid foundations of democracy and justice.

President. — I call Mr Baudis to speak on behalf of the Liberal and Democratic Group.

Mr Baudis. — (*F*) Mr President, we have always spoken out against any form of dictatorship over the last few decades, regardless of whether the men wore black shirts, red shirts or brown shirts. The terrorism of the right provokes and feeds the terrorism of the left and subversive elements of questionable allegiance often infiltrate these various splinter groups, all of which have in common the fact that they preach racism, dictatorship, the coming of a Führer or a Duce and use the most atrocious violence to undermine European democracy, which is the very cement that holds our Community together. The Members of this Parliament, elected to it by people from every part of the political spectrum of western Europe, have a right, more than that, a duty to condemn these acts. But it is not enough just to offer sympathy. These acts must be put an end to, and put an end to quickly. The railway station at Bologna, a democratic city, the deaths at the Munich beer festival — symbol of a people's joy — the terrible slaughter at the synagogue in the rue Copernic: so much innocent blood spilt!

Mr President, on behalf of my Liberal colleagues I have to say that whilst ideas must be allowed free expression, no one has the right repeatedly to commit these monstrous crimes which must be mercilessly punished. The activities of the more or less clandestine groups responsible for these atrocities must be stopped. And when we come to the European judicial area, it is essential to have increased cooperation between police and security forces in the exchange of information and in their relentless pursuit of every offender in the Community.

Today, the European Parliament commits itself unanimously to the task of breaking fascism, nazism and terrorism. The governments for their part must adopt whatever measures may be necessary to ensure that the

resolution we shall be passing does not remain, like so many others, simply a pious wish.

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

Mr Doublet. — (*F*) On behalf of the Group of European Progressive Democrats I should like to endorse the sentiments that have been expressed, particularly by Mr Seitlinger and Mr Baudis. I shall be brief because strong feelings require few words. France has too often in the past set an example of courage and of the defence of freedoms not to make it perfectly plain to everyone now that she also stands for everything that is being expressed in relation to Europe as a whole. What is needed is a determination to prevent any kind of ideology, wherever it may emanate, from being disseminated through violence of any kind, no matter by whom, from ever again finding its expression in acts that are repugnant from every point of view. That is why we feel so strongly and why we endorse wholeheartedly this motion for a resolution for, in the circumstances, if there is cause for indignation there is above all call for resolute action.

President. — I call Mr Almirante.

Mr Almirante. — (*I*) Mr President, together with Mr Romualdi, on behalf of all the national parties of the right in Italy, I declare my support for the motion for a resolution tabled by Mr Blumenfeld without any mental reservations in respect of any acts of terrorism, whether by the right, the left, or even by the centre, because in our countries, including mine, there is much talk of official killings and government responsibility.

I venture to ask the House and in particular the Council of Ministers if we might see some more positive action, because ready as we are to express our indignation and revulsion at these acts of terrorism it seems we are less ready to propose and draw up practical and radical measures to deal with them. The President of the Council, Mr Thorn, replying earlier in this part-session to a question on this very point, spoke of a convention for the suppression of terrorism, of a European judicial area, of an extradition treaty. And yet, take this matter of extradition, just recently some quite deplorable instances have come to light where, because applications for extradition were refused, terrorists have been allowed to go free, to go on committing their crimes and to organize terrorism, not only, but chiefly, in Italy. Terrorism is not a spontaneous occurrence; terrorism is organized. Europe is in a position to say exactly who is organizing it. They say the PLO is behind some of it, some is being organized from behind the Iron Curtain. Well-known politicians say they know but up to now no detailed investigation

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has ever been carried out. It is our belief that Europe can only be born once terrorism is dead and we are convinced that Europe has a definite opportunity to eradicate this blight.

President. — I call Mr Marshall.

Mr Marshall. — Mr President, these terrorist attacks, which have been condemned by every speaker in this House, are repugnant to the very principles of this Community and strike at the very heart of Europe. Murder because of a person's religious or political beliefs is repugnant to everyone of us. Some of these attacks are very much a reminder of an unhappier era in our past. We have seen in Antwerp young Jewish boys attacked simply because they were Jews and not even because they were Zionists (they were, indeed, opposed to Zionism). We have seen in Paris an attack on worshippers at a synagogue. Fortunately, both of these attacks misfired; otherwise there would have been hundreds of people killed simply because of their religious beliefs.

These attacks warrant the strongest possible condemnation from everyone in this House, but it is not sufficient to condemn the sick souls responsible for perpetuating these heinous crimes. This Community and our governments must engage in certain immediate acts. First of all, we ought to be willing to re-examine our policy towards the Middle East, because I believe that the Venice Declaration, which gave a cloak of respectability to the PLO, lent a slight measure of respectability also to the methods as well as the objectives of that organization. I feel that we must very soon and very closely re-examine the policy we adopted then.

Secondly, I believe that the penalties for terrorism must be of the heaviest. Those who are willing to kill others because of their beliefs must not be surprised if others believe that they also ought to die. Terrorists who kill and maim innocent women and children are, I believe, suitable for only one penalty, and that is the death penalty.

Finally, there must be much greater coordination between member governments. There must be nowhere in the Community which is regarded as a haven for terrorists and murderers. I do not believe we can say that at the present time. We have to remember that the terrorists cooperate one with another. We see that they train each other, organizations whose only thing in common are the methods they are willing to apply to attain their objects are quite willing to train each other and feed on each other's violence. All too often one act of terrorism merely whets the appetite of other terrorists to achieve even viler acts on the European scene.

Mr President, those who perpetuate these crimes are the enemies of everything we in this House stand for.

There has to be an unrelenting war by all free men and all free governments against terrorists, because we can be assured of one thing: if we relent in the war against terrorists, the terrorists will not relent in the war upon us, upon democracy and upon everything this House and this Community stands for.

(Applause)

President. — I call Mr Veronesi.

Mr Veronesi. — *(I)* The memory of what happened in Bologna is still fresh in my mind. For me, who was born in that city, where I have lived all my life and where I hope to end my days, for me, as I say, this is an opportunity that I simply could not deny myself to convey once again my sympathy with the victims and to declare my group's unqualified support for the resolution before us. I should like at the same time to thank our President, Mrs Veil, for her kindness and understanding in sending me a telegram in which she expressed her sympathy with the city and with the victims of the massacre in the most moving terms.

Bologna, a city dating back to a very early civilization and with a great democratic tradition, was chosen for this attack because it stands as a symbol of a system of government that is deeply committed to democratic principles and to strengthening democracy itself. Public reaction to this disaster, however, was, I believe, a reassuring one. I am referring to the way the whole city came spontaneously and immediately to help in the rescue work and to comfort the injured and, more than anything else, the massive popular demonstration in the streets of Bologna by a million Italians demanding strong measures against terrorism.

The fact is that tough measures are required and in our view not all has yet been done that should have been done, either in our country or in the way of international cooperation. We need to tighten up our security measures but without democracy being undermined. Indeed, it is only by strengthening it that we can ensure that the people have a vested interest in the fight against terrorism. That is what we are demanding.

I should like at the same time to refer to another terrorist network, one that has been active for a very long time, particularly in our country, but which also operates in other parts of the world. I am speaking of the Mafia, with their illegal trafficking, of big financial barons, who do not hesitate to kill or to use violence in asserting their domination over society. We need to wage an all-out war on these organizations, too, which often have the protection of people in high places. Southern Italy is daily the scene of blood-letting as a result of Mafia violence.

Veronesi

For this reason, Mr President, while reaffirming our support for the motion, we are also calling for determined action against every form of violence and terrorism and a continuing campaign to educate young people in the virtues of democracy, tolerance, friendship and solidarity.

President. — I call Mr Paisley.

Mr Paisley. — Mr President, I am glad that the United Kingdom has been specially highlighted in this resolution. That part of the United Kingdom which has been so terribly scourged with terrorism is Northern Ireland, which I represent in this House. During the last 11 years, Northern Ireland has faced a vicious, diabolical and bloody onslaught of violence, spear-headed by the Irish Republican Army and their fellow-travellers. This has largely been a sectarian onslaught. The vast majority of the victims have been Protestants, although it must be stated that, as a result of the IRA campaign, there has been triggered off a campaign of retaliation against the Roman Catholic population, many of whom have been brutally killed by murder-gangs.

The overall figures are staggering: 2 060 people have been murdered. This, in relation to the size of population, is equal to over 75 000 in Great Britain or in France. Of these 2 060 persons, 1 481 have been civilians, 94 have been police officers serving with the Royal Ulster Constabulary, 46 have been reserve part-time police officers, 105 have belonged to the Ulster Defence Regiment and 334 have been members of the regular army. This year alone, there have been 63 people murdered. At the moment, the Irish Republican Army are carrying out a genocide of Protestants in the border areas, especially in Fermanagh and Armagh. In Fermanagh, some 50 Protestants, prominent heads of families, leading businessmen and farmers, have been savagely done to death, many in the presence of their wives and families.

The tragedy of it all is this, that there is no extradition between the Republic of Ireland and Northern Ireland. Those who do these murders find a safe haven in the Irish Republic. I would call today for a proper extradition convention similar to the European Convention on Extradition so that no part of this Community affords a safe haven for terrorists of whatever ilk. This is one sure way of cutting out this malignant cancer of the body politic.

(Applause)

President. — I call Mr Glinne.

Mr Glinne. — *(F)* Mr President, the most important political reaction to terrorist atrocities, whatever

movement they may be inspired by, is spontaneous public revulsion and universal condemnation of extremist violence. No matter how tough the measures drawn up by legislators and the authorities concerned, they will be useless unless they have the unswerving support of the people. The Socialist Group would like therefore to take the opportunity offered by this debate to pay tribute again to the public spirit of all those who, after each of the attacks which we shall be condemning again today, immediately and massively demonstrated their utter rejection of these acts. Rejection not only of these acts of senseless brutality but also, and above all, of the ideologies and political dogmas that inspire them.

We are, Mr President, in complete agreement with everything in the resolution. It will not have escaped anyone's notice that the second indent calls upon our Parliament to express its indignation at the terrorist acts being committed in the various countries of the European Community, especially in Italy and in the United Kingdom, and the United Kingdom as everyone knows includes Northern Ireland.

Let me say on behalf of all members of my group that we utterly condemn the terrorist atrocities to which the tragic situation in Ireland has given rise, whether they are perpetrated in Northern Ireland itself or anywhere else in the United Kingdom. We are bound to say, however, that we do not see the problem simply in terms of maintaining law and order but rather, and what is certainly more important, in terms of political reforms and a positive commitment to promote social justice.

