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from 4 to 8 May 1981

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NOTE TO READER

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

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

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IN THE CHAIR: MRS VEIL

President

The sitting opened at 5.05 p.m.

President. — The sitting is open.

1. Resumption of the session

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

Before we tackle the agenda I would remind you that our new Rules enter into force as of the present part-session.

On Thursday morning the vice-presidents, the chairman of the Committee on the Rules of Procedure and Petitions and myself will meet to formulate the most urgent questions that the application of the new Rules might pose. I am convinced that we shall very quickly reach agreement on the interpretation of the various texts presenting certain difficulties. I am also convinced that all the Members of our Assembly would wish to cooperate to this end with the presidency so that, avoiding discussions on procedure, we may devote the maximum time at our disposal to the many items on the agenda. If any of you already perceive, even before they arise in plenary sitting, various difficulties in interpreting the Rules of Procedure, we should appreciate it if they would notify them now so that we can consider them with the vice-chairmen of the Committee on the Rules of Procedure and Petitions. I would also point out that the Secretariat would be delighted to answer any questions you might have on the Rules of Procedure.

¹ Petitions — Documents received — Texts of Treaties forwarded by the Council — Authorization of reports — Referral to committees — Transfers of appropriations — Action taken on a number of motions for resolutions; see Minutes

2. Order of business

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

At its meetings of 7 and 9 April the enlarged Bureau drew up the draft agenda which has been distributed to you (PE 72.750/rev.). At this morning's meeting the chairmen of the political groups authorized me to propose a number of amendments.

Concerning today's sitting: following the communication from the Commission on action taken on the opinions and resolutions of Parliament, Mr Dalsager will make a statement on deliveries of agricultural products to the Soviet Union. In accordance with the new provisions of the Rules of Procedure, brief and precise questions may be put to the Commission for a maximum of 30 minutes.

At the request of the committee responsible, the von Wogau report, on the harmonization of procedures for the release of goods for free circulation, as a result of Greek accession (Doc 1-166/81), will be taken without debate.

The parliamentary committees have also informed me that they had requested the procedure without report for the seven consultations concerning the accession of Greece to the Community (items 55 to 61 of the draft agenda).

Furthermore, since the debate on the Moreau report on competition policy (Doc 1-867/80) had had to be brought to a very rapid close on the Friday of the last part-session — it began, as you will recall, at 1.50 p.m. — we agreed that before the vote, scheduled for this afternoon, the rapporteur, a spokesman from each political group and one spokesman for the non-attached Members would be allowed to speak for five minutes each.

The first item to be considered at Question Time will be the question by Mr Delors and Mr Giavazzi on the 'mandate of 30 May'.

Finally, items on the agenda which cannot be taken at today's sitting will be included at the beginning of tomorrow's agenda.

President

Concerning Tuesday, 5 May, it is proposed that a report from the Committee on Budgets on the non-automatic carry-over of appropriations, will be included at the end of the agenda.

No change is proposed for Wednesday.

Concerning Thursday, 7 May, it is proposed that the report by Mr Ghergo on social security for employed persons (Doc 1-150/81), should be included at the end of the agenda. It goes without saying that the reports scheduled for Thursday that cannot be taken that day will be carried over to Friday.

Concerning Friday, 8 May, it is proposed that the Warner report on food aid (Doc 1-178/81), on which urgent procedure has been requested by the Council and Commission, the Leonardi report on technical standards and regulations (Doc 1-874/80) and the Beumer report on manufactured tobacco (Doc 1-871/80), should be included after the votes without debate so that there is no risk of their being deferred once again.

I call Mr Hutton.

Mr Hutton. — I am concerned, Madam President, about the mention of adding an extra question to Question Time today. It has always been my understanding that questions were put down for answering in the order in which they were received, strictly numerically, and there was to be no alteration of this procedure. What I would like to know is, under what procedure is this question suddenly being given priority and have we now dispensed with the procedure whereby questions are tabled strictly in the order in which they are submitted to the Parliament?

President. — Mr Hutton, this procedure has already been applied, at the request of groups and with the agreement of the Commission, when we have been unable to include on the agenda oral questions with debate. In the new Rules of Procedure it is governed by the provisions of Rule 42 (2).

I call Mr Bangemann.

Mr Bangemann. — *(DE)* Madam President, on behalf of my Group I would ask you and the House to take a vote at 3 p.m. on Wednesday on those reports on which the debate has already been completed. We have a great many reports to consider this week but too few voting times. We shall therefore have to vote on a large number of reports in a very short space of time. It might therefore be useful to arrange for the vote to be taken at 3 p.m. on Wednesday on those reports on which the debate has already been completed. Could you put that suggestion to the House?

President. — I shall submit your proposal to the Assembly at the same time as the other proposals for amending the draft agenda.

I call Mrs Castle.

Mrs Castle. — Further to the point that was raised earlier about the additional question to be put into Question Time. Do I take it that this is to be a question with debate, that that time will be taken out of the normal Question Time? Do I also take it that this suggestion has to have the approval of Parliament and that therefore you will be putting it to the vote?

President. — It is not a question with debate, but a question to be dealt with in the same way as the other questions in Question Time — which is merely being added — and which should only take a few minutes to consider.

Furthermore, there is no need to submit this request to Parliament since, under Rule 42 (2) of the Rules of Procedure, the decision lies with the President.

I call Mr Glinne.

Mr Glinne. — *(FR)* On behalf of my Group I would ask for consideration of the report by Sir Peter Vanneck on a moratorium in the nuclear energy sector, which appears on the agenda for the late afternoon of Thursday, to be held over. I do not want that report to be held over indefinitely but only until such time as the report now in preparation in the committee responsible for safety in the nuclear sector has been submitted to our Assembly. It seems absurd and illogical to me to discuss a moratorium without first assessing the conflicting arguments on the vital aspect of safety and without discussing the general strategy for energy policy as a whole. My remark applies to the report by Sir Peter Vanneck and not to the text by Mr Seligman because his proposal is for a hearing to be organized and that is something which could be done at an early date.

President. — Mr Glinne, we shall decide in due course what action to take on your request, which was made in good time.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Madam President, for reasons of principle I hope that you will not accede to Mr Bangemann's request. I would have no objection to some adjustment in the Rules governing voting times.

But I do not consider it desirable to change yet again the time at which the votes are to be taken since, after

von der Vring

all, we do have regular voting periods. But there is also no material reason why the voting time on Thursday should not be extended somewhat. There are not as many votes to be taken as on one occasion in the past when we were obliged to vote for three whole hours. There is no difficulty this time. But I would have no objection if we took the votes on Wednesday in future instead of Thursday.

President. — There must be some misunderstanding: Mr Bangemann did, indeed, request a voting period, but it was not to encroach on Question Time.

Mr von der Vring. — (DE) Madam President, I fully understand that. My purpose is to ensure that the votes are taken at the times indicated in the draft agenda which was distributed to Members; I do not want an additional voting period to be introduced at short notice on the Monday.

President. — I call Mr Rogers.

Mr Rogers. — Madam President, that is as I understood Mr von der Vring first of all, that he is not bringing up the point of whether one should vote in Question Time but that one should not vote at all on the Wednesday. I must admit I am rather surprised at Mr Bangemann's suggestion — he never brought this into any of the Bureau or enlarged Bureau meetings when we discussed at great length the general structure of the week's business. Since we now, this week, are attempting to get through on a formal pattern with urgencies being brought forward and so on, we must realize that to throw in another voting period on a Wednesday is really going to upset the general conduct of the business.

Now, I would go along with the general principle at the end of the day that perhaps we ought to vote at the end of every debate.

(Applause)

And I am sure Members would agree with this. But I cannot think of anything more farcical than continually having these block voting periods. Now we have got voting on Tuesday, we have got voting on Thursday, voting on Friday and now again a suggestion for 3 o'clock on Wednesday. I do not know what business we will get through. At the present rate we will not get through any business to vote on anyhow. I really think that Mr Bangemann and his Group ought to bring it in front of the Bureau and enlarged Bureau. He normally does not have any hesitation or is not shy about bringing forward proposals and I would suggest he leave it until the meeting tomorrow morning.

President. — Tomorrow morning will be too late: the agenda must be fixed now. Might I ask Mr Bangemann for clarification on the votes he would like to be taken on Wednesday at 3 p.m.?

Mr Bangemann. — (DE) Madam President, the statements by my two colleagues made a strong impression on me. But my sole intention was to facilitate the work of this House somewhat and above all to increase its public impact. If too much time elapses between the debate and vote journalists lose interest, as we all know. But if my colleagues find it difficult to fall in with my proposal I shall willingly withdraw it. I hope then that I will have the support of my colleague Mr Rogers and the other Socialist members of the enlarged Bureau when we propose that in future an additional voting time be set at 3 p.m. on Wednesday to avoid the need to adopt an excessive number of reports on Thursday. My intentions were good but I readily understand that some colleagues in the Socialist Group may not believe me straight away.

(Laughter)

President. — In point of fact, this week we shall not have too many resolutions to put to the vote on Wednesday, as Mr Rogers has pointed out. We could therefore forego this in the present part-session. When the enlarged Bureau draws up the draft agenda for the June part-session, it could examine how best to balance the voting times. We shall clearly have to adapt our habits to the new Rules of Procedure over a certain period.

I call Mr Hutton.

Mr Hutton. — Madam President, I apologize for coming back to the point that I made originally. I sympathize with your problem over the Rules. I have now had an opportunity to look at the Rules and the rule that you referred to says 'In urgent cases the President may propose directly to the Parliament that a question which could not be placed before the enlarged Bureau . . .' Now 'proposed' suggests to me that you must have the authority of the House as well as of the appropriate institution for adding a question to Question Time and I would ask you, if you would, to put the proposal to the House.

President. — I call Mr Nyborg.

Mr Nyborg. — (DA) Madam President, this should not be put to the vote here in the House. According to Rule 44 (2) of the new Rules of Procedure it is a matter for a decision by the President.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — (GR) Madam President, I should like some clarification as to whether report No 52 by the Committee on Agriculture is going to be discussed today or tomorrow.

President. — That would normally be today, Mr Papaefstratiou; but whatever cannot be considered today will be dealt with tomorrow morning.

I call Mr Harris.

Mr Harris. — Madam President, it is further to the point of order raised by my friend, Mr Hutton, and Mrs Castle. I am glad now that you are going to put it to the House but I hope that, in doing so, you will give an explanation of the proposal to take this particular extra question. Because if we are looking at the right one on these benches, it is the oral question originally intended, with debate, by Mr Delors on new information technologies and I for one cannot see what is urgent about it. Before it is put, as I say, I hope you will give an explanation for your proposal.

President. — Mr Harris, I do not have to explain to the Assembly the substance of the question. Quite simply, I was notified, by several groups, of a request concerning an oral question. The chairmen of all the political groups discussed the matter this morning and considered that the best procedure was that laid down under Rule 42(2) of the new Rules of Procedure.

It is this proposal from the group chairmen that I am now going to put to the vote.

I call Mr Arndt.

Mr Arndt. — (DE) Madam President, you seem to have made a mistake in connection with the new Rules of Procedure. The decision as to which question shall be taken first during Question Time is taken on the basis of Rule 44(2) and not on the basis of Rule 42(2) to which you referred.

You are therefore entitled to decide without consulting Parliament.

You proposed just now that this particular question should be placed at the head of Question Time. If the vote is taken in accordance with Rule 42(2) as you said a moment ago, it will become a question with debate. But you said you wanted it to be the first question during Question Time and that is governed by Rule 44(2). You can take the decision yourself without consulting us.

But if you wish to take a different decision we must follow the text of the Rules of Procedure. The matter would then be to decide whether this is an oral ques-

tion which would not form part of Question Time. I should therefore be grateful if you would simply rule that this is the first question for Question Time. On that you may decide yourself and there can be no objections by the plenary Assembly.

President. — Mr Arndt, it was, originally, an oral question with debate. Consequently, it is not Rule 44 that should be invoked, but Rule 42. I shall consult Parliament on whether this question should be included in Question Time.

We shall now proceed to the requests for amending the agenda submitted in pursuance of Rule 56 of the Rules of Procedure.

I have received from Mr Blaney, on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members, a request for a debate on the hunger strikes at Long Kesh at the beginning of tomorrow's sitting. By letter of 21 April, Mr Ansart, on behalf of 19 Members of the Communist and Allies Group, also requested a debate on this subject. The chairmen of the political groups discussed these requests this morning and agreed to ask the enlarged Bureau, which will meet tomorrow morning at 9 a.m., to consider this matter with a view to a strictly humanitarian gesture which the presidency could make in the course of tomorrow.

However, in accordance with Rule 56 of the Rules of Procedure and quite apart from the decision which will be taken tomorrow by the enlarged Bureau as to the desirability of such a humanitarian gesture, I shall submit the requests by Mr Blaney and Mr Ansart to the Assembly for their vote.

I call Mr Ansart.

Mr Ansart. — (FR) Madam President, at this very minute Bobby Sands is dying. Despite the trust placed in him by 30 000 of his compatriots who elected him a Member of the House of Commons, despite many expressions of solidarity throughout the world and despite numerous calls for reason addressed from all quarters to the British Government, Mrs Thatcher is obstinately refusing to satisfy a reasonable and legitimate demand — namely that the British Government cease treating imprisoned Irish patriots as common law criminals.

On behalf of my colleagues, I wish to give voice to our anxiety and register a solemn protest against the pitiless revenge now being taken on a Member of Parliament who is guilty of being the brave spokesman for the aspirations of the Irish people to freedom and dignity.

Bobby Sands is dying or perhaps even already dead today. Some of his comrades are also in a critical state.

Ansart

Faced with this dramatic situation and the consequences which it may well have and in face of this blatant infringement of human rights, how can we take the responsibility of condoning — if only by our silence — the refusal to hold a debate on freedom and on the rights of man and of the people in a country of the European Community? That is why we are making this request in an attempt to ensure that a debate is held on this topic today in this Assembly. I therefore formally ask for the vote to be taken on our proposed change in the agenda and, in doing so, I pay tribute to the grief and dignity of Bobby Sands' mother and I salute the courage of this Member of Parliament who is adding his name to the long list of martyrs of the people and of Irish patriots

(Applause from certain quarters of the extreme left)

President. — I call Mr Blaney.

Mr Blaney. — Madam President, I wish to add my voice to the appeal that has just been made. I do so for many reasons, but particularly the humanitarian reason that was so ably espoused by my colleague just now. I would point out to the House that the appeal and the expression of concern by the six lady Members of this House in the last few days has not gone unnoticed. The Gaullist motion calling for an urgent debate is already in the hands of our administration, as also is a motion which not only bears my name but indeed is representative of the Christian Democrats, the Communist Party, the Socialist Party, the Gaullist Party and some of the Independents.

One might therefore ask why, with these motions coming up for normal consideration, there is a need for us to intervene here this evening. There is a need because, as has been said already, Bobby Sands is nearing death, may in fact be on the brink of death as, indeed, may be some of the others, and if we intervene tomorrow morning rather than on Thursday as would be the normal practice we may save not only those lives but also the lives of many others who are not in prison but are the innocent victims of the situation existing in my country at the present time

This is the sole motive behind our request for a change in the agenda. I would like to add that the humanitarian considerations apply not only to Irish people. Unlike what some others may say, it is not simply an internal matter for the United Kingdom. It concerns all of the people in Ireland and concerns thousands of British mainlanders who are now in the north-eastern part of my country. It may concern their lives and therefore it is not an internal matter as has been said. It is an Irish matter from North to South and East to West.

In addition to that may I say that what has been sought is not political status. What has been sought is

already being enjoyed and was enjoyed in the Long Kesh Maze Prison in the years up to 1976. Many of you will be surprised to hear that the conditions which are being sought by those who are dying on hunger strike are in fact enjoyed by 200 similar prisoners in the Long Kesh Prison even at this moment as also by Irish prisoners who have been committed to prisons on the British mainland as a result of political offences. So we are not asking for a new precedent, we are asking for a cessation of the discrimination between British mainland republican prisoners and those serving sentences in Long Kesh for pre-1976 convictions on the one hand and those who are dying today on the other.

In the few minutes available to me it is impossible to give anything like the picture that I feel would appeal to so many people here, but may I just finish by saying that when I visited Bobby Sands, this MP elected to the Mother of Parliaments only a few weeks ago, his final words were: 'I would rather die than return to the conditions that I have endured like an animal for the past five years' Those were his words and those are the reasons why he is dying today. I therefore appeal to this House to give us the opportunity to consider this matter tomorrow rather than Thursday, since by so doing we may save many innocent lives quite apart from those of the hunger strikers

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — Madam President, I, on behalf of my Group, oppose this application to change the agenda. I do not believe it is in the interests of peace or security in the United Kingdom that this should be done. This man who is on hunger strike and indeed his colleagues are common criminals. They have committed murder, they have committed robbery with violence, and they are imprisoned in the United Kingdom for those crimes.

We had a debate on this issue not long ago when a similar hunger strike was taking place. At that time this House decided not to intervene, and I believe that decision was largely responsible for the calling off of that hunger strike. Now we are being asked to do it again.

I would remind the House that this man is dying of his own volition and, as Cardinal Hume himself has said, this is an act of violence in itself. That is what is happening. That is what he and his colleagues are doing. I do not believe that any government — certainly not the Government of the United Kingdom — would wish to give in to blackmail, for that is exactly what is being applied at this moment by these men.

I did not hear or notice any demand for debate when there was a hunger striker in the Federal Republic of Germany who died. This is a similar case to that.

Scott-Hopkins

There are no humanitarian grounds for action, except, perhaps, that this House should express its sympathy for all those victims of violence in my country, in Northern Ireland and in my country as well . . .

(Applause)

. . . who have died because of the actions of these criminals. They seem to get forgotten during these emotional debates. Only last week members of the police force were killed, innocent civilians as well blown up. Are we really going to ask this House to exacerbate that position, because that is what I firmly and honestly believe will happen? Madam President, I may speak with passion: I do indeed, because I too have a personal stake in this. I have sons who serve in the army, who have done their service in Northern Ireland and who will be doing it again in the next few months. Of course I do not want to see violence increase in that country, in my country, of course I want this violence to cease; but it is these evil men, backed by people, honourable Members on the back benches there and indeed opposite here, who are encouraging this violence. I beg this House to refuse this request.

(Applause from the European Democratic Group)

(Parliament rejected these requests)

President. — We have not to decide on the organization of topical and urgent debates.

Under Rule 55 of the Rules of Procedure these urgent debates may be divided into two periods of not more than three hours' total duration. The chairmen of the political groups proposed that one hour be set aside at the beginning of the afternoon's sitting of Thursday, 7 May and one hour from 9.30 a.m. to 10.30 a.m. on Friday, 8 May. I have since received two amendments to this proposal:

- one by Mr Forth proposing that all the debates on topical and urgent matters be taken on Thursday, from 9 p.m. to midnight;
- and one by Mr Blaney proposing that the debates on topical and urgent matters be taken on Thursday, from 3 p.m. to 6 p.m.

I call Mr Forth.

Mr Forth. — Madam President, I believe that the new Rules under which the House is now operating give us, for the first time, an opportunity to ensure that the House can dispatch the business for which it is primarily responsible without interruption and without the kind of problems which it has faced over the past 18 months or two years. My proposal to set aside the three hours between 9 o'clock and 12 o'clock on

Thursday night for urgent debates is designed to enable the House to control its business for the rest of each part-session, because I think the time for urgent and topical debates may be variable, anything between zero and three hours. By holding such debates late on a Thursday night we shall enable the rest of the week's agenda to be fixed and anticipated by members who can then organize their business in such a way as to discharge their responsibilities *vis-à-vis* the Commission and the Council. That is my first reason, Madam President, and I believe the House would benefit greatly from taking this approach.

My second reason is that I am convinced — after having witnessed now several occasions where people have pleaded for urgency early in the week and then not managed to be there later when urgency was actually debated — that we shall be able to enjoy contributions from those who argue that things are urgent, since they will actually be able to attend the debates between 9 p.m. and 12 p.m. on Thursday night. It will also contribute to enlivening that period of parliamentary business which is a proper period of business and should be regarded as such, and Members will be able to support their plea for urgency by actually being present in this Chamber for that period. That will also enhance the reputation and seriousness of this House.

So for these main reasons, Madam President, I hope the House will give serious consideration to my suggestion which I put forward in the most constructive way as an effort to contribute to the business of this House.

President. — I call Mr Rogers.

Mr Rogers. — Madam President, I wondered if, through you, I could ask for a point of clarification on Mr Forth's proposal. Is he suggesting that there be three hours set aside and in the event of there not being sufficient urgencies, then the House finish, or that, at 9 o'clock, urgencies start and then business be taken afterwards that can be done on that evening? I would support him if in fact that is what he meant, because I can certainly imagine that, if urgencies are to be held after 9 o'clock on a Thursday, we would have a drastic drop-off in people requesting urgencies.

(Laughter)

(Parliament agreed to Mr Forth's proposal and Mr Blaney's proposal therefore fell)

President. — I call Mr Bangemann.

Mr Bangemann. — *(DE)* Madam President, the three hours on which we have just decided should also include the opinions of the Commission and Council and the votes. Otherwise we should be in the unfor-

Bangemann

tunate situation of being only able to vote on urgent matters on Friday morning. I do not think the authors of this proposal wanted that. I hope that this interpretation will be followed when the decision comes to be implemented.

President. — The three hours would comprise the statements by the Commission and Council and the vote, which would in fact leave some two hours speaking time for allocation.

Are there any objections?

That is agreed.

I call Mr Blaney.

Mr Blaney. — In the vote just taken I was quite satisfied, even though it was not the same hours specified. My purpose in putting in a motion in this regard was to try and ensure that three hours were preserved, where necessary. It is little enough, and to reduce it, as is suggested, to an hour on Thursday and an hour on Friday, I think is wrong. When the vote was actually taken, I was quite happy and applauded the result, but you now say, Madam President, that in effect it is only two hours. Now is it two hours or is it three? Are we being reduced from three to two, or do we still have the three? Because if we do have the three, I can happily withdraw if the three hours has been established by the decision taken.

President. — It is indeed a total of three hours, which would include debates, statements by the Council and Commission and the vote.

This decision has only been taken for the present part-session.

Also, I have received from Mr Glinne, on behalf of the Socialist Group, a request to withdraw from the agenda the report by Sir Peter Vanneck on the moratorium in the field of nuclear energy (Doc. 1-49/81).

I call Mrs Walz

Mrs Walz. — (DE) Madam President, I cannot really see why this report should be withdrawn especially as it has been under consideration for more than a year and repeatedly discussed in committee. It is closely related to the Seligman report, which is not to be withdrawn. Moreover the guidelines for the period up to 1990 containing decisions on nuclear energy and alternative forms of energy have already been placed before this House. I must say that I view all this as a delaying tactic whose purpose I cannot readily understand especially as the speaker can only have been referring to the INFCE report when he mentioned a report on nuclear safety, but it makes no reference to a

moratorium. I am against the removal of this report from the agenda.

President. — I call Mr Adam.

Mr Adam. — Madam President, the reasons for asking for this report to be put back until such time as we have the report from Mrs Lizin on the Harrisburg incident, are these. The Vanneck report itself is a very inadequate report on a very complex subject. The Harrisburg incident was the most dramatic event of its kind to catch the public imagination in recent times, and the original motion asking for the moratorium said that workers and people generally are increasingly disturbed about the nuclear energy industry. The Vanneck report says that the rapporteur does not feel that this assertion is correct. Now, if anything is self-evident it is the widespread public concern about the safety of the nuclear industry so that to decide on the moratorium issue without the benefit of a detailed consideration of the Harrisburg incident — the one incident which really gripped and disturbed the public in recent months — would be to fail in our duty to Members of Parliament who have asked for this subject to be treated seriously. The Vanneck report does not take this subject seriously and I am urging the House to delay consideration of this report until we have Mrs Lizin's report on the incident.

President. — I call Mr Seligman on a point of order.

Mr Seligman. — Mr Adam said Harrisburg was in recent months. It happened two years ago, and the whole of that has been settled.

President. — That was not a point of order!

(Parliament rejected this request for withdrawal, and a subsequently the proposal by Mr Hutton not to include in Question Time the Delors and Giavazzi question)

The order of business is agreed.²

3. Action taken by the Commission on the opinions of Parliament

President. — The next item is the communication from the Commission on action taken on the opinions and resolutions of Parliament³

I note that no one wishes to speak on this item.

¹ By electronic vote.

² Detailed order of business — Deadline for tabling amendments — Urgent and topical debates — Procedure without report: see Minutes.

³ See Annex.

President*4. Deliveries of agricultural products to the USSR*

President. — The next item is the Commission statement on deliveries of agricultural products to the USSR.

I call Mr Glinne.

Mr Glinne. — (FR) Madam President, I want very briefly to ask the Commission whether the position recently adopted by it on the supply of cereals to the Soviet Union in any way changes its position on trade in other products to other destinations. More specifically, I would mention that a powerful government of North America seems to be intent on imposing a kind of boycott on trade in food products with Nicaragua, probably in an attempt to penalize the Sandinist authorities of that country for having got rid of the Somoza dictatorship and taken a new policy line. I would therefore hope that the Commission will adopt a logical approach. If it considers, for example in the interest of Community cereal growers, that supplies of cereals to the Soviet Union should be resumed, does it not also think that a similar position should be adopted on deliveries to other countries; to put it absolutely clearly, has the Commission yet adopted any position whatever on the possibility of supplies to Managua?

I also wish to stress the fact that our group has never considered that food deliveries may be used as a political weapon against any developed or underdeveloped country. In a world which is becoming increasingly closely knit with interdependence of our peoples growing day by day, food supplies should be taken for granted in the name of international solidarity. Political reproach must be expressed through diplomatic channels, through the chancelleries. The interests of mankind as a whole and of individual nations cannot possibly be served by breaking off traditional sources of supply. We hope that the recent guidelines adopted by the Commission in this matter will hold good in future regardless of the particular country concerned.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) I am glad to have this opportunity of making a brief statement about the matter referred to by Mr Glinne, agricultural exports to the Soviet Union, and I thank you, Madam President, for allowing me to do so.

On 24 April, as the honourable Members will be aware, the American President announced that the USA would lift its embargo on exports of cereals to the Soviet Union and that exports of agricultural products from the USA would be resumed immediately. The Commission learned of this decision by the

American Government just before it was announced in Washington. It created an entirely new situation for the Community and the Commission discussed the question as a matter of urgency at its meeting of 29 April. Immediately after that meeting the President of the Commission, Mr Thorn, informed the President of this Parliament of our conclusions in a telegram which was also sent to your Committee on Agriculture and Committee on External Economic Relations. I should be glad to explain the content of that telegram.

It is clear that the American announcement nullifies the Council's statement of 15 January 1980 affirming the principle that

'deliveries from the Community, whether direct or indirect, may not replace the USA's deliveries to the Soviet Union'.

Now that the go-ahead has been given to American exports to the Soviet Union, there is no longer any justification for the Commission adopting measures in accordance with these guidelines. The Commission has therefore decided to reintroduce normal conditions for agricultural exports to the Soviet Union immediately, except for dairy products. The usual rules governing refunds will apply henceforth to cereals, poultry and beef and this means, in particular, that the Soviet Union will be included in tendering. These changes have been made by the Commission under the same procedure by which the original decisions were adopted, that is, by virtue of the Commission's responsibilities for the management of the market. For administrative reasons it will take from two to three weeks before exporting can begin after new licences have been granted.

In theory we could also lift export restrictions on milk products and butter oil. However, the position in regard to storage and supplies in the Community allows very little scope for exports for the time being. We need to see how the market situation develops over the new few weeks. We also want to consider ways and means of regulating the flow of exports of milk powder to the Soviet Union in the long term, possibly through some kind of agreements or other arrangement.

I should like to emphasize that, although export restrictions have been lifted, the Commission is retaining the system of monitoring exports and that includes the five-day moratorium for the advance fixing of refunds. That gives us a chance to keep a constant watch on the flow of exports and if necessary to act promptly to prevent speculation in the future.

Madam President, I have mentioned only the most important points so as not to exceed my speaking time, but I should like to add a few further remarks.

First of all, the Commission now thinks it sensible to return to a more normal position with regard to

Dalsager

exports to the Soviet Union so as to give our own farmers and exporters a chance to compete on an equal footing with their competitors from other parts of the world. Everyone knows that our export restrictions were adopted for political reasons in agreement with our American partners. We in the Community have scrupulously kept to our side of the agreement — far more scrupulously than certain other exporting countries — and the measures have had a certain political impact.

Secondly, it may be asked what quantities of cereals and other products we are thinking of exporting and what the budgetary implications are. I think Parliament will understand that this is a question which by its very nature cannot be answered precisely. Now that we are reverting to the normal situation with regard to exports to the Soviet Union we cannot control or guide them any more than those to other destinations. Exports depend on the expansion of the market and on what the exporters decide to do. So we cannot quantify these exports or say what the expenditure on refunds will be. What I can say is that the effects of this return to normality will be positive and not negative as far as the Community budget is concerned. Obviously, restrictions regarding the destination of the exports limit our room for manoeuvre and can lead to storage, which then leads to more expenditure.