Paragraph 2 of the resolution calls upon legislators and the competent authorities to pay particular attention to the dangers of a resurgence of fascism, racism, xenophobia and anti-Semitism. May I say, incidentally, that the Council has shown a remarkable lack of urgency in following up a specific suggestion that I put to it in writing some months ago and which was aimed at harmonizing or filling the gaps in our various national legislations in response to the need to establish a moderate but also realistic penal code for the whole Community to cover acts inspired by anti-Semitism and other forms of incitement to racial hatred. I have in mind — taking an example from outside my own country — something along the lines of the French Law of 1 July 1972. I hope, Mr President, that the adoption by our Parliament — I hope unanimously — of the resolution, including paragraph 2 of course, will give the Council the opportunity to review the problem with a view to harmonizing the different national legislations by reference to the highest standard.

President. — I call Mrs Macciocchi.

Mrs Macciocchi. — *(I)* Mr President, I should like to add my voice in support of the resolution submitted by

Macciocchi

my colleagues and to say at the same time that, in my opinion, what stands out most clearly in it is the reference to the attack in the rue Copernic in Paris. It is important to understand that this terrible problem of anti-Zionism, which has reared its head again in France with the blast of a terrorist explosion, is also linked with another serious problem which has been debated in this House on other occasions and perhaps needs to be debated again, namely anti-Semitism. In fact, I think this is too serious a problem for it to be dealt with superficially in a general debate. The incident in Paris is dramatic evidence of a renewed and calculated campaign against what might be called the Jewish 'third world' inside France, a sort of *gulag* which of course has no barbed wire around it but is nonetheless still a *gulag* that derives from the ideological barbed wire placed around men and women through ignorance, through lack of knowledge of historical fact and as a result of deep-seated feelings which from time to time rise to the surface.

And so, the kind of mindless terrorism from which France is suffering at the moment has, in my view, deep and serious historical roots to which we in the European Parliament must respond with determination. In inviting the speaker who will wind up the debate to say whether or not he agrees with our proposals I should like to move that a full debate be held on the problem of anti-Semitism. Our Parliament must have an opportunity for a debate, perhaps even a cultural one, within the Committee on Culture and Education and today's resolution could serve as an extremely useful basis for a much fuller report to be submitted to Parliament in the near future. That is all I wanted to say. I give my unqualified support for a resolution that condemns all forms of terrorism but specifically, at this point in time, condemns terrorism that has the Jews in France as its target and that has caused feelings to run so deep not just in this country but throughout Europe, in which the fight against fascism and the anti-fascist movement have gained strength and vitality.

President. — I call Mr Ortoli.

Mr Ortoli. — (F) *Vice-President of the Commission.* Mr President, we are in an area in which the Commission has no jurisdiction, but this is not a matter of jurisdiction. When we set out to create the Community our aim was to create a union of democracies. The objective of terrorism is to destroy democracy. We cannot tolerate either racism or anti-Semitism. That is why, leaving any question of jurisdiction aside, it is my duty to associate the Commission and each one of the Commissioners — and myself personally — with the revulsion and indignation expressed by Parliament. It is my duty to say how much we hope that what you will be voicing today will be followed by us all with equal determination, individual or collective, whether by the States or their citizens: We are faced here with a common duty!

President. — The debate is closed.

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

IN THE CHAIR: MR DANKERT

Vice-President

12. Votes

President. — The next item comprises the votes on those motions for resolutions on which the debate is closed.

We begin with the *Schwartzberg report (Doc. 1-724/79): Restrictions of competition in the air-transport sector.*

(Parliament adopted the preamble and paragraphs 1 and 2)

On paragraph 3, I have three amendments:

— Amendment No 1, tabled by Mr Albers and others and rewording this paragraph as follows:

3. Approves, therefore, in principle, the submission by the Commission of a memorandum on the development of air-transport services in the Community containing a number of suggested measures designed to increase competition in this sector.

— Amendment No 9, tabled by Mr K. H. Hoffmann on behalf of the Group of the European People's Party (CD) and rewording this paragraph as follows:

3. . . . and urges the Commission to work for the application of the provisions on competition in the EEC Treaty with the necessary derogations;

— Amendment No 7, tabled by Mr Beazley and replacing the phrase 'a steady process of deregulation' with the following text: 'the application of the rules of competition of the EEC Treaty, which should be applied'.

These amendments are mutually exclusive.

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, after discussing the matter with the rapporteur I am withdrawing Amendment No 1 in favour of Amendment No 9.

President. — I call Mr Beazley.

Mr Beazley. — Mr President, Amendment No 7 is withdrawn.

President. — That means that only Amendment No 9 is left.

What is the rapporteur's position?

Mr Schwartzberg, rapporteur. — (F) Favourable.

(Parliament adopted Amendment No 9)

President. — On paragraph 4, I have Amendment No 10, tabled by Mr K. H. Hoffmann, on behalf of the European People's Party (CD) and rewording this paragraph as follows:

'... airlines of the Member States, produces a fare system that lacks...';

What is the rapporteur's position?

Mr Schwartzberg, rapporteur. — (F) Favourable.

(Parliament adopted Amendment No 10, then paragraph 4, thus modified)

President. — On paragraph 5; I have three amendments:

— Amendment No 2, tabled by Mr Albers and others and rewording this paragraph as follows:

5. Stresses the part played by independent airlines in reducing tariffs.'

— Amendment No 8, tabled by Mr Moorhouse and Mr Hopper on behalf of the European Democratic Group and adding, after the word 'resulted', the phrase: 'at least initially';

— Amendment No 11, tabled by Mr K. H. Hoffmann on behalf of the European People's Party (CD) and rewording this paragraph as follows:

'... has temporarily resulted in considerably lower fares...';

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, in this case too, after discussing the matter with the rapporteur, I can withdraw Amendment No 2.

President. — I call Mr Hoffmann.

Mr Hoffmann. — (D) After talking with the rapporteur I am withdrawing Amendment No 11.

(Parliament adopted in succession Amendment No 8, paragraph 5, thus modified, and paragraph 6)

President. — On paragraph 7, I have Amendment No 3, tabled by Mr Albers and others and rewording this paragraph as follows:

7. Hopes that access to the scheduled air-transport market in the Community will be liberalized to some extent... (remainder unchanged);

What is the rapporteur's position?

Mr Schwartzberg, rapporteur. — (F) Favourable.

(Parliament adopted in succession Amendment No 3, paragraph 7, thus modified, and paragraphs 8 to 12)

President. — On paragraph 13, I have Amendment No 4, tabled by Mr Albers and others and deleting the words 'but strictly defined'.

What is the rapporteur's position?

Mr Schwartzberg, rapporteur. — (F) Favourable.

(Parliament adopted in succession Amendment No 4, paragraph 13, thus modified, and paragraph 14)

President. — On paragraph 15, I have Amendment No 5, tabled by Mr Albers and others and rewording this paragraph as follows:

15. Insists that, for the purpose of exercising control over State aid, account must be taken of specific costs which are directly related to the operation of routes provided by airline companies in the public interest; stresses in this connection the rôle which the companies can play in regional development and hopes that regional services, which are often unsatisfactory, will be improved;

What is the rapporteur's position?

Mr Schwartzberg, rapporteur. — (F) Favourable.

(Parliament adopted Amendment No 5 and paragraphs 16 to 18)

President. — On paragraph 19, I have Amendment No 6, tabled by Mr Albers and others and rewording this paragraph as follows:

19. Accepts that the necessary (4 words deleted) increased competition... (remainder unchanged);

What is the rapporteur's position?

Mr Schwartzberg, rapporteur. — (F) Favourable.

(Parliament adopted in succession Amendment No 6, paragraph 19, thus amended, and paragraphs 20 to 23)

President. — I call Mr Hopper on a point of order.

Mr Hopper. — I want to ask for a roll-call vote.

President. — Are you speaking on behalf of your group or on behalf of 20 Members?

(Over 21 Members rise to their feet)

President. — The vote on the motion for a resolution as a whole will therefore be by roll-call, and for this purpose we shall use the electronic voting-system.

(The vote was taken)

The resolution is adopted.¹

**

President. — We proceed to the *Hoffmann report* (Doc. 1-469/80): *Development of air-transport services.*

(Parliament adopted the preamble and paragraphs 1 to 4)

On paragraph 5, I have Amendment No 1, tabled by Mr Cottrell and adding the following text at the end of the paragraph:

and, in particular, suggests to the Commission that the restrictive practices of the IATA organization are contrary to the interests of consumers and the airline industry and, therefore, require action under the competition articles of the Treaty of Rome;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) I recommend rejection.

President. — I call Mr Cottrell on a point of order.

Mr Cottrell. — I submitted a request to the Bureau for a roll-call vote on this amendment.

President. — Can you mobilize 21 Members?

(Over 21 Members rose to their feet)

I call Mr Bangemann on a point of order.

Mr Bangemann. — (D) Mr President, could you please ask the rapporteur whether, in expressing an opinion on these amendments, he is speaking on behalf of the committee or in his own name, for these are of course two quite different things!

President. — I shall not put this question to the rapporteur, since a rapporteur automatically speaks on behalf of his committee. It is for the committee to raise this matter if it wishes. I assume that the rapporteur is speaking on behalf of his committee and that if he does not do so, he draws attention to the fact.

(By a roll-call vote, carried out by means of the electronic-voting system, Parliament rejected Amendment No 1. It then adopted paragraph 5 and paragraphs 6 to 9)

On paragraph 10, I have two amendments, each replacing this paragraph with a new text:

— Amendment No 7, tabled by Mr Moorhouse and Mr Hopper on behalf of the European Democratic Group:

10. Believes that competition will have the effect of:

- (a) reducing fares significantly;
- (b) giving the citizens of Europe a much wider choice of services, especially in the less developed regions. (For example, experience in the Scottish islands and in the English regions has shown conclusively that small privately-owned airlines provide a better, more frequent, and a cheaper service than national airlines);
- (c) encouraging expansion within the airline industry and the aircraft manufacturing industry, thus increasing employment and wages in Toulouse, Bristol, Munich, Amsterdam, Dordrecht and elsewhere; and congratulates the Mayor of Strasbourg, Mayor Pflimlin, and the French Government on declaring Strasbourg-Entzheim a free airport and significantly contributing to the liberalization of air transport within the European Community;

— Amendment No 12, tabled by Mr Moreland:

10. Points out that the full implementation (without any exception) of the provisions on competition of the EEC Treaty could mean that:

- any airline could be free to introduce or discontinue any service, at any time and at any fare, as far as the air sovereignty of the Member States extends;
- any airline operator could, by virtue of cost advantages prevailing in his country, oust from a particular route any other company that did not have these cost advantages;
- shifts in employment could occur to the benefit of countries with the lowest cost-levels;
- less profitable routes could be in danger of being closed and the Community could thus no longer

¹ OJ No C 291, 10. 11. 1980. For the details of all roll-call votes, see the minutes of this sitting.

President

fulfil its socio-economic responsibilities and obligations;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) Mr President, I should like on behalf of the Committee on Transport to make a statement on the amendment tabled by the European Democratic Group. The first part of this amendment was rejected already in committee. Thereupon a new final sentence was added in which Mr Pflimlin was explicitly congratulated on what he had done. The Committee on Transport states explicitly that it congratulates Myor Pflimlin on what he has done, is grateful to him for declaring Strasbourg airport to be a free airport, thus making it easier for Members of this House to get to Strasbourg. But the amendment as a whole is rejected.

(Applause and laughter)

President. — Please confine yourself to explaining the amendment.

Mr K. H. Hoffmann, rapporteur. — (D) Now we come to the amendment by Mr Moreland. I would say on behalf of the Committee on Transport that if Mr Moreland would agree to retain the first line of the old text — that was in fact the view of the Committee on Transport — then the other changes would become acceptable as they would in fact correct a translation error. That would mean, therefore, that in paragraph 10 the original text stands in the first subparagraph, whilst the remaining subparagraphs are changed in accordance with Mr Moreland's suggestions.

President. — I call Mr Moreland.

Mr Moreland. — Mr President, I accept what the rapporteur has said. If the word is 'could' in the four subparagraphs of the English text and 'would' in the first sentence, we shall be satisfied. That, I think, is what was actually agreed in committee, but was mistranslated. I therefore withdraw my amendment.

(Parliament rejected Amendment No 7 and adopted paragraph 10)

President. — On paragraph 11, I have Amendment No 8, tabled by Mr Moorhouse and Mr Hopper on behalf of the European Democratic Group and replacing this paragraph with the following text:

11. Welcomes the Commission's determination to draw up a regulation applying rules of competition to air transport similar to those for other branches of transport and economic life;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) The amendment was rejected in the Committee on Transport.

(Parliament rejected Amendment No 8 and adopted in succession paragraphs 11, 12 and 13)

President. — On paragraph 14, I have Amendment No 2, tabled by Mr Cottrell and adding the following new fourth indent:

- (iv) measures to restrict those aspects of the IATA organization which are contrary to the competition articles of the Treaty of Rome;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) The amendment was rejected already in committee.

(Parliament rejected Amendment No 2 and adopted paragraph 14)

President. — After paragraph 14, I have Amendment No 4, tabled by Mr Moreland and adding the following new paragraph:

- 14a. While welcoming the rôle that IATA (International Air Transport Association) has played, particularly in establishing safety regulations and the arrangements for the interchange of tickets between airlines, regards many of the restrictions placed on airlines through IATA in the services provided to passengers as being petty and unnecessary, and urges the Commission to take into account the position of IATA when making proposals on improving the services to passengers travelling by air within the Community;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) This was also rejected already in committee.

(Parliament rejected Amendment No 4 and adopted paragraphs 15 to 17)

President. — On paragraph 18, I have Amendment No 10, tabled by Mr Moorhouse and Mr Hopper on behalf of the European Democratic Group and replacing this paragraph with the following text:

18. Is of the opinion that no viable alternative has as yet been proposed to the present system for fixing tariffs and that the Commission should apply itself as a matter of urgency to a study of the question;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) I accept this amendment. It expresses the views of the committee more clearly and precisely.

(Parliament adopted Amendment No 10)

President. — On paragraph 19, I have Amendment No 11, tabled by Mr Moorhouse and Mr Hopper on behalf of the European Democratic Group and deleting this paragraph.

What is the rapporteur's position?

Mr. K. H. Hoffmann, rapporteur. — (D) The amendment was rejected in committee.

(Parliament rejected Amendment No 11 and adopted paragraph 19)

President. — On paragraph 20, I have Amendment No 3, tabled by Mr Moorhouse and Mr Hopper on behalf of the European Democratic Group and deleting this paragraph.

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) The amendment was rejected in committee.

(Parliament rejected Amendment No 3 and adopted in succession paragraphs 20 and 21 to 28)

President. — On paragraph 29 I have Amendment No 5, tabled by Mr Moreland and replacing this paragraph with the following text:

29. Believes airlines can improve productivity and, consequently, reduce costs and tariffs, by improved management, better organization and more satisfactory industrial relations, and that there should be no reason to reduce the level of employment in the industry;

What is the rapporteur's position?

Mr. K. H. Hoffmann, rapporteur. — (D) The amendment was rejected in committee.

(Parliament rejected Amendment No 5 and adopted in succession paragraph 29 and paragraphs 30 and 31)

President. — After paragraph 31, I have Amendment No 6, tabled by Mr Moreland and inserting the following new paragraph:

31a. Urges greater attention to be given by the airlines and airports to facilities for travellers with special needs or requiring special facilities such as the elderly, the handicapped and mothers with children;

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) Mr President, I regard this amendment as very important.

Unfortunately it was not contained in my preliminary draft report, nor was it discussed in the Committee on Transport. I cannot therefore make a recommendation on behalf of the committee. Personally, however, I would urge this House to adopt this amendment, for Mr Moreland has put his finger on a very important social issue which should be covered.

(Parliament adopted Amendment No 6, then paragraphs 32 to 36)

President. — On paragraph 37, I have Amendment No 13, tabled by Mr von Bismarck and rewording this paragraph as follows:

37. Is convinced that competition in aircraft manufacture can and should be increased by improving the efficiency of European manufacturers; expresses deep concern . . . ; (rest unchanged)

What is the rapporteur's position?

Mr K. H. Hoffmann, rapporteur. — (D) This amendment contains a valuable addition to paragraph 37. On behalf of the Committee on Transport I can therefore recommend acceptance.

(Parliament adopted in succession Amendment No 13, paragraph 37, thus modified, and paragraphs 38 to 40)

President. — I call Mr Moreland for an explanation of vote on behalf of the European Democratic Group.

Mr Moreland. — Mr President, it is no secret that my group was a little disturbed by the original motion put before this Parliament. We felt that the rapporteur was concentrating too much on the phantom of the American experience and not enough on the Commission's memorandum. Indeed, I endorse the Commissioner's remark that the words relating to America tend to generate more heat than light. We were a little surprised that certain parties we have always thought of as rampant when it comes to competition were more muted.

However, we are more satisfied with this motion, particularly with the agreement to the change of paragraph 18.

In the earlier stages of our debate in committee, Mr Hoffmann referred to myself and Mr Moorhouse as revolutionaries. I have been called many names but never a revolutionary. He also referred to the Socialist Group as conservatives — and I am sure, if I may refer to my British colleagues at the moment, that they are rather wishing they were.

(Loud laughter and applause)

Moreland

On behalf of my group, Mr President, I would like to say that we think the rapporteur has done an excellent job over the last year with the public hearings and the work he has put in. Let us not forget, as the Commissioner said, that this is only the first stage. He has accepted this report as giving him an impetus for the future in this area, and therefore we will support this report.

(Applause from the centre and from the right)

President. — I call Mr Moorhouse on a point of order.

Mr Moorhouse. — Mr President, may I ask for a recorded vote on the whole of the resolution?

(Over 21 Members rose to support this request)

President. — The vote on the motion for a resolution as a whole will accordingly be by roll-call. We shall use the electronic voting-system.

(The vote was taken)

The resolution is adopted.¹

**

President. — I put to the vote the motion for a resolution contained in the *Fischbach report (Doc. 1-457/80): Credit insurance.*

The resolution is adopted.¹

**

President. — We proceed to the *Pearce report (Doc. 1-455/80): Generalized tariff preferences.*

(Parliament adopted the preamble)

On paragraph 1, I have Amendment No 4, tabled by Mr Cohen on behalf of the Socialist Group and replacing this paragraph with the following text:

1. Welcomes the fact that the Commission has produced a guidelines document on its intentions for the coming years but finds the analysis of the first 10 years of GSP too lacking in detail to give a clear impression of the real significance of GSP for the developing countries;

What is the rapporteur's position?

Mr Pearce, rapporteur. — I am in favour.

(Parliament adopted Amendment No 4 and then paragraph 2)

President. — On paragraph 3, I have Amendment No 5, tabled by Mr Cohen on behalf of the Socialist Group and replacing this paragraph with the following text:

3. Draws attention to the low utilization of the GSP offer (60 %) and is of the opinion that increases in the size of the offer must be accompanied by an intensive information campaign to enable exporters on the developing countries to make better use of the possibilities;

What is the rapporteur's position?

Mr Pearce, rapporteur. — I am in favour of this amendment.

(Parliament adopted Amendment No 5)

President. — On paragraph 4, I have two amendments rewording this paragraph:

— Amendment No 6, tabled by Mr Cohen on behalf of the Socialist Group:

4. Notes that the countries that presently take most advantage of GSP are generally those which are semi-industrialized rather than the poorest and that, as far as the poorest are concerned, trade under GSP is sometimes only concentrated on a few products; (remainder deleted)

— Amendment No 2, tabled by Sir David Nicolson and others:

4. Notes... a few products; urges that the benefits accorded to countries which are becoming more prosperous should be diminished and that the level of benefit remaining should relate to the level of their acceptance of the principles of the GATT designed to further the freedom of trade;

What is the rapporteur's position?

Mr Pearce, rapporteur. — Mr President, the amendment from Mr Cohen does not accord with the sentiment of the committee and I think it should therefore be rejected. Amendment No 2 is in fact a restatement of the original text and should therefore be accepted.

(Parliament rejected Amendment No 2 and adopted Amendment No 6)

President. — On paragraph 5, I have Amendment No 7, tabled by Mr Cohen on behalf of the Socialist Group and rewording this paragraph as follows:

5. Requests the Council, when adopting the GSP for the next few years, to design the system in such a way that flexible application is possible depending on the level of industrialization of the beneficiary countries, and requests the Commission, when implementing the

¹ OJ No C 291, 10. 11. 1980.

President

system, to allow for differences in the level of industrialization;

What is the rapporteur's position?

Mr Pearce, rapporteur. — Mr President, the sense of this amendment is in conformity with the view of the committee although the deletion, which is its effect, would not be. I think, therefore, that the committee would probably want to accept this amendment.

(Parliament adopted Amendment No 7)

President. — After paragraph 5, I have Amendment No 1, tabled by Sir David Nicolson and Mr Welsh and inserting the following new paragraph:

- 5a. Recommends that those developing countries which do not enjoy the benefit of other preferential agreements with the Community and are not members of the Lomé Convention should have *de facto* priority of access to the advantages of the GSP;

What is the rapporteur's position?

Mr Pearce, rapporteur. — Mr President, the sense of this was not fully discussed by the committee, but since it is largely a restatement of the present position I would recommend the House to vote for it.