My reply to Mr Glinne's question is that the Community has normal trade relations with Nicaragua and there has been no suggestion in talks in the Commission that there should be anything other than normal trade relations with that country.

As regards the question of principle raised by Mr Glinne, whether it is right to use sales of food as a political weapon, I think Mr Glinne will agree that it is not for the Commission to take such decisions. This was a decision adopted by the Member States at their meeting on 15 January 1980. I should like to see the commission that would refuse to accept such a unanimous decision by the Member States. So this is a matter that should be raised with the Council rather than with the Commission.

President. — I call Mr Tolman.

Mr Tolman. — (NL) Madam President, I must assume that you supposed us to be in possession of the text of this statement. That is not so; neither I nor any other member of my Group were aware of the content of the statement. Clearly it refers to a new situation. We understand the position put forward by the Commission. The Community adopted a perfectly correct approach during the period of the embargos and now we have a normal situation again. When Mr Dalsager now tells us that meat and cereals are indeed to be exported to Russia, I would like to know

whether, despite exports to the Soviet Union, supplies will remain available for Poland so that future requests resulting from the situation in Poland can be met. As we all know, there is a real food shortage in that country and goods in transit for Russia are even being plundered so that they do not reach their ultimate destination.

My second question is this: if Mr Dalsager is saying that this does not apply to dairy products, could he explain why and tell us whether the situation is such that no more dairy products at all can be exported?

President. — I call Sir Henry Plumb.

Sir Henry Plumb, Chairman of the Committee on Agriculture. — Madam President, I would like first of all to thank the Commissioner for the statement he has made in announcing the decision of the Commission to lift the embargo on trade with Russia, and I note with some satisfaction the decision he has made to limit this to grain and beef and to exclude dairy products because this has been a very emotional and quite a substantial issue in many parts of the Community. However, I regret very much that the decision has been taken without the full consultation with my committee and with the Parliament which would have enabled us to express our opinion on the full implications of re-opening this trade outlet, for the USSR has not materially changed its policy towards Afghanistan or Poland since we supported the embargo for political reasons about a year ago.

(Applause from the European Democratic Group)

Madam President, Parliament can only exercise its full powers as part of the budgetary authority if it is consulted on decisions with possible big money spending implications.

Having said that, I can only speak in a personal capacity, since I have not been able to consult members of my committee, but I believe it would profit us nothing to condemn the Commission for reaching a decision. I was informed by Mr Dalsager immediately after the decision was taken, and I therefore recommend that we accept the report Mr Dalsager has made to us on the understanding that this trade is kept under review and that the quantities are monitored when the trade resumes. I would, however, like to know of course the estimates and the amounts that are likely to go to Russia — the Commissioner has already referred to this — equally the cost of restitution and, of course, the level of stocks. One recognizes that it is early days to be forecasting the 1981 crop situation, particularly in areas that have been suffering from such unseasonable weather in recent times.

Therefore I would like us to accept this report, Madam President, on the understanding that we are kept informed on future developments.

President. — I call Mr de la Malène.

Mr de la Malène. — *(FR)* I am astonished by the Commission's observations. I thought we had decided — or rather that the Council had decided — an embargo on deliveries of cereals to the Soviet Union because of Afghanistan. It now seems that we imposed the embargo because the Americans did so. The Americans lift their embargo and we do the same. That makes us look rather foolish. I do not put much faith in embargoes of this kind but I do put some faith in Europe and I must say that occurrences like this do not help us to believe in Europe.

(Applause from the right)

If the Americans decide tomorrow to impose an embargo on something or other for some reason or another we will follow them. Then they will lift their embargo again and we will do likewise. I really believed that this embargo had been imposed because of Afghanistan. I made a mistake and I regret the fact.

(Applause on the right)

President. — I call Mr Denis.

Mr Denis. — *(FR)* You have had to abandon a discriminatory measure and we welcome that fact. May I ask Mr Dalsager whether the Commission does not also propose to put an end to a different form of embargo which consists in refusing food aid to a number of countries for political reasons because they do not like the regime: for instance Vietnam or Cambodia. It is no good saying that the Commission has already given a negative answer on this because I well remember that the Commission gave a negative answer on the subject of the embargo on the Soviet Union which is now being lifted at the request of the United States.

President. — Being pressed by the timetable — Question Time is due to begin in a few minutes — I cannot call all the speakers still listed; we shall only have time for the Commission's answers.

Mr Dalsager, Member of the Commission. — *(DA)* Madam President, I shall try to answer the questions that have been put very briefly. Mr Tolman complains that he has not been informed of the text of the communication, but, as I have already pointed out, this text was sent by the President of the Commission immediately after the Commission had reached its conclusions and, furthermore, its decision was also communicated to the chairman of Parliament's Committee on Agriculture and to the Committee on External Economic Relations. Mr Tolman referred to Poland; I can confirm that aid to Poland will not be

affected by the Commission's decision. Mr Tolman and Sir Henry Plumb spoke of milk products. The reason why milk products are not included this time is simply that we have none available for export just now and if we were to start exporting milk products it might mean we would be unable to meet the demands of our own markets.

(Laughter)

As to consulting Parliament, this was a decision that was closely connected with that taken by the American Government. Mr de la Malène says he cannot understand why the two decisions should be connected, but, when the Community's original decision was taken, it was bound up with the Americans' decision and the intention was that the Community should not step in and fill the gap left by the American exporters. Now that the Americans have decided to resume exports, there is obviously no point in our continuing an embargo designed for that purpose. So of course the two decisions are interrelated and the lifting of the embargo in the two recent decisions are also interrelated.

To Sir Henry I would like to say — as I also said in my first statement — that the budgetary implications of this are favourable to the Community, inasmuch as it is cheaper to export than to intervene. Lastly, in answer to Mr Denis' question about food aid, may I say that this question has not, of course, been dealt with in the Commission. If Mr Denis has a question about food aid which he wants to ask me and which, if I understand him correctly, he asked the last Commission, he is naturally at liberty to do so.

President. — I call Mr Hord on a point of order.

Mr Hord. — Madam President, when we were discussing the procedure earlier, you stated quite categorically that there would be 30 minutes to deal with the statement which Mr Dalsager has just made, and I see no reason, bearing in mind that it is such a very important issue with many constitutional consequences, that we should reduce that 30 minutes to 10.

(Applause from certain quarters)

President. — Mr Hord, it is 6.30 p.m. whenever we have had to put back Question Time, in order to conclude a debate, it is nearly always your Group that protested. It is 6.30 p.m., we shall now begin Question Time, an item which has always been ranked — by your Group, above all — as a high priority.

I call Mr Curry.

Mr Curry. — Madam President, when you invite us to put short, sharp questions to the Commissioner, does

Curry

that presuppose that the Commissioner will answer the questions? If he does not, do you consider it your role to invite him to try again? In particular would you invite him to reply to Mr de la Malène's question which was, why was the imposition of the embargo a political act and the removal of the embargo an administrative act?

(Applause from certain quarters)

President. — Mr Curry, it is not my job to check the Commissioner's words: I invite him to speak and he expresses himself as he pleases. If Members are not satisfied with his remarks, it is up to them — and not the President — to intervene.

We shall decide tomorrow morning, at the beginning of the sitting, whether to continue interventions on the Commission's statement.

5. Question Time

President. — The next item is Question Time (Doc. 1-156/81).

Today we are dealing with questions to the Commission.

In accordance with the decision taken a little while ago, I call first of all the question by Mr Delors and Mr Giavazzi (H-173/81):

- Having regard to the importance of the so-called mandate of 30 May for the future of the Community and for a revival of European construction
- Given that the Commission is to submit its report, within the framework of this mandate, by 30 June

The authors would like to know if:

- the Commission is prepared to supply information already in its possession and to assure them that it conceives its mission in the widest possible terms, that is to say in the only way that will enable it to assess the state of the Community and to lay the foundations for a major revival
- if the Commission is prepared effectively to involve Parliament in the activities inherent in the implementation of the mandate.

Mr Andriessen, Member of the Commission. — *(NL)* As far as the procedure for dealing with this matter is concerned, the Commission finds itself in a strange position.

When I learned at the meeting of group chairmen this morning that a majority of members wished the Commission to make suggestions and put certain ideas

to Parliament on this mandate, I did not formally wish to invoke the possibilities which the Rules of Procedure may well offer on this because I understand that it is important for Parliament to deliver its opinion on a mandate which is also considered an extremely important matter by the Commission; but I must say that I now face procedural difficulties as a result. I obviously cannot enter into formal undertakings today on behalf of the Commission since we have had no opportunity to make proper preparations for such a discussion. I shall therefore mainly confine myself to listening to the views of Parliament without taking up any position in the matter.

I wish to make a further remark which is not unimportant: the text of the mandate in effect asks the Commission to make certain studies and if the Commission is then asked to interpret the mandate in that sense I can certainly state that we shall take up that option under our own responsibility in order to implement our mandate. But I must add a further point: in the context of the subtle allocation of powers and responsibilities to the different Community institutions, the Commission sees the implementation of this mandate as its own specific responsibility — a responsibility which it cannot and does not wish to share with other institutions. In other words the Commission will come forward with its proposals at the time stipulated in the mandate after which Parliament will naturally have every opportunity to explain its position before the Council takes a definitive decision; Parliament will also be able to bring its influence to bear in respect of the further implementation of this mandate. This means that the Commission will naturally listen to what Parliament has to say on this and that, while retaining its responsibility in the matter, it will give full weight to the opinions of Parliament.

Mr Ingo Friedrich. — *(DE)* The Commissioner wished to hear the view of Parliament. We on the other hand quite naturally wanted to be informed of the Commission's ideas before determining our position. If the Commissioner does not wish to make a statement at this stage and has been unable to discuss the matter beforehand with his colleagues, I would put one question to him: a great deal has been said about the mandate of 30 May and I often have the impression that its significance has not been clearly defined — could the Commissioner explain the actual content of that mandate in short and clear terms?

Mr Andriessen. — *(NL)* I do not think that it is for me to read out to Parliament the actual content of the mandate. The Commission is carrying out the terms of the mandate by studying how policy and policy objectives can be restructured. I can say no more than that at this stage.

Mr Moreau. — *(FR)* If I have understood you correctly, the Commission intends to assume its full

Moreau

responsibility for the discharge of this mandate but a number of studies have already been made and we in Parliament would have liked to be associated with them, not in drawing up the proposal which will eventually be made by the Commission but in the general discussion which is to take place. I therefore ask the Commissioner whether it would not be possible to transmit to Parliament the various studies which have already been carried out in this area so that, without encroaching on the territory of the Commission, if I may put it like that, Parliament will be able to begin to reflect and work on this matter which is vital to the future of the Community.

Mr Andriessen. — *(NL)* I can hardly imagine that Parliament would confine itself to the role outlined by the previous speaker if it were presented with the documentation which it is asking the Commission to provide. I myself used to be a Member of Parliament and I cannot imagine that things would turn out in this way. The result would automatically be a debate which would have the effect of an attempt to share in the implementation of the tasks set out in the Commission's mandate. I have already stated that in the Commission's view that would not be the correct procedure and I therefore think that it would be better to wait until the Commission has completed its work — having regard also to Parliament's freedom to assess the Commission's proposals from its own standpoint. I think that as matters stand at present this is the best solution.

Mr Diana. — *(IT)* I do not think that we are speaking about a matter of only secondary importance. The objective of convergence of the Member States' economies is surely the factor which led to the endeavours to build a Community Europe. However, after all these years since the signing of the Rome Treaties, the objective of economic convergence has not been attained and, on the contrary, has become even more remote. I think we are bound to recognize that there is something in the common policies which is not working properly; there is something which is causing the economies of the Member States to diverge instead of converge. If I have understood it rightly, the mandate given to the Commission on 30 May last year was to restructure policies in order to promote the cause of economic convergence. If that is in fact our ambitious objective, I do not believe that the matter can be dismissed in terms of prestige of institutions or definition of responsibilities; we are not discussing the responsibilities and prestige of the Commission or of the European Parliament. What we want is to be able to work together in order to put forward proposals for the restructuring of our existing policies in an effective manner so as to enable the ultimate aims to be achieved; failing this we shall once again find ourselves occupying divergent positions with the Commission on one side, Parliament on a second and the Council on a third. My view is that in such an

ambitious area the institutions should for once be able to find common ground and work together.

That is the first aspect of the question which we are asking the Commission to answer. There is also a further point in Mr Giavazzi's question namely that, in our view, the problem of economic convergence cannot be confined within the budgetary context. The problem is that of restructuring all the common policies beginning, for example, with the common agricultural policy which is an important aspect; in that sense we would hope for assurances from the Commission that it does not intend to limit its own mandate to a discussion of problems of budgetary balance. We are looking for precise assurances that it intends to interpret its mandate and its own role in such a way as to bring about the restructuring of those policies which have up to now led to divergence instead of convergence. We would like precise assurances from the Commission on that point.

Mr Andriessen. — *(NL)* The Commission shares the view that the issue is one of policy restructuring and not simply a budgetary question. Madam President, the Commission attaches such importance to a careful approach to this important problem that it prefers to hold the discussion with Parliament when it has had the opportunity to develop its own ideas carefully.

But I can also set the honourable Member's mind at rest; I thought I had already said that the Commission is not approaching its mandate in a limitative spirit as the honourable Member may fear.

Mr de la Malène. — *(FR)* When the mandate of 30 May was first given, I personally and the members of my Group found that this mandate was a tissue of contradictions from which the Commission would be unable to escape. I wish to put the following question: since the time when this contradictory mandate was first given, the Commission has adopted a position hostile to the concept of the fair return and I approve that position, which I readily understand. The Council then took a further decision to increase agricultural prices, which I welcome. Under those conditions, does the Commission not think that with the initial contradiction and the contradictions which have arisen in the meantime, there are now so many contradictions that the mandate of 30 May has become practically impossible to implement?

Mr Andriessen. — *(NL)* I cannot claim that things have become any easier but it is still up to the Commission to determine an equitable balance between all the interests at stake.

President. — I call Question No 1, by Mr Nyborg (H-836/80), ex 0-30/80:

President

Does the Commission not think that it would be more to the point to find alternative uses for agricultural products than to reduce production?

And if so, what action has the Commission taken to investigate alternative uses for agricultural products?

Mr Dalsager, Member of the Commission. — (DA) The Commission considers that agricultural production should expand only in relation to actual demand and not be sustained artificially by subsidies if we are to approach the problem of surplus production in the most profitable way, through price policies and co-responsibility levies. The honourable Member may, however, take comfort from the fact that we have also set up research programmes on ways of using agricultural products for energy production, for example, the production of ethyl alcohol, and a whole series of other projects of which he will no doubt be aware.

Mr Nyborg. — (DA) We all know that for a number of years the Commission has contravened the provisions of Article 39 of the Treaty by holding down agricultural production through its price policy. We know this was agreed to by the Council, but we have been hoping all the time that it was only a temporary expedient and that the Commission intended eventually to adopt the correct approach. Therefore I ask the Commission again — since I do not feel we have been given a reply — what is being done to return to Article 39 of the Treaty? It does not say anything about holding down production, but on the contrary of ensuring that production can be used. If we cannot use it for its original purpose, that is, for food for human beings and to some extent for animals, what then? The Commissioner has mentioned certain research projects, but I should be glad if he could give us a fuller account of these and tell us when the results are expected

Mr Dalsager. — (DA) I must point out to Mr Nyborg that, given the limits of the Community's total budget and the fact that not all the funds are available for agricultural purposes, there are certain limits beyond which the Commission cannot go. There are a number of research projects going on. I thought, to be honest, that Parliament knew about them, since they have been discussed here in an earlier part-session. I am not in a position at the moment to say when we may expect the results.

One of these projects, let me say, to which a great deal of attention has been paid, concerns the cost of producing alcohol from agricultural products, e.g. from sugar, wine and corn, and we know that in Brazil, for instance, great strides have been made in the production of alcohol from sugar. But we must remember that the cost of such production is much lower in Brazil, labour and land are very cheap, and the climate is much better for these crops. Therefore it is not

certain — even if such an undertaking may be profitable in Brazil — that these products could also be profitably used to produce fuel in Europe with the production costs we have here, since at present we find that the cost of producing, for example, ethyl or methyl alcohol for energy would be substantially higher than the present cost of these fuels

Mr Seligman. — Will the Commissioner quantify the agricultural land which is suitable for conversion to production of energy crops? Does he accept that conversion of a quarter of the Community's farmland to producing energy crops could save something like 30 million tonnes of imported oil? If he agrees with this would he take some action to encourage the conversion of farmland to energy crops such as sugar, straw or artichokes?

Mr Dalsager. — (DA) I do not agree with the suggestion just made. I simply do not think it realistic in view of the expenditure entailed to talk of converting such a large proportion of the Community's farmland to the production of energy crops. I do not believe any finance minister, nor this Parliament itself for that matter, would be prepared to approve the expenditure this would involve as things stand at present, since, as I have said, it is considerably cheaper to use the forms of energy we have used up to now, even though these are, as we all recognize, very expensive. It would be impossible to replace them economically at present by the products produced in the way proposed by the honourable Member.

Mr Marshall. — Whilst welcoming the Commissioner's statement that he believes that output should keep pace with demand, can one have an assurance that this is going to be genuine demand and not artificially stimulated and subsidized demand? Is the Commissioner aware that such subsidies on exports to Russia and other countries cause a great deal of repugnance to most people in the Community?

Mr Dalsager. — (DA) It would be very rash of me to give an assurance that our production can be disposed of in future years, too, without subsidies. In any case, every Member here ought to know that the methods of farming and the efficiency of our farmers together with scientific advances mean that we must expect a steady increase in agricultural production, unless other measures are adopted. This rising production must presumably be disposed of with the help of some kind of subsidy or other. We can be glad that such financial support has been reduced in recent months and last year, but none the less we believe it must be assumed in future that expanding production — such as we must expect — cannot be disposed of without subsidies. Besides, the whole Community system of agricultural market organizations implies that surplus production may be disposed of with help of subsidies.

President. — I call Question No 2, by Miss De Valera (H-687/80):

What steps does the Commission believe should be taken to avoid a situation where up to 5 million secretaries¹ in Europe over the next ten years could become redundant as a result of the introduction of micro-technology, particularly the use of small computers, word-processors, facsimile machines and computerized telephone terminals?

Mr Richard, Member of the Commission. — In the Commission's view there are as yet no reliable estimates regarding the quantitative impact of microelectronics on the volume of employment in the next decade. It is, however, fully recognized that secretaries will, in all probability, be amongst those employees most affected in the short term, particularly those carrying out routine duties that are standardized and repetitive.

With regard to the policy implications of this situation, the Commission has taken note of the discussions which have been held at Community level last year, in particular at the Standing Employment Committee in February, at the Manchester Conference on equality for women in May, at the meeting of the Council of Ministers of Education in June and at the hearing by the Youth Forum on the employment of young women in December. To summarize the main conclusions to be drawn from these discussions, which are particularly applicable in the case of secretarial employment, the Commission emphasizes that new technologies should be accepted with an open mind by society, but that they should be made to serve rather than to dominate.

Also I should like to emphasize that in the Commission's view the effects on the volume of employment are bound to depend to a crucial extent on the rate and on the social conditions with which the new technologies are introduced.

Miss De Valera. — I wish to thank the Commissioner for his reply. However, as he will be aware, the consequences of the situation which I have outlined in this question could be so grave that I would ask the Commission to take steps, and to take them immediately, to prevent such a situation arising. I wonder if the Commissioner could give me any information on whether or not such steps will be taken in the near future and, if so, could he outline exactly what those steps would be?

Mr Richard. — I am not sure whether I can talk about steps, but I can certainly talk about the way in which we are beginning to formulate policy. I think it has to

be in three distinct areas. First of all I think there is bound to be a need for sustained action to encourage job creation, to increase re-employment possibilities and to allow for losses in new jobs when the new technologies come in. Secondly, I think that there has to be action on appropriate forms of information and consultation of workers by employers on when the new technologies are going to be introduced and how they are going to be introduced. Thirdly, I think it is bound to have an effect on education and training policies. I think it particularly needs a reappraisal of policy at all levels to ensure that all existing and future members of the work force acquire a basic understanding of the new technologies and that opportunities for initial and continuing training are expanded and indeed constantly updated to take account of future labour market needs. What I cannot give the honourable Member today is so to speak a blueprint for action. What I can do and have tried to do is to indicate to her the sort of areas and ways in which the Commission's mind is at present working.

Mr Tuckman. — In thanking the Commissioner for his very calm and rational answer, I would like to ask whether he does not agree that the attitude which lies behind the question, which in Britain in the last century we used to call 'Luddism' is in fact highly destructive to future employment in the long term, especially as we are unable to control the use to which these machines and methods will be put by our competitors and that, therefore, the damage to employment would in fact be very much greater if we were not willing to use these machines?

Mr Richard. — I am bound to say that I think that is a somewhat extreme and rather unfair view of the question. As far as I see it, it is a perfectly legitimate question that has been asked and indeed it is a perfectly legitimate question for the Commission to concern itself with. I can only say, finally to the honourable Member that if he is able to look into the mind of an Irish Member when he asks a question, then he is a better man than I am!

President. — I call Question No 3, by Mr Combe (H-834/80):

Does the Commission not agree that the enormous difficulties facing European car manufacturers in the form of the constantly changing regulation applied by the Japanese type-approval authorities constitute at least a unilateral protectionist measure if not a clear infringement of the rules of international trade?

Mr Narjes, Member of the Commission. — (DE) Type approval of vehicles in Japan is covered by two procedures: type notification involving individual authorization for vehicles, and type designation involving authorization for particular models. All European cars exported to Japan at present are subject to the type

¹ International Labour Office Report, published 13. 11. 1980.

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notification procedure favoured by the European manufacturers.

Changes in the notification procedures in Japan normally apply to all manufacturers without distinction by nationality. The Japanese administration informs the importers of foreign motor vehicles of all changes in the procedure. At the request of the European Community and of the United States, the authorization provisions in respect of compliance with exhaust gas specifications and the possibility of carrying out certain tests in Europe have been relaxed slightly. Some difficulties of which the Commission is well aware in connection with exports of European motor vehicles to Japan result from the fact that the type notification procedure requires an individual inspection of the vehicles locally while certain other criteria cannot be quantified.

Given that unsatisfactory situation, the Commission has been making constant efforts for several years to alleviate these difficulties and has asked the Japanese authorities to change their procedures. It will be stepping up those efforts in the context of the instructions given to it by the Council of Ministers to facilitate exports of European motor vehicles to Japan.

Mr Combe. — (*FR*) Your answer does not satisfy us at all, Commissioner, since there can be no doubt that the rules of international trade are being breached. Since an agreement has recently been concluded between Japan and the United States on this matter and is bound to have important repercussions on the European market, my question is this: when will the Commission take the necessary measures to restrict imports of Japanese cars into the Community?

Mr Narjes. — (*DE*) The supplementary by Mr Combe does not relate to his main question. I would like to add one point, however, in connection with his question: we are obviously aware that there are obstacles to exports and imports in both directions and that technical barriers to trade provide a welcome opportunity of erecting even greater obstacles than are really warranted.

In the case of Japan the specific point is that while the noise and brake tests can satisfactorily be carried out in European test centres, differences in respect to the exhaust gas tests are still wide. A further unsatisfactory point is that we can only work on the basis of type notification and cannot organize a general type designation for mass exports to Japan. All this is now under discussion

It is difficult to quantify the extent of the effect of Japanese barriers to imports on sales of European motor vehicles in Japan. The honourable Member may, however, be interested in the statistical trend of imports of European motor vehicles in the first quarter

of this year. In 1980 a total of 33 977 motor vehicles was exported to Japan, 19% less than in 1979. The losses were 13% for British vehicles, 27% for French vehicles, 19% for German vehicles and 25% for Italian vehicles. The first quarter of 1981 seems to have been marked by a further fall in exports to Japan which I cannot quantify in detail at this stage. As regards the other part of the honourable Member's question I suggest that he raise it in connection with the next question, which does deal with this particular point.

Mr Berkhouwer. — (*NL*) My pertinent question now is whether, having regard to the agreement recently concluded between Japan and America on a voluntary limitation of Japanese imports into the United States — I am putting my question differently from Mr Combe but it amounts to the same thing, — there are not grounds to fear that Japan, after losing possible exports to the United States, will now seek much more energetically to obtain compensation on the European market? Should the Commission not therefore exercise particular vigilance and take action in this matter?

Mr Narjes. — (*DE*) I will use this opportunity to answer Question No 4 by Mr Deleau.

President. — I therefore call Question No 4, by Mr Deleau (H-839/80):

Now that the Japanese offensive is affecting such widely varying sectors of the economy as the passenger vehicle, goods vehicle, motor cycle, coloured television, video recorder and watchmaking industries, does the Commission not think that its reaction so far has been inadequate, and that the decision merely to monitor three key sectors is symptomatic of the Community's present weakness?

Mr Narjes, Member of the Commission. — In recent months the Commission has, on various occasions, explained to this Assembly its position on Japan and, above all, on the increase of Japanese exports to the Community. It refers in particular to its answer of 11 March 1981 to Mr Ansquer and to the Council declarations of 25 November 1980 and 17 February 1981. In those declarations the Council expressed its grave concern at increasing motor vehicle imports. The Council called for effective controls in those sectors in which a further increase in Japanese exports to the European Community would create difficulties. At the beginning of this year the Commission introduced a Community procedure to monitor imports of passenger cars, colour television sets and colour television tubes as well as certain machine tools from Japan. It will be reporting in accordance with the Council's wish as soon as all the results are available for the first three months of 1981. As regards the particular situation of private cars, the Commission is of the opinion that the import trend in the months of January to

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March — as it appears from Japanese data — is not compatible with the wishes of the Council and Commission for effective control over Japanese motor vehicle exports. The Commission will be discussing this matter with the responsible Japanese authorities in the near future.

The Commission is of the opinion that the Japanese motor vehicle industry must impose voluntary restrictions on the European Community market in exactly the same way as on the American market to avoid a further deterioration in the difficult situation facing the European motor vehicle industry. That holds good in particular — if I may add this point now — for the concern expressed by Mr Berkhouwer that cars which cannot be sold in the United States may now find their way to the European market.

As a matter of principle, however, the Commission does not view import restrictions as a suitable way of facing up to keener Japanese competition in the long term especially as the European industry has to face Japanese competition not only in Europe but on all the world markets.

In line with the wishes of the Council, the Commission will intensify its efforts to step up European exports to Japan. It will do so in cooperation with European industrial interests and is counting on the support of Parliament to the extent that additional budgetary appropriations may be necessary to finance more intensive export promotion measures.

As regards the measures taken last weekend of which the Commission's representative in Tokyo was informed on 1 May, the Commission made it clear in a press release of 2 May that it is seeking immediate and detailed clarifications of the content and scope of the agreements reached between the United States and Japan. The Commission will be informed on 6 May, i.e. on Wednesday morning, of the result of these inquiries and of the conclusions to be drawn therefrom.

IN THE CHAIR: MR VANDEWIELE

Vice-President

Mr Cousté. — (FR) We have had two answers to two questions, Numbers 3 and 4. My first supplementary question is this: as regards the criteria for admission of vehicles to the Japanese market, is it not high time for the Community and Japan to harmonize their respective criteria?

Now for my second question: since monitoring arrangements have been made do we already have figures for March in respect of the various products imported from Japan?

Mr Narjes. — (DE) It would indeed be desirable for Japanese technical restrictions on imports to be codified and reviewed at the earliest possible opportunity. I said a moment ago that this has proved possible in some areas but that there are great difficulties in the case of exhaust gas control and in effecting the change-over from type notification to type designation. These difficulties consist essentially in the fact that European manufacturers cannot be expected to arrange for these tests to be conducted in Japan; it must be possible for them to be conducted in Europe and accepted by Japan.

The Commission is working on that aim in Japan and it is of the opinion that the crisis triggered by the recent agreement between Japan and the United States provides a sufficient opportunity to make progress because the Japanese Government itself has repeatedly been insisting that European motor vehicle manufacturers should intensify their exports to Japan. The Japanese Government would be contradicting its own wishes if it failed to cooperate in the area of technical barriers.

I have also pointed out that the Commission will be reporting to the Council as soon as possible in respect of the first quarter of 1981. However, at this stage we do not yet have all the figures for the products concerned. I assume that registrations of European motor vehicles in Japan will have fallen still further in the first quarter of this year.

Mr Welsh. — Would Mr Narjes accept that in fact type approval is a symptom of the problem, not the problem itself, which is caused by the Japanese distribution system, for it is virtually impossible for European manufacturers to establish a distribution in Japan which will enable them to sell the sort of volume that would justify their changing their types? So as part of the *rapprochement* with the Japanese that the Commissioner mentioned, would he consider requesting the Japanese Government to use its good offices to persuade the principal Japanese trading companies to take distributorships for the leading European car manufacturers, on the basis that this would be by far the best way of penetrating the Japanese market and securing an adequate volume of sales?

Mr Narjes. — (DE) I agree entirely with the honourable Member that there are obstacles — especially in the marketing sector — other than technical barriers, but question No 3 was concerned with technical barriers and not with the general subject of obstacles to access for European manufacturers to the Japanese

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market. If we extend the question to cover all the barriers which have to be overcome in order to sell goods on the Japanese market, we must, in my view, also give our attention to linguistic and cultural barriers. In that area the European manufacturers have shown a number of weaknesses in the past as a result of which they have not even made an attempt to overcome the existing barriers. In recent months however there has been a perceptible change.