(Parliament adopted Amendment No 1)

President. — On paragraph 6, I have Amendment No 8, tabled by Mr Cohen on behalf of the Socialist Group and replacing this paragraph with the following text:

6. Stresses that the poorest countries can frequently only be helped by preferences for agricultural products and therefore urges the inclusion of more agricultural products in the system;

What is the rapporteur's position?

Mr Pearce, rapporteur. — I am in favour of this amendment.

(Parliament adopted Amendment No 8)

President. — After paragraph 6, I have Amendment No 3, tabled by Sir David Nicolson and others and inserting the following new paragraph:

- 6a. Notes that the granting of tariff concessions is not the only method by which the Community can assist developing countries and urges the Commission to devise other instruments which will encourage investment in the developing world;

What is the rapporteur's position?

Mr Pearce, rapporteur. — The committee would be in favour of the first part of this, Mr President. It did not fully discuss the second part, but on balance I would recommend the House to accept it.

(Parliament adopted Amendment No 3, then paragraphs 7 and 8)

President. — On paragraph 9, I have Amendment No 9, tabled by Mr Cohen on behalf of the Socialist Group and replacing this paragraph with the following new text:

9. Supports the autonomous nature of GSP but asks for detailed information on the real significance of the system and therefore requests the Commission, as a follow-up to the guidelines submitted to Parliament, to prepare a further document outlining this significance;

What is the rapporteur's position?

Mr Pearce, rapporteur. — I am in favour of this amendment.

(Parliament adopted Amendment No 9, then paragraph 10)

President. — After paragraph 10, I have Amendment No 10, tabled by Mr Modiano and inserting the following new paragraph:

- 10a. Is concerned at the excessive duration of the GSP (five years), since it prevents any adjustments which might be necessitated by developments in the internal economic situation of the Member States, gives the more competitive recipient countries and impedes the Commission's objective of ensuring a fair allocation of the benefits;

What is the rapporteur's position?

Mr Pearce, rapporteur. — I believe the sense of this amendment is quite contrary to the views of the committee. I am therefore against it.

(Parliament rejected Amendment No 10)

President. — I can now give the floor for explanations of vote.

I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, I did unexpectedly have an opportunity of speaking in this debate, but although in favour of many of the provi-

Kellett-Bowman

sions in this report, I do feel that it is against certain very important Community industries, notably those in the regions and particularly the chemical industry. Accordingly, I do not feel able to vote in favour of it, though I shall not vote against.

President. — I call Mr Welsh.

Mr Welsh. — Mr President, we moved Amendment No 2 because we felt it introduced a very badly needed sense of reality into this report. I regret very much that the House did not see fit to accept it, and therefore I personally shall abstain in this vote.

President. — I call Mrs Caretoni Romagnoli.

Mrs Caretoni Romagnoli. — (I) Mr President, we decided that our vote would depend on the adoption of a series of amendments and we can now state that we shall be voting in favour.

President. — I put the motion for a resolution, as amended, to the vote.

The resolution is adopted¹.

**

President. — I put to the vote the motion for a resolution contained in the *Clinton report (Doc. 1-443/80): Import duties on mixtures and sets.*

The resolution is adopted.¹

**

President. — I put to the vote the motion for a resolution contained in the *Ligos report (Doc. 1-446/80): Eradication of African swine-fever in Sardinia.*

The resolution is adopted.¹

**

President. — We proceed to the *Jürgens report (Doc. 1-444/80): Aid for rice-seed.*

(Parliament adopted the first four indents of the preamble)

On the fifth indent, I have Amendment No 1, tabled by Mr Gautier and replacing 'recalling' with 'having regard to'.

What is the rapporteur's position?

Mr Jürgens, rapporteur. — (D) Yes, I would ask for the first two amendments to be adopted.

(Parliament adopted Amendment No 1 by sitting and standing. It then adopted the fifth indent, thus modified)

President. — On the sixth indent, I have Amendment No 2, tabled by Mr Gautier and replacing 'recalling finally' with 'having regard to the fact'.

(Parliament adopted Amendment No 2 and the sixth indent, thus modified)

After the sixth indent, I have Amendment No 3, tabled by Mr Gautier and inserting the following new indent:

— having regard to the fact that the present system of aid has produced favourable results and is in accordance with the common organization of the market in seeds.

What is the rapporteur's position?

Mr Jürgens, rapporteur. — (D) I cannot recommend acceptance of this amendment, for although Mr Haferkamp yesterday said that he would be giving us some figures he has not in fact yet done so. I recommend rejection of this amendment.

(Parliament rejected Amendment No 3)

President. — On paragraph 1, I have Amendment No 4, tabled by Mr Gautier and replacing this paragraph with the following text:

1. Considers that for the coming rice year the Commission should retain the criteria by which the aid provided for under the above-mentioned regulation is granted, and expects from the Commission, after the rice year is concluded, a written report for the Committee on Agriculture on the effectiveness of this aid system;

What is the rapporteur's position?

Mr Jürgens, rapporteur. — (D) On behalf of the Committee on Agriculture I can only recommend rejection of this amendment, for it would bring about precisely the opposite to that which we are requesting in the resolution.

(Parliament rejected Amendment No 4 and adopted paragraphs 1 and 2 in succession)

President. — I put the motion for a resolution, so amended, to the vote.

The resolution is adopted.¹

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¹ OJ No C 291, 10. 11. 1980.

President. — We proceed to the *Barbarella report* (Doc. 1-492/80): *Agriculture in Northern Ireland*.

I call Mr Clément.

Mr Clément. — (F) Mr President, since the Commission announced last night that it would take immediate action if implementation of its proposal resulted in the slightest imbalance, the amendments to Mrs Barbarella's report tabled by the Group of the European Progressive Democrats are all withdrawn.

President. — I accordingly put the motion for a resolution as a whole to the vote.

The resolution is adopted.¹

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President. — I put to the vote the motion for a resolution contained in the *Cresson report* (Doc. 1-489/80): *Agriculture in the French Overseas Departments*.

The resolution is adopted.¹

**

President. — We proceed to the three motions for resolutions on the difficult situation facing farmers in Albenga.

I put the *Lega et al. motion for a resolution* (Doc. 1-478/80) to the vote.

The resolution is adopted.¹

I put the *Carossino et al. motion for a resolution* (Doc. 1-482/80) to the vote.

The resolution is adopted.¹

I put the *Didò et al. motion for a resolution* (Doc. 1-495/80) to the vote.

The resolution is adopted.¹

**

President. — We proceed to the *Combe et al. motion for a resolution* (Doc. 1-485/80): *Floods in France*.

I call Mr Hord on a point of order.

Mr Hord. — Mr President, I should like to call for a roll-call vote, under Rule 35, on this motion as a whole.

(Over 21 Members rose to support this request)

President. — I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, there must be a slip here. In the first indent 'Hautes-Alpes and Gard' should be added after 'Aveyron and Ardèche'.

President. — You are right.

The vote will be by roll-call and we shall use the electronic voting-system.

(The vote was taken)

The resolution is adopted.¹

I call Mr Bangemann on a point of order.

Mr Bangemann. — (D) Mr President, may I remind the Conservative Group, which, as we know, is very keen to cut State spending, that every electronic vote costs money, since it uses electricity.

(Laughter)

President. — I call Lady Elles.

Lady Elles. — I should like to point out that our views on the use of urgent procedure are well known and that it is up to Parliament and the Commission to order their affairs so that we are not kept here on a Friday morning always voting on motions under this procedure.

(Applause from the European Democratic Group)

I would add that when people put their names to a resolution, they should be here to support it, particularly if it is urgent.

President. — Thank you, Lady Elles.

It may be safely assumed, Mr Bangemann, that prolonging the debate with this kind of discussion also costs current.

(Laughter)

I think Lady Elles is right to point out that it does look rather bad if those who table resolutions are not present when the vote is taken, unless they have a good reason for being absent.

(Applause from the European Democratic Group)

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¹ OJ No C 291, 10. 11. 1980.

President. — We proceed to the *Estier et al. motion for a resolution (Doc. 1-491/80/rev.): Earthquake in Algeria.*

(Parliament adopted the preamble)

I call Mr Enright on a point of order.

Mr Enright. — On the grounds that I am in favour of increased public expenditure, I ask for a roll-call vote on the whole of the motion for a resolution.

(Laughter. Over 21 Members rose to support this request)

President. — On paragraph 1, I have two amendments:

- Amendment No 1, tabled by Mr Purvis on behalf of the European Democratic Group and deleting the words 'Government and'; and
- Amendment No 2, tabled by Mr Purvis on behalf of the European Democratic Group and deleting the words 'solidarity and'.

(Parliament adopted Amendment No 1 by sitting and standing. It then adopted in succession Amendment No 2, paragraph 1, thus modified, and paragraphs 2 to 4)

I can now give the floor for explanations of vote.

I call Mr Chambeiron to speak on behalf of the Communist and Allies Group.

Mr Chambeiron. — *(F)* Mr President, in view of the tragedy we have witnessed in Algeria, with thousands of deaths and many thousand men, women and children injured or homeless, it should have been possible for this Assembly to have expressed, in a dignified manner, its solidarity not only with the Algerian people but also with its government. That would have been proper, and it is what we have done in other cases. The adoption of Amendment No 1 by Mr Purvis is scandalous. By doing so we have introduced an odious political element in what should have been a demonstration of dignity. In the circumstances I cannot vote in favour of this text, which has been totally perverted by the adoption of the amendment.

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

Mr Glinne. — *(F)* Earlier on I set out our reasons for opposing the amendment by Mr Purvis. Nevertheless, we shall vote in favour of the resolution, since its purpose is to help the Algerian people.

President. — I call Mr Pearce.

Mr Pearce. — I shall be voting in favour of this resolution, but I think it is worth remarking that we have had a demonstration today of the views of those in our midst who wish to spend public money for its own sake. I think Mr Enright has done a service to the whole House and to the listening public by stating that he is prepared to spend public money, even if it serves no good purpose at all. If we wasted less money in that way, we should, perhaps, have more money to spend on aiding the victims of disasters.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — *(D)* Mr President, I shall be voting in favour. I should nevertheless ask those who tabled the amendment deleting the word 'solidarity' whether they are really prepared only to offer their sympathy but would withhold money from Algeria. This is a very remarkable affair.

President. — I call Lady Elles to speak on behalf of the European Democratic Group.

Lady Elles. — Mr President, I would not have got up to give an explanation of vote, since this matter has already been debated; but since there have been others who have commented, I will support very strongly the amendment put down by Mr Purvis and point out to the House that when there are major disasters of the kind that have happened in Algeria, where thousands of people are suffering, it is not a matter of supporting or not supporting a government. I do not think that that should enter into it. We are not having a political discussion, we are discussing aid to people who are suffering.

President. — The vote on the motion for a resolution as a whole will be by roll-call, and we shall use the electronic voting-system.

(The vote was taken)

The resolution was adopted.¹

**

President. — I put to the vote the motion for a resolution contained in the *Dankert report (Doc. 1-505/80): Economic convergence and the financial mechanism.*

The resolution is adopted.¹

**

President. — We proceed to the *Blumenfeld et al. motion for a resolution (Doc. 1-493/80): Terrorist attacks in Europe.*

I call Mr Marshall on a point of order.

¹ OJ No C 291, 10. 11. 1980.

Mr Marshall. — I would like to ask for a roll-call vote on this motion.

(Over 20 Members rose to support this request)

President. — The vote will accordingly be by roll-call, and we shall use the electronic voting-system.

(The vote was taken)

The resolution is adopted.¹

13. *Disappearance into prostitution of young girls in refugee camps in South-East Asia*

President. — The next item is the motion for a resolution tabled by Mrs Fuillet and Mr Glinne on behalf of the Socialist Group and by Mrs Martin and others, on the disappearance into prostitution of young girls in refugee camps in South-East Asia (Doc. 1-494/80/rev.).

I call Mrs Fuillet.

Mrs Fuillet. — *(F)* We decided yesterday that there was a case for this motion for a resolution to be adopted urgently. I knew I could appeal to the humanitarian feelings of everyone in this House, with just one or two exceptions. Prostitution among young girls in a state of profound moral distress constitutes a permanent stigma on the dignity of these children, affecting their future reintegration into society. We cannot remain insensitive to the atrocities committed against these defenceless human beings. We stand — as we have said, as we have written, and therefore as we have proclaimed to the world — for the defence of human rights. The Foreign Ministers of the European Community and the Association of South-East Asian Nations have issued a Joint Statement in which it was agreed that cooperation between the two organizations 'should serve the peoples' interests by promoting prosperity, social justice and respect for human rights'. I tell you quite plainly that human rights are being grossly violated. These refugee children from South-East Asia — Vietnamese, Laotians, Khmers — are to be found in camps along the Thai-Kampuchean border, particularly in camps No 007 and No 204.

Yes, my Conservative friend, we are indeed worlds apart. I speak to you from the heart and you come back at me with statistics. You say there are only 25 % of young girls in these camps but, Mr Purvis, if there were only 1 % that would be enough for us to act. In any case, the exact figure is 28 %. The High Commissioner for Refugees can offer no explanation for this situation. That is the reply I had from him in the last few days. All the while, unfortunately, the situation persists and, after all, what you are proposing in your

amendment is to allow it to continue as it is. Everything we have said has been fully confirmed for us by the National Association for the Reception of Refugee Children.

What in fact are we asking? We are calling upon the Commission and the Council to draw up a report on this shameful traffic. We are asking the Commission and the Council to cooperate with the High Commissioner for Refugees with a view to finding a speedy solution. We are not in fact asking very much. We want to know the truth about this vile traffic so that with the cooperation of the bodies concerned we can put a stop to this scandal.

President. — I call Mr Purvis on behalf of the European Democratic Group.

Mr Purvis. — Mr President, Mrs Fuillet completely misunderstands my position on this matter. She wants to help solve a problem; so do I, if there is one; but before we do anything, before we make empty statements and gestures, we must find out what the problem is. I am therefore wholly in accord with Mrs Fuillet and anyone else who wants to deal with this problem, once we establish what it is. My object is to establish precisely what the problem is. Do not depend on rumour, or myth, or lobbying; find out what is. That is why I would like to move my amendment to Mrs Fuillet's motion, which is that the Commission make the necessary investigations and report to us exactly what the problem is and what we can do about it.

Secondly, as I understand it, there is a considerable traffic in girls from South-East Asia. I do not say that they come from camps or whatever into Europe itself. But many of them do end up in prostitution in Europe. Let us look at the beam in our own eye and find out why this is happening, who is doing it and what we can do to prevent it.

So, Mrs Fuillet, I would ask you for your support for my approach, which is the pragmatic one, so that we really do something about it and do not just make yet another empty gesture. Let us get down to the nuts and bolts and sort this out once and for all.

President. — I call Mr Collins.

Mr Collins, Chairman of the Committee on the Environment, Public Health and Consumer Protection. — Mr President, I would like to inform the House that in the last two or three weeks I have been in touch with the High Commissioner for Refugees on this very point. I have had a reply from him and as far as I remember — I did not bring the letter with me because I did not know this was going to be on the agenda — his reply took the following form: there are problems

¹ OJ No C 291, 10. 11. 1980.

Collins

because, although the female population in the camps seems fairly low, and certainly lower than might be expected, there is considerable movement in and out of the camps. He was sufficiently disturbed by my letter to get in touch with the governments concerned and to institute some kind of investigation and inquiry. Before the House comes to any conclusion, it should take note of that reply.

President. — I call Lady Elles.

Lady Elles. — Mr President, I merely want to say that one or two of our members have also been in touch with the United Nations High Commissioner for Refugees, who is obviously the person to write to. But in fact his letter did not state the precise terms that have just been mentioned. He merely said that the number of girls coming into the camps was very much lower than boys. The question is: what happens on the way?

There is no question of implying that the Thai Government or those responsible for the refugee camps were behaving in a reprehensible manner.

An investigation is being carried out, but not only in the refugees camps. I would like to make this quite clear. If somebody is going to try and quote a letter from a person of the high standing of the United Nations High Commissioner for Refugees, it is not as difficult as all that to bring along a copy.

President. — I call Mr Prag.

Mr Prag. — I think there is so much confusion on this matter, Mr President, that if a full investigation is needed, it is quite clear that many Members do not know very much about the situation. There are several kinds of camps. There are United Nations camps which are guarded day and night. There are holding-centres from which the United Nations staff withdraws at night and where there is indeed a great deal of movement and Pol Pot troops of the so-called free Kampuchean forces maraude, recruit and take girls away. No one knows exactly what the rôle of certain Thai organizations is. I think it would be a great help if a full investigation were made. That is really the only conclusion we ought to come to. I did in fact raise the question with the Commission, which has a delegation in Bangkok. I raised it as vice-chairman of the South-East Asian Delegation in July. I was hoping for information from that source. Perhaps if we now press it officially we shall get the information we badly need.

President. — I call Mr Collins.

Mr Collins. — Very briefly, Mr President. I really do resent the tone of Lady Elles's reply. It is quite unnecessary to treat Members of this House, or indeed the whole House, as though it were a kind of primary school of which she was the headmistress. This is quite unreasonable. Nobody suggested that the motives of the governments were anything less than honourable. Nobody imputed to anybody motives other than those of the very highest standard. All I was saying was that the High Commissioner was in fact investigating the matter. He had been in touch with the governments concerned, and that was the end of it. If Lady Elles appears to think that I was suggesting that there was a deliberate plot on behalf of certain interests in South-East Asia or anywhere else, that is her affair. I wish she would not communicate her doubts to the House or treat the House in this way.

President. — I call Mr de Courcy Ling.

Mr de Courcy Ling. — Mr President, I think it would be a useful precedent to establish in this House that documents as important as the letter from the United Nations High Commissioner should be tabled as parliamentary documents — no doubt with the author's permission in each case.

President. — I think that that is a matter for the Bureau.

I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (*F*) Mr President, we are in complete sympathy with the motives in tabling this motion for a resolution. The only difficulty is that I do not quite see how, with the resources we have, we can draw up the kind of report asked of us. And I am genuinely sorry to have to say it because I am, like you, deeply sensitive to the distress in South-East Asia and to the very painful and all but unbearable problems that you refer to in your resolution. But I shall see what can be done. I shall see to it personally. As I say, I doubt if we have the physical resources for it. In any event, we shall contact the High Commissioner for Refugees to find out what is going on, to see how we can help and make him aware of our shared concern over the painful problem that has been raised here today.

President. — I call Mrs Fullet.

Mrs Fullet. — (*F*) I thank Mr Ortoli and ask for nothing more. Perhaps you should look again at the end of the resolution. I ask you for an enquiry, if that is possible, and if it is not, let us acknowledge our impotence. But I also ask you to approach the High Commissioner. I believe Parliament will enhance its reputation by adopting this resolution.

President. — The debate is closed. We shall now consider the motion for a resolution.

I have Amendment No 1, tabled by Mr Purvis on behalf of the European Democratic Group and replacing the entire motion for a resolution with the following text:

The European Parliament,

- while welcoming the work being done by the UNHCR, the International Committee of the Red Cross, UNICEF, the Save the Children Fund and many other established charities in managing the refugee camps and helping to return refugee children to their families,
- expressing concern over reports of prostitution,
- 1. Requests the Commission to report the facts about the situation of these children in camps in South-East Asia;
- 2. Requests the Commission to report on the work of those agencies in Europe which are promoting the exporting of children for adoption;
- 3. Instructs its President to forward this resolution to the Commission.

(Parliament adopted Amendment No 1)

This means, in effect, that an entirely new resolution has been adopted.¹

14. Conflict between Iran and Iraq

President. — The next item is the *motion for a resolution tabled by Mr Glinne on behalf of the Socialist Group, Mr Blumenfeld on behalf of the Group of the European People's Party (CD), Mr Scott-Hopkins on behalf of the European Democratic Group, Mr Berkhower on behalf of the Liberal and Democratic Group, Mr Israël on behalf of the Group of European Progressive Democrats and Mr De Pasquale, on the conflict between Iran and Iraq (Doc. 1-497/80).*

Mr Glinne waives his right to speak, on the grounds that the nature of the text requires no explanation.

I call Mr Habsburg to speak on behalf of the Group of the European People's Party (CD).

Mr Habsburg. — *(D)* Mr President, the conflict between Iran and Iraq directly affects Europe. And I am thinking only to a small extent about oil, even though our economy depends on it. Much more important is the spiritual and cultural bond forged by history. One cannot walk through the streets of Baghdad without feeling at home, despite all the differ-

ences. We can only hope that the bloody conflict will soon come to an end. We cannot bring this about by giving up our neutrality, but we can do so by being constantly prepared to offer our good offices, and especially at a time when, as we saw yesterday, others abandon this role for transparently domestic political reasons.

The European People's Party therefore endorses the urgent resolution on the conflict between Iraq and Iran, although at the same time it supports the Patterson amendment for the deletion of paragraph 3, since the existing wording is, probably unintentionally, one-sided. Legally, the situation at the frontier between Iraq and Iran is far from clear. The agreement concluded some time ago with the Shah cannot be regarded as equitable. Time and again people appear to lose sight of the religious tensions between Sunnites and Shi'ites, not least in the light of the Ayatollah Khomeini's depressing fanaticism. It would therefore be improper for us to take sides, even indirectly, on the issue of the frontier, for by doing so we should jeopardize Europe's chances of helping to restore peace in the Middle East and detract from the weight of our resolution.