Mr Müller-Hermann. — (DE) I should like to put two questions to you. Do you not think that it would be desirable to sound the alarm in Europe following the arrangements between the United States and Japan, since anyone who is familiar with these problems knew that an arrangement would be offered by the Japanese before the visit by the Japanese Prime Minister to the United States?

Secondly, it might be useful for the Commission to know that on 18 February in Tokyo, the Japanese Foreign Trade Minister, Mr Tanaka, stated clearly to a delegation of European and Japanese Members of Parliament, in answer to a specific question which I put to him, that there was no intention of transferring to the European market those vehicles which could no longer be sold on the American market following a self-limitation arrangement with the United States. It might also be useful to know that the Japanese Government, through Mr Tanaka, did not specifically promise a similar voluntary limitation agreement to the European Community but quite evidently envisaged that as a real possibility.

Mr Narjes. — (DE) In answer to Mr Müller-Hermann's first question: we are disturbed by the fact that the agreement between Japan and America has not been accompanied by a simultaneous agreement between Japan and the European Community. The Community had been led by previous Japanese policy to suppose that the two agreements could be concluded in parallel and that that was in fact the aim of the Japanese authorities.

Secondly, I note with satisfaction the observations which Mr Müller-Hermann reported Minister Tanaka as having made to the European Parliament delegation. That gives us all the more reason to expect some form of self-limitation in trade with the Community. Unfortunately, this is contradicted by certain declarations made by the present Japanese Prime Minister on the signing of the agreement on 1 May. His statements make it necessary to pursue this matter without delay and in a spirit of seriousness.

Despite all the criticisms and however we may view the situation, it must naturally never be forgotten that the European Community is itself in a desolate situation on this matter. That is because there is no

common policy for trade with Japan and Japan can rightly claim that Europe seems to be split into at least four or five parts on this and can therefore scarcely expect to be treated as a single entity. That observation is directed to all of us and should be yet another warning of the need, in the present situation, to intensify our efforts to achieve a common commercial policy and not to continue with our previous practices.

Mr Deleau. — (FR) I am not at all satisfied with this procedure: two questions, Nos 3 and 4, have been confused. No 3 relates specifically to the motor vehicle sector while No 4 has far more general implications. I should have liked an answer by the Commission to Question No 4.

The Commissioner seems to believe that he has already answered but I am not satisfied. I therefore wish to put the following supplementary question to him: do you not think that the Community — including therefore the Community institutions — has a duty in this very difficult period which the European economy is experiencing, to enable the European undertakings in the sectors cited by me to fight effectively against world competition of unprecedented intensity which is ravaging the European economy and having the painful social consequences with which we are all familiar?

Mr Narjes. — (DE) I am perfectly willing to answer that question. I gather that the honourable Member agrees that this problem can only be solved offensively by measures to strengthen the competitiveness and productivity of the European motor vehicle industry and to enable it to compete with Japanese products on all world markets, not merely in the United States and Japan.

My second observation is this: I think the crisis is not affecting a whole sector but rather individual European undertakings. In the first place it is the task of those undertakings to restore their competitiveness. To the extent that they require Community aid and support for restructuring, the European Community will see what it can do. As you know one major case is already being studied by the Commission. We have discussed it jointly with the government concerned, as you have already been informed on another occasion.

But I would ask you once again to make a distinction between the lack of competitiveness of individual undertakings and the inability of the European Community to arrive at a common policy on trade with Japan. Those two topics should be separated and a suitable solution found to each one of them.

Mr Marshall. — Would the Commissioner accept that in order to get free and reciprocal trade between the Community and Japan, the one-sided barriers put up

Marshall

by Japan have to be removed and that they are inequitable and cause resentment and anger within the Community? Would he accept my assurance that he will have the wholehearted support of this House if the Commission takes the strongest possible action to ensure that trade between the Community and Japan is fair on both sides?

Mr Narjes. — (DE) I am grateful for the honourable Member's assurance.

Mr Müller-Hermann. — (DE) Following on from Commissioner Narjes' remarks, I would like confirmation that our appeals for voluntary self-limitation are directed not only at the Japanese but also, and above all, at our own industry? Is it not true that up to 1979 the European automobile industry achieved record sales but failed to adjust in good time to the changes resulting from the energy situation so that our criticisms should perhaps be directed in the first place at certain motor vehicle companies which rested on their laurels instead of taking energetic action?

Mr Narjes. — (DE) While appreciating Mr Müller-Hermann's questions I cannot subscribe to his general evaluation of the performance of the European automobile industry.

President. — Question No 5 by Mr Balfe will be answered in writing, as the author is absent.¹

I call Sir Frederick Warner on a point of order.

Sir Frederick Warner. — Mr President, I did ask you if I could ask a supplementary question. You indicated that I could do so and you then went and called another Member twice and passed me over. I don't think the Chair should do this, if I may be so bold as to say so.

President. — I am so sorry, Sir Frederick, I had not realized that you wished to ask a question.

The next item is Question No 6 by Mr Nielsen (H-842/80):

It is generally left to the national authorities in the individual Member States to supervise compliance with the legal acts of the Community as with their own national legislation. Does the Commission agree that this supervision varies so widely as regards methods used and resources deployed, and thus efficiency, that certain Community provisions have such varying effects on the conditions under which small firms in particular operate, depending on the country in which they are located, that competition within the Community is distorted? If so, what does it intend to do to remedy this problem?

Mr Andriessen, Member of the Commission. — (NL) In so far as the honourable Member is referring in general to the application of Community legislation by the authorities of the Member States, my answer is negative. As the guardian of the Treaties the Commission naturally watches over the application of Community law and it has never hesitated to initiate the procedure defined in Article 169 of the Treaty when it has learned of cases in which the Member States failed to apply a binding Community decision or did not apply such a decision correctly.

Mr Nielsen. — (DA) My question is a complex one and Mr Andriessen has taken the President's words about keeping his answers short very literally. However, I can cite a few examples of the difficulties. For example, there is the question of checking the labelling of packaged foods. This can raise difficulties, because traditional practices vary widely from country to country and because there are, as we all know, some countries with a very extensive bureaucracy — I can, of course, cite my own country, which checks these things extremely efficiently. I might also mention something that in a sense concerns the Community's finances, that is, how the basis for VAT is assessed, for this determines what the individual countries eventually pay. What is being done to monitor these things? I do not mean to suggest that there are some Member States where there is no surveillance, but we have seen examples before now of quite enormous infringements of the Community rules — in terms of the sums involved — and one could well imagine something similar going on in the case of these control measures. So I ask the Commissioner: What is being done by the Commission by way of spot-checks and the like to keep a watch on such matters?

Mr Andriessen. — (NL) In a number of cases local inspections do in fact take place. Clearly the Commission cannot be informed of everything although it tries to obtain the fullest possible details. When it does learn of an irregularity it tries to conduct an inquiry. I think it safe to say that the Commission does everything in its power and if the honourable Member has concrete problems and can name specific examples I should like to hear of them now or later on in order to ascertain what the Commission can do.

Lord O'Hagan. — Is the Commissioner aware that there is a contradiction between the dazzling complacency of his first answer and the more factual appraisal of the inadequate truth in his second? Surely the Commission cannot really believe, unless it is wholly incompetent and ignorant, that all directives and other regulations are being equally applied in all Member States and surely the Commission accepts that if this is not so, then belief in and respect for Community law is being constantly undermined. What new programme to ensure a real and genuine equality of implement-

¹ See Annex of 6 5. 1981.

O'Hagan

tation will the Commission now bring forth, or are these nothing but fine words and phoney reassurances?

Mr Andriessen. — (NL) The difference between the general nature of my first answer and my more detailed second reply is explained by the fact that the first question was couched in general terms and the second in a detailed form.

Once again, the Commission remains vigilant and when it learns of specific problems it does everything possible to ensure the uniform application of the relevant provisions. If Parliament wishes to have fuller information on this from the Commission and if Members can indicate specific instances the Commission will gladly take action accordingly.

Lady Elles. — Would the Commissioner therefore please take note of a further question that I have put down, No 32, relating to Directive 77/728, regarding the labelling of paints, which has been implemented in Belgium and Holland and has cost a firm in the United Kingdom £ 400 000 to change its labelling methods but has not been implemented in other Member States, so that this firm has to retain the other form of labelling when selling its products in those Member States? If the Commissioner wants an example of inefficiency and muddle and considerable costs to individual firms, he has it, therefore in Question No 32 of the document called Question Time, Doc. 1-156/81.

Mr Andriessen. — (NL) Mr Narjes will be answering that question in more detail in a moment.

President. — The next item is Question No 7, by Mrs Pruvot (H-3/81):

Can the Commission confirm reports that the tuition fees payable by foreign students have risen by 25% in the United Kingdom?

If so, does it not agree that such a measure adversely affects students who are nationals of the other Member States, particularly in the case of racially disadvantaged students?

Mr Richard, Member of the Commission. — The Commission is aware of the rise in tuition fees in the United Kingdom for overseas students. Since the academic year 1980/81, however, on the initiative of the Commission, Community students in the United Kingdom are charged home student fees, which are different from, and distinctly lower than, overseas rates. May I say, however, that the Commission does consider the considerable rise of tuition fees in some Member States to be a serious obstacle to the implementation of a policy of enlarged mobility for students in the European Community, the principles of which were adopted by the last meeting of the Council of

Ministers of Education on 27 June 1980. The Commission has asked the Permanent Representative of the United Kingdom to submit a review of the development of undergraduate and post-graduate tuition fees for home and overseas students during the period 1979-81 to the Commission. As soon as the answer is received, I shall be in a position to give this House a more detailed picture of the situation in the United Kingdom in writing.

Mrs Pruvot. — (FR) Since the Commissioner has just stated that we would have to wait I see no point in putting supplementary questions for the moment. I reserve the right to put a further question when the Commission is able to give me an answer after obtaining the necessary information from the Permanent Representative of the United Kingdom.

Mr Richard. — I should perhaps point out to Mrs Pruvot that in fact I thought I did answer at least part of her question by pointing out the distinction between home student fees and overseas student fees. The question was, perhaps, based upon a misunderstanding of the nature of the difference between home student fees and overseas student fees. What has now happened, as I understand it, is that the United Kingdom charges students from the European Community home student fees and not overseas student fees.

Mr Coutsocheras. — (GR) Greek students who are studying in British universities are being asked to pay enrolment fees for the current academic year of up to £ 5 000 instead of fees ranging from £ 216 to £ 1 105 like British students. As you know, Mr President and colleagues, Greece has been a member of the Community since 1 January 1981 and, in accordance with the Treaty, Greek students should be entitled to equal treatment and should pay the same enrolment fees as British students. Therefore, what is presently happening in British universities is, on the one hand, a violation of the express provisions of the Treaty and furthermore — and I want to underline this point and call on all of you for your support — it is preventing Greek students from continuing their studies in British universities because most of them unfortunately cannot afford the additional fees. Why do they go off to universities in western countries anyway? Because, unfortunately, in Greece we have the *numerus clausus* system. Thank you, Mr President. I should like to have a reply on this matter and I hope that the Treaty will be implemented so that Greek students pay the same as British students.

Mr Richard. — May I start by congratulating Mr Coutsocheras on being able to ask Question No 36 so high on the order paper this afternoon? May I try and answer his question, on which I have some consider-

Richard

able sympathy with his point of view? I should, however, perhaps make it clear that in the next academic year, 1981/82, and thereafter, the policy of the United Kingdom Government will be in line with the policy of other Member States and there will be no discrimination, as I understand it, from 1981 onwards against Greek students.

Perhaps I can also say this, that I personally have raised this question with the Secretary of State for Education in the United Kingdom in London. I regret to have to inform the House that I did not get what I consider to be a satisfactory answer.

Mrs Kellett-Bowman. — Is the Commissioner aware that the student/lecturer ratio in the United Kingdom is the best in the world and the time taken to obtain a degree is on average a year less than the time taken to obtain comparable degrees elsewhere. The United Kingdom therefore still represents a very good bargain for third country students, especially those from Singapore and Malaysia, many of whom are made very welcome at my own University of Lancaster and many more of whom we would naturally like to see there?

Mr Richard. — I can only tell Mrs Kellett-Bowman that the question I am answering is confined to students from within the Community at institutions of higher learning in the United Kingdom. Of course I have views about overseas students from the third world coming into the United Kingdom and the wisdom or otherwise of the policy at present being pursued by the authorities in the United Kingdom. But happily, or unhappily, as the case may be, that does not seem to be within the scope of these questions. I would be delighted to debate it with the honourable Member on another occasion.

Mr Enright. — To follow what the Commissioner has just said, would the Commission not agree that in fact the discrimination against African, Caribbean and Pacific students, whilst perhaps not against the letter of Lomé, is undoubtedly against the spirit of it, quite apart from the fact that it is detrimental to ourselves in that many of these students are now going to American institutions where they are getting a much cheaper university education than they could get even at a technical college?

Mr Richard. — I think any questions as to the interpretation of Lomé, either literally or as to its spirit, should in fact be addressed to my colleague, Mr Cheysson.

Mr Seligman. — Does the Commissioner not accept that we are talking about foreign students — the question concerns foreign students — not just Community

students? And does he realize that before we put the price up to a reasonable level the United Kingdom was not flooded by continental or Community students but by Iranian students who spent most of their time demonstrating outside the Iranian Embassy and making a damn nuisance of themselves?

Mr Richard. — Mr Seligman or any other honourable Member of this House really must not expect me to defend the policies of the government that he supports.

Mrs Kellett-Bowman. — On a point of order, is it in order for the Commissioner to say that in fact the question is something other than what it is? The question refers quite clearly to foreign students and is not confined to Community students.

Mr Patterson. — Perhaps I could return to the intriguing question of what was discussed between the Commissioner and the representative of the British Government on the matter of Greek students. I put a question on this matter to the Council some time ago and received a reply which appeared to indicate that the British Government was in breach of the agreement on the treatment of Greek students, namely that derogation was only possible on administrative grounds, whereas Her Majesty's Government said it was on financial grounds. Is the Commissioner pursuing his discussions with the British Government on the matter of Greek students because fees are paid by term and not annually — not by academic year?

Mr Richard. — Mr President, I can raise the veil a little on the discussions I had with the Secretary of State. I asked him to be rather more generous to Greek students in the current academic year. He refused.

President. — As the author is absent, Question No 8 by Mr Turcat will be answered in writing.¹

Question No 9, by Mrs Fourcade (H-11/81):

Can the Commission specify the practical implications of the agreements linking Spain to the Latin-American countries in terms of the movement of manpower and trade?

In view of the existing close links between Spain and Latin America, does the Commission intend to propose arrangements for Latin America similar to those granted to the ACP or the Mediterranean countries?

Mr Richard, Member of the Commission. — Spain is not bound by any agreements with Latin-American

¹ See Annex of 6. 5. 1981.

Richard

countries on the movement of labour. To the Commission's knowledge there are no preferential trade agreements between Spain and Latin-American countries which would have to be repealed as a result of accession. The Commission does not intend to propose for the Latin-American countries arrangements similar to those granted to the ACP or Mediterranean countries.

Miss Hooper. — Has Spain in the Commissioner's knowledge raised the question of preferential arrangements between the Community and Latin America as part of the negotiations for the entry of Spain into the Community?

Mr Richard. — I am afraid I do not know the answer to that question, but I will try and find out and let the honourable Member know.

President. — Question No 10, by Mr Moreland (H-33/81):

In view of the closure of coal mines that will take place in the Community due to depletion, what plans is the Commission making to ensure that schemes wholly or partly financed by the Community can be introduced as soon as (or before) closures are announced for retraining redundant miners, with assistance for them in finding new jobs and for bringing jobs to the areas affected?

Mr Richard, Member of the Commission. — Coal miners who lose their jobs as a result of partial or complete colliery closures can benefit from various aids payable under Article 56(2b) of the ECSC Treaty. These include retraining aids. There are also tide-over allowances and aids which contribute towards removal costs. Aids are not paid on the initiative of the Commission but on application by member governments. The timing of payments of allowances to workers made redundant when closures take place is a matter for those governments and for the companies or nationalized industries concerned. Payment from the Community is usually made promptly with the Commission reimbursing its share of the expenditure shortly thereafter. So far as the creation of new jobs is concerned, the Community has a number of instruments at its disposal which can contribute to this end. There are areas specifically affected by closures in the coal and steel sectors where conversion loans are granted under Article 56(2a) of the ECSC Treaty. In many cases the interest rates on these loans are subsidized to the extent that the projects supported can provide jobs for former coal or steel workers.

Mr Moreland. — I would like to ask the Commissioner in view of what he has just said whether he is considering applications from the government of the United Kingdom on this matter, particularly in view of the fact that it is known that a number of mines will

have to be closed because of depletion. And if he is not discussing this with the Government of the United Kingdom, does he not think that since this will have implications for the future budgets of the Community, the Commission ought to be planning ahead, taking some initiatives itself and having consultations with governments, so that it can assess over the next four or five years what are the financial implications of some of the closures that are likely to face the Community.

Mr Richard. — As the honourable Member will know, the United Kingdom is indeed a considerable beneficiary of aid under these various schemes. I am trying to think as best I can as to whether there has been a fresh application in the immediate past. I am afraid I cannot remember offhand but if there has been I will let the honourable Member know. May I just say one final word about planning ahead. Of course one can plan ahead, except for the fact that the application has to be made by the member governments. And unless and until member governments make the application, then frankly there is very little the Commission can do. What we can do in a general way is to try and get our policy guidelines right, and on the whole I think we are trying to do that, but in terms of actually applying them and so to speak paying the cash out, the initiative for that has to come from the member governments concerned.

Mr Seligman. — Does the Commissioner not agree that the best way to handle the problem of job shortages in the coal industry is to promote the prosperity of that industry? What the industry needs is markets for its coal. It has got great stocks building up. It needs to be able to sell its coal. And will he therefore collaborate with his colleague, Mr Davignon, in promoting the conversion of oil-fired power stations to coal which would be the biggest way and the most successful way of promoting the interests of the industry?

Mr Richard. — As far as the first part of the gentleman's question is concerned the answer is yes. As far as the second part is concerned, I will indeed consult with Mr Davignon.

President. — As the authors are absent, Questions Nos 11 and 12 will be answered in writing.¹

Question No 13, by Lord O'Hagan (H-52/81):

Does the Commission intend to bring in a tax on cider?

Mr Dalsager, Member of the Commission. — (DA) In the answers to the Oral and Written Questions Nos 1097/80 and 1568/80 Parliament was given a

¹ See Annex of 6. 5. 1981

Dalsager

detailed account of the Commission's position with regard to cider. This position has not altered. However, I can add that in the discussion in the Council a compromise was proposed by the President whereby tax on cider would be excluded from harmonization. The honourable Member will no doubt be glad to hear that the Commission expressed support for this solution to the problem.

Lord O'Hagan. — Can I take it that the Commissioner is confirming the policy of the previous Commission that cider with an alcoholic content of 8.5% or below will be exempt from new harmonized legislation?

Mr Dalsager. — (DA) I have to say that that depends on what the Council can eventually agree, but the Commission has endorsed the compromise proposal put forward for the exemption of cider from these harmonization measures.

President. — Question No 14, by Sir Frederick Warner (H-745/80):

What degree of standardization for basalt aggregate for road use exists between different Member States of the Community and what plans, if any, does the Commission have for establishing common standards throughout the Community?

Mr Narjes, Member of the Commission. — (DE) The Commission is acquainted with national standards relating to the use of aggregates in highway construction. For this purpose basalt is classified among the heavy aggregates. No work has as yet been done on international standardization.

Secondly, on 30 November 1978 the Commission submitted to the Council a proposal for an outline directive concerning construction materials and products which would enable the Commission to adopt certain directives on individual products where technical barriers to trade are obstructing the proper functioning of the common market. That directive has not yet been adopted by the Council.

Thirdly, the Commission has not as yet received any complaints relating to the trade in heavy aggregates; it is a fact that internal Community trade in those products is small.

If barriers to trade do become a problem, the Commission will be able to take measures in the context of the directive on construction materials as soon as the Council adopts the outline directive. If the honourable Member is acquainted with any specific cases I should be grateful if he would inform me to enable the necessary action to be taken.

Sir Frederick Warner. — The Commissioner, I think, has really made the point that I wished to make, which is that trade is limited, but is the Commissioner aware that this is largely due to the multiplicity of standards and the fact that it is almost impossible to move this substance around the Community because at every internal frontier within the Community it meets with fresh requirements. I therefore would ask the Commissioner if he would give consideration to this problem in the context of the building materials' directive.

Mr Narjes. — (DE) The honourable Member has brought to our attention the first instance of an obstacle to trade of this kind. I shall gladly look into the matter and would appreciate further information.

President. — Question No 15, by Mr Seligman (H-765/80).

In view of the unequal incidence of unemployment in different parts of the Community would the Commission consider measures to inform district labour exchanges and job centres of job opportunities and vacancies for specific skills in all member nations of the Community, in order to promote improved labour mobility?

Mr Richard, Member of the Commission. — A procedure already exists for the exchange of information relating to vacancies and applications for employment. At least once a month the employment services of the Member States, in accordance with Article 15 of Regulation No 1612/68, send each other details of vacancies and applicants by means of a uniform system of job description known as CEDOC. Certain Member States already circulate some of these vacancies to regional and local employment offices by means of periodic bulletins and other internal procedures. Nevertheless, the Commission is constantly encouraging the Member States' employment services to bring these vacancies to the notice of as wide a public as possible. It is currently pursuing the possibility of financing the publication of selected job opportunities throughout the Community by means of radio and other media.

Mr Seligman. — That reply was extremely interesting. I do think that this question of being able to work in other countries of the Community is one which makes people enthusiastic about the whole concept of the Communities, especially young people. But I have been to my local Labour Exchange on more than one occasion

(Laughter)

— not to look for a job for myself, but to look for jobs for young people — and I have only been given extremely short and patchy lists: one or two jobs in

Seligman

Germany and one or two jobs in Denmark. I feel that what he has suggested of financing it in a stronger way would be very welcome indeed, and so I am very glad that he is going to try and make the whole system work more comprehensively and actively.

Mr Richard. — Can I thank the honourable Member for his kind words. I think the CEDOC system is an interesting one and I think it is beginning to work, as far as the Commission can tell. One of our problems is that CEDOC supplements but clearly cannot replace existing placing procedures. Consequently it is not possible to separate the figures of people finding employment through this system from the others, so we are not absolutely certain precisely how many people it has found jobs for. On the other hand there is a noticeable increase of activity using CEDOC procedures and an evaluation of it has been promised by the Commission services and no doubt, in due course, Members of Parliament might be interested in that

Miss Quin. — Would the Commissioner not agree that what is much more vital than the point made by Mr Seligman is the need to direct jobs to the regions and keep employment out of the already over-developed parts of the EEC? What new initiatives does the Commission propose in this sphere?

Mr Richard. — I am afraid that question goes very much wider than the question I have just tried to answer. It raises, indeed, fundamental questions of regional policy, indeed almost of theology as far as the Community is concerned. Certainly I think all of us in the Commission would agree that the principle of convergence is one which the Community, and Europe, and, indeed, Member States should work towards.

Mr Calvez. — (FR) Could CEDOC not add to its activities in some form or another the system advocated by our colleague Mr Seligman? I think that would satisfy everybody.

Mr Richard. — I am not absolutely certain what precisely Mr Seligman was suggesting, but as I understood it, what he was worried about was the fact that the CEDOC information does not seem to reach the local employment offices in a particular Member State. Certainly, as far as we are concerned we would be prepared to look at the procedures to see whether or not they somehow or other cannot be made to work a bit more effectively. But I do have to say to the House that there are a lot of these matters; although we can do something at a Community or an international level, very often the implementation of it has to depend upon the way in which Member States operate

their particular employment or placement policies. That is the difficulty. But I would certainly be willing to look at it and see if there is anything we can do to iron out some of the kinks in the procedure and make it work more smoothly.

Mr Van Minnen. — (NL) Would the Commissioner say whether he is aware of all the risks which this mobility may entail for workers. Only this weekend I read in English and German newspapers a report that British waiters and British chambermaids who had been attracted to Bavarian hotels were rapidly dismissed there again for laziness because they tried to introduce British trade-union practices. I should like to put that question to the Commission for further consideration.

Mr Richard. — The honourable Member must not tempt me; but he certainly would not expect me to agree that British trade-union procedures necessarily meant that workers were lazy.

President. — Question No 16 by Mr Kirk has been withdrawn. Question No 17 by Mr Johnson will be answered in writing since the author of the question is absent.¹

Question No 18, by Mr Fanton (H-42/81):

Faced with soaring inflation, British consumers are turning to cheaper meats and as a result sales of poultry, particularly turkeys, are rising sharply. At its present level turkey production in the United Kingdom lags far behind demand and imports are therefore required.

Can the Commission take immediate steps to remove the barriers — admittedly indirect in that they are cleverly disguised as health requirements — put up by the United Kingdom to trade in turkeys produced in the other Member States?

Mr Dalsager, Member of the Commission. — (DA) As far as the Commission is informed, the United Kingdom is not applying health restrictions to turkey imports from other Member States, so I cannot answer Mr Fanton's question.

Mr Fanton. — (FR) The Commission has no information. I find that rather surprising because this is not confidential news but something which has been reported in the press. I have the impression that the Commission is always the last to be informed of what is happening in Europe. If it was able from time to time to use its services in the various countries to obtain information it would know what is going on. I hope that our numerous British colleagues who have asked to speak will now give the Commission the information which it is lacking.

¹ See Annex of 6. 5. 1981.

Mr Dalsager. — (DA) I must point out that, if the Commission were to react to all the rumours put about by the press, we would have no choice but to investigate them. In this sort of case, the Commission acts in response to specific complaints from Member States or interested parties and as long as it has not received a complaint or learned for certain that the position is as Mr Fanton suggests, we obviously cannot act.

Mr Harris. — For once, I welcome the Commission's reply, but I completely refute the claims made by our colleague behind. However, could I ask the Commission whether it could comment on the national aids which are now being given by France, — I can produce evidence of this — given under the guise of regional assistance to the turkey industry, particularly in Brittany, and which are threatening turkey producers, particularly in the south-west of England and causing enormous resentment and anger among them?

Mr Dalsager. — (DA) This is something that the Commission has been formally notified about and we are in process of investigating it.

Mr Cottrell. — I pay tribute to Mr Fanton for the intellectual curiosity of his question; but those of us who have an agricultural area and who have accurate information are able to suggest to the Commissioner that a very large amount of national aids are available to turkey producers in the Brittany area. Mr Commissioner, I am surprised that your information has not revealed this to you, since these producers have made no secret at all that they are using French government aids, which could be regarded as illegal under the treaties, in order to obtain a market in the United Kingdom. There has been absolutely no attempt to hide this whatsoever, and I personally find the paucity of your reply uncomplimentary. I wonder whether you could comment on whether you think national aids are at work in this particular turkey enterprise in Brittany which, as my colleague, Mr Harris, has said, is causing grave concern to producers in the west of England?

Mr Dalsager. — (DA) As I have said, I have just recently received a formal complaint about this and I have also said that the Commission is looking into the matter in response to that complaint. At this stage, of course, it is impossible for me to say what action the Commission may take, but I repeat that I am aware of the problem and it is being investigated.

Mr Battersby. — Of course, not only the producers in the south and west of England but also the big turkey producers in the east of England and Humberside are up in arms too, because it can put them right out of business. Since Mr Fanton is referring in his question to health requirements, can the Commissioner comment, hand on heart, on the level in France of inspection of poultry, including the turkey industry, and can he state categorically that the conditions of cleanliness and hygiene in all French production units and slaughter points are fully in accordance with the standards required by the Community?

Mr Dalsager. — (DA) Mr Battersby knows very well, of course, that I cannot do that, because the Commission has neither the personnel nor other resources to investigate whether all these rules are being complied with. The answer I gave to Mr Fanton's question was that I have not been informed either formally or informally that the United Kingdom is using health restrictions to limit imports of turkeys. Until I receive a formal complaint from, I suppose, the French Government, there is no case to investigate. This is what I said in my answer and this is what the question was about.

President. — I call Mrs Kellett-Bowman on a point of order.

Mrs Kellett-Bowman. — The point that I was going to raise was that I understood you were going to call one of my colleagues who has already spoken, whereas you excluded me on the grounds that I had spoken, but since all the points that I wished to raise have been raised very ably by Mr Harris and Mr Battersby, I am perfectly happy with the answers that were given.

President. — That was not a point of order! The first part of Question Time is closed.^{1, 2}

The sitting is closed.

(The sitting closed at 8.05 p.m.)

¹ See Annex of 6. 5. 1981.

² Agenda for the next sitting: see Minutes.