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

Mr Fergusson. — Mr President, in supporting, or trying to support, this resolution on behalf of the European Democratic Group, I would like to say first that the war between Iraq and Iran — as all students of defence should note — is a sobering reminder that in this world when military capability is weak, or appears weak, when a country's will to defend itself and its interests slacken or appear to have slackened, it invites attack. That is an important lesson for the Community and for the West.

During Question-time on Wednesday, Mr Thorn declared, in reply to a question about the threat to the Community's interests posed by the Gulf war, where dozens of European ships are trapped, that the EEC had no competence there. If that is so, then the sooner the Diligent report on the safety of our sea-lanes and the sources of oil and vital materials comes before us here the better. We have much to say about what should be achieved through political cooperation. If we do not look after our own interests, nobody else will. We hope that Mr Diligent will expand the scope of his examination to include the threats to our survival, not just those arising from great-power confrontation, but also from localized conflicts as well.

Mr President, we are against the use of force, on whatever pretext, to solve disputes. We believe in negotiation in this case, as in all others. We support what the Foreign Ministers, meeting in cooperation in

¹ OJ No C 291, 10. 11. 1980.

Fergusson

New York on 23 September, said about this very matter, and we therefore gladly support this resolution.

President. — I call Mr Beyer de Ryke.

Mr Beyer de Ryke. — (F) Mr President, as co-signatories to the motion we naturally support it. But I should like to give special emphasis, as indeed others have done before me but with rather more force, on paragraph 4. Let me read it to you again: It proposes that 'the Member States of the European Community make available their good offices in order to re-establish peace'. Ladies and gentlemen, there are places in the world where nations, where States have divergent, contradictory and, let us admit it, sometimes legitimate interests. In expressing the desire to see Europe speak with one voice we are embarking on an endless quest for a political will that most often melts away even before it has a chance to crystallize. It is like the rock of Sisyphus: we keep rolling it up the hill and it keeps rolling down again. Now, on this question, we Europeans have to face up to a very real and imminent threat to our economic survival. Therefore, and I make no apologies for saying this, I should like Mr Thorn, President of the Council — and I am making a point of using his title, in connection with which some speakers had objections to make yesterday — to be entrusted by the Member States of the Community with a mission of mediation. A mission of mediation, certainly, but also, and perhaps more to the point, I should like Mr Thorn to be entrusted with a mission of warning. Let him go and tell the belligerents on behalf of Europe that any blocking of the Straits of Hormuz would not be tolerated by us and would be regarded by us as a *casus belli*. As you know the French navy has units positioned in the Gulf at the present time. I should like other countries of the Community also to have a naval presence in the Gulf. Here we have a unique opportunity to give proof of European unity. Not long ago President Carter pledged that the United States would intervene if their interests were threatened. And quite frankly, my dear colleagues, it is inconceivable that Europe should once again be found wanting in a situation in which she has more, much more, to lose than the United States. When threatened one must be prepared to defend one's interests, and for Europe that means to pursue the path of mediation, certainly, and we must let everyone understand as much, but it also means taking a resolute stand against anything that could put a stranglehold on Europe. It is urgent to wait, as an Italian statesman, Cavour, once said. Well, as far as I am concerned, it is urgent to act. That is what I am asking Mr Thorn, President of the Council, to do. That is what I am asking the European States to do in the face of this threat to our vital interests. To live is to exist. It is up to Europe now to show that she exists.

President. — I call Mr Patterson.

Mr Patterson. — Mr President, this is the kind of thing that happens when timetables are carried over for a whole day and Members are not given time to move their amendments.

Very briefly, one clearly supports the thrust of this resolution. But the impact will be very much greater if this Parliament is not seen to be taking sides. The wording of paragraph 3, as it stands, makes it almost impossible to avoid doing so. If the phrase 'retire behind their previous frontiers' is retained, that implies support for one side; but if it is deleted, as the other amendment suggests, then it implies support for the other side. Therefore, I think that for the sake of the force of this resolution, it would be better to delete paragraph 3 altogether.

President. — I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, this last remark forces me to rise again. I do not believe that Mr Patterson's interpretation is correct and I must contest it. We are not taking sides here. What we want is that this war should be brought to an end. That is the plain and in fact only purpose of this resolution. And in this connection may I just say why I shall not support the amendment. We have here a joint motion for a resolution drafted jointly by all the political groups. We read, for example, 'Mr Blumenfeld on behalf of the Group of the European People's Party' and 'Mr Scott-Hopkins on behalf of the European Democratic Group'. It may be that none of us are totally in agreement with every detail, but if we want to arrive at a joint stance then we must be prepared now and again to yield on individual points.

(Applause)

It is in my view not right that attempts should subsequently be made to amend this joint stance. I shall therefore vote against these amendments and defend the joint position.

President. — I call Lady Elles.

Lady Elles. — Mr President, I would just point out that this amendment by Mr Patterson was put down on his own account. Whatever agreements groups come to, I do demand the absolute right for any Member of this House to put down in his own name any amendment he wishes without binding his group in any way.

President. — The debate is closed. We shall now consider the motion for a resolution.

President

(Parliament adopted the preamble and paragraphs 1 and 2)

On paragraph 3, I have two amendments:

- Amendment No 1, tabled by Mr Patterson and deleting this paragraph; and
- Amendment No 2, tabled by Mr Habsburg and others and deleting the words 'retire behind their previous frontiers'.

(By sitting and standing, Parliament adopted Amendment No 1, as a result of which Amendment No 2 fell. It then adopted paragraphs 4 and 5)

I can now give the floor for explanations of vote.

I call Lord O'Hagan.

Lord O'Hagan. — Mr President, I am sorry to delay the House. One day — I hope it will not be soon — when this Parliament is wound up, it will be put on its gravestone that it killed itself by talking on subjects over which it had no control. The urgent procedure was a scandal. It is getting worse. This House neglects its proper duty. The Council is waiting for many opinions which we have not discussed either in committee or in plenary sitting, and this House is losing the respect of the public because we neglect so much of our real work and spend so much time indulging ourselves in votes like this morning's. How many lives have been saved by the debates this morning? How many children have been saved from prostitution and how many people have been prevented from killing each other in the Iran-Iraq war? Mr President, that is my explanation of vote. I shall continue to annoy whoever is in the chair on a Friday by making these points until this Parliament reforms itself and stops degrading itself in the eyes of public opinion, in the eyes of the Council, the eyes of the Commission and the eyes of our electorate.

President. — Lord O'Hagan, I must point out that you are wrong in suggesting that the Parliament is behindhand in dealing with matters that have to be considered in plenary sitting. True, there are delays in the committees, but the plenary sitting as such has no backlog. I wish to make this quite clear, since this matter was carefully considered yesterday by the Bureau, as criticism along these lines had been going the rounds: you are mistaken.

I call Mr Arndt.

Mr Arndt. — *(D)* I am very sorry indeed, but I feel bound to make a declaration on the vote on the resolution on the conflict between Iran and Iraq. We have witnessed a last-minute attempt by two political groups to push through what appears to me to be largely personal views. By doing so they are destroying the unanimity of this House.

(Applause)

If this Parliament wants to conduct its proceedings in a sensible way in the long run then in situations where the political group chairmen or spokesmen reach agreements you cannot have people going back on them, since this destroys the unity of the House. On the basis of the statement made by Lady Elles I assumed that the amendment tabled was not supported by her group. Subsequently, however, the whole of the group, with just one or two exceptions, voted for the amendment, thus destroying the unanimity of the House. I saw their votes. I also saw that among the Christian Democrats, despite assurances to the contrary given yesterday — I spoke yesterday evening with Mr Blumenfeld on the matter — votes were suddenly cast another way. I am therefore not in a position to vote for this motion for a resolution, for in my view arrangements reached by the political groups, on which everyone relies, just cannot be maintained in this way. I am therefore going to vote against the motion in its present form.

President. — I also wish to point out that it naturally seems very questionable whether we should attempt to solve world problems by making use of Rule 14.

I call Mr Moreland.

Mr Moreland. — Mr President, I should like to point out that this Parliament is not run by a cabal of group leaders!

(Cries of 'Hear, hear' and applause)

It is run by the Members of this Parliament in the ultimate, and indeed we have been reminded of that fact by the Chair on occasions. Indeed, I am tempted to say that some of the motions that arise from group agreements, although I often agree with the basic spirit, could sometimes be better written. I do think that it is the absolute right of any Member of this Parliament to put down amendments on any motion agreed between the groups. It is obvious from this morning's vote that the majority of this Parliament is not very happy with certain aspects of the motion, and we should have the right to vote on that.

President. — I call Mr Cottrell.

Mr Cottrell. — Mr President, I merely wish to support, by way of explanation of vote, the remarks made by my colleague, Mr Moreland. I want to point out the hypocritical situation which I can see from this side of the House, but which Mr Arndt cannot, perhaps, see from his side. I would ask him to turn his head and look at the tundra behind him! Where are the Members who, he claims, support the decision taken by his own group bureau? They are not there, Mr Arndt. They have deserted their duties and this Parliament and they have all gone home, leaving you behind.

President. — I call Mr Bangemann.

Mr Bangemann. — *(D)* Mr President, I am astonished by the conception of democracy entertained by our colleagues from the European Democratic Group. Several days have been spent in negotiations on this text among the individual political groups. In my group, at any rate, we talked about it and voted on it. I can tell you that not all the members of my group were in agreement with this text. We said, however, that if a joint position could be reached on this important issue then we must put personal preferences aside. That must also have taken place in your group. In other words, when your group discussed the matter and decided on it you must have come to a majority view. If not, then I must ask you, Lady Elles:

(The speaker continued in English)

Why did Mr Scott-Hopkins put his signature to that text in the name of your group? Now, if you or some of your group were not satisfied with the text and if a personal request was made today to change the text, I could understand it, but when the whole of your group present here supports the amendment this destroys the credibility of your group. That is the problem.

(Mixed reactions)

Secondly, why is the chairman of the Socialist Group here and why am I here with only a small number of Members representing my group? You might call us 'the thin red line' . . .

(Laughter)

Why, dear friends? Because everybody in our groups trusted us and you to see to it that nobody would change the text. You are breaking that agreement between us. If I had known that all your group would support the amended text, I should have had a whip system in my group and ordered everybody to be here. We shall do so next time, and then you will be defeated because you are in the minority!

President. — In order to avoid the 'explanations of vote' continuing until the plane for London has left, I intend to close the list of speakers.

I call Mr Griffiths.

Mr Griffiths. — Mr President, I do not want to get involved in the dispute about agreements made between group leaders and how we should vote as Members in this Chamber. I want, by way of explanation of vote, to point out what has actually been done to this motion. We have been told that having paragraph 3 in it means that the two feuding parties establish a ceasefire, retire behind their previous lines and

begin negotiations, and that that paragraph somehow makes it unfair to one of the sides involved in this conflict. Now, let us be quite clear that one side did commit an act of aggression. The reasonable thing to do if you are going to have a ceasefire is that the previous internationally agreed boundaries . . .

President. — Mr Griffiths, there is a difference between continuing the debate and having an explanation of vote.

Mr Griffiths. — . . . could be supported, and because this has been taken out of the motion for a resolution I will vote against.

President. — I call Mr Forth.

Mr Forth. — Today some quite remarkable theories have been advanced on the way this House should work, and in this explanation of vote I wish to state that I am going to abstain on this motion but at least I shall be here to do so. To be told that something cobbled together within the groups earlier this week binds me as a Member who has bothered to attend here is quite a new, remarkable and very unsettling theory of the way this House works. I have always believed that if I were elected it would be to cast my vote and to cast it on important matters. I believe some of these matters are important and I am here to cast my vote. To be told that I must do as I am told, or as my group or anyone else agreed earlier in the week, is quite scandalous. I will not accept this sort of directive from anyone.

I further welcome the suggestion made a short time ago by Mr Bangemann that he will encourage more of his colleagues to be here on a Friday. I would welcome them here.

(Applause)

I should like to see more of my colleagues here on a Friday. Then this Parliament could really get down to some serious work and cast some credible votes instead of what is going to happen here today. So I, Mr President, shall abstain on this motion, because I do not think it should have been before the House in the first place. But at least I was here to cast my vote and that is what I shall do.

President. — I call Lady Elles.

Lady Elles. — Mr President, I only rise since my group has been mentioned as wanting in their democratic duty. I think this is exactly the one group in the House which is actually fulfilling it. We are here to vote on a motion. We are here to decide whether we

Elles

agree with the motion. Of course there are group arrangements, but I cannot ask my group to vote in any way which is against their conscience. Every member of my group, regardless of the whip, has a free right to vote in any way he wishes and I would like to see my group voting differently — for, against or abstaining — on any motion that comes to this House, as they are entitled to do so. I would remind the House that I at least have the privilege of having very many Members behind me today regardless of whether or not they have to catch a plane and go home and have a nice weekend. That cannot be said of any of the other groups in this House.

President. — I put the motion for a resolution as a whole, so amended, to the vote.

The resolution is adopted.¹

15. *Inclusion of women members in the new Commission*

President. — The next item is the motion for a resolution tabled by Mrs Roudy and others, on the inclusion of women members in the new Commission of the European Communities (Doc. 1-504/80).

I call Mrs Roudy.

Mrs Roudy. — (*F*) Mr President, I have nothing to add. Everyone knows that women are not by nature given to talking too much! And those who doubt it need only come to these debates to be convinced. As everyone is familiar with the resolution I shall say no more about it. However, since we have a representative from the Commission with us, I should like to know if the present Commissioners are now persuaded that it is absolutely essential to begin breaking down this male ghetto, which has up to now been a source of some dissatisfaction.

President. — I call Mrs Boot.

Mrs Boot. — (*NL*) Mr President, ladies and gentlemen, I am glad that I also have the chance of drawing attention once again to the fact that this Parliament has repeatedly insisted that women should be adequately represented in the Commission. You are well aware that women can give a new look to political institutions. We consider it absolutely essential for women to be included in the new Commission, because it must become a reflection of the true importance of women in the world. More than 16 % of the members of this Parliament are women, and therefore we want to stress this point particularly once again.

President. — The debate is closed. We shall now consider the motion for a resolution.

I call Mr Cottrell on a point of order.

Mr Cottrell. — In view of the diminishing attendance in the House, Mr President, I should like to establish whether a quorum exists.

President. — Mr Cottrell, in order to comply with your request, I must determine whether ten Members support it.

(*Fewer than nine Members rose to support this request*)

I put the motion for a resolution to the vote.

The resolution is adopted.¹

16. *Right of establishment and freedom to provide services in the field of architecture*

President. — The next item is the report by Mr Gillot, on behalf of the Legal Affairs Committee, on the exercise of the right of establishment and freedom to provide services in the field of architecture (Doc. 1-439/80).

I call Mr Ferri.

Mr Ferri, deputy rapporteur. — (*I*) Mr President, as you know, my colleague Mr Gillot, who is the author of this report adopted unanimously by the Legal Affairs Committee, is unable to be here today on account of a prior commitment. It is my privilege therefore, as chairman of the committee and in response to his personal request, to present this report on his behalf.

The purpose of the report is to ask for a second consultation of Parliament on the proposal for a directive on the mutual recognition of architects' diplomas. The resolution which we are submitting for your approval to some extent goes beyond the scope of this matter in order to consider a problem of great importance relating to the constitutional position of our Parliament and, in particular, the right to be consulted on legislative procedures in the Community.

Mr Gillot, who is President of the Architects' Association in France, completely put aside his own legitimate interests throughout the long time he spent on this matter in committee and he has drawn attention to the political aspect of the problem, which, as I have said, concerns the constitutional position of Parliament. In this particular case, the problem has special relevance because it concerns a legislative process of the

¹ OJ No C 291, 10. 11. 1980.

Ferri

Community extending over an abnormally long period — more than 12 years — marked by changes to the directive itself and by changes in the socio-economic climate, which is one of the relevant factors the directive must take into account.

The rapporteur has pointed out that, although the essential procedural requirements have been complied with, the consultation of Parliament appears in fact to have no more than rubber stamp value, given — as I say — the lapse of more than 12 years between Parliament's opinion and the Council decision and given that economic and social conditions have been changing rapidly during that time. The 12-year delay itself would, in our opinion, probably justify our Parliament taking action. But I must also point out that the Commission of the European Communities has itself, through its own representatives, admitted to the Legal Affairs Committee that undeniable changes had been made to the text on which Parliament gave its opinion after being consulted in 1967. Now, as you know, the Court of Justice has had occasion to decide that Parliament must be consulted by the Council in the event of any substantive changes.

I have to tell you, in any case, that the Legal Affairs Committee will in the next few months be taking a close look at the whole question of the role of the consultation procedure in relations between Parliament, the Commission and the Council. Mr Prag has already been appointed rapporteur on this problem. It would, in our view, be a mistake not to take a clear and definite stand on this occasion now since we have a cut-and-dried case of an abnormally long period having elapsed since the first consultation — more than 12 years — taking into account the changes in the socio-economic situation and the modifications made, as the Commission now concedes, to the directive submitted, which is now awaiting a Council decision.

The Council, which is the body that takes legislative decisions, cannot — in our view — ignore Parliament's demand to be allowed to participate effectively in the legislative process and in this case it would seem that Parliament's effective participation has been reduced to nothing.

These are the reasons why the resolution does not go into the substances of the proposal but confines itself to asking the Council to consult Parliament again on the basis of the time elapsed, the change in the socio-economic conditions in the Community and the changes made to the text of the directive.

I hope the House will give its unanimous support on this point, as did the Legal Affairs Committee, because what we are vigorously defending here are the rights that have been recognized by the Treaties and which we have a duty to defend not only as Members of the European Parliament but also out of respect for those who elected us to it.

I should like to conclude, Mr President, by paying tribute on behalf of the committee on which it is my privilege to serve as chairman, and also on my own behalf, for the truly excellent work Mr Gillot has done in his regrettably short time on our committee, and also in Parliament.

President. — I call Mr Patterson to give the opinion of the Committee on Youth, Culture, Education, Information and Sport.

Mr Patterson, draftsman of an opinion. — Mr President, I hope this contribution will not prove as controversial as my last, although I have to say at the very beginning that I support the view of the chairman of the Legal Affairs Committee that this is a matter of the very highest importance. The whole constitutional position of this Parliament is affected, and had this debate been placed much earlier in the agenda it would have been more in accordance with the dignity of this House. But to make it the very last item is a reflection, I am afraid, on the way our agenda is drawn up.

Now this whole matter presents a paradoxical contrast between great haste and great delay. My committee was asked for an opinion by the Legal Affairs Committee, but because the report was put on this agenda by urgent procedure we had no option in my committee but to do what I am now doing — namely, to give an oral opinion under Rule 44 (4).

The reason for this haste was the rumour that the Council wishes to adopt the directive before the end of this year; and this itself is odd, because the Council has delayed on this matter since as long ago as 1967.

There are two issues at stake: the first is the constitutional matter as to whether Parliament should be consulted again, and the second is the content of the directive — what should be the qualifications entitling you to call yourself an architect. On the first matter, I can do no better than quote Mr Gillot himself. The first question to be asked is whether the Council can adopt a draft directive which has been in gestation for 13 years, on which Parliament gave its opinion 12 years ago and which deals with a problem that has evolved enormously in 10 years and undergone numerous substantial amendments, without consulting Parliament a second time. Now the Commission has argued, and continues to argue, that the changes that have taken place are of form only and not of substance. Here, I am afraid, my committee and, I suspect, the Legal Affairs Committee were in some difficulty, because we have been unable formally to get hold of any of the documents since 1968, when Parliament last debated the matter. The Commission says that these documents are the property of the Council and that Parliament should be content with having given its opinion in 1968; but there are rumours of

Patterson

drafts which have been discussed in Council this May and this June and no doubt later still. What is more, my own national parliament, the House of Commons, debated this matter in a later draft in 1978, and yet we are informed by the Commission that we cannot formally have these documents — which is in itself, in my opinion, a grave reflection on the way it views this House.

But *are* these changes matters of form or substance? Well, the original purpose of the directive was to abolish restrictions on establishment for architects based on nationality, and it is important to note at this point that in different Member States there are different situations. For example, in the United Kingdom anyone — you, me or Ortoli — can practise as an architect, but only those who are qualified can *call* themselves architects; whereas, for example, in France since 1967 the practice is also controlled by monopoly. So, the original purpose of the directive, in these circumstances, was to create freedom of establishment for this profession. However, in 1974, two cases came before the Court of Justice — the Reiners case and the Van Bisenbergen case — and the Court held that Articles 52 and 59 of the EEC Treaty were directly applicable. I now quote from the Commission's own document, which Mr Davignon has circulated:

In these circumstances, there was no longer any need for directives abolishing such restrictions. Consequently, the Commission formally withdrew its proposal on 4 November 1974.

And he went on:

However, the proposal withdrawn by the Commission contained provisions of a general nature which should be re-presented.