ANNEX

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

1 As agreed with the Bureau of Parliament, the Commission informs Members at the beginning of every part-session of the action it has taken on opinions delivered at the previous part-session in the context of parliamentary consultation

2. At its April part-session the European Parliament delivered 12 opinions on Commission proposals in response to Council requests for consultation

3. At the part-session six reports were discussed in connection with which Parliament delivered favourable opinions on or did not request formal amendment of the proposals mentioned below:

Report by Mr Woltjer on the proposal for certain measures designed to put an end to abuses resulting from the sale of agricultural products on vessels (COM(80) 711);

Report by Mr Früh on the proposal for common measures to accelerate the improvement of infrastructure in certain less-favoured agricultural areas of the Federal Republic of Germany (COM(80) 700),

Report by Mr Provan on the directive concerning the statistical surveys on cattle herds to be carried out by the Member States (COM(80) 729),

Report by Sir Henry Plumb on three proposals concerning cattle production in Ireland (COM(81) 106);

Report by Mr Gautier on the recommendation concerning the conclusion of a fishery agreement between the Canadian Government and the EEC (COM(80) 887 final),

Report by Mr Muntingh on the decision on the conclusion of the convention on the conservation of Antarctic marine resources (COM(80) 643).

4. In six cases the European Parliament asked the Commission to alter its proposals under the second paragraph of Article 149 of the Treaty and adopted proposals for amendments.

During discussion of the

report by Mr Sutra de Germa on three proposals for:

- (i) *regulations establishing common organization of the market in cereals and sugar and the Common Customs Tariff,*
- (ii) *a regulation on production refunds in respect of cereals and rice,*
- (iii) *a regulation on import and export arrangements for products processed from cereals and rice* (COM(80) 833),

the Commission decided to maintain its proposals.

During discussion of the

report by Mr Gauthier on the Commission proposal for a decision empowering the Commission to contract loans in order to promote investment in the Community (COM(80) 670),

the Commission explained why it wanted to maintain its original proposal.

During discussion of the

report by Mr Ippolito on the proposal for a decision establishing a research programme for uranium prospecting and mining (COM(80) 382),

the Commission said it wanted to maintain its proposal.

With regard to the

report by Mr Newton Dunn on the directive on the protection of workers against the dangers of harmful exposure to lead (COM(79) 83),

the Commission is to present an amended proposal shortly which will incorporate most of the changes suggested by Parliament and try to take account of parliamentary concern regarding equal treatment.

With regard to the

report by Mr von Wogau on the directive on the approximation of the laws on the indication of origin for certain textile and clothing products (COM(80) 557),

the Commission is re-considering its proposal. This has not yet been completed.

With regard to the

report by Mr Lega on two proposals for

(i) a regulation on the recruitment of officials in consequence of the accession of Greece,

(ii) a regulation introducing special measures relating to the definitive cessation of duties by officials (COM(80) 283),

the Commission having accepted some of the amendments proposed by Parliament (as Mr Richard stated during the discussion), it will be presenting an amended proposal to the Council shortly.

5. The Commission also expressed its views during discussions concerning it and took note of the European Parliament's opinions on the

report by Mr Welsh on the renewal of the Multifibre Arrangement, account being taken of the situation of the European textile industry in particular;

report by Mr Colleselli on the present situation of wine-growing in the Community;

resolution on the adjustment of the cooperation agreement with Yugoslavia following the accession of Greece to the Community;

resolution of the United Nations Conference on the Law of the Sea;

report by Mr Walters on the economic aspects of exploiting the sea-bed;

resolution on the supply of foodstuffs to Poland,

resolution on Community aid for Afghan and Pakistani refugees;

resolution on the joint Council meeting;

report by Mr Price on the European Parliament's administrative expenses;

report by Mr Spinelli on the Community's own resources;

report by Mr Adonnino, Mr Ansquer, Mr Dankert and Mr Jackson on the interinstitutional dialogue on certain budgetary matters;

resolution on the military junta in Turkey;

resolution on the persecution of the Bahai community in Iran;

resolution on the Lebanese crisis;

resolution on the Franco-German loan,

resolution on the situation in Poland;

resolution of the Maastricht European Council.

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

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

- 500 000 ECU for drought victims in Guinea,
- 400 000 ECU for drought victims in Mali,
- 25 000 ECU for the victims of an epidemic of meningitis in Upper Volta,
- 500 000 ECU for the victims of recent events in Chad,
- 100 000 ECU for the victims of a cholera epidemic in Tanzania,
- 13 000 000 ECU for African refugees,
- 300 000 ECU for the victims of recent events in Lebanon.

With regard to *food aid granted in connection with disasters,*

- (i) on 7 April the Commission proposed to the Council that 2 000 t of skimmed milk powder and 8 000 t of colza oil should be granted the victims of natural disasters in various provinces of China;

- (ii) on 25 March 1981 the Commission decided to grant 950 t of cereals to El Salvador,
- (iii) in view of the gravity of the situation in Africa, on 27 March 1981 the Council decided to make an advance grant of 50% of the cereals in the 1981 food aid programme to African States scheduled to be recipients under the programme, which has not yet been approved by the Council.

The Commission has decided to grant

3 000 000 ECU to Greece for those affected by the earthquake in February/March 1981. This emergency aid is intended primarily to assure the means of existence and the protection of the lives of the victims.

SITTING OF TUESDAY, 5 MAY 1981

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IN THE CHAIR: MR ROGERS

Vice-President

(The sitting opened at 9.00 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?

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, we have new Rules of Procedure. Rule 3 (2) of these Rules of Procedure requires a list of the names of Members present to appear in the minutes. The draft minutes before us do not contain this list. The minutes are not therefore complete.

President. — You are quite right, Mr von der Vring. In some of the language editions the list of Members present is not given. It should be given according to the Rules of Procedure.

Mr von der Vring. — *(DE)* Mr President, can I conclude from this that the names of our Members have different versions in the various languages?

(Laughter)

President. — A rose by any other name would smell as sweet — or unsweet. I think the best that you can do, Mr von der Vring, is to take page 30 out of the French edition, shove it into your German edition and then it will be complete.

(Laughter)

However, you are quite right to draw attention to the point.¹

¹ *Application of the Rules of Procedure: see the minutes of the sitting*

2. Agenda

President. — I call Mr Nyborg.

Mr Nyborg. — (DA) Mr President, I have an objection to today's agenda. Item 63 is a report drawn up on behalf of the Committee on Budgets, by its chairman, on Parliament's estimates. According to Rule 59 of the Rules of Procedure such documents should be available 24 hours before they are to be debated, and as it was not available at 7 o'clock yesterday evening I see no alternative to postponing discussion of this matter until tomorrow.

President. — Mr Nyborg, the matter is on the agenda and I feel that we should adhere to the agenda.

However, if when the item is called an objection is raised, a ruling can then be made. In other words, Mr Nyborg, the decision on whether the matter will be discussed will be taken when we reach that item. The chairman of the Committee on Budgets will be present and we can sort the problem out at that time.

Mr Nyborg. — (DA) Mr President, there is nothing to decide and nothing to discuss. It is quite clear from Rule 59 of the new Rules of Procedure that 24 hours must elapse from the time when a document is made available until the time it may be discussed and debated. There is therefore no room for argument, no need for a lengthy debate when we come to that item, as according to our new Rules of Procedure it cannot be debated until tomorrow. And there is no point in making a new set of rules if we are not going to obey them.

President. — The important thing about rules is that you comply with them.

(Cries from the European Democratic Group)

This item was placed on the agenda yesterday and approved by the House. We have now to proceed with another. I do not intend to change the agenda at the moment. So you may well be perfectly right, Mr Nyborg, that the relevant rules have not been complied with — but that can be decided when the matter is brought before the House.

The matter is closed.

I call Mr Peponis.

Mr Peponis. — (GR) I should like, if it is possible, Mr President, to know why items 59 and 60 on the agenda, which was distributed to us weeks ago, are not going to be discussed today. If we are to take it

that there has been a decision to vote on these Commission proposals without a debate, I should like to make the point that, as far as I know, the provisions of Rules 99 and 34 of the Rules of Procedure have not been observed. Nobody has put forward a proposal that we should pass these proposals without debate and without a report and, therefore, I should like a debate on these two matters, namely items 59 and 60, which are extremely important as far as we Greeks are concerned.

President. — That will be dealt with at 6 o'clock tonight.

I call Mr Haralampopoulos.

Mr Haralampopoulos. (GR) — With reference to what Mr Peponis said, Mr Papaefstratiou asked if the debate on the ten items contained in the agenda which refer to Greece's accession to the Community was going to begin, and Mrs Veil replied 'Of course, as long as we have time', meaning that there would be enough time before Question Time began. We thought that this was settled, and for this reason I approached the rostrum — as did Mr Glinne, the chairman of the Socialist Group — and there are our names, mine and Mr Peponis', listed to speak for a few moments on these matters — just for a few minutes. I cannot understand why another decision has been taken this morning. These are very important matters to Greece, and we Socialists, as well as the other parties which represent the Greek people in this Chamber, should not be deprived of the chance to express our opinions.

President. — I will refer this to the President and I will ascertain, in fact, what undertaking was given yesterday. We can then come back to it afterwards.

3. Deliveries of agricultural products to the USSR
(continuation)

President. — The next item is the vote on the continuation of the questions on the Commission statement on the deliveries of agricultural products to the USSR.¹

(Parliament decided to continue with the questions)

I call Mr Møller.

Mr Møller. — (DA) Mr President, I should like to put a very brief question to the Commissioner on the lifting of the embargo on the sale of wheat to the

¹ See Report of Proceedings of 4. 5. 1981.

Møller

Soviet Union. As the Commissioner himself said, it was introduced on political grounds. We took these political grounds, the Russian invasion of Afghanistan, very seriously when we debated the matter last year. Now we have lifted this political sanction on the Soviet Union, and I should like to ask Mr Dalsager what concessions the Soviet Union has made to the USA, to Western Europe or to Afghanistan to have the wheat embargo lifted? How many Russian divisions have been withdrawn from Afghanistan? Is there any hope that lifting the embargo will ease the Soviet grip on Afghanistan? That is the crucial point, and if the Commissioner is unable to give a positive answer then I maintain that Europe and this Assembly, our Commissioners and the Council, have abandoned any attempt to influence a Russian withdrawal from Afghanistan, and we are then once again acquiescing in injustice.

(Applause from various quarters on the right)

President. — I call Mr Pranchère.

Mr Pranchère. *(FR)* — Mr President, Mr Commissioner, we note with satisfaction the lifting of the embargo, which we see as a victory for those who stood against using food as a weapon. But the truth of the matter is, as I see it, that the Commission has purely and simply taken its cue from the United States.

My first question, in case it should again decide to pursue its own independent line, is as follows: does the Commission intend to call for the renegotiation of the GATT agreements which place the Community and its Member States at a particular disadvantage as regards a whole range of questions, notably that of oils and fats? Secondly, Mr Commissioner, you gave us to understand that what was preventing growth in dairy exports was insufficient production. You must admit that that is a surprising, not to say astounding, statement. After all the talk about butter mountains, we now find ourselves unable, if we understand correctly, either to maintain trade at a level consistent with demand — Mr Villain, a director-general at the Commission, actually told us that the Soviet Union would have been prepared to buy 200 000 tonnes of butter in 1980 — or else to carry on with the embargo, which would be a totally unacceptable decision for you to take. My question in this connection is this: do you intend to remove the obstacles to the expansion of dairy production, particularly in France where we are currently facing severe difficulties, and first and foremost will you do away with the co-responsibility levy?

Second question: how can you hope to have a genuine export policy of the kind you referred to before the Committee on Agriculture and that is referred to in the Commission's document when you cannot even meet the demands made to you, and not just by the Socialist countries?

Are you going to meet the demands of the ACP countries, particularly those put forward at the Freetown meeting?

Finally, there is a third question to which you have not replied and on which you have taken a position that is not satisfactory. With reference to aid to Vietnam, as the Commissioner personally responsible, and in view of the collective responsibility of the Commission as a whole, do you intend to resume aid to this country which has, as everyone knows, suffered terribly as a result of American aggression?

In reply to a question put by another Member, Mr Cheysson stated last October that the Commission did not intend to resume this aid!

President. — Mr Pranchère, this period is intended to enable Members to put questions to the Commission. In speaking so long you are abusing the right of other Members to take part in the procedure.

I call Mr Marshall.

Mr Marshall. — Would the Commissioner not accept that this action is nothing short of a constitutional outrage, in that the Commission's decision was taken without consultation with Members of this House or the Council? Should an appointed body such as the Commission not listen to the wishes of this House and of the Council before taking a decision such as this? Would the Commission not agree that this decision has caused grave public concern throughout the Community? Why should the Russian *gauleiters* grow fat at the expense of the Community taxpayers? Finally, would he not accept that there is no political reason for making this decision as long as the Russians are still in Afghanistan? Would he accept the verdict of a friendly critic that this decision was politically inept, constitutionally wrong and economically mad?

President. — I call Mr Hord.

Mr Hord. — Mr President, this is possibly one of the most important political and constitutional issues that has confronted the House in the last year. It would seem that the Commission has taken the decision to export cereals and other agricultural products to the Soviet Union at a time when Russian aggression in Afghanistan has been stepped up, when Russian bombers are bombing the poor people of Afghanistan and millions of people are seeking refuge in Pakistan. I should like the Commissioner to tell this House how the Commission is able to undertake such a unilateral decision which involves substantial amounts of taxpayers' money without any consultation with either Parliament or the Council. We now have an urgency procedure; this is often used by the Commission and

Hord

the Council where budgetary issues are at stake and I would like to know why the Commission has not invoked the procedure in this instance.

President. — I call Mr Delatte.

Mr Delatte. — (*F*) Mr President, I feel we are departing somewhat from the matter we are supposed to be discussing in this debate. In my view the embargo was a failure. Why? Because, in spite of everything, many countries continued to supply grain to the USSR and because Europe connived in the trade in American grain which passed through Europe, was turned into flour and sold to the USSR.

Today the embargo has been lifted. Right now in Europe we have grain stocks of 600 000 tonnes which are going to be something of a liability come the harvest; 600 000 tonnes that we must sell outside the Community, except for a buffer stock which we need for ourselves. And so I want to ask the Commission: why is it presently refusing to sell these 600 000 tonnes to the USSR, given that the ban has been lifted and that all the other surplus countries will take over our place on the USSR market? Why are we still not selling these 600 000 tonnes, which it is imperative that we dispose of right away?

President. — I call Mr Harris.

Mr Harris. — Might I simply ask the Commission whether it took no account at all of the political issues involved in this matter, because from the statement made by the Commissioner yesterday it appeared that it did not pay any attention whatsoever to these issues. As my friends have said, this is a matter, and the Commissioner must recognize this, which is causing tremendous concern and holding up the Community to virtual contempt in some of the member countries.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (*DA*) This debate has been characterized by the refusal of speakers to acknowledge the wording of the decision taken on 15 January 1980. For the record I shall repeat the terms of that decision. It established the principle, in so many words, that deliveries from the Community should neither directly nor indirectly replace deliveries from the USA to the Soviet market. Therefore, regardless of what the Community decides, that decision is nullified once the US lifts its embargo, as it would be pointless to decide whether or not to replace deliveries from the American market if the Soviet Union and the USA had already negotiated a resumption of American exports. There is therefore no point in debating whether we should continue to

refrain from replacing these US exports if they have in fact been resumed.

If we wish to continue our embargo of the Soviet Union we should, in fact, have to take a new decision, and I have not heard the slightest suggestion that the Foreign Ministers might be considering such a step. I would add that the Commission's decision was to resume normal trade relations with the Soviet Union, and that decision was ratified in COREPER by all ten Member States. It is therefore untrue to say that the Commission has taken any political decisions off its own bat, for the Council's decision of over a year ago has been invalidated by the action of the US. To carry out the wishes being expressed here today we should need a new decision for separate action by the Community against the Soviet Union.

Mr Gouthier spoke of milk products and criticized me for what I said yesterday. Our decision on milk and butter exports was a purely commercial one, as at present the Community has no large stocks of butter, for example, that we could make available for export. That situation will change. At some future date stocks will have accumulated again, but that is not the case today and we therefore have no desire to encourage exports of these products. To Mr Delatte I would say that when the Community, before this situation arose, refused to subsidize the export of the famous 600 000 tonnes of grain, the reason was that the Commission wished to uphold the Council's decision not to replace US exports to Russia. The decision I announced to Parliament yesterday finally annuls the previous decision, and the Commission is now ready to proceed with invitations to tender in the normal way, but obviously this will take some time, so a refusal by the Commission to allow the export of these 600 000 tonnes of grain does not arise.

Mr Fanton. (*FR*) — Rubbish!

President. — This item is closed.

4. Competition policy

President. — The next item on the agenda is the report by Mr Moreau (Doc. 1-867/80), on behalf of the Committee on Economic and Monetary Affairs, on the Ninth Report of the Commission on Competition Policy (Doc. 1-127/80).¹

¹ See debates of 10 April and 4 May (order of business) 1981

President

I call the rapporteur

Mr Moreau, rapporteur. — (FR) Mr President, ladies and gentlemen, competition policy is not an end in itself for us. It is an essential means to an end, to achieving the economic integration of the Community. It also has particular relevance at the present time in view of the economic situation which continues to intensify competition and provoke protectionist reactions both inside and outside the Community. The aim of the report was to examine the rules on competition embodied in the Treaties and the way they have been applied over the past twenty years, and to look at what must be done to apply them, improve them and in some cases adapt them to changing circumstances. I will deal with the report under three main headings: the effectiveness of competition policy, its flexibility and its objectives.

The rules on competition must be applied fully and as rapidly as possible, in full knowledge of the facts, and in every sphere where competition must rightfully exist. If it is to be effective, competition policy should allow for a revision of the present procedure, further extension of its field of application and greater equality in the conditions of competition.

The procedure needs to be revised. The present procedure followed by the Commission in applying the rules on competition is restricted to exports alone, inappropriate in some cases, not transparent enough and short on resources. The Advisory Committee on Restrictive Practices and Dominant Positions, whose opinion is sought before any decision is taken on the implementation of Articles 85 and 86, is made up entirely of officials appointed by the Member States. If necessary, the Commission may seek advice from various sectors of industry, but the trade unions, employers' organizations and consumer associations are not sufficiently involved in competition policy. That is why we are calling on the Commission to provide more extensive information to these organizations on the aims it is pursuing and the measures it is taking. This is vital if competition policy is to be understood and applied by everyone in the Community. If the procedure for implementing the rules on competition is too slow or insufficiently transparent, then clearly it is inadequate. Paragraph 7 of the resolution suggests some remedies. In view of the fact that there is considerable overlapping between national and Community legislations, we also suggest that the Commission should seek closer cooperation with consumer organizations, national monopolies commissions and the Economic and Social Committee. The Economic and Social Committee has, in fact, recently shown its interest in competition and has prepared and adopted a report on the subject. It has also become apparent that the Commission does not have the staff to pursue a fully effective competition policy.

As regards the field of application, we are particularly anxious that the Commission should in future provide

us with an annual summary of its activities in the financial sector and the insurance sector where very little progress has been made in recent years. As for transport, we hope the Commission will shortly submit two proposals on the application of the rules on competition to air transport and sea transport.

Furthermore, if it is to be effective, competition policy implies some degree of harmonization of legal, technical and fiscal provisions in the Community. In this connection the resolution underlines the need to accelerate the removal of technical barriers to trade resulting either from laws and regulations or from existing provisions, in line with the judgment handed down by the European Court of Justice in the *Cassis de Dijon* case on 20 February 1979. As regards the fiscal side, we deplore the inadequacy of tax harmonization in the Community which is at the source of the inequalities in the conditions of competition. Paragraph 17 of the resolution details the action to be taken in this area. In relation to foreign trade, we cannot create a genuine competition policy unless our competitors on the world markets are prepared or can be persuaded to abide by the same basic rules we impose on ourselves. The Commission should therefore actively seek to extend the rules on competition to the other countries too by doing its utmost to abolish tax havens, eliminate flags of convenience and abolish other unfair practices in the field of competition.

The rules on competition contained in the Treaties were devised during a period of economic growth very different from the situation we have at the moment. It goes without saying that in the present changed situation the rules on competition must be applied, scrupulously of course, but also with sufficient flexibility to take into account both the economic situation and the capacities and functions assigned to various competing economic operators, whether private or public undertakings, large undertakings, small and medium-sized undertakings or national and transnational undertakings.

With regard to private undertakings, the Committee on Economic and Monetary Affairs accepts that in a period of exceptional structural crisis, a few closely controlled agreements of limited duration might be necessary in the European Community to assist restructuring under Community industrial policies. Wherever possible, undertakings should be given the opportunity to play their part in restructuring, provided of course that any exemptions they may enjoy and any profits that may accrue from them are used primarily, if not exclusively, for restructuring and reconversion in these sectors. Generally speaking, the Commission does not at present have the necessary powers to influence the trend of the market. In fact the Community market is moving towards an oligopolistic structure, to the point where in some sectors there is more collusion than competition. It is deplorable that the Council has still not adopted the

Moreau

proposed regulation on the control of mergers which would give the Commission the necessary instrument to prevent excessive concentrations.

The Committee on Economic and Monetary Affairs welcomes the proposal put forward by the Commission — whose competence in respect of public undertakings was recently challenged in an action brought before the Court of Justice — because this proposal is designed to ensure greater transparency of financial relations between public undertakings and Member States

Finally we move on to transnational undertakings, and here we regret to say that the Commission has failed to act. We are still waiting for a proposal on transfer prices and for measures which would provide more information on the activities of transnationals.

A flexible competition policy, that is to say, one that can adapt to the size and scope of the various undertakings that are competing with each other, must promote the interests of small and medium-sized undertakings whose dynamism, needless to say, is so essential to the economic life of today. The Commission did indeed make a statement on small and medium-sized undertakings in November 1980, but the Commission's actual report on competition policy contains virtually no signs of developments in this area.

To round off, the report deals with the objectives of competition. Competition cannot be said to be effective unless it is beneficial to the economy in general and the consumer in particular. This is not invariably the case. The monitoring of national aid schemes is also an essential aspect of competition policy. According to Article 92 of the Treaty, aid must not lead to distortion of competition and is compatible with the principles of the Common Market only if it promotes economic development. This aspect has acquired crucial importance in the present period of economic difficulties when there is a general tendency to resort to aid. Paragraph 25 of the resolution spells out very clearly what are the requirements of a competition policy which maintains the competitiveness of industry and not the reverse. Specifically, we are asking for a detailed review of the effects of the implementation of the Council Decision of 18 December 1979 establishing Community rules for specific aid to the iron and steel industry. In general, effective monitoring of aid schemes depends on close coordination between the various other Community policies, particularly industrial policy, and competition policy. And this is something we cannot overemphasize to Commissioner Andriessen, and indeed to all the Commissioners. In the present circumstances, the continued development of the single market depends to a large extent on aid schemes being kept under effective Community control.

As regards consumer protection, the Committee on Economic and Monetary Affairs stresses once again that the Commission must follow up in its enquiries into price disparities with practical measures designed to eliminate them. But lower prices are not the only benefit the consumer has a right to expect. In this connection, paragraph 26 of the resolution draws attention to the great care needed in applying the rules on competition, in order to take account of the special nature of certain services such as air transport. The reports by Mr Beumer and Mr Schwartzberg respectively stressed the importance of maintaining a high standard of service in these areas, regardless of the possible advantages to be gained from increased competition. I felt this was a point worth underlining.

Those are the main provisions of the report. If we are to have genuine and effective competition that can adapt to various situations and to various economic operators, and that is beneficial both to the Community and to the consumers as a whole, clearly it is vital that the Commission, and not only the Commission but also the Member States and the Council, should have the will to apply the rules on competition to the full. But this will alone is not enough; they must also have the capacity to implement them, especially in the face of the powerful legal resources at the disposal of the production and distribution units. That is what we meant by improving and adapting the procedure for implementing the rules on competition. Competition is an instrument serving a policy; what we need now is the political resolve to follow the direction indicated in this report.

President. — I call the Socialist Group.

Mr Walter. — (DE) Mr President, ladies and gentlemen, the Socialist Group approves Mr Moreau's report. We also approve the statement he has made here, since his report takes critical stock of the present competition policy.

We are, of course, all familiar with the picture of a common market where there are no subsidies and the trade frontiers are open. In reality, the European Community is quite different. The Member States of the European Community fight each other at the frontiers with trade tricks for which we have invented the fine term 'technical barriers to trade'. The Member States of the European Community are engaged in a cut-throat national subsidy race and, in their efforts to protect their economies, they are constantly coming up with new protectionistic external trade restrictions.

I believe we are further away from the common market in the European Community than ever, and the failures of the competition policy show us that the European Community has entered a phase of renationalization. Under the pressure of the economic crisis, protectionism is on the increase in the

Walter

Community. I therefore say that, if economic crises are not to turn into social and economic catastrophes in the Community, action must be taken, particularly in this critical period, to expand and maintain the common market.

I would, however, stress that the Community itself is partly to blame for this development. The differences in levels of prosperity in the European Community form an ideal breeding ground for national protectionism. But despite all the European Community's efforts we find that it has not yet been possible to reduce these differences. Since there is no effective structural and social policy in the steel industry, we should not be surprised if the Member States resort to national subsidies. Since the Community does not have an effective regional policy, we should not be surprised if the Member States propose and introduce national regional aids. So let us not ask too much of the European Community's competition policy. It cannot make up for the mistakes and omissions made in other political areas of the European Community

The Socialist Group is, of course, particularly interested in the future of the concentration of undertakings in the Community. This concentration has increased, albeit at a slower rate than before. But this only goes to show that we have already gone a relatively long way in abandoning markets in the Community. This has serious implications for price formation, it has serious implications for agreements and market sharing and for the ability of the workers in the undertakings to safeguard their interests.

After all, what use is even the best national legislation on the involvement of workers in corporate decision-making if the process of international concentration results in responsibility for economic decisions being removed from the national subsidiaries of international companies? What good is even the best and most consistent national fiscal policy if international companies use international transfer prices to get round it? I say this to those who, when talking about the economy, always use the word 'market'. I also say it to those Members of this House who are closely associated with organized economic interest groups. 'Market' does not only mean customs duties and barriers to trade; it also means consumers and workers.

I therefore appeal to the governments of the Member States at long last to introduce the control of mergers that has been under discussion in the Council of Ministers for so long. I also appeal to the Conservative parties in this House to abandon their resistance to the adoption of the directives on company law in the Community, which concern the extension of workers' rights in companies. The way the Fifth Directive has been played around with in the Legal Affairs Committee is truly unworthy of Parliament and means that the Community is not seizing the new political opportunities open to it.

I also appeal to the Commission not to delay any longer in submitting a proposal for solving the problem of the transfer prices used by international companies. I regard it as disrespect for the request made by Parliament in 1977 that the Commission should not yet have put forward any practical proposals in this area.

Ladies and gentlemen, the credibility of the European Community among workers and consumers depends very largely on whether we make any progress in these areas.

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

Mr Herman. — (FR) Mr President, ladies and gentlemen, in their attempts to find a way out of an economic crisis, governments and political parties have frequently resorted either to a policy of stimulating overall demand or to a so-called supply policy; some of the policies are monetarist or Friedmanite, others are Keynesian, but one does not hear much about competition policy. This is no doubt why Parliament devotes so little attention to it. Competition policy is not popular, and yet it is a policy we cannot do without. Why? Because competition is the only policy that enables the benefits of productivity to be passed on to the consumer in the form of reduced prices for the goods he buys. That way we can maintain a reasonable level of demand without inflation. That way our costs can stay competitive. That way the developing countries can continue to buy from us without risk to their balance of payments. That way we can rob the OPEC countries of the excuse of our rising costs to keep increasing the price of oil.

In fact, it is through lack of competition that the benefits of productivity either show up as increased profits or as increases in costs and wages, and very often both. So it is that the wage increases awarded in the protected sectors and in the high-productivity sectors rapidly spread through the low-productivity sectors, leading to bankruptcies and unemployment. The process of de-industrialization that Europe is undergoing is the result of these tendencies, in other words the lack of competition. The best way to improve purchasing power is to lower prices and not to give wage increases which very quickly trigger off inflation and so lead to higher prices and a reduction in purchasing power.

That is why, Mr Moreau, while being all in favour of giving information and of ensuring as wide as possible an understanding of competition policy, we are not in favour of trade unions being involved in competition policy in the sense that they might have a say in its shaping, since both management and workers in an undertaking clearly have a common interest in resisting any lowering of prices and any competition.

Herman

The cake to be shared out is very much larger when there are no competitors, and that is why it is vital that those who have to make decisions relating to competition be totally impartial and removed from any kind of pressures. Apart from that, our Group by and large endorses what the rapporteur has had to say, and in essence we support the report as adopted by the Committee on Economic and Monetary Affairs.

President. — I call the European Democratic Group.

Mr Balfour. — Mr President, competition policy lies at the heart of the Community, and yet the curious thing is that few areas show more clearly the complete lack of political will at Member State level. Considerable effort has gone into developing a corpus of Community legislation under Articles 85 and 86. All of these are necessarily directed against concentrations of power at the level of the private undertaking. Relatively little has gone into redressing the real imbalance — national aids. Little has been done to force Member State governments to practise at home what they so readily preach at Community level. It is the usual thing. Bash the private sector and featherbed the public! Fine and harass a private undertaking, but subsidize and protect the public!

In a period of recession there is a real danger that this will get worse, not better. In a period of hideous unemployment, do you leave it to freer competition to create more jobs by increasing the potential for trade and industrial efficiency, or do you pump cash into the economy to employ, directly or indirectly, some of those unemployed? It is likely that the Commission will find it increasingly difficult here to eliminate the most distorting element of all — the interference by governments through national aids; yet this must be the Commissioner's top priority. Perhaps the *Cassis de Dijon* case will enable him to develop a means of expanding the scope of Article 90-94. The implications of that case need to be examined. Certainly the Commissioner will have to show the same zeal in enforcing Articles 90-94 as his predecessors have done in developing legislation under Articles 85-86.

Parliament has shown, in Mr Moreau's paragraph 21, that it will welcome and support the Commissioner in identifying and prosecuting distortions of competition where these are created by a lack of transparency, which is our jargon for saying national aids. The Directive of 25 June 1980 is an extremely important one, and we regret bitterly that three Member States chose to challenge it in the Court of Justice. Parliament, conscious of the great and important efforts of the Commission and Court of Justice in developing a body of legislation against the abuse of dominant positions and cartel agreements, has begun to push for the rights of defendants to be better protected. Paragraph 7 of the Moreau report is a good start in this direction. But what has for long puzzled the mind is

how the efforts of DG III can be prodded by the growing powers of DG IV. This is a huge area where Parliament will welcome Commission ideas and action. How can we bring fully within competition policy such things as type approval test directives, public purchasing directives, frontier holdups, MCAs, tax harmonization directives, harmonization by reference to standard bodies? In all of these areas, the efforts of Mr Andriessen will be judged by the extent to which his powers and energies are matched by an equal commitment from Mr Narjes. Mr Andriessen can attack the private sector, but Mr Narjes as well as Mr Andriessen will have to attack the public sector. And for this, this House is impatient.

(Applause)

President. — I call the Communist and Allies Group.

Mr Leonardi. — (IT) Mr President, it is reassuring to see how, even in difficult times like these, the Commission adheres to its established custom and draws up a report like the one on competition in accordance with procedures now nearly twenty years old.

We feel, however, that even in this respect some changes should be made. In the present situation, we should have the courage to discard the old system and look beyond the usual examination of innumerable cases based on intervention by the Commission to enforce compliance with Articles 85 and 86 of the Treaty. We should add to the description of these cases a general evaluation of the effects of the policy on competition on Community economic development in the past and in the present.

It must be acknowledged that, on page 11 of the Commission's report, such an effort has been made, although in a manner not only inadequate but also completely misguided. The passage in question affirms that, thanks to the policy on competition, the Community has substantially maintained its external competitive ability. We believe on the contrary that the Community has not maintained its external competitive ability, and that this is especially due to the failure to provide a common market and, among other things, to the failure of the old policy on competition based on the faith that the elimination of obstacles would inevitably lead to the creation of such a market by natural economic forces.

As you are well aware, this did not happen; on the contrary, aid from Member States to individual sectors our industries is growing; more agreements are being made; the already numerous technical barriers are increasing faster than they can be destroyed. So great are the tensions felt by the individual countries due to transfers of income abroad caused by higher prices for raw materials and other commodities, and so great are

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the national structural differences that each country tends to respond in its own way, making it impossible for the forces of competition to create a homogeneous market. Certain countries or certain sectors may perhaps enjoy advantages for a brief period, but they eliminate general competition and therefore do harm to everyone.

If we want to preserve competition, we must give it a frame of reference, that is, we must finally produce policies on the Community level; we must go from a defensive to an active policy, doing in substance what our competitors — the United States and Japan, for example — have done in the electronics industry. It can certainly not be said that the rules of competition were respected there: for this sector in these countries action was taken based on plans calling for cooperation among the individual companies.

We believe that only in these terms can the policy on competition, even within the limits laid down in the Treaties, be usefully applied and serious errors, such as the belief in a competitive ability on the Community level which has long since disappeared, be avoided. Naturally the competent Commissioner could observe at this point that such problems are not his responsibility, and indeed we urge that this problem of competitive ability be dealt with by the Commission as a whole, for it is basic to any possible policy on competition itself.

As far as the Moreau resolution is concerned, we acknowledge that it makes many interesting and accurate observations, but a resolution can certainly not compensate for the fundamental errors in the Commission's report, which we have briefly pointed out. For this reason, we will abstain from the vote on the Moreau motion for a resolution.

President. — I call the Liberal and Democratic Group.

Mr Delorozoy. — (*FR*) Mr President, Mr Moreau's excellent report has the attribute of being very exhaustive, but if there is one thing on which I would mildly take him to task, it is the fact that he has sought to lay stress on the need to regulate competition. Now, our Group is against any trend towards a planned and controlled economy that limits free enterprise and subjects undertakings to binding rules. Rather than passing new legislation and setting up new Community controls, we should surely be concentrating on harmonizing policies, on concerted action, on looking at the specific problems of small and medium-sized undertakings and on regulating official aid. There are in fact four important points which could help to ensure genuine competition. It is not normal or desirable for the Commission and the Court of Justice to be put in the position of having to negotiate and interpret because of the existence of different and sometimes even overlapping national laws. Coordination and

harmonization of the different economic legislations of the Member States, both as regards private commercial law and open tenders, would eliminate a good many of the legal difficulties.

Coordination and harmonization are clearly essential if the technical barriers to trade are to be removed. These disguised protectionist measures, which are more and more commonplace, especially in the present economic crisis, are still the main obstacle to the free movement of goods and services between the countries of the European Economic Community. The aim is not to standardize products in a way that would limit the free choice of the consumer; but any form of improper market protection on the pretext of quality, safety or public health must be prevented. There should, we believe, be yet another important option available, that is to say, consultation with all the parties concerned. For instance, it is inconceivable that Community and national jurists and economists should confuse what is desirable with what is feasible in everyday economic life and fail to go for the realistic options as regards regulating competition. These options, by virtue of their conception, can in many cases be interpreted and applied only at a later date by jurists and economists who, however eminent, will have to be recruited from within the large undertakings.

The third important point in this debate is, without a doubt, the position of the small and medium-sized undertakings. The Community's most dynamic undertakings must not be the victims of Community rules on competition which are intended primarily to curb the abuses of the dominant undertakings. When the Community goes all out using the law to break up monopolies and prevent the abuse of dominant positions, it is often found that the small and medium-sized undertakings are consistently the victims of such abuse. The spectacular penalties inflicted on some multinationals are one thing, but they should not make us forget the tens of thousands of small and medium-sized undertakings that constitute the backbone of our economy.

Last but not least is the problem of official aid to undertakings and sectors in difficulty. Forgetting for a moment our fundamental opposition to any kind of interference by the public authorities in the running of undertakings, while it may be quite natural that aid should be given to undertakings in sectors undergoing restructuring, as in the case of shipbuilding and steel, it is obvious that by giving aid to undertakings and sectors that are chronically making a loss, one limits the competitive opportunities of the remaining healthy units. It goes without saying that Community and national authorities have a part to play in reconverting dying industries and safeguarding employment. It is intolerable, however, that other undertakings in the same sector should be made to bear the cost. Genuine competition is important today as never before. As the rapporteur pointed out, structural changes, the differ-

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ences in development between the various EEC countries and the continuing high rate of inflation all naturally lead to distortions of competition. We should therefore take particular care not to jeopardize the concept of a single market, which is the cornerstone of our European Community.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call the Group of European Progressive Democrats.

Mr Deleau. — (*FR*) Mr President, the Commission's Ninth Report on Competition Policy is an extremely important document, and it is quite clear that competition plays an essential role in the European economy, as indeed was underlined by the rapporteur in his oral presentation. The founders of the Common Market were firmly convinced, as we ourselves are, of the benefits of healthy competition between the undertakings of the Member States. In fact, properly controlled competition will among other things create the conditions for innovation and technological advance, make for greater market transparency and help to fight inflation. It is an instrument serving the consumer in that it assures him better value for money. It is also an instrument of economic policy which should make it possible to rationalize industrial structures and limit the scope of agreements between producers and distributors. But this competition policy must be realistic and the competition must be fair. **A little more firmness will no doubt have to be exercised in enforcing it.** We know it is difficult but we shall have to do it, or at any rate make every effort to do it, for while competition policy has its merits it also has its limitations.

Jacques Moreau dealt in greater depth with these essential points I have just mentioned. I too should like to congratulate him on his conscientious work in such a difficult area. While on the subject of competition policy, we feel bound to mention the unfair competition indulged in by certain third countries and to express our condemnation of all unfair practices. It is an aspect of competition that we cannot afford to overlook. Within the Community, observance of the rules on competition must be linked with the introduction of a coherent Community commercial policy which we see as fundamental. While competition policy is an important aspect of all common policies, it cannot hide the reality of other policies, such as industrial policy, social policy and commercial policy. And we must mention the links which exist between competition policy and industrial policy. A proper competition policy must be compatible with a dynamic

industrial policy, giving undertakings the means to adapt to a modern economy and thus to conserve employment. Today the steel industry and the textile industry are in a critical condition as a result of competition from certain third countries, principally Japan and the South-East Asian countries. In fact, we discussed these problems at some length yesterday evening.

All this militates in favour of a change of attitude. What then can we say about the system of national aids? Without a doubt it can be brought into play more swiftly and is more flexible than Community aid mechanisms which are criticized for being too slow and insufficiently developed. Accordingly the European institutions should streamline the machinery for intervention in cases of crisis and thereby avoid the kind of anomalies we have referred to. Take the steel industry, for example.

Finally, something we feel is very important — and the rapporteur has emphasized it — is that the Commission must give high priority to developing small and medium-sized undertakings. In this connection, steps must be taken to strengthen their legal security not only in the area of licences, patents, trade marks and so on, but also in the area of company law and harmonization of tax laws. Any competition that is not adequately controlled will always favour the large production and distribution units at their expense. I know that the Commission attaches special and considerable importance to the problems of small and medium-sized undertakings. I can do no more than encourage them to persevere in this direction.

Mr President, there you have the few observations I wanted to make on behalf of my group in connection with Mr Moreau's excellent report.

President. — I call the non-attached Members.

Mr Romualdi. — (*IT*) Mr President, ladies and gentlemen, I am speaking on behalf of the Italian non-attached members, and I join with those of my colleagues who have lamented the fact that a problem as important as that examined in the excellent Moreau report was hastily dealt with in the last moments of the Friday of the last part-session, in a nearly empty chamber.

This problem involves a basic element of the Treaty of Rome, that is, the common commitment to defend an economy based on competition, a fundamental principle which the Moreau report re-emphasizes while justly defining its terms in conformity with the present state of the European economy, whose development indubitably benefits from free competition and will continue to do so, provided that free competition is preserved by means of precise rules respected by all. Otherwise the European economy will not only fail to

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benefit from competition, as Mr Leonardi has said, but on the contrary it will run the risk of sinking more and more deeply into the crisis in which it finds itself today. It is also obvious that we must not allow free competition to become free opportunism, to the detriment of one country or another. It is a question of rules which we are all bound to observe — rules aimed at fiscal harmonization, uniformity in energy prices determined by honest studies of the costs of energy resources and the greatest transparency in regard to them, and elimination of international tax evasion; we call for an end to the so-called 'tax havens', flags of convenience and all similar practices which entail not free competition but unacceptable speculations and — I repeat — concealed protectionism.

Mr President, in saying this I feel I have now clearly explained the reasons why I and my non-attached Italian colleagues will vote in favour of the Moreau report.

President. — I call Mr Markozanis, the second speaker for the non-attached Members

Mr Markozanis. — (GR) Mr President, dear colleagues, to Mr Moreau's report on competition policy I have tabled an amendment (Amendment No 3) on exemption from the provisions of controlled competition involving tax allowances and aid to technology in connection with the establishment and operation of organized export trade companies consisting of small and medium-sized firms.

As we know, the Community grants investment aid to problem areas to establish industries and small craft businesses. This grant is made for social reasons, i.e. to keep the working population in these areas, and for reasons which are clearly economic, i.e. to remove the economic disadvantages caused by the lack of jobs and the deficiencies in the basic industrial infrastructure in these regions. Insofar as these grants offset the rising cost of establishing and operating production units, they provide a guarantee of equal terms of competition between firms established in problem regions and firms established in developed regions. There are particularly strong economic arguments in favour of providing national aids to establish and operate organized export trade companies which are essentially non-profit making and consist of small and medium-sized firms.

The following factors have emerged from research. First, the search for foreign markets by small and medium-sized firms involves a high commercial cost per production unit and makes small and medium-sized firms uncompetitive compared to the large manufacturing industries. Second, because of this shortcoming small and medium-sized firms have to look for markets nearer home which means that the kind and quality of goods which they produce is

dependent upon trade, with the result that they cannot draw up a production programme, nor can they operate at their full production capacity on a regular basis. Consequently, production costs are high. Third, the fact that the volume of production is small means that they are unable as separate units to deal with large orders with the result that firms who trade with them come to lose faith in their ability to deliver the goods on time in accordance with the agreed specifications. It is clear that these shortcomings considerably reduce the competitiveness of small and medium-sized firms, and no matter how much financial assistance is given to this sector of production it will not be enough to solve the problem.

The solution to the problem, Mr President, lies in providing economic assistance for non-profit making partnerships of small and medium-sized firms to set up export trade companies which, firstly, will take on orders and share them out amongst the firms and, secondly, will undertake at the same time to provide technical guidelines to small and medium-sized firms on production and packaging of products. In this way the obstacles can be overcome and competition on equal terms between small and medium-sized firms and large industrial concerns guaranteed. This could also lead to increased competition in the European market with positive effects on prices, and to small and medium-sized firms operating at a satisfactory level of their established production capacity, which increases as direct profits are ploughed back in as investment. Thus, there will be an increase in the productivity of the economy with positive results for production and for employment. At the same time, there should be some relaxation in the limited money supply which the Community is facing as a result of the continued price increases for crude oil.

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I am grateful that, thanks to the procedure Parliament has adopted to debate the Ninth Report on Competition Policy, I too have an opportunity of making a few remarks on the debate so far. I am in a rather difficult position in that various general statements were made at the end of the last session, and there is not, of course, enough time for me to repeat them all. Nor is there any need for this: it can all be found in the Report of Proceedings, but my answer today will, of course, also reflect what has already been said.

I too should like to begin by congratulating the rapporteur, Mr Moreau, on the quality and soundness of his report and on many of the views expressed in it. The report contains many recommendations which the Commission also endorses. I do hope, however — and I believe this was also mentioned during the last session — that it will be possible to debate the Tenth

Andriessen

Report on Competition Policy rather earlier, certainly before the Eleventh Report appears. I have my doubts about that being possible in June, as Mr Prout suggested at the last part-session, but I hope the procedure can be speeded up somewhat, because the competition policy is a very topical matter and therefore needs to be discussed as quickly as possible.

Any discussion on competition must take in every aspect of competition and the various ways in which it can be distorted, to which almost every speaker in today's debate has referred. It goes without saying that in this respect I wish to act as a kind of postbox for Parliament, passing on its remarks to those of my colleagues who are concerned with internal market problems, fiscal harmonization and the harmonization of legislation.

I also agree with the emphasis that has been placed in this Assembly on the need for an instrument to control concentrations. Like the Assembly, I regret that the Council has not made any progress in this area since 1973. In the coming months I certainly intend to consider very seriously whether and, if so, how things can be got moving again in the Council.

The Commission has been accused, sometimes explicitly, sometimes implicitly, of attaching too little importance to the interests and significance of small and medium-sized undertakings. It has been said that the tens of thousands of small undertakings form the backbone of the European Community's economic structure. I feel there is a great deal of truth in this, but I would point out that — at least as far as the competition policy is concerned — a clear line has been followed, a line that I shall continue to follow in the future, of taking particular account of the special position and the opportunities of small and medium-sized undertakings when general legislation is being formulated. Again, whether sufficient account is taken of our efforts will be revealed by the debate on another report.

The Moreau report and the various statements that have been made place considerable emphasis on the need for the various groups affected by the competition policy to be actually involved in that policy. I support this idea. I believe that a competition policy can only succeed if — despite all the resistance it may encounter — it is generally accepted in the society to which it relates. On the other hand, I would point out — to take up something Mr Herman said — that a fundamental requirement for the success of the competition policy is that it should also be impartial and objective.

In this context, I would refer to another conflict, also noted in the report, the conflict between the legal security needed to pursue a strictly objective policy and the adjustments required to take account of the structural problems facing the economy today. On this

point, of course, the lawyers and economists cannot agree. Nor do I have answers to all these problems today. I would merely point out that some people begin by entering a strong plea for a strict and objective competition policy and end by recommending the addition of a little water to the competition wine. I feel there is some conflict here, and we must be aware of this; the Commission will certainly bear it in mind.

Reference has been made to the link between competition policy and industrial policy. This link exists, but the conflict the competition policy faces stems from the fact that, while the competition policy is pursued in accordance with European standards, there is little evidence of a European industrial policy, although there are a few exceptions. As long as the Member States lack the political will to give national industrial policy an international, European dimension, the conflict between competition policy and industrial policy will continue, and without the political will of the Member States — the Commission has, after all, less influence over industry than over competition — it will not be easy to remove this obstacle. I can assure you that we of the Commission, with the powers we have, will attempt to do what is necessary.

I should like to say a few words about the assistance governments give to the business community, particularly industry. Almost all the speakers have referred to this. I can tell you that this question has taken up most of the short time I have been responsible for the competition policy. The same conflict occurs here. At European level recommendations are made — and they are made by the Member States too — for a strict policy, while at national level a completely different approach is often adopted. Here too there is conflict between the European dimension and national policy. I can assure you that the Commission fully endorses the idea expressed here that aid, particularly to production, seriously distorts competition and is therefore fundamentally wrong, and that we take due account of this when applying the policy on the approval of aids.

To conclude, a few words on procedures. A great deal has been said in Parliament — including this report — and in the international debate generally about decision-making procedures, particularly where competition between undertakings is concerned. This is a fundamental issue. The procedure adopted must enable the Commission to act as quickly — there has been enough criticism about the speed with which we take decisions — and as objectively as possible. I dispute much of the criticism levelled at the Commission's procedural rules in the international debate at the moment. By this I do not mean that the procedure is not capable of improvement or that the Commission is not sensitive to this question, but this Commission can certainly not be expected — with particular reference to the competition policy — to make a fundamental revision of procedural rules relating to competition.

Andriessen

To close, I should just like to say this: Parliament's debate on the competition report — and I appreciate this — has generally kept to the broad lines, a general analysis of the policy. For my part I have also tried to discuss these aspects in this short statement. I can only hope that Parliament's positive approach towards this important aspect of European policy will help us to achieve an effective competition policy that is in the consumer's interests.

President. — I call the rapporteur.

Mr Moreau, rapporteur. — (FR) Mr President, to end this debate I should like to make just three observations.

The first concerns the somewhat conventional nature of the report that has been presented to you. In this connection I wish to reply to the remarks made by Mr Leonardi. I believe this Parliament should in the not too distant future have an opportunity to discuss the Tenth Report, but over and above that it should be able to debate in more general terms the whole concept of competition policy within the Community, given that, as the policy stands now, the Community is having some difficulty in creating a single market and is facing growing problems on the outside.

Nevertheless, I am the first to concede that this report, which marks something of a departure from what may have been done in the past, could not have gone much further, given the membership of our committee and the nature of the report it submitted.

My second observation concerns the accusation levelled against the report that it seeks to put competition in a strait-jacket, to regulate it too much. Our aim is not to stifle competition but to ensure that it can, in the spirit of the Treaty, serve not just some but all sectors of the economy and enable them to enjoy the advantages that they have every right to expect. If we are seeking in effect in some way to rationalize competition, it is simply in order to reverse the trend we have seen developing in the Community, that is to say, to prevent the large undertakings, the multinationals in particular, from imposing their way, their rules and ultimately their decisions on the economic activity of the Community as a whole.

What, in fact, are we trying to achieve through this report?

We are trying to persuade the institutions to devote some thought to how competition can be modified to enable the small and medium-sized undertakings and all the various sectors of the economy to derive the most benefit from it and to facilitate the growth of the Community economy.

The final observation concerns procedures. The report goes much less far than the initial proposals that were put forward for a revision of the procedures. The reason why we on the committee are so anxious to involve the trade unions and consumers is that we believe that without making the present procedures any more cumbersome it is imperative that, in consultation with the Commission, the trade unions of the various organizations and the consumers should be more fully acquainted with the Commission's objectives in relation to competition policy, with the various procedures available to them and, finally, with the gradual evolution of these procedures.

In conclusion, I believe that what we should really be working towards today is making competition policy an effective arm of a genuine Community industrial policy. That is a very important objective. If the Commission accepts that idea and tries to work along those lines, then I believe we shall not have been wasting our time.

President. — The debate is closed. We shall now proceed to take the vote.¹

(. . .)

Paragraph 7 — Amendment No 1

Mr Moreau, rapporteur. — (FR) I am against Amendment No 1 in the light of the discussions in the committee which was in favour of some changes in the procedure but was not prepared to go as far as this amendment would have us do

(. . .)

Paragraph 7 — Amendment No 2

Mr Moreau, rapporteur. — (FR) As before I am against, in line with the outcome of the discussions in committee

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, like the rapporteur, I am opposed to this amendment. As it is worded, the effect it would have on the procedure would hardly be acceptable to the Commission

Paragraph 23 — Amendment No 3

¹ The Report of Proceedings records only those parts of the vote which gave rise to speeches. For details of the vote the reader is referred to the minutes of the sitting

Mr Moreau, rapporteur. — (FR) May I first of all point out a small error in paragraph 21, at least in the French version. In the third line from the end '*rappelle les actions*' should read '*regrette les actions*'. I apologise for not bringing this to your attention earlier.

As for the amendment tabled by Mr Markozanis, I am against it as the committee was not in favour of making such exceptions.

(. . .)

(*The resolution was adopted*)¹

5. European University Institute

President. — The next item is the report by Mr Schwencke, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on the European University Institute (Doc. 1-148/81).

I call the rapporteur.

Mr Schwencke, rapporteur. — (DE) Mr President, ladies and gentlemen, this own-initiative report on the European University Institute, which I am presenting to you today on behalf of the Committee on Youth, Culture, Education, Information and Sport, follows on from reports Parliament has adopted in the past. This not only reveals the continuity from the old delegated Parliament to the directly-elected Parliament but also goes to show once again that the European Community is not only an economic Community, but is increasingly becoming, at least as the majority of this Parliament see it, a cultural and educational Community as well. The report on the position of artists and the resolution on the fixing of book prices, which have been debated at recent part-sessions, have again made it clear to the public that the majority of the European Parliament take seriously the task it has been given of broadening the scope and political qualifications of the European Community.

The educational mandate of the European University Institute in Florence is clearly defined in its statutes. To start with the most important conclusion, the crux of my report is political: the committee proposes in its resolution that the European University Institute should become a Community institution, in other words, responsibility for it should be transferred from the original nine and now ten governments to the Community, so that in future the European Parliament and its educational and budgetary ideas can also be involved.

What is this European University Institute in Badia Fiesolana? It is a post-graduate university which has now been in existence for five years and was set up, as the 1976 convention states, to contribute to the development of Europe's cultural and scientific heritage in its unity and multiplicity through its activities in the areas of university teaching and research. Its work is to cover the major processes of change and the institutions that characterize the history and development of Europe and to take account of the links with non-European cultures. In the close association of research and teaching, the European University Institute aims to investigate any subject relevant to research on Europe and so — to quote — 'make a new contribution to the intellectual life of Europe'.

Today, over five years after its establishment, something like the moment of truth has arrived here in Strasbourg, or at least in Parliament. Have the enormous resources the Member States, the European Community and above all Italy, the host country, have invested been worth while? After all, the budgetary funds set aside for this purpose this financial year amount to DM 13m. Or to ask another question, have we really made any integral progress towards achieving the ambitious objectives I have quoted with the aid of the European University Institute?

Mr President, ladies and gentlemen, as any university teacher knows only too well, five years is far too short a time for any academic institution to make definitive statements on success or failure. Some criticize the fact — and there is undoubtedly some justification for this — that in the five years so far only about a dozen research students have completed their studies at the Institute with a doctorate. Others criticize — doubtless rightly so — the élitist ratio of staff to research students at the Institute: there are over 100 members of staff for some 120 young research workers. Yet others will criticize the cumbersome structure of responsibility, and we should like to see some changes made in this respect. There have also been massive criticisms in some parts of the press — criticisms of contents, methods and costs of the courses offered.

In my report I have considered all the aspects of these various deficiencies, but I also express appreciation for the success that has been achieved in these five years.

We all, and particularly the founding fathers, undoubtedly expected far too much of this Institute. It began without adequate academic or organizational preparations having been made, after a period which appeared far too long, but was in fact far too short for the activities and structure of the Institute. The ambitious range of tasks involving both research and teaching, at least as it is described in the statutes, has proved to have been impossible to achieve. So wide a range of tasks at so small an Institute has not been a success, there is no denying that. Nor, in my view and also in the opinion of a number of professors teaching at the Institute, has the division of a small Institute

¹ *Urgent procedure*: for this item see the minutes of the sitting.

Schwencke

with two dozen academic teachers into four departments proved successful, the departments being history and cultural history, economics, law, and politics and the social sciences.

I at least am not impressed by the research projects that have been completed in the five years. Better research into such subjects as the history of the North Sea since the 15th century can undoubtedly be carried out in Hamburg or Bremen and possibly Rostock or Danzig than in Florence. And better work can be done on Franco-German relations here at the University of Strasbourg or in Bonn than in the Badia Fiesolana.

Ladies and gentlemen, the Institute and its various bodies have, of course, also asked themselves such questions, and in a Profile Report of high academic and political standing many criteria have been redefined. In addition, there have been the annual reports submitted by the outgoing first President, the esteemed Max Kohnstamm. They refer to the deficiencies and discuss different ways and means, which have been adopted, of concentrating the Institute's efforts at a higher academic level.

I will refer to only a few of the organizational, legal, administrative and academic factors. The organization and activities of this academic Institute are closely connected. It is not possible to separate one cleanly from the another.

Both the academic and the administrative structure must, however, be improved to enable the work being done in Florence to proceed more efficiently, now that it is to concentrate its efforts on the research sector, and the first really important decisions to this end have been taken. What we have here is a research institute, and in view of the other universities concerned with aspects of European policy, its goals and objectives are an important, not simply an additional factor. The Institute can and will conduct its own research in this area. I should like to make specific reference to some shortcomings which I feel should be remedied as soon as possible. The professors must be enabled to stay longer at the Institute, but without becoming long-term professors. We must fix the first period of office of the Principal, who will be elected in a few days' time, at four years. We very much welcome the fact that the European Commission has decided to deposit its archives at the Institute. We call on Parliament similarly to place its archives at the Institute's disposal. Of importance for the young research students are better living conditions, a harmonization of scholarships and above all the recognition of doctorates in the five countries which do not yet recognize them.

Mr President, ladies and gentlemen, this is most certainly not a jet-set university, although we propose improvements in the Institute's communications facilities and other infrastructural improvements such as a European School.

Mr President, what we want is to see the content and style of the Institute's research set at a very high level; the Badia must distinguish itself through research that is multinational, interdisciplinary and comparative in character.

The stages in the Institute's development have been difficult ones, ranging from the first deliberations in 1955 at the Messina Conference to the 1972 agreement setting up the Institute, and yet since work was begun in 1976 much has been achieved. I should like to make that absolutely clear, not only to the highly respected Principal, Mr Kohnstamm, but also to the first professors and research students who have worked at the Institute. The reputation it enjoys also reflects on this House and the European Community. Let us help to strengthen this reputation further by adopting the motion for a resolution.

President. — I call the Socialist Group.

Mr Arfè. — *(IT)* Mr President, ladies and gentlemen, I would first of all like to express my appreciation to Mr Schencke for his report on a very difficult subject: the European University Institute in Florence, which had the misfortune to be founded at a moment when neither its function nor its precise tasks had been defined. At that time no one troubled to ask how the European University Institute should be distinguished from the other great universities of Europe, which have been and remain the traditional centres of European culture.

The results of this uncertainty, of this initial confusion subsequently became apparent. Mr Schwencke drew up a balance-sheet of what has been done up to now: perhaps an overly optimistic one, for the research accomplished has been haphazard and subordinate to the scientific interests of those in charge rather than to an organic plan. The same can be said of the courses held, which, though often excellent and on a high level, could be found in any European university. All this, together with the uncertainty prevailing in regard to the degrees obtained from this University, have led many young people to see it as an opportunity for cultural tourism, a fact which explains why relatively few students have concluded their studies there.

I think that Mr Schwencke has very clearly grasped which are the weak points which call for intervention. The first is the inter-governmental nature of this Institute: it has too many masters, and at the same time none at all. It would be desirable for it to come under Community control, and thereby become the University of the European Community. The second point concerns the technical, scientific, and pedagogic organization of the Institute. There are two hypotheses here: either we seek to create a permanent teaching staff — though I have serious doubts that this could be accomplished, and if it were, we would only

Arfè

have created one more university to compete with the other European universities — or, and this is the solution favoured by Mr Schwencke, we turn the Institute into a centre for research. This seems to be the best solution for this Institute: a research centre, a centre for the exchange of international experience concentrated around the theme of Europe. It is not necessary to do in Florence what can be done elsewhere. From this point of view, I believe it is of great importance to transfer the historical archives of the Community to Florence, for in this case we would have a place that would attract researchers, students, and young people with possibilities for study existing nowhere else. I would say therefore that the transfer of the Community archives to Florence and their effective and scientific organization is a vital step towards giving the Institute a true character and function.