Now I know that only parts of the original directive were withdrawn, and it could be claimed that the general part remains; but the Commissioner himself has used the form of words that it 'was withdrawn'. If the original directive, therefore, was withdrawn, I cannot see how the Commission or the Council can now argue that it should not now be re-presented for consultation to the Parliament on these grounds alone.

But this is not all. If you look at the so-called general provisions, which are said by the Commission to have been retained from the original, on which Parliament was consulted, you will find there have been big changes here too. In the original, there was to be a list of architectural diplomas, awarded in the Member States, which were to receive mutual recognition, but now we have something quite different. We have minimum qualitative and quantitative criteria which diplomas should in future meet in order to be recognized and permit the exercise of an architect's activities in the host country. Now if one needs further proof that a substantial change of substance and not one of form has taken place, one has only to go into the problems which this particular matter has raised

among the architectural profession itself, and I shall come to these very shortly. At the moment, however, I draw the attention of the Commission to the fact that the new draft, which we hear of by rumour, would institute an advisory committee on standards. Now, whatever else they may claim, they cannot claim that this advisory committee was in the original draft on which Parliament was consulted; and it is partly the very functions of this advisory committee, about which we have not been consulted, that worry the architects in my own country, the United Kingdom. So I think the case which the Legal Affairs Committee and Mr Gillot make so cogently, and which my committee endorses, has been made sufficiently, and the Commission should take note.

(The President urged the speaker to conclude)

I am concluding, Mr President. I only want to point out, on the substance, that it is significant that every single architectural body, including the Liaison Committee of Architects of the Common Market, are very worried by the direction this directive is now taking. Even the German architects are upset by it, even though the main stumbling-block is, of course, the qualification of German Fachhochschule graduates.

Now what is the correct solution? In this situation, the Commission should withdraw the directive until next year. I have it from my own government that it is unlikely that the Council can reach a decision now until after the entry of Greece, by which time a new situation will have arisen. In view of the opposition of the architectural profession, of the confusion which has arisen and of the fact that this Parliament has a right to be consulted, I appeal to Mr Ortoli, who, I understand, is replying, to announce the withdrawal of this draft directive and re-presentation in the New Year.

President. — I call Mr Luster.

Mr Luster. — *(D)* Mr President, one might think that the obvious can be left unsaid.

(Interjection: Hear, hear! Hear, hear!)

Presumably the subject matter of this debate is so uncontroversial for our Parliament that it places this important point — and here I go along with Mr Patterson — right at the end of the agenda so that it is, as usual, considered in a virtually empty Chamber. And this, ladies and gentlemen, is at least the third time within a short period that we find ourselves in a similar situation.

We had the case of liability for defective products, which concerned the Council, not the Commission. We had recently the question of Parliament's interven-

Luster

ing in an action before the Court of Justice, where again the Council had failed to obtain our opinion. Expressions of dissatisfaction are not enough, we must make it plain that we are not prepared to tolerate this situation. We want to have good relations with the Council and we are not accusing it of malice. We do, however, take the view that the Council is not taking Parliament seriously. When it allows 12 years to go by since Parliament delivered its opinion before acting, that means that two things have changed in the meantime: In the first place, the proposal for a regulation has changed. But even if the text of the regulation had been identical then it is not merely possible, but in fact highly probable that changing circumstances would make it necessary to look at the proposal in a new light. From the legal standpoint this amounts to a breach of good faith if the principle of *rebus sic stantibus* is no longer applied.

On behalf of the Christian-Democratic Group, therefore, I should like to repeat what has already been said here by the deputy rapporteur and chairman of the Legal Affairs Committee, namely that we do not wish to be treated in this way. That is, after all, a perfectly legitimate point of view. And so, ladies and gentlemen, even if I have to say it at this late hour — and, like you, I have had to sit it out here and allow my plans to be disrupted — I should like to state quite plainly on behalf of my group that we shall not accept such treatment. In connection with another matter the Advocate-General recently observed in an opinion that whilst the Treaties reduce the European Parliament's involvement in Community legislation to a purely advisory and deliberative power, it would be unacceptable if this participation by the citizens of the Member States in law-making, weak as it is and restricted to individual cases as it is, were rendered virtually meaningless by a decision to by-pass it altogether without such a decision incurring legal consequences. And it appears that we now have another such instance with the Council preparing to decide on this proposal 12 years after Parliament delivered its opinion. I felt it my duty to make this point today. I know that I am supported in my view by all the members of my group, and indeed I hope that it is shared by everyone in this House.

President. — I call Mr Coppeters.

Mr Coppeters. — (NL) Mr President, I am certainly inclined to agree with Mr Luster that this is a test case for the Council's attitude to Parliament's role of participation, but I do not think we should go any further into that now.

This report could simply become a missed opportunity, on the one hand because in the 12 years that this question has been dragging on, clear principles have never been applied — and only federalist principles can provide a solution here — and on the other hand

because in these 12 years neither the Commission nor the Council has done its duty.

First of all, it may be pointed out that education and architecture as a reflection of culture are the responsibility of the regional authorities in federal States and of the central authorities in centrally governed States. There is no reason to object to this; let us therefore stop talking about comparative studies of quality.

On the other hand — and this is where our task really lies — the discussion must lead to a comparison of educational standards in general. There is no need to do this case by case, but the Community can and must compare the standards of secondary education, non-university higher education and university education in recent years.

Now, ladies and gentlemen, let us not deceive ourselves. The introduction of freedom of movement has simply led to the free movement of cheap labour, and in no way to that of persons with an intellectual training. I think that this needs to be said for once, after we have been left empty handed for 12 years. Moreover, in 1968 we made the mistake of talking only about architects, whereas in most Member States this profession is closely connected with that of engineering. I am speaking from experience, because in the Belgian Parliament I have seen how the question of architecture has been shelved for years because of its links with the training of engineers. If this had been taken into account in 1968, we should now be a good deal further forward.

If we want to reconcile freedom of movement with autonomy in education, the natural thing would be a framework directive stating what degree of knowledge corresponds to what level of education, and once there is talk of equivalent standards, automatic recognition can easily be built in. Otherwise we shall be continually relapsing into the perpetual argument that architectural training in one or another neighbouring country is inferior to our own. And when will we stop doing that? If we do not succeed in this, then we must know exactly how things stand, so that an arrangement can be worked out for those countries which do recognize each other's standards as equivalent. Because there is no question of setting up a European authority in this sphere we must simply find out who is prepared to do what, and that is why this report, however well it may be drawn up, and not through the fault of the rapporteur or of the committee, could simply become a missed opportunity after 12 years, which really would be a deplorable situation.

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, I shall intervene only very briefly in this debate since the motion for a resolution under discus-

Ortoli

sion is addressed to the Council. It is for the Council, in fact, under the terms of the Treaty, to consult or reconsult Parliament on proposals submitted to it by the Commission.

Having said that, Mr President, we quite understand the desire expressed by Parliament on many occasions to be allowed to give a fresh opinion on proposals that have been under discussion in the Council for several years and whose text, even though the substance of the Commission's initial proposals has not been affected, has inevitably seen some changes in relation to the terms of this proposal.

The position therefore is fairly clear. In such cases we are prepared to continue to keep the appropriate parliamentary committees as fully informed as possible of the state of progress on our proposals within the Council, on the clear understanding that, legally speaking — since we are talking about law — this does not give us the power on such occasions to pass on documents or information to which we are not allowed access and which are the property of the Council. We have looked at this specific problem. I will put to one side the general question posed by Mr Ferri, and I understand that the Legal Affairs Committee — in fact it seems to me that is where the heart of the matter lies — should want to study the problem as a whole. I shall therefore refrain from commenting on that aspect. I will simply say that as things stand at the moment the Commission has no intention of withdrawing its proposal for a directive. Of course, having listened to what has been said in this debate, I shall put the situation to my colleagues. After 12 years it is important for us to act quickly. I have taken note of the questions that have been raised — for the most part they are not addressed to us — and shall report back to my colleagues on the anxieties you have expressed.

President. — The debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

17. Membership of Parliament

President. — The competent French authorities have informed me that Mr François-Marie Geronimi has been elected a Member of Parliament to replace Mrs Chouraqui, who has resigned.

I welcome the new Member and remind the House that, pursuant to Rule 3 (3) of the Rules of Procedure, any Member whose credentials have not yet been veri-

fied provisionally takes his seat in Parliament and on its committees with the same rights as other Members.

18. Membership of committees

President. — I have received from the Socialist Group a request for the appointment of Mr Jalton to the Committee on Budgets, to replace Mrs Gaspard, and from the Group of European Progressive Democrats a request for the appointment of Mr de Lipkowski to the Committee on External Economic Relations and of Mr Geronimi to the Legal Affairs Committee.

Are there any objections?

These appointments are ratified.

19. Dates of the next part-session

President. — There are no other items on our agenda. I thank the representatives of both Council and Commission for their contribution to our work.

The enlarged Bureau proposes that our next sittings be held in Luxembourg during the week from 3 to 6 November 1980.

Are there any objections?

That is agreed.

20. Approval of the minutes

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

I call Mr Kellett-Bowman.

Mr Kellett-Bowman. — Mr President, during this part-session there has been a record number of meetings taking place outside the hemicycle. I do not wish to comment on the validity of holding so many meetings, but I think the House should place on record its gratitude to the staff — the interpreters, the ushers and everybody else — who have coped with all these extra meetings. I think they have done a tremendous job!

¹ OJ No C 291, 10. 11. 1980.

President. — I fully support your congratulations and your thanks, Mr Kellett-Bowman.

I call Mr Prag.

Mr Prag. — Mr President, if, as you say, there are no delays and no problems in presenting reports to the plenary sittings, perhaps you could have an explanation for me next time of why my own report on linked work and training in the Community was not dealt with at this part-session and will not be dealt with in November and probably not in December either.

President. — Mr Prag, that is not what I said. What I said was that all matters that had been forwarded to us by the Council and the Commission and had been dealt with in committee had been considered in good time in plenary sitting. If there are any delays with regard to matters which the Treaty obliges us to deal with, these have not occurred during the transition from committee to plenary sitting but exclusively in the committees themselves. I was not referring to own-initiative reports and other proposals: that is quite another matter.

I call Mr Bangemann.

Mr Bangemann. — (D) As I was sitting here listening to these last few speeches, it occurred to me that under Rules of Procedure it takes at least ten Members to

ask the President to establish whether there is a quorum. But what happens when only nine Members are present? Are these nine Members, who are not allowed to request that a quorum be established, chained to the rocks like Prometheus and obliged to continue with the proceedings?

(Laughter)

President. — Rule 33 (1) of the Rules of Procedure states:

Parliament may deliberate, settle its agenda and approve the minutes of proceedings, whatever the number of Members present.

In other words, the problem should not arise.

21. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 1 p.m.)

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