These are the reasons which lead me to believe that this document should be supported and approved. I ask of all my parliamentary colleagues a continued interest in these problems. The Community is passing through a crisis: one of the fundamental means to overcome this crisis is to strengthen in all of us, in all European citizens, the awareness of a common destiny, and institutions such as this can make a significant contribution in this regard.

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

Mr Hahn. — (DE) Mr President, ladies and gentlemen, nowhere else in Europe is there an establishment like the European University Institute in Florence, at which multinational teams of professors and young research workers from different cultural movements in Europe and different disciplines can work together on the major topics of Europe's past and future. If the Institute seizes this opportunity, it can make an important contribution to the development of our cultural and scientific heritage. Those were roughly the words used by the present, highly respected Principal, Professor Kohnstamm, and this statement is fully endorsed by the European People's Party and our Group. We believe that the European University Institute in Florence should not only be maintained but that it must also be given the opportunity of performing this task. We therefore share the view that it must become a European Community institution.

So far it has not in fact been able to perform this task fully. This has given rise to criticism, and there have even been calls for the closure of the Institute. But it must be said — and in this I agree with the previous speakers — that these five years have been an initial and experimental phase. No one could have come up with a design which immediately pleased everyone and prevented any difficulties from arising. But now, we must admit, is the time to learn lessons from these first

few years and to begin a second, more effective phase. The success of this will depend on those working at the Institute taking decisions. But it will also depend on us in the European Community, on the European Parliament, the Commission and the governments of the Member States.

What can we expect of the University Institute itself? I would refer you to the excellent report by Mr Schwencke. The European University Institute must concentrate its work. It must also decide whether it is going to be a research institute or a university institute for the teaching of post-graduate students in the future. This, in my opinion, is another unsolved problem raised by the motion for a resolution. For if, as is proposed, a one-year course leading to a master's degree is introduced, the Institute will surely be a teaching establishment.

The amendment tabled by Mrs Gaiotti, on the other hand, proposes that only very short seminars should be held. I feel we need something between the two. Doing away with teaching altogether in favour of research may result in the European University Institute becoming an ivory tower and withering away for lack of fresh blood. A mandate that provides for proper teaching, however, will not allow intensive research to be carried on. But what should the Institute be doing? The newly formed Research Council, which we very much welcome, will have not only to draw up a multiannual research programme but also to decide in this question. Above all, however, the Institute must be expected to form proper research teams to work on subjects of relevance to European unification. It must be an honour to cooperate in a team of this kind.

But what must we in Community do? Here again I agree with Mr Schwencke. I will very briefly summarize what has to be done: firstly, the inclusion of the European University Institute in the Community budget, since it is unreasonable to expect the Institute to negotiate with ten governments or ten parliaments; secondly, recognition by all ten Member States of the academic degrees awarded by the European University Institute — at present only four recognize these degrees; thirdly, the long-term availability of research funds, enabling the Institute to plan its research work several years ahead; fourthly, safeguards for the continuity of the work being done through the adoption of a flexible attitude towards the term of teaching contracts and scholarships awarded to particularly gifted young research workers to enable them to spend longer at the Institute; fifthly, we also welcome the Commission's decision to deposit its archives at the Institute in Florence, but we should like to see all documents of importance to the European Community deposited there. This material must be readily available for research work in Florence.

Finally, we should like to thank Mr Schwencke for his excellent report, which forms a really good basis for

Hahn

an assessment of the European University Institute's work. But we also thank the whole generation of the Institute's founding fathers, led by the present Principal, Mr Max Kohnstamm, and with him the professors, assistants, administrative staff and also the young research workers, the students, who have gone to Florence. Finally, we thank the Italian Government and call on it make further improvements in the working conditions of the European University Institute in Florence.

IN THE CHAIR: MR DE FERRANTI

Vice-President

President. — I call the European Democratic Group.

Mr Patterson. — Mr President, the first question which I want to address myself to is why the European Parliament is debating this matter at all. Now it may seem curious that the question arises. However, the House should know the briefing which I have received from my own government which, I suspect reflects the attitude of all the governments of the Member States, with probably the honourable exception of the Italian Government.

An official of my own Department of Education and Science was surprised that the Parliament was concerning itself with the matter at all, because the Institute was an inter-governmental institution. Now it is precisely this aspect of things that the Parliament's Committee on Youth, Culture, Education, Information and Sport wishes to challenge. We do recognize that setting up the Institute was, in Mr Schwencke's words, 'an impressive example of cooperation among the nine signatory States involved'. However, we are convinced, and I personally am more convinced than ever, having heard the opinions of my own government, that the basis for the Institute, both organizational and financial, should cease to be inter-governmental and become genuinely *communautaire*.

Now this is quite clear at a budgetary level. My Group believes that where taxpayers' money is involved, the elected representatives of the taxpayers should also be directly involved, and for this reason we support paragraph 4 of the resolution that the Institute should be financed directly from the Community budget. It is interesting to note in this context that the Institute is already financed in some part through the budget, notably through Article 294. Three-quarters of the research and study grants given by the Community are used to finance projects at the Institute.

The same principle is true as regards administration. Mr Schwencke's report notes that Parliament has

already called, in 1974, for the active involvement of the Community institutions and the Parliament in the way the Institute is run. Indeed, it is fairly clear that the European Parliament is in practice the best and most constructive ally that the Institute has got. And it is this which gives the lie to the contention of the national governments that Community involvement, financial or administrative, would compromise the Institute's independence.

Mr Schwencke's report in fact represents a thorough study of the Institute's problems and its recommendations reflect the minimal requirements of the Institute if it is to progress from an imaginative pilot project to a genuine centre of learning for the Community. I wanted to draw attention to a number of points.

First, like the other speakers, I welcome the decision of the Commission to deposit historical archives in the Institute and also urge that the other institutions of the Community should do the same.

Secondly, there are the staffing problems, which our report suggests could be solved in a number of ways. For example, the lack of teaching staff continuity could be remedied by offering open-ended contracts of up to seven years' duration, or even of no fixed term and perhaps, also, a European School in Florence would be an advantage.

Thirdly there are questions of the qualifications offered by the Institute. To begin with, Mr President, it is a disgrace that not all signatory governments have formally recognized the Institute's doctorate. So much, I may remark, for intergovernmental status. Furthermore, there is the question of introducing a qualification following a one-year programme which might be a Master's degree — I am glad to say that my government supports this.

Finally, there is the capacity of the Institute, and it is such that the number of students could be increased, although we do point out in the report that improvements in accommodation and transport would help and that something should be done about the level of grants involved.

Mr President, you asked me to be brief and I will conclude. The educational and cultural aspects of the European Community are often overlooked, yet it remains the case that the European Community must be more than an economic marketplace. I very much hope that the first five years of the European Institute can now lead on to a steady development leading to the same functions for the Europe of the next century that the early foundations of Bologna, Padua, Paris, Oxford and Cambridge provided for the Europe of the Middle Ages and the Renaissance. I end by quoting again from the reported opinion of my own government department that the European Parliament's view would have little effect anyway. I look to

Patterson

Mr Richard to see that this does not turn out to be case and I support the Schwencke report.

President. — I call the Communist and Allies Group.

Mr Papapietro. — *(IT)* Mr President, we wish to offer our sincere congratulations to Mr Schwencke for his exhaustively documented report. We share in the generally positive evaluation he presents of the first five years of activity of the European University Institute in Fiesole and agree with the proposals he advances to bring about the necessary modifications in its legal, academic, and administrative structures.

I wish to list very briefly the points with which we are in complete agreement. First, we share the belief that the Institute should be a centre for research rather than one for post-graduate study and that it should be a Community rather than an intergovernmental institution; it is for this reason that we are discussing the matter in the European Parliament.

If these premises are accepted, two immediate consequences necessarily follow: first, that the work accomplished in this research institute must be formally recognized, it must lead to a 'postgraduate diploma', as it says in the Italian translation. We know that the literal definition is different and that it implies complex problems for each Community country. In any case we wish to say that this diploma should not be an academic title but rather an official attestation that qualified research work has been profitably accomplished.

The second consequence is that the Institute must be financed from the Community budget. We call upon the nations which have subscribed to the Convention of February 1976 — for our part we will call upon the Italian Government — urging them to effect the amendments which would permit the inclusion in the Community budget not only of a token entry, as is currently done, but of a real appropriation. The vital point in our opinion is that the Commission has decided to transfer the Community archives to the Institute at Fiesole, we hope that Parliament, in approving this report, will send its own archives there as well.

Time permits me only to make a brief mention of some of the points raised in the report, points which were thoroughly discussed in committee and on which we are in agreement. The first concerns the re-emphasis of the interdisciplinary nature of working methods; our Group as well feels that the organization of the departments is too rigid. Other points include the creation of a European school in Florence, the increase in the number of researchers and the improvement of their living and working conditions, and the modification of the criteria for recruiting the teaching staff. We also agree with the observations just

made by Mr Arfè to the effect that there can be no permanent staff, for the Institute would then become just another university.

I would like to conclude with two observations: first, that it would be well to carry out for the other European cultural institutions studies similar to that made of the European University Institute by the Committee on Youth and Culture. It is Parliament's duty to make such a study, which might reveal that alongside the Institute, which is fundamentally sound despite its problems, there are other cultural institutions which do not use the funds and facilities made available to them by the countries of the Community with equal efficiency. Such a general study appears all the more necessary considering that proposals have been made for the establishment of other European centers, foundations, or academies in the Community's legal and administrative sphere. We feel that additional institutions should not be created, but rather that those already in existence should be modified and rendered more efficient.

We wish to refer to Article 2 of the Convention which is quoted in the Schwencke report. The Institute has the task of contributing, with its activity in the sector of higher education and research, to the development of the scientific and cultural patrimony of Europe, taken in its unity and in its diversity. Work is concentrated on the great movements and institutions which characterize Europe in its history and evolution. Europe's ties with other civilizations are also taken into account. The idea of Europe cannot become concrete through rhetoric, nor can it be, as it too often is, an object of pure propaganda. Very frequently the information released by the Community and even by Parliament itself is propaganda favouring a concept of Europe so general and vague as to be meaningless. The idea of Europe is instead a cultural and political conception; internally, as the text of the Convention asserts, Europe presents both similarities and differences, and it cannot be conceived of apart from its essential historic ties with the extra-European civilizations. On the basis of this cultural view of Europe we must call upon the European cultural institutions to carry out their research in the same manner as that employed in the European Institute in Florence.

The topics of the research projects carried out are organically bound up with the questions dealt with here in Parliament: economic and political cooperation, the welfare state, the accessibility of justice, the rights of peoples, etc.

It is necessary, however, to keep firmly to the principle that for this Institute, and substantially for all the others which should be subjected to a similar study, the legal status of a Community institution and direct connection of its fields of research with the political and cultural life of the Community and the Parliament does not mean a lack of autonomy and freedom in research, but merely the orientation of this activity

Papapietro

towards an institutionally defined cultural objective. The results and the scientific methods employed are the responsibility of the researchers.

President. — I call the Liberal and Democratic Group.

Mrs Pruvot. — (*FR*) Mr President, in view of the difficulties the European Economic Community is experiencing in advancing the process of European integration, culture would seem to be today the surest means of forging a true European identity, without which nothing is possible.

Since September 1980 the Liberal and Democratic Group has for its part been engaged in a dialogue with representatives of Europe's foremost universities. On the basis of what we have learned we should like to make a few observations on the present recruiting policy of the University Institute of Florence.

The European Parliament has a duty to look into the existing obstacles to the smooth running of the Institute. Mr Schwencke's report brings to light a certain number of problems, particularly in relation to staff management. These problems are fairly clearly reflected in the budget and in the research programme, in the difficulties of attracting research students and recruiting academic staff and in the lack of teaching continuity at the European University Institute in Florence.

In our view the overriding problem concerns the administration of the Institute. Article 19 of the Convention provides for possible financing by the Community, in other words budgetization of the Institute's budget. As the rapporteur points out, the Commission's budget already has a heading in Article 288, entitled 'European University Institute', with a token entry. However, funds cannot be entered under this item until the contracting States have made the appropriate amendment to the Convention. It is manifestly apparent that the position of the Institute's budget is dependent on the political resolve of the Member States. There is no valid reason for leaving the European University Institute outside the Community's budgetary procedure. Its inclusion would give the European Parliament some political say in the financial provisions for the Institute without this detracting in any way from the latter's independence.

Another essential feature of Mr Schwencke's report concerns the position of the academic staff. Teaching staff applying to the European Institute must satisfy certain basic requirements but they must also be willing and able to obtain a three-year leave of absence from their university of origin, to come to Florence. Since there is no possibility of life at the Institute, no member of the teaching staff can actually consider giving up his university post in his own country. Furthermore, until the Institute has established a respect-

able academic reputation, the career advantage to younger teaching staff is not always on a par with what it is at their own university.

As regards that status of research students, it is worth pointing out that they do receive grants from their respective governments. The scale applied is that applied to any student and, in most cases, no special allowance is made for the fact that the students will be studying in Florence alongside students from other countries whose grants will vary considerably in size. It seems to me that much could in fact be gained by harmonizing grants which could be financed by the Community

At present only four Member States of the Community formally recognize doctorates awarded by the Institute. Doctorate or not, what specific career opportunities do two or three years at the Institute hold out to researchers? The general feeling at present is that the career prospects of Institute *alumni* are in fact severely limited.

The last problem is that of lack of teaching staff continuity. As Mr Schwencke points out, while many members of staff may find it difficult to obtain a three-year sabbatical, the fact remains that three years at the Institute is an extremely short period of time. Every year one-third of the academic staff must be replaced, something that places a major burden on the Academic Council and others involved in the selection of new teaching staff.

Mr President, the Liberal and Democratic Group will vote in support of the motion for a resolution. I should like to thank Mr Schwencke for his excellent report, and on behalf of my Group and also of the government of my country may I join in the tribute already paid to the academic staff, research students, administration, members of the High Council and, in particular, the Principal of the Institute. We cannot omit to mention also the considerable support given by the Italian authorities without which the Institute could not have succeeded.

President. — I call the non-attached Members.

Mr Pasmazoglou. — (*FR*) Mr President, everyone who has spoken so far has underlined the importance of this Institute and I should like to associate myself with these expressions of support. I must also congratulate the rapporteur, Mr Schwencke, for his very full report which contains some concrete proposals.

I should like to underline the importance of an Institute such as this for the European Community as a whole. I believe that the European Institute in Florence could evolve into a Community thinktank and serve as a coordinating body for all research projects on Community activities; the European Institute in

Pesmazoglou

Florence could become a centre for coordination, study and research in this field. To promote these objectives it is, I believe, essential that the European Institute should develop into a university centre where research would, of course, continue to be carried out but which would also be able to confer diplomas and especially master's degrees in interdisciplinary fields of special interest to the European Community. A greater level of financial support is, therefore, essential.

Furthermore, it is of primary importance that this Institute should be reorganized in order to emphasize its Community character. The shortcomings referred to by Mr Schwencke in his report underline the need for a much greater degree of support so that the Institute can play an increasingly important part in the life of the Community. I believe that the Community as a whole is entering a phase of reorganization. In this context, I feel that research projects, education and a very wide influence in the academic world will do much to strengthen Community action as a whole and, in particular, our Parliament's action. I therefore warmly welcome the specific proposals contained in the Schwencke report.

President. — I call Mrs Buchan.

Mrs Buchan. — Mr President, like most of the members of the Socialist Group I too am pleased with the Schwencke report but for reasons which I think are very different from those described by other people here. Like many people and like my Danish colleagues in particular, I am very disturbed about the idea that the Community might acquire a role in education that frankly many of us do not think it should have. I think Mr Schwencke said something very important when he said that when the idea of this Institute was conceived expectations were set far too high. The same could be said of the Common Market. Indeed part of the difficulty is that the Institute has failed to meet the expectations of those who initially were so enthusiastically in favour of it.

What we want is for this Institute to justify its existence. I fully accept that no research body can do that in a mere five years. But this report sets out a situation that frankly I find scandalous, and I use the word scandalous in its literal sense. Because here we have a body of 110 students served by 25 staff librarians and 45 members of an administration and I am amazed to hear a British Tory, i.e. one of those who normally are yelling their heads off about costs to the taxpayer, thinking that this is OK. In the United Kingdom this week higher education will suffer an unprecedented attack from the British Government. The University Grants Committee is to meet, I understand, on Thursday. It will be very hard for vice-chancellors of universities with the kind of actions that Mr Patterson spoke about to accept this Institute in the way that it is presented here. Because we have a situation where the

British Government apparently provides almost half a million pounds for 2, 3 or 4 students, while at the same time the attacks that the British Government has made on Greek students, who are normally accorded a warm welcome in British universities, is nothing short of disgraceful. If in fact we have this money, and I think despite our difficulties we do have this money in the United Kingdom, we ought to be thinking of a better use for it than to have an institute of this sort.

I want a research body, I want a place for archives, but I do not think that the role that is set out is necessarily the right one. Moreover, this should only be a start. On looking at this Institute in Florence, we must seek not only to bring its existence to public knowledge, because in the meetings I have had with people in the United Kingdom about this a number of people had not even heard of it, but to remedy the distressing difficulties met by students who have been there in acquiring their doctorates, one young man having had to journey to Florence three times.

I also think that one of the problems that we face was highlighted in a point made by Mr Patterson when he said that perhaps one of the things that we could have is a European school. European schools are a matter of very great concern, especially to people who have their children in them. I do not honestly think that setting up a school where the average pupil/teacher ratio is one to ten pupils is exactly going to be appreciated by people in the United Kingdom despite what the government has said to you, Mr Patterson. You are not going to find it very easy to sell that to parents facing cuts in their educational system. Education costs a great deal of money and perhaps those of us fighting for it ought to be a bit more belligerent. Perhaps we ought to say that what we do we cannot always quantify. We cannot simply say give us an institute, give us a school and we will provide you with a cultured, intelligent, vandal-free society. I wish we could. But I am not too sure that we can necessarily allow institutes of this sort to go on untrammelled.

I certainly do not want to ask Italy to spoil Florence by adding an airport to make it easier to get to this Institute. I really cannot go along with that. Florence is, after all, the jewel of Italy's renaissance crown. I don't really see that providing an airport or providing a European school is going to raise the standard of this Institute. It has problems. It is there. I do not want to see it dismantled. However, I do want to see its role closely examined and I do want to see its cost effectiveness closely examined. Contrary to what the right wing think, left-wing people too want value for money in rates and taxes and I am not too sure that this provides it.

I would say that it would be impossible to ask for support for this in the UK. I do not think that even the most elite college, with the possible exception of Kings College, Cambridge, has 25 librarians for 110 students, attractive though the proposition might

Buchan

be. I think that perhaps what we should be most grateful to this report for is for making it possible for academics and educationalists to go to their government and say thanks very much, we'll settle for the same thing. I certainly am grateful to the report for highlighting this and I hope that educationalists and academics in the United Kingdom, particularly when they go to meet our government, our deeply reactionary government, on Thursday, will in fact say to the government fine, we think that is a very good status and we will settle for pretty well the same thing. So, if only for that reason, I am glad to have the report and I look forward to future reports on similar institutions that have been set up by the EEC, because I think that we ought to turn a very close scrutinizing eye on their existence, on their costs and, at the end of the day, on their contribution, not to the Community but to Europe, to Europe proper, the Europe of more than 20 countries, instead of just the 10.

President. — I call Mrs Gaiotti De Biase.

Mrs Gaiotti De Biase. — *(IT)* Mr President, as other speakers have done, I too would like to begin by thanking the rapporteur for the interest and intelligence with which he has carried out his task; my appreciation is deepened by his acknowledgement of the commitment of the Italian Government in this matter, and I express it also on behalf of the chairman of the Committee on Youth and Culture, Mr Pedini, who is at a meeting of the Council of Europe this morning but who would have wished to offer his thanks personally.

Mr President, at the origin of the European Institute there is a strange contradiction, one of the many contradictions which fill the history of the Community. On the one hand, there was excessive ambition: the desire to be a university in the widest sense in a Europe where there are universities with centuries of tradition, and this at a moment when the critical current reflecting on the nature of universities was especially strong. On the other hand, a simultaneous lack of conviction denied to the institution the full Community character which was in a sense its only justification. It must be said that a paradoxical desire to be both an archetypical university and inter-governmental is symbolic of the uncertainties and ambiguities of the European commitment. This contradiction was resolved — and it is easier to resolve it when the institution is indulging in a constant self-critical reflection — precisely by the concept developed within the Institute in its written profile. On the one hand, the idea of the Institute as a research centre has developed, obviously not excluding a post-graduate orientation but giving the Institute a particular character. On the other hand, the document also expresses the desire — or rather, the need — mentioned by so many other speakers to be a Community institution and to see this

Community quality inscribed in its own statutes and in its own organization.

The role of science, of scientific research and technology in Europe is now recognized in the Community — albeit in too casual a fashion — as an integrated area of production and trade. On the other hand, however, appeals are still very often made in an excessively idealistic or romantic vein, often abstract and impotent, to a Europe of ideas and a generic culture. Between these two tendencies there is room for a rigorous and scientific view of society, of history, of institutional mechanisms, of economy, of law, of social classes and groups which are at the root of the construction of Europe. The development of a common critical and systematic view of the resemblances and differences which have characterized the evolution of European societies, now and in the most recent past, is necessary if the construction of the Community is to be based on a comprehensive strategy. Perhaps, Mrs Buchan, it would be well to involve a British Labour Party member in these activities and these seminars, so that he might be brought a little closer to a Community viewpoint.

It is in this context that we confront the concrete problems Mr Schwencke has very accurately identified; that is, the problems of the presence of the professors, for whom, I believe, it is necessary to find a solution which compromises between the need for a minimum of continuity and the possibility — which I propose in an amendment — of short-term turnovers in the staff. This should be done in order that the Florence Institute may be a meeting place and a common point of reference for many other research efforts being made in Europe on Community topics and represent an axis around which university interest in these topics can develop with some degree of regularity. I join with other speakers in stressing the importance of the transfer of the Community archives to Florence; not only the archives of the Commission — whom we thank for this decision — but also those of Parliament, the Court of Justice, and other European bodies. By this act we create a nucleus of memory — for now we have the right to speak of a historical memory for the Community — and the sign of a now substantially irreversible reality.

President. — I call Mr Coutsocheras.

Mr Coutsocheras. — *(GR)* Mr President, when my friend, Olaf Schwencke, for whom I have the greatest regard, was a member of the Council of Europe, he always took the greatest interest in the European University Institute in Florence and also did a great deal of work for it within that body. I also was then, and still am, a member of the Council of Europe, and I also have busied myself very much with this Institute. I agree fully that it must be supported financially, but I do not share the view of my friend, Mr Schwencke,

Coutsocheras

that it should be placed under the exclusive control of the Community and become a Community institution. The first reason I would advance for this is that the interests of the Institute are broader, extending as they do outside of Europe, and also that the Council of Europe with its 21 Member States must naturally be involved in it. The second reason is that I feel that if the Institute is not to lose its independence, it can no longer be regarded as a mere university subsidiary. All universities and university institutes must retain their independence, and this is a well-known fact. On this point therefore I would suggest that the paragraph of the motion for a resolution aimed at constituting the Institute as a Community institution should be deleted.

President. — I call the Commission.

Mr Richard, Member of the Commission. — Mr President, may I say that in the Commission's view this has been a useful and interesting debate. A number of points of detail have been made in the course of it and I have no doubt that those responsible for the administration of the Institute will wish to consider what Parliament has said. I hope also, as Mr Patterson and one or two other speakers underlined, member governments will pay considerable attention to what in fact has been said here today.

On behalf of the Commission, may I thank the Committee on Youth, Culture, Education, Information and Sport, and Mr Schwencke in particular, for their excellent and valuable report. It is very clear indeed that a great deal of thought has gone into the production of this report and into its presentation here today. It seems to me that this indeed is an appropriate time for this Institute to undergo this type of examination. The report is especially valuable coming as it does when the European University Institute has reached a turning-point in its development and also when the Board of Governors is about to appoint a successor to Mr Kohnstamm. The Commission is gratified to see that several of the things the report and the motion called for are exactly those which the Commission itself considers to be the right ones, in other words that research projects should have a bearing on matters of importance to the Community and Community institutions, that there should be thorough planning of projects and an interdisciplinary approach in tackling them, that researchers should play an active part in carrying them out and that the findings should be published. We find ourselves in broad agreement with the report on all these matters.

As regards the matter of the Community funding of the Institute, which was raised by one or two speakers in the course of the morning, may I just say that the Commission would like to confirm that that is the arrangement that the Commission has always favoured. On the other hand, the one thing that I would not be in favour of would be that there be

academic interference by the Commission, or indeed by any other institution, in the way in which an academic body with considerable freedom pursues its academic fields of inquiry. That is certainly not anything that we would wish to see. And the question therefore of the funding of the Institute I think, with great respect to one or two of the speakers this morning, is something entirely different from the question of the academic freedom that the Institute at present has and should continue to have.

On the matter of the archives, concerning which a proposal was forwarded to the Council not long ago, the Commission is pleased to note that the report before you agrees that the archives should be lodged in one place and specifically at the European University Institute.

The Commission is convinced that the fact of the records being housed there will benefit the Institute's future, which, as is clear from the report itself, is something that Parliament also cares strongly about.

Finally, Mr President, may I just sum up by saying that, in our view, this report will make a valuable contribution to reflections about the future of the Institute. It is a report too which we hope Member governments will treat seriously, as indeed the report and this debate undoubtedly deserves.

President. — The debate is closed.

The vote will be taken at the next voting time.

6. *Adapting legislation as a result of Greek accession*

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

- Report by Mr Papaefstratiou (Doc. 1-110/81), on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council (Doc. 1-45/81) for a decision amending, as a result of Greek accession, Decision 78/902/EEC adopting joint research programmes and programmes for coordinating agricultural research,
- Report by Mr Didò (Doc. 1-147/81), on behalf of the Committee on Social Affairs and Employment, on the proposal from the Commission to the Council (Doc. 1-42/81) for a regulation modifying Regulation (EEC) No 2895/77 concerning opera-

President

tions qualifying for a higher rate of intervention by the European Social Fund.¹

I call the rapporteur.

Mr Papaefstratiou, rapporteur. — (GR) Mr President, when Greece signed the Act of Accession to the European Communities it was obliged to implement certain decisions which were made prior to the signing of the Act of Accession. Amongst these decisions is Decision 78/902/EEC on joint programmes for coordinating agricultural research which has to be amended to include Greece. The Committee on Agriculture, on whose behalf I have the honour to present this report, has rightly stressed the importance of agriculture to the Greek economy and also the general contribution made by Greek agriculture to the economy of the European Communities, given that Greek agricultural products do not create surpluses in the Community. It is obvious that Greece should be included immediately in the Community's agricultural research programmes and, in particular, in the programme on agriculture in the Mediterranean, since it should be recognized that Mediterranean agricultural products ought to be given the same treatment as products from other regions in the Community as far as financial assistance is concerned. It should be realized that, in response to the acute and long-term energy crisis which we are undergoing, agriculture can play an important role by permanently modernizing production as regards production methods so that they can be adapted as required to local conditions, with the result that agricultural production can be re-g geared to cultivation methods and crop varieties which produce higher yields at lower costs. I am referring, for instance, to the fact that agriculture backed up by research has access to new methods using solar energy, wind energy and geothermal energy, etc. Irrigation and land-improvement work also make a special contribution to improving the quality and quantity of production. As the substructure is improved areas under irrigation can be extended and forestry resources and pastureland in different regions in the Community can be made more productive. It should be pointed out that research programmes are also attempting to eradicate diseases affecting crops and livestock. The general aim of these research programmes is to reduce production costs and to improve the standard of living of farmers who need all the support they can get to ensure that their income level is on a par with other producers in the countries of the Community. In this sense, programmes for coordinating agricultural research are not just another item of expenditure but

an excellent investment for the Community. Furthermore, it should not escape anybody's notice just how important changes in methods and techniques of agricultural production are for future generations, especially in view of the fact that in several parts of the world there is a substantial increase in the size of the population accompanied by extremely poor living conditions, with the result that there are serious dangers in store as regards basic food supplies. For the reasons which I have put to you I ask you to adopt the Committee on Agriculture's proposal which calls for a 15% increase to the amount of 18 602 000 EUA for agricultural research to bring it to an amount of at least 21 392 000 EUA so that Greece can receive effective support from agricultural research.

President. — I call the other rapporteur.

Mr Didò, rapporteur. — (IT) Mr President, ladies and gentlemen, the Committee on Social Affairs and Employment has examined the Commission's proposal concerning the granting to Greece of the benefit of a larger quota from the Social Fund, to be reserved for regions characterized by a particularly serious and prolonged imbalance in employment.

The situation in Greece, whose *per capita* gross national product was at 43.4% of the Community mean in 1978, with a high inflation rate, unemployment nearing 15% of the active population and appreciable regional imbalances, fully justifies the adoption of such a measure. Moreover, industry — which employs 30% of the active population as compared with the Community mean of 38% — numbers among its strong sectors some, such as the textile sector, which are in crisis Community-wide. The industrial structure is for the most part composed of small and medium-sized undertakings, protected up to now from outside competition by various measures destined to be eliminated by the effects of the accession of Greece to the Community.

This means that the most highly industrialized regions, like Athens and Salonika, will be obliged to make a considerable effort in restructuring and productive reconversion which must be supported by substantial aid to be measures and, in particular, to professional training. In view of the fact that around 70% of the existing structures for professional training, structures which are already weak, are concentrated in the Athens and Salonika regions, the Committee on Social Affairs, unanimously with four abstentions, rejects the Commission's proposal which excludes the Athens and Salonika regions from benefiting from the increased contribution from the Social Fund. Such an exclusion, indeed, is motivated by the need to concentrate action in the less-developed regions, helping to create structures which do not yet exist.

¹ This item also includes the report by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission to the Council (Doc 1-46/81) for a directive amending, as a result of Greek accession, Directive 79/695/EEC on the harmonization of procedures for the release of goods for free circulation (Doc. 1-166/81), which would normally be without debate

Didò

I would point out that at best the creation of new structures for professional training in the least-favoured regions will take several years. In the meantime Greece would be unfairly penalized because it would not be able to benefit fully from the contributions from the Social Fund. The Committee on Social Affairs holds that the inclusion of all regions of Greece in the increased contribution from the Social Fund would not be detrimental to the less-developed regions, while failure to extend these benefits would certainly harm the two regions which, though relatively more developed in respect to the others, are still to be considered less favoured in the context of the European Community.

For these reasons, Mr President, and bearing in mind that we are dealing with a temporary measure to be operative until it is decided which Greek regions are to receive priority benefits from the Social Fund, the Committee on Social Affairs proposes that the Commission's regulation be modified to include also on a provisional basis the regions of Athens and Salonika among those which may benefit from the increased contribution from the Social Fund. This criterion was adopted for other countries which have characteristics of underdevelopment similar to those of Greece, and I frankly cannot imagine what arguments could be used to support the Commission's position. I therefore recommend that Parliament approve this proposal from the Committee on Social Affairs and I call upon the Commission to accept this modification.

President. — I call the Socialist Group.

Mr Haralampopoulos. (GR) — Mr President, colleagues, with reference to the Commission's proposal to the Council for an increased amount of financial assistance from the European Social Fund for Greece, excluding the areas of Athens and Thessalonika, I should like to point out that the broader social and economic situation in Greece ought to be taken into account, as inflation there is approaching 30% and the real level of employment, as referred to by the Commission's proposal, is somewhere between 15 and 17.8%. In connection with the fact that 45% of the total population and 50% of the working population of Greece are concentrated in the areas of Athens and Thessalonika, we are of the opinion that unemployment and under-employment, in particular of young people, is reaching alarming levels in these areas. Furthermore, I should point out that the gross *per capita* income in Greece is only 43.4% of the Community average, which clearly indicates the different levels of development and standards of living as between Greece and the other Member States of the European Community.

I should also like to make the point that 70% of the substructures for professional training are based in the regions of Athens and Thessalonika, which have been

excluded. Moreover, having regard, as far as Greece is concerned, to the unsatisfactory average price increases for agricultural products which were fixed by the Council's recent decision, we agree with and support the view of the rapporteur, Mr Didò, and we take the view that the measure to increase the amount of financial support from the European Social Fund should include the regions of Athens and Thessalonika since it is clear, from the facts which I have just mentioned, that the main objectives for intervention by the European Social Fund are concentrated in these regions.

Given that a country like Ireland, whose requirements for development when it entered the Common Market were similar to those of Greece, was classed as a priority area as a whole and received the increased amount of financial support from the European Social Fund without any areas being excluded, it is our view that Greece should be given the same opportunities as other Member States and that any departure from this procedure amounts to clear discrimination against Greek interests.

IN THE CHAIR: MR MØLLER

Vice-President

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

Mr Diana. (IT) — Mr President, ladies and gentlemen, on behalf of the Group of the European People's Party I would like to express our appreciation and approval of the report presented by Mr Papaefstratiou for the Committee on Agriculture on the Commission's proposal concerning the decision which, consequent to the accession of Greece, modifies Decision 78/902/EEC establishing common and coordinated programmes of agricultural research. This modification appears to me to be not only useful but indeed obligatory, since in the Treaty it is clearly laid down that the rules valid for the countries which are already members of the EEC are to apply to the tenth Member State as well. It is useful and obligatory also because I think that the importance of agriculture to the Greek economy justifies a Community commitment in its favour. In particular the request made in Mr Papaefstratiou's motion for a resolution for a 15% increase in the funds destined for this 'research' heading seems to me to be quite acceptable, considering that in the Mediterranean regions of my own country, and in fact in all countries on the Mediterranean, there is a type of agriculture that calls for specific research. Mediterranean crops are different

Diana

from those of continental Europe, and I believe that in this respect an effort in research and experimentation is not only justified but absolutely necessary precisely in order to attain the objectives of economic convergence and development which are fundamental to Community philosophy. Therefore, Mr President, I reiterate my appreciation and express our approval of the motion for a resolution under examination.

President. — I call the Communist and Allies Group.

Mr Kappos. — (GR) Mr President, there is no need for me to stress the importance of research in general and of agricultural research in particular. Research is particularly important to Greece because Greece is lagging behind in this field. Indeed, research institutions in Greece are inadequate, especially in terms of their numbers; they are cut off from everyday life and production; no measures have been taken to ensure the liberalization required in the organization and the direction of these institutions; there are no facilities for post-graduate studies with the result that the results of any research that does take place are limited, very limited indeed. Therefore, a research programme of any kind is particularly important for Greece. However, Mr President, I should like to take this opportunity to point out that the Commission's decision is really only providing peanuts both absolute and relative terms. It is providing about 400 000 000 Greek drachmae per year for research as a whole and about 30 000 000 drachmae for Greece. These sums, as we all know, are completely inadequate. In addition to this, these agricultural research programmes will be under the control of the responsible bodies of the EEC, which means that the research will not, in fact, be directed towards developing the Greek agricultural economy in line with Greece's potential with respect to its soil, climate and economic situation. On the contrary, the research will be directed towards attempts to convert the Greek agricultural economy so that it complements that of the EEC.

These, Mr President, are my reservations on the report on agricultural research.

President. — I call Mr Pasmazoglou.

Mr Pasmazoglou. — (GR) Mr President, I want to say straight away that I am in complete agreement with the proposals made in the reports drawn up by Mr Papaefstratiou and Mr Didò which refer respectively to agricultural research and interventions by the European Social Fund.

I should like to say that Mr Didò's report in particular and the general picture which he presents of economic and social development in Greece are basically accurate. To my mind, there are serious signs of social

weakness, social crisis in certain regions of Greece. The symptoms of unemployment, in particular, and environmental decay in the large centres, especially Athens, Piraeus and Thessalonika, are an immediate and serious problem. Consequently the report on agricultural research designed to restructure agriculture as a whole in the Mediterranean and the report on increased intervention by the Social Fund are of crucial importance to Greece. However, the adjustments which are proposed amount to the absolute minimum needed to ensure that Greece is adapted to European conditions and developments. At this point I should like to underline the grave problem caused by excluding the area around the capital of Athens and Piraeus and the area of Thessalonika from interventions by the Social Fund and by the Regional Fund. I should also like to point out that, as Mr Haralopoulos said, quite rightly, a few minutes ago, the fact that the large urban centres were not excluded in the case of Ireland constitutes an important precedent for Greece, as the problem is even more acute in Greece.

Therefore, I must make the point of insisting on the necessity of extending to Athens and Thessalonika the higher rate of interventions by the Social Fund.

I should like to finish, Mr President, by pointing out that these adjustments proposed in these reports, as well as those contained in other reports still to come, are no more than the first step for Greece. There is a wider problem connected with the way in which the European Community functions in general and this calls for a more comprehensive plan. If a more general plan is not drawn up, then Greece will not be in a position to face up to the serious problems confronting it. The plan which I am proposing and which is needed should be based on a number of different approaches providing for an economic growth rate within the Community of approximately 3-4%, with the exception of large regions which are economically weaker like Ireland, southern Italy and Greece, where the growth rate should be between 5 and 6%. If these grants do not achieve their aims, then it will be impossible to deal effectively with the social and economic problems of our regions.

President. — I call Mr Peponis.

Mr Peponis. — (GR) Mr President, amongst the package of proposals on Greece from the Commission to the Council there are some which touch upon or deal with problems which, at this point in time, are literally tragic as regards the scope of their effect upon the Greek people. I am referring, in particular, to the Greeks who live in the Athens-Piraeus basin and in the region of Thessalonika. I am referring, even more particularly, to all the motions for resolutions connected with the well-known environment problem. From 1979 up to the present day the greater part of Athens and Thessalonika has been more and more

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frequently choked by the so-called photochemical cloud and photochemical pollution. Likewise, the once clean area of Athens, with its clean sky and clean atmosphere, is becoming increasingly charged with tens of thousands of tonnes of suspended particles containing toxic substances. Cement works, steel-works, petrol refineries all concentrated in the Gulf of Elefsina at a distance of only 22 kms from the centre of Athens are, we suspect, discharging into the atmosphere about 50 000 tonnes of sulphur dioxide per year. In other words they are discharging a quarter of the total amount of sulphur dioxide in the large Athens-Piraeus region where the population now exceeds 3 million. While, on the one hand, the Commission appears to want to exclude Athens and Thessalonika from the resources and financial support of the Social Fund, on the other hand, it is proposing a number of decisions for us to adopt — I refer, for instance, to Decision No 80/779 (EEC) — which touch on the problem of the environment and talk about raising the permissible levels for sulphuric anhydrite and suspended particles.

The Greek people who have sent us here will ask us what the aim of these decisions is and what is to be done to improve their living conditions. I should like to say that, as far as we are concerned, the environmental problem and the problem of public health are above all political and social problems of an international nature. This deadly cloud, which is presently suffocating the people of Athens, is nothing more than the product of the monstrous and antisocial mentality which lies behind the planned activities of Greek and foreign capitalists. Capital is being invested in an uncontrolled and unchecked manner as it usually is in countries on the periphery of the capitalist world. Capital is being used to concentrate factories in densely populated areas where there is an abundant workforce, to put up buildings which fall below the standards required in other countries in the capitalist world, to destroy the countryside and the sea, but there is no provision to spend money on machines to clean up the waste and pollution. Finally, capital undermines the administrative machinery and influences government policy which, essentially, is policy of apathy.

The Council of Ministers' directives provide for the provision and exchange of information. However, this body ought to know that certain industries — not by any means all — are doing all they can to ensure that the Greek people are not informed. The prime concern of us Greek MPs of the Socialist Group is to ensure that the Greek people is informed. Furthermore, we should know — because when we discuss a subject we ought to deal with all its aspects — that the Confederation of Greek Industry in its Bulletin No 423 of September 1980 calls on its members not to give relevant information to ecological research centres, nor to organizations and other grass-roots bodies which are concerned with pollution. And I will tell you the reason for this — the Confederation of

Industry maintains that the release of this information will cause a stir. However, this Parliament ought to know that the only struggle which is taking place in Greece is that which is being carried on by — and we are indebted to them for it — grass-roots bodies, grass-roots organizations, municipalities and communes, and journalists. The vast majority of people have already understood that only by bringing about a radical political change can effective measures be taken to protect the environment and public health. Mr President, we are not opposed to any international agreement which really and truly aims to protect the environment and public health. On the contrary, the kind of international cooperation which we particularly have in mind is precisely cooperation designed to serve peaceful ends and human life. However, I must say here that none of the regulations, decisions or resolutions on the environment which the EEC wishes to pass will be effective. For Greece these will be no more than empty words as long as support is provided by other methods, through other channels and by other means for the network of interests which wants to keep Greece in a dependent and technologically backward state, allowing its land and sea to be exploited by unaccountable capital interests.

To put the matter in a nutshell we are complaining, on the one hand, because there are moves, as Mr Haralampopoulos explained, to exclude the regions of Athens and Thessalonika from intervention by the Social Fund while, on the other hand, we are being asked to vote upon certain provisions aimed at creating the illusion that these provisions can deal with the environmental problem and the problem of public health in Athens, Piraeus and Thessalonika.

We, as Mr Haralampopoulos explained, do not agree that Athens and Piraeus should be excluded and we shall abstain from the vote on the provisions on the environment in order not to give the Greek people any false impressions that something important is going to be done to improve the unacceptable living conditions of the people in Athens and Thessalonika.

President. — I call Mr Battersby.

Mr Battersby. — Mr President, on behalf of the European Democratic Group I should to support Mr Papaefstratiou's report. Agriculture is more important to Greece than to any other national economy in the Community. 45% of the Greek people depend on agriculture as their main source of income, and as a nation with 2½ million small farmers which is recovering from many years of war that devastated rural Greece and which has spent many years developing an industrial base, Greece has not so far had large financial resources to devote to agricultural research. If we are to help Greece create more wealth, increase her gross domestic product and keep her farmers on the land, it is essential that we now aid Greece practically

Battersby

and realistically in the field of agricultural research by developing her agricultural scientists and specialists and her research centres. Mr Papaefstratiou's proposal — which was passed unanimously by the Committee on Agriculture — to increase by 15% over the next few years the relatively small fund available for agricultural research to meet the needs of Greece's 2½ million small farmers is, I submit, very reasonable and should be supported by this Parliament in the long-term interests of Greece and also in the long-term interests of the Community as a whole.

President. — I call Mr Bournias.

Mr Bournias. — (GR) Mr President, I am in agreement with the two rapporteurs of the reports which were presented to us today and with all the previous speakers, even with my colleague from the Communist Party, Mr Kappos, whose ideas are normally very different from my own. I am sorry that I cannot say the same about my colleague, Mr Peponis, who has unnecessarily made a political issue out of a matter which has nothing whatsoever to do with politics.

The proposal under discussion on agricultural programmes — for which I congratulate the Committee on Agriculture and thank my Greek colleague who drew up the report, Mr Papaefstratiou, for what he said to us today and for what he wrote in his report — asks us to give an opinion on the proposal from the Commission of the European Communities to the Council for a decision amending, as a result of Greek accession, a prior decision adopting joint research programmes and programmes for coordinating agricultural research. It is clear, Mr President, how important this subject is for the Community and Greece, which since 1 January 1981 has been entitled to participate in the joint research programmes and the programmes for coordinating agricultural research, given that even before accession Greece set up a working party which drew up a list of major priorities on Greek participation in the field of joint agricultural research programmes, in accordance with the provisions contained in the amendment to Council Decision 78/902/EEC.

The working party from the Greek Ministry of Agriculture drew up ten programmes directly concerning Greece and in Brussels last week, on 29 and 30 April, a decision was taken on how Greek participation is to be achieved and on the order of priority which is to be given to implementing, these plans. Since the Community's agriculture is complemented by that of Greece which, in particular, because of its soil and climatic conditions, can harvest a substantial amount of its farm produce as both late and early crops thereby supplying the Community with out-of-season products, there is a clear need to establish farming methods adapted to local conditions and to find ways to reduce energy consumption in the agricultural sector.

I am pleased to note that it has been decided that Community officials should come to Greece to supervise the task of coordinating agricultural research. The Committee on Agriculture's proposal is completely justified in calling for a 15% increase in the amount provided for by Decision 78/902/EEC for agricultural research programmes, thus bringing this sum to more than 21 292 000 ECU. I hope that Parliament will unanimously adopt this proposal, and I am also sure that it will unanimously adopt the other proposal by Mr Didò, which I shall not dwell on as all the previous speakers were in agreement on it.

President. — I call Mr Coutsocheras.

Mr Coutsocheras. — (GR) Mr President and colleagues, I am also an MP for Athens like Mr Haralampopoulos and Mr Peponis, and I have a special duty to point out that our capital, the famous city of Pericles, is being damaged by the pollution caused by the industrial belt which surrounds it. All of us from every country, dear colleagues, have a duty to protect this famous city of Pericles where the Acropolis and its monuments are kept and preserved for mankind for, in my opinion, these are not just our ancestral heritage but the inheritance of the whole of mankind.

Indeed, it was for this reason that I was amazed by the Commission's proposal to exclude Athens. I, of course, am also going to make the point which Mr Peponis made that the MPs of PASOK will abstain from the vote on pollution.

I also want to make the point that Thessalonika is being damaged in the same way by pollution and, at this point, I want to register my opposition, my total opposition, to the fact that Thessalonika is not included in the proposal on this matter. I am, of course, in agreement with everything that my colleague, Mr Didò, said on Thessalonika.

President. — I call Mr Markozanis.

Mr Markozanis. — (GR) Mr President, colleagues, Parliament must today decide on a question which concerns the rate of interventions by the European Social Fund. It is a matter of vital importance, given that the financial aids which are to be granted to the Greek economy under this heading should enable Greece to accelerate its integration into the Community's economic framework in the most effective manner. Mr President, I should like to repeat what I have had the opportunity to point out in previous debates in this Chamber, namely that Greece's present status as a Member State should act as an impetus for the granting of concessions of a special nature.

Markozanis

In the first place, we must not forget that it is not only Greece that will benefit by its swift and complete integration into the Community, but that this is also a basic requirement for building an integrated economic community which, as we all know, is an essential element in the move towards building Europe. Consequently, it is essential for Greece that notice is taken of the demands arising out of its new status as a new member of the Community. Efforts similar to those of the Greek Government should be made to ensure that Greece becomes fully integrated into the Community's economic system in the shortest possible time.

For this reason I agree that the proposal under discussion should be adopted, since it makes a real attempt to help the Greek economy in its struggle to become integrated into the economic framework of the Community in this important field. The reasons why all the special conditions which govern the granting of the increased rate of intervention by the European Social Fund should be applied to Greece are analysed in the motion for a resolution itself. However, I do not think it is necessary to linger on this point. I just want to mention the fact that Greece, despite the notable and steady economic progress which it has made in recent years, is at a level of economic development more or less equal to that of Ireland and, for this reason, it has problems which are the result of a relatively low level of economic progress and, at the same time, problems arising from its recently acquired status as a Member State of the Community. It is precisely for these reasons that, whereas all the other regions and areas in the Community in which the fund is operating have fundamentally strong grounds for support, Greece has particularly strong grounds for intervention in addition to these.

I think it would be wise of us to oppose, as paragraph 4 of Mr Didò's report stated, the Commission's proposal to exclude the areas of Athens and Thessalonika from the possibility of receiving the increased rate of intervention by the Social Fund. The reasons which the rapporteur put forward are, without doubt, sound and accurate. More than 45% of the total population, which constitutes 50% of the working population of Greece, live in the areas of Athens and Thessalonika. The same areas contain the vast mass of industrial units and 70% of all vocational training institutions, which should be given appropriate support to safeguard these regions, as they are of vital importance for the education of the Greek working classes.

Finally, I should like to recall, in complete agreement with the rapporteur, that the help which Greece will receive from the Social Fund is not just of prime importance to Greece but also to the whole Community as it is intended to help Greece to accelerate its rate of integration into the Community's economic framework in the most effective manner. Likewise, if the Regional Fund provides sums in accordance with the present proposals, it will be in

total agreement with the provisions laid down in paragraphs 2, 3 and 4 of the Protocol of the Treaty of Accession of the Hellenic Republic.

In the paragraphs referred to above provision was made for the Community to make use of all the measures and procedures laid down in the EEC Treaty and, in particular, to make appropriate use of Community resources with a view to working alongside the Greek Government in its attempt to integrate Greece into the Community's economic framework. For the reasons I have given above, Mr President, I am asking that Athens and Thessalonika should be included amongst those regions which will be granted the increased rate of interventions by the Social Fund. I hope that the needs of the Greek people are taken into account in the present case. The goodwill which has already been shown on many other occasions will once again serve as the distinctive mark of future relations between the European Community and Greece, which is now an inseparable member of it.

President. — I call Mr Fotilas

Mr Fotilas. — (GR) Mr President, on the subject of the Commission's package of proposals concerning Greece, I think two short observations need to be added and stressed in order to explain two crucial points. First, on the question of excluding the regions of Athens and Thessalonika from the increased rate of intervention by the European Social Fund, it should be pointed out that it does not refer to the distribution of the amount of this intervention within Greece, which is surely a problem that will be dealt with after prolonged and serious in-depth research on the matter. What is of more importance is the fact that the exclusion of these two regions means that Greece's share of the total amount of the increased rate of priority appropriations which are to be paid from the European Social Fund to Greece will be reduced by about half. We know, colleagues, and we should realize, or at least those who have forgotten it ought to realize, that these appropriations are distributed on the basis of population distribution. Consequently, the exclusion of these two regions in which, as was pointed out, 45% of the total population and 50% of the country's working population are concentrated has the totally unreasonable effect of limiting Greece to half the amount of appropriations which it should logically and justly receive in accordance with priority intervention on social and economic grounds.

Therefore, these two regions should be included, not simply because we are asking the Parliament and the Community's institutions to distribute the appropriations in this manner, but because it is only just that these areas should receive the increased appropriations. Beyond this point, undoubtedly, the Community's institutions and the Greek services responsible will decide as to how the total sum of

Fotilas

appropriations which are provided should be used in such a way as to contribute to the solution of the growing social problems of the whole country and the regions in question.

The second point to which I would like to draw attention concerns the questions of agricultural policy and agricultural research. Throughout the debate on how to use the increased appropriations for agricultural research in Greece, reference was made time and time again, albeit in a somewhat vague manner, to the way in which the Greek economy complements that of the Community. This is a dangerous view and it is dangerous, dear colleagues and Mr President, for the following simple reason: the Greek economy is not being geared so as to complement internal production within the Community, but in line with the Community's obligations to accept imports of goods from third countries. Typical examples, for instance, are oil and tobacco which are two noted Greek products both affected by problems. If research, as it is to be developed with this rather small amount of finance which is being provided, — we hope, however, that in the future this amount can be substantially increased — really has aims which are based on the principle of complementarity, then, in the case of these two products, for instance, a way should be found to make them produce higher returns and to provide support for their production. Indeed, seeing that the Community has an obligation based on different international agreements to import about 1 200 000 tonnes of olive oil, then clearly there is no point in our boosting olive production in countries which are naturally predisposed to producing this product at a relatively low cost with a greater yield.

However, in reality, Greek olive oil production would be completely complementary if the Community had not undertaken the artificial obligations which it has undertaken for the import of similar products. Tobacco is a product which is hardly produced at all in the countries of the Community. However, research should be carried out in selected areas which can develop the product varieties preferred by consumers in the Community, so that huge quantities of tobacco do not have to be imported from other regions outside the Community which place a burden on national budgets and the Community budget causing problems for the disposal of home-grown goods like tobacco in Greece.

Returning to the subject of oil, I should particularly like to point out that the biggest problem in producing oil is the problem of collecting the olives and developing a special technique for picking them, since this problem, which is mainly technical and has not yet been solved, constitutes the largest element of production costs. If research is carried out in this area, then there is no doubt that we will promote the complementarity of the economy and the protection of national economies as regards the production in different countries of products, like tobacco and oil in

Greece, which are naturally suited to the soil and climatic conditions and the production methods.

President. — I call Mr Vardakas.

Mr Vardakas. — (GR) Mr President, first of all, thank you for allowing me to speak. I do not intend to say very much, given that the previous speakers have said most of what I was going to say on the matter in question. I agree entirely with everybody and, in particular, with every word of Mr Bournias's speech. There is no doubt that Greece, in view of its economic characteristics which were outlined in full by Mr Didò, is entitled to an increased rate of intervention. The regions of Athens and Thessalonika should not be excluded from the increased rate for the reasons given by practically all of the previous speakers, except those who wandered away from the issue and wanted to turn it into a political question involving other matters.

Mr President, as other people have said what I intended to say, I shall not take up Parliament's time and I shall simply point out that it is necessary and absolutely vital that Greece be considered as a whole, without exception, as a region entitled to the increased rate of intervention.

I shall finish by underlining my complete agreement with Mr Didò's report.

President. — I call Mr Frangos.

Mr Frangos. — (GR) Mr President, in my short speech I should like to add to the well-founded and correctly reasoned arguments advanced by the rapporteur, Mr Didò, — whom I congratulate and thank — and my colleagues with some fresh legal and factual arguments in support of his views.

First, I recall that the European Social Fund, in accordance with Article 3 of the Treaty of Rome, was established with a view to improving employment opportunities for workers and to contributing to the raising of their standard of living and, in accordance with Mr Petrilli's view, its aim is to share between the different countries what can be referred to as 'the social cost' of the Common Market. In its sections on employment it is basically concerned with: first, dealing with unemployment; second, vocational re-training; third, revision of principles; fourth, resettlement.

On the other hand, the Regional Development Fund, which was established by the Council regulation of 18 March 1975, is completely different and has separate aims. The aim of the Fund is to correct the principal regional imbalances within the Community resulting, in particular, from agricultural preponder-

Frangos

ance, industrial change and structural under-employment.

Given that there is no ambiguity between the facts just referred to, I cannot understand why some people wish to categorize the two separate funds, the Social Fund and the Regional Development Fund, under the same heading. What Community principle or decision is the Commission using to make an interpretation of this kind in the case of Greece? I do not know of any provision in the Treaties establishing the European Communities, nor any Community act, regulation, decision, resolution or directive which allows for the separate funds to be treated as one and the same.

Second, the recent earthquakes caused damage in the order of 50 000 million drachmae and the region of Athens was hit particularly badly. In addition to the damage done to buildings and factories, unemployment was caused as a result of the fear which led to reduced commercial activity. Therefore, the Social Fund should provide help for those workers who were temporarily put out of work or on short time.

Third, one of the aims of the European Social Fund is to deal with the unemployment and the problems of resettlement caused by the environmental overcrowding of the regions of Athens and Thessalonika. Indeed, a programme has already been started to close down factories which are causing pollution, and these will have to be removed or their filter systems and other machinery replaced with safe, modern technological equipment. And so, this again brings about the problem of unemployment and resettlement for which the Social Fund aims to provide help to ensure that workers maintain the same salary levels while waiting for further employment or a move elsewhere. This is actually happening in Athens-Piraeus and Thessalonika.

Fourth, the Committee on Social Affairs and Employment, of which I am a member, adopted Mr Didò's resolution by 20 votes to none with 4 abstentions, while last Thursday the Committee on Economic and Social Affairs had already given a unanimous opinion that the Commission should change its initial proposal and classify the whole of Greece without exception as a priority area.

Finally, Mr President and colleagues, when we refer to Athens this does not just mean the two or three wealthy quarters, it also means Peristeri, Elefsina and Anthoupoli, which you have probably never heard of. However, there are also the poor areas of Piraeus which are drowned by floods when it rains and where the sight of dozens of poor souls who need a roof over their heads, sanitation, water and social security is enough to make you weep. The Greek Government, which has to take responsibility for these matters, is aware that Athens and Thessalonika should not be excluded from being given priority by the Social Fund as these areas, in fact, have most social problems.

I should like to end by commenting upon something which I have just heard, namely, the intention of the MPs of PASOK, with the exception of Mr Fotilas, to abstain from voting on the Didò report. I hope that this is only due to a misunderstanding.

President. — I call Mr Gondicas.

Mr Gondicas. — I should like to congratulate both rapporteurs for the excellent work they have done on the reports they presented to us today, but I also want to draw your attention, as well as the attention of the other Members of this House, to three main points which emerged from our deliberations here today

First of all there was a consensus that we must aim at increasing the total sum to be invested in the scientific agricultural research programme in the future. And if I may so, Mr President, the amount of the increase which our rapporteur, Mr Papaefstratiou, requested this time is only one-hundredth of what is spent in a week within the Community.

The second point is that equal treatment must be given to similar cases. In other words, I absolutely agree that there must be no discrimination between Member States.

My third point is that I believe we must draw up a plan as the basis for a scientific research programme to be applied simultaneously to the three interested countries, namely Ireland, Italy and Greece, exploiting what the existing possibilities are today and putting forward the aims to be achieved in the near future.

Last but not least I must say, Mr President, that I regret the fact that our Greek colleagues from PASOK will abstain from a vote which mainly concerns Greece.

President. — I call Mr Katsafados.

Mr Katsafados. — (GR) Mr President, colleagues, before speaking on the question under debate I should like to give a brief answer to my friend, Mr Kappos, who is a representative of the Communist Party of Greece and who spoke on behalf of the Communist Group. It has become boring and monotonous listening to Mr Kappos railing against Greece even when he is in agreement with our proposals. I should simply like to remind him that our country, which is governed by a democratic and free regime, has managed to attain a present level of development three or four times above that of neighbouring countries which are ruled by Socialist, Communist and Marxist systems. That is all I wanted to say. If he cools down, so will we.

Katsafados

As regards the matter under discussion, Mr President and colleagues, I should like to point out that the Committee on Social Affairs and Employment and the rapporteur, Mr Didò, have done an excellent job. The report which we are discussing mirrors fairly accurately Greece's background and its present situation, and we are in agreement with the conclusions that the report draws. In particular, we are in agreement with the committee's proposal that the areas of Athens and Thessalonika should not be excluded from the increased rate of intervention by the Social Fund and with the reasons put forward in the report in support of the committee's proposal. I should like briefly to add to these reasons some other reasons which are not referred to in the report. As the report says, more than 45% of the population of Greece lives in these regions and between 50 to 70% of the country's economic, professional and educational activity takes place there. Consequently, the fact that these regions have problems necessarily means that there are economic, professional and educational problems throughout the whole of Greece.

The environmental and regional planning situation in these areas provides another reason for supporting the committee's and Mr Didò's proposal. The committee's report refers to the rapid economic development which has been taking place in Greece in the last 20 years. This has had — indeed it could not fail to have — adverse consequences as regards planning the development of these regions, with the result that many serious and critical problems have been caused. Thus, the atmosphere around Athens, Piraeus and Thessalonika today has a level of pollution which regularly borders on the highest levels permitted and frequently goes way beyond these levels. Public open spaces and parks in these areas account for just 2% of the available land, while in large European cities this figure is round about 30%. Finally, when it comes to the question of keeping Athens, Piraeus and Thessalonika ticking over, suffice it to say that, whereas in other main European cities peak-hour traffic keeps moving at an average speed of 20 to 30 kilometres per hour, in Athens, Piraeus and Thessalonika the speed is about 12 kilometres per hour. These are some of the problems in our regions. And it is quite clear, in my opinion, colleagues, that these problems are lowering the quality of life to a critical level and are paralyzing the continuing attempt to develop the economy of Greece. It is also clear that a solution needs to be found to these problems not simply as a matter of convenience, but as a case of necessity and urgency. For this reason I think that the committee's and Mr Didò's proposal — which calls for the regions of Athens, Piraeus and Thessalonika not to be excluded from the increased rate of intervention by the Social Fund — is not only indispensable but totally justified and should be adopted. In finishing, Mr President and colleagues, I should like to express my amazement that while PASOK are roughly in agreement with these views, one of the members of PASOK,

Mr Coutsocheras, has stated that PASOK will abstain from the vote. Abstention? Permit me.

(The President banged on the rostrum)

Mr President, I ask you to allow me to continue my speech, given that I am in the process of summing up. I see that my colleagues in PASOK are protesting. There is no need for this as all they have to do is declare whether they will vote in favour of the committee's and Mr Didò's proposal that the regions of Athens and Thessalonika should be included in the increased rate of intervention by the Social Fund.

President. — I call Mr Zardinidis.

Mr Zardinidis. — *(GR)* Mr President, I just want to add a few words to point out that most of the vocational training establishments are based in the regions of Thessalonika, Attica and, in particular, Athens. In Thessalonika, in particular, we have the Farm School which brings together young farmers from all the regions of Macedonia and Thrace for educational and training purposes. There is also the Merchant Navy School and private and State schools which need support to develop their activities in preparing young people for certain forms of employment.

President. — I call the Commission.

Mr Richard, Member of the Commission. — Mr President, the two issues that have been raised are ones which are clearly of importance to many Members who have taken part in the debate.

I would deal first of all with the report of Mr Didò, since in some ways it is perhaps the more complex of the two. I really do think, Mr President, that there is an enormous amount of misunderstanding as to precisely what the Commission's attitude is, as to what its powers are and as to the effect of the Commission's proposal. With great respect to some of the honourable Members who have spoken, it does not lie within the function or the powers of the administrators of the European Social Fund to preserve the Acropolis, any more than it does to stop Venice sinking into its lagoon. One of the honourable gentlemen who spoke this morning set out precisely and with great clarity what the powers of the European Social Fund are, but a great deal of misunderstanding seems to have arisen on the precise effect of the Commission's proposal to exclude Athens and Thessalonika from the increased benefit. Therefore let me try very briefly to clear this matter up.

It is not proposed — and many I emphasize this to some of those Members who have spoken — to exclude Athens and Thessalonika from the operation

Richard

of the European Social Fund. Of course it is not. Both those areas are part of a Member State and are entitled to participate in the same way as any other Member State is entitled to participate: therefore, for proposals which the European Social Fund is prepared to accept and promote in Athens and Thessalonika, they will get what most areas in the Community get — namely, 50% from the Commission. The proposal is that in relation to the whole of Greece apart from Athens and Thessalonika, that 50% should be increased by 10% so that in relation to areas outside Athens and outside Thessalonika the contribution that the Commission will make under the terms of the European Social Fund will be 55% instead of 50%.

I do think it is very important, Mr President, that honourable Members who participate in this debate should not leave with the impression that what the Commission is doing is somehow to exclude from the operation of the Social Fund the two most populous and richest areas in Greece. This is not so. What we are saying is that in relation to the rest of Greece, outside Athens and Thessalonika, the contribution that the Commission should make — because inevitably there are regional differentiations and differences within Greece itself in relation to areas outside Athens and outside Thessalonika — is not 50%, but 55%. Now that, with respect, is the sum total of the Commission's proposal. If I react as an old parliamentarian, parliamentarians in this room will forgive me, when I say that some of the things I have heard being said in this debate in the Chamber this morning, about the effect of the Commission's proposals, can, I think, only arise from an almost total misunderstanding and misconception of what the precise effect of those proposals are.

Now let me just make two or three other points. On the major issue, which is the principle of extending the higher European Social Fund intervention to Greece, there is general agreement in the House. Where there is disagreement — and I accept it is on an important issue, but it is basically a secondary issue — is on the single question of whether to extend the higher rate to the whole of Greece, or to exclude Athens and Thessalonika.

Now there is a real difficulty here for the Commission which, if I may, I will spell out so that the House can appreciate it. We would be in a difficult position if we had to follow the lines advocated in the draft resolution before the House for two reasons: first, the drift of the amendment would seem to suggest that Community assistance should not make any distinctions in regard to the particular features and regional differentiations within Greece itself and especially that we should not take account of the need to ease the pressure in the areas in question to the benefit of the less-favoured areas of the country.

Secondly, and this is another real difficulty for us, if the amendment were to be adopted it would deter the

Commission from following what has been an unfailingly followed principle, namely of a consistent approach to Social Fund assistance and Community regional assistance. In other words, we have tried to pursue parallel goals in relation to Social Fund expenditure and Regional Fund expenditure, and if we were to accept the amendment proposed by the rapporteur and by Mr Didò we would not, in this instance, be able to pursue that parallelism. As the House knows, the choice of regions to receive Regional Fund assistance and, *a fortiori*, those eligible for the higher intervention rate is intimately linked with the requirement that such aids be compatible with the Common Market, particularly as regards the rules of competition. Mr President, I must say to the House that until examination of this question with the Greek Government is complete, it would seem to us unwise to act in the way in which it is now suggested we should.

On the other hand, whereas we have a real difficulty, I accept that on the demographic figures, and on some of the figures and points that have been made this morning, there is a very real difficulty on the other side. Therefore the Commission will do two things in order to try to deal with the problems that have been raised and obviate some of those difficulties.

We are very aware of the fact that a large number of the operations that could be eligible for Social Fund aid are bound to take place in the two areas in question: Athens and Thessalonika, where most of the vocational training facilities are located. Now, to take account of that the Commission is supplementing its proposal with two decisions. First of all, there is one intended to ensure the use of all — and I emphasize the word 'all', — the Community's financial instruments to accelerate the setting up of training facilities in the less-developed regions themselves. The second decision — and this is perhaps more important to the House this morning, — is to give to the management of the Social Fund sufficient flexibility so that it can apply the higher rate — that is the 55% as opposed to the 50% — to all operations carried out on behalf of workers from the priority regions, even if those operations are carried out in Athens or in Thessalonika. I think, with respect, that this takes care of the point that has been made, namely that so much of the mechanism for operating the Social Fund is situated in these two areas.

Mr President, I think that given this two-fold assurance by the Commission to enable Greece to qualify for the higher rate, it would seem difficult for the Commission at this stage to amend its proposal.

I was interested, if I may say in conclusion on this part, to see that the draft resolution puts the case for an adjustment of the financial allocation to the Social Fund in order to take account, among other things, of increased expenditure in respect of Greece. I fully share the views of the House on this point. I confirm

Richard

that it is my intention, as I have told the House before, to request a substantial increase in the fund's budget for the next financial year.

So, Mr President, on the points made by Mr Didò in his report and the amendment proposed by him, I can go some way towards meeting it at a practical level, but I fear I cannot go all the way with him in accepting the amendment.

On the other report, namely on agricultural research, I am afraid that I have to be even bleaker as far as the House is concerned. As you know, in the area of agricultural research, the Commission's proposal for a Council decision concerning the agricultural research programme was for an increase by 1.783m units of account for a period of three years.

The Commission thanks both the Committee on Agriculture and the Committee on Budgets for the approval which they have given to the proposal to increase the budget for agricultural research by 1.8m units of account. We note, however, that the Committee on Agriculture would wish to go further with an increase in the budget of 2.8 million units of account. I say at the outset that I entirely understand and I entirely sympathize with the motives of those who wish to put this budget up. I must also say, however, that the Commission is charged not only with the task of submitting proposals to the Council but also with the obligation of trying to get those proposals through the Council. And I must say in all candour to the House this morning that from the current discussions at Council level it appears most unlikely that we shall be able to reach an agreement on any amount higher than that which has been proposed by the Commission. Indeed, I should perhaps give the House a warning that the trend is even to reduce the amount that we have already got in — namely, 1.8 million units of account. So while, as I say, I sympathize greatly with the motives of those who wish to put the proposal up from 1.8 million to 2.8 million and also, if this proposal were accepted, I have no doubt that the Commission would be able to spend that increase in their resources and spend it in ways that very many Members of this House would wish to see it spent, I have to say to you that in our view it would not, frankly, be wise for us now to go back to the Council with an increase of that amount in the proposal. We are, as I say, in the process of trying to negotiate a successful conclusion in the Council on the present proposal for 1.8 million, and to go back with a proposal for 2.8 million would not seem to us to be a sensible way of trying to get through the proposal that we have already put up.

Mr President, may I finally say a word about the debate generally. I hope that when honourable Members have had an opportunity of looking at what I have said, particularly in relation to the amendment in Mr Didò's report, I hope they will not feel the

Commission is being ungenerous. We are, after all, trying to extend the operations of the Social Fund to a new member country — Greece. We are for that purpose trying to get additional resources, which we will undoubtedly spend in Greece. It is a country which will certainly come very high on the list of priorities as far as the Commission is concerned. Indeed, we not only accept this but there is evidence that we accept it, because we have increased the rate of intervention from 50% to 55%. We have put it up, that is to say, by 10% for the whole of Greece except for Athens and for Thessalonika, and in relation to those two areas we will make specific provisions so as to give the Fund flexibility in its operation and enable it to spend the extra 5% in relation to workers who come from outside those two regions of Athens and Thessalonika.

I fear, Mr President, that my answer will not satisfy everybody in this House today, but I fear also that it is the best compromise that the Commission is at present able to make.

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

We shall now suspend our proceedings and resume them at 3 p.m.

The House will rise.

The sitting was suspended at 1.15 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR JAQUET

Vice-President

President. — The sitting is resumed.

7. Estimates of revenue and expenditure of Parliament for 1982

President. — The next item is the report (Doc. 1-173/81) drawn up by its chairman, on behalf of the Committee on Budgets, on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1982.

President

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

Mr Bøgh. — (DA) Mr President, pursuant to Rules 82 and 84 of the Rules of Procedure I move that this report on the estimates of revenue and expenditure for Parliament be rejected as inadmissible. My reason for doing so is that when this report was drawn up there were infringements of the rights of the minority and, in particular, of Parliament's Rules of Procedure, which Parliament should not allow to happen.

My first point was the refusal to print the rapporteur's report examining the estimates line by line and criticizing the impossibility of supervising the use of public funds. My second objection is that Rule 100(4) of the Rules of Procedure, which states that if the committee is not unanimous the report shall also summarize the views of the minority, was ignored.

Mr President, regardless of their other failings, our Rules of Procedure do make the fundamental point in Rule 100 that democracy can exist only where the minority is also allowed a say. In this particular case the minority was a very large one, 8 out of 19. It is disgraceful that such an attempt should be made to silence them. I would warn this House that, in its fear of publicity for unrefuted criticisms of its handling of public funds, it is in danger of disregarding fundamental democratic principles and its own rules.

President. — Mr Bøgh has therefore just moved the previous question.

Let us settle this point first, and then I shall admit other points of order.

I call Mrs Hammerich.

Mrs Hammerich. — (DA) Mr President, my reason for moving the rejection of this report as inadmissible, in addition to the arguments put forward by Mr Bøgh, is that it includes no actual budget. All we have is a string of figures, a few million here, a few million there, which are then juggled at random, allowing the administration to spend what it likes, while giving the budgetary authorities no idea of the basis on which it is doing so. The rapporteur set out six requirements for budgetary transparency. They were not an Utopian catalogue, but minimum requirements which would help us discover what the figures concealed. It took the rapporteur three months to persuade the administration to clarify the budget; he wrote a 50-page report on the subject, which was neither printed nor distributed. This is censorship and an infringement of the right of free expression.

The report examines each item in the budget and clearly demonstrates its obscurity. A poor basis for

decision-making, a lax and secretive budget, ripe for misappropriation. If this had been a Danish Finance Bill, the Minister would have lost his job and the officials would have been on the carpet. This budget does not meet the most elementary requirements it would face in our country, and we have therefore referred it to the Danish Government Auditors, as our taxpayers' money is involved. We therefore believe that this report should be rejected, and I cannot imagine that any reasonable Member in this House today will oppose a thorough investigation of the matter.

President. — I call Mr Langes.

Mr Langes. — (DE) Mr President, I find it difficult to say whether I am for or against. I am against Mr Bøgh's proposal. I am very surprised at what Mr Bøgh and Mrs Hammerich have had to say, particularly as neither of them was ever present in committee. Obviously, the information they have been given by the person directly concerned, Mr Bonde, was very one-sided. I can only say that we of the Committee on Budgets — including, I assume, those members who were opposed to one or other aspect of this report — fully agreed that our chairman, Mr Lange, should present these draft estimates to Parliament today. The committee did not in any way deny the minority the opportunity of expressing its views. That was expressly confirmed by the committee. We constantly stressed that the committee's report would express the views of both the majority and the minority, although the rapporteur must, of course, present the majority view. That surely is his duty in this House. As he was not prepared to do that orally, the committee felt that the report should be presented by the chairman, as permitted by the Rules of Procedure. We must therefore make it absolutely clear that, one, we have observed the Rules of Procedure, two, we have acted legitimately and, three, we in no way sought to exclude the minority, since it has another opportunity today of making its objections and proposals for amendments known. I therefore call on the House to reject this request.

President. — I call the Committee on Budgets

Mr Lange, chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen, I do not really need to say anything, since Mr Langes has already said it for me. But I am surprised at the prophetic abilities of Members who have no idea what the acting rapporteur is going to say. They should wait and see what he says before they draw such strange conclusions

Let me just add one remark: as chairman of the committee I have probably been more accommodating towards the rapporteur than was officially necessary. I

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asked him on bended knee to take over the report as adopted by the committee and to present the differing views of the majority and minority on the various points or on the report as a whole. He did not feel able to accept the report proposed by the committee. His explanatory statement, after all, no longer corresponded to the resolution and the annex to the resolution. That is why the explanatory statement had to be dropped and the committee decided that the report should be presented orally. The rapporteur agreed to this on 23 April, but he changed his mind the very next day and said it was no longer his report and he could not present it. The committee then acted as Mr Langes has explained.

Ladies and gentlemen, we have to discuss the matter today, because the vote is being taken on Thursday. We cannot postpone the debate. But let no one tell me Members have not had an opportunity to examine these estimates, because nearly sixty amendments have been tabled. That is not, of course, a bad thing. I at least am opposed to this item being removed from the agenda on such flimsy grounds.

(Parliament rejected the request for referral back to committee)

President. — I call Mr Patterson, who wishes to appeal to the Rules of Procedure.

Mr Patterson. — Mr President, there seems to be a lack of continuity in the rulings made by the Chair. When Mr Rogers was in the chair this morning, the chairman of the Committee on the Rules of Procedure and Petitions pointed out that, under Rule 59, this matter could not be taken today. This document was distributed 24 hours before the debate. We could have saved ourselves a lot of time if you had taken my point of order or alternatively ruled on Mr Nyborg's point of order earlier on. It is impossible now to have this debate under our Rules of Procedure, so we had no need to debate an adjournment. Mr Nyborg has already made this point. I ask you now to rule definitively on Rule 59.

President. — It is possible that not enough copies were printed and that the distribution section had run out of them at some stage yesterday, but the report was certainly distributed in the normal way. It was distributed to the Groups in any case, otherwise we wouldn't have this string of amendments. The debate can therefore be held.

I call Mr Rogers.

Mr Rogers. — Mr President, Mr Patterson is misleading the House. I did not rule in any way and made no qualitative assessment at all this morning.

When Mr Nyborg raised his point of order as to whether the item should stay on the agenda I said that the agenda had been approved yesterday, that I was going to proceed with the agenda and that the appropriate time to raise an objection to an item on the agenda was when the matter came up for debate. Now, this is, as I understand, what Mr Nyborg has done.

President. — I call Mr Nyborg.

Mr Nyborg. — *(DA)* Mr President, I should first like to say that Mr Bøgh's request, on which we have already voted, was irrelevant, as Rule 84 of the Rules of Procedure concerns only matters lying outside the purview of Parliament. From that point of view we should not have had a vote, but we did, and it is past history now.

The second point, as to whether we received the report in good time as defined in Rule 59, is open to argument, as there is some confusion as to what is meant by the report being distributed. A clear definition of what is meant by the distribution of a report is therefore urgently required — whether it is enough that it should have reached the political groups or whether it should be available to all Members. If the latter is the case, the requirements were certainly not met in this instance, as this report was not available from Distribution yesterday evening before 7 p.m. But as I do not wish to be obstructive I feel we should now debate Mr Lange's report, but would make it absolutely clear that this is by way of exception and does not set a precedent.

President. — You have just raised a very interesting problem, which the Committee on the Rules of Procedure and Petitions, of which you are chairman, could very usefully consider.

As this item therefore remains on the agenda, I call the rapporteur.

Mr Lange, Chairman of the Committee on Budgets. — *(DE)* Mr President, ladies and gentlemen, I should like to begin by saying once again that I am sorry that the rapporteur originally appointed has felt unable to accept the decisions taken by the Committee on Budgets. The reason he gives is that this is not his report, which is true. However, it is not the rapporteur who holds sovereign power but the committee, and it is the committee that decides. The rapporteur is commanded by the committee. Where a rapporteur disagrees fundamentally with the committee's decisions, the only possible course open to him is to resign as rapporteur. Mr Bonde did not do this. But his refusal to accept the report and to defend it led the committee, as I said just now, to entrust its chairman

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with its presentation after Mr Bonde's explanatory statement had been rejected the previous evening — I will be saying something about that in just a moment — and its content no longer corresponded to the decisions taken by the committee. He was therefore to present the report orally and to inform the House of the views of the majority and the minority. He did not want to do this. I repeat: I regret this and, as I said just now, as committee chairman I have perhaps done more than my duty calls for. But to get back to the matter itself, a rapporteur has to present the committee's report and not his own person opinion. I shall endeavour to obey this rule in my presentation. First, a few words on the position from which we begin: in accordance with agreements between the Bureau and the Enlarged Bureau on the one hand and the Committee on Budgets on the other, we must for the first time proceed on the basis of Rules 49 and 50 of the old Rules of Procedure.

Under Rule 49 of the old Rules of Procedure the Bureau is responsible for the establishment plan and the list of posts. In other words, it has the last word in this respect. The Bureau's proposals are communicated to the Committee on Budgets, which considers them and informs the Bureau of its opinion. The Bureau can then decide in accordance with its own responsibilities and convictions. Hence the text of paragraph 2 of the resolution. The Bureau, the enlarged Bureau and the Committee on Budgets agreed that in view of the increase in staff under the 1981 budget — various posts are still blocked — there must be no further increase in staff in 1982. There should therefore be a zero here. The Committee on Budgets agreed, however, that there should continue to be possibilities for promotion, and these possibilities exist in the form of conversions of posts. The Bureau has now submitted an appropriate proposal for 16 upgraded posts and 4 converted posts. The Committee on Budgets decided by a majority — in fact a very large majority in this case — that it could not agree to this because there was no proper justification for upgrading and converting these posts, at least as the Committee on Budgets and its members see it.

Hence paragraph 2 and the corresponding commentary, which does not object to the principle of promotion, even though we do not want any additional posts for 1982. In this connection, I would appeal to the political groups which, albeit too late, have applied for additional posts, to withdraw their requests. For if we stick to the principle of not increasing staff in 1982, the groups must not call for an increase in staff above the 1981 level either. In other words, the groups must try to get by with the present staff complement of almost 2 900 or 3 000. On this, then, there are no other differences of opinion.

The Bureau was represented in the committee by Mr Jacquet, a Vice-President and the Bureau's delegate, and I can only say that we all tried to create a reasonable basis.

Now to the financial side. The Bureau originally submitted a draft, presumably on a proposal from the administration. I say presumably, because under the agreements we reached in committee the administration is no longer able to express its views itself in the Committee on Budgets. At best it can make its views known through the Bureau's representative if he asks to be informed of those views. So presumably the Bureau based its decision on the administration's proposal and arrived at a total figure of some 215.5m EUA. The proposal was then forwarded to the Committee on Budgets, and I must admit that Mr Jacquet did not have a very easy task here, because from past experience — something to which the administration draws the Bureau's attention often enough — we felt in the Committee on Budgets that the expenditure was on the whole excessive. As a basis for discussion in the Bureau and also at the suggestion of its rapporteur, the Committee on Budgets began by proposing virtually the same figure as in 1981. So we started with a figure of something more than 199 or 215m EUA. We reduced the 1981 figure from almost 210 to just under 200m EUA. It was possible to repeat this process this year.

The rapporteur, Mr Bonde, did not feel able to make any comment at all on the various items. After the discussion with the enlarged Bureau, the two rapporteurs, Mr Jacquet for the Bureau and Mr Bonde for Committee on Budgets, tried to reach a compromise. It should be pointed out at this juncture — and I can say this on everyone's behalf, not only a minority and without conflicting with a majority — that the Committee on Budgets as a whole felt dissatisfied at the inadequacy of the justifications for the various requests and the impossibility of establishing whether or not an actual need existed. The Bureau must certainly bear this in mind when drawing up future estimates, otherwise there is a genuine risk of there being a serious dispute one day. The majority of the Committee on Budgets did not accept the proposal submitted by Mr Bonde that the whole sum of over 199m EUA should be entered in Article 100. He felt that transfers could subsequently be made from Article 100 to the various budget lines when appropriate justification had been presented.

That was not enough for the Committee on Budgets, and, rightly or wrongly, we decided by a majority to put the procedure in its existing form to the test again. We know the difficulties involved. We also know that the sums not spent by the end of the financial year can be very extensive particularly in the case of Parliament's budget. I can only refer in this respect to paragraph 3 of our resolution and say that the Committee on Budgets is willing to use the time until a decision is taken at the first reading to clarify as far as possible the items which it is not yet able to verify. This may mean that the estimates in their present, provisional form — in which I assume and hope they can be approved — will look completely different at the time of the first reading, with some items reduced or

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increased, although, as far as I can judge, the total is likely to be smaller rather than larger.

At this point, I should like to describe the differences with the Bureau. The first discussion, after which the two rapporteurs, Mr Jacquet and Mr Bonde, sat down together, was not encouraging. Both sides must realize that the initial position each adopts cannot be the final position, but that they must come to an agreement. We cannot therefore have one side wanting to present the other with some kind of ultimatum. That was the view taken by the majority, while the minority of 8 members, who are mentioned on the introductory page of the report, felt that we should stick at zero, in other words, not increase expenditure over 1981.

However, the argument resulted in the first draft submitted by the Bureau to the Committee on Budgets being reduced from 215 to about 209m EUA. This is equivalent to an increase by just under 4.9% compared with 1981. This reduction, was, however, made with the reservation mentioned in paragraph 3 of our resolution, that a further check would be made with a view to improving the transparency and clarity of the budget. In its present form, everything is rather unsatisfactory.

Reductions were made in the travel expenses and daily allowances of Members and in the travel expenses of staff accompanying delegations and of the delegations themselves. The same applies to travel within the EEC on constituency business, but not to travel within Members' own constituencies. Reductions were also made in the case of assistants and movable equipment, entered under Chapter 22, Movable property, initial equipment, materials, etc. The staff as a whole were also subjected to reductions in some of the allowances, expatriation allowances, secretarial allowances and so on, as far as we can see without jeopardizing the forthcoming Council decisions relating to staff remuneration. Reductions were also made in rents, water, gas, electricity and heating, and cleaning and entertainment. In addition, contrary to what the political groups wanted — but I believe in agreement with the Enlarged Bureau — we have reduced the original request from the groups for 11% more than the figure of just under 4.9% planned for Parliament as a whole to this level of approximately 4.9%. As long as the Groups go on requesting resources without saying what they have done with their money in the past and how much they have hoarded, the Committee on Budgets will, with the best will in the world, not be able to approve the position they adopt.

Added to this, we must all be slightly more careful about our spending. This applies to travelling, to delegations and so on and so forth. We cannot afford to be regarded by the public as a tourists' club.

(Applause)

That is quite impossible. The Members of Parliament should be drawing these conclusions.

We can also work far more cheaply if this Parliament, disregarding its wandering circus status for a moment, stops acting as if the committees have to produce essays like university students. That is surely the last thing we should be doing. It is a complete waste of paper, of staff and of the costs involved. The committees should agree to do away with reports of that kind and to do no more than table the resolution and explain it here orally, because this explanation is in any case printed, and that is enough. There is no need for the submission of great volumes, which are supposed to create the impression of thoroughness or even of academic knowledge. We are a political body, and we do not have an academic task to perform here: we are here to develop political will and to put it to effect.

I feel this Parliament, by which I mean its individual Members, would do well to think about this and also about the personal requests that are sometimes made. You need only think of the frequent occasions on which up to 600 amendments are tabled, leaving aside reports, and of all the material, time, cost and so on and so forth that this involves.

The committee is very anxious to draw attention to this. A majority of the committee then reached this compromise, the 200m EUA or so, with the provision referred to in paragraph 3 of our motion for a resolution. The minority of 8 members, who wanted to retain the 1981 figure of 199m EUA, voted against.

I should now like to refer to the amendments. The Committee on Budgets will be discussing them once again at 6 p.m. tomorrow. But I can tell you now that I feel it would be best to reject all the amendments, regardless of whether they call for further reductions or further increases, and to leave it at this compromise. What we have here is, after all, only a provisional set of estimates to enable the Commission to put forward the whole of the preliminary draft budget by 15 June, which is why the June part-session would have been too late for a debate on this report. That is why these provisional estimates must be adopted here, even if some Members, including myself, consider them to be an unsatisfactory compromise. In the next few weeks and months we shall then have an opportunity of looking at things in greater detail and, as has been announced, preparing any changes that may be necessary for the first reading and putting them forward in a different form from this provisional draft.

I believe I have now covered all the shades of opinion represented in committee, without stating what the majority and the minority think about each and every item. It would be going too far at this time to consider the estimates item by item. What I am anxious to do is to make it clear that the uneasiness that has been

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voiced is felt not only by the minority but in fact by the whole committee, but that, as in previous years, a majority has sought a compromise to help prevent two organs of Parliament from taking opposite sides in the debate and possibly the vote: the Bureau and the Enlarged Bureau on the one hand, the Committee on Budgets on the other. We should not take this risk in this connection. The compromise that has emerged is due not least to the goodwill and the sympathetic cooperation of those directly involved. Where the Bureau is concerned, this is principally a reference to Mr Jacquet, who has acted as rapporteur for the Bureau and the Enlarged Bureau.

Unfortunately, Mr Bonde felt unable to present this report here. He wanted to do so in writing, but that would have meant convening another sitting to hear his explanatory statement. And that would have resulted in what Mr Nyborg has already hinted at. We would not even have been able to observe the calendar which we have proposed to the Council and Commission for the various stages of the budgetary procedure. We all felt that would have been on the whole irresponsible. We must, of course, respect Mr Bonde for the work he began. I have no objections to that. It is just that the way in which he then tried to present it and to gain acceptance for it was not approved by the committee — and a rapporteur must be able to accept that.

Ladies and gentlemen, I call on you to approve this compromise on Thursday. This is not the final decision: that will not be taken until the time of the first reading of the general budget in October. We shall therefore have the opportunity of making the changes we consider necessary.

Mr President, I felt I had to describe this in somewhat greater detail, which is why I have taken rather longer than is perhaps usual for the presentation of a report. Thank you once again for your patience.

IN THE CHAIR: Mr MØLLER

Vice-President

President. — I call the Bureau.

Mr Jaquet. — (*FR*) Mr President, I should like now for my part to offer you a few reflections on behalf of the Bureau of Parliament. In fact the Bureau, prompted by its desire to give proof of the political scope of the budget of the European Parliament, has this year decided, for the very first time, to instruct one of its Vice-Presidents to follow up the budget esti-

mates for 1982 right from the stage of the original proposal by the Secretary-General. The Bureau further decided that this same Vice-President should be associated with the Committee on Budgets throughout its deliberations on the draft budget. Finally, I have now to draw your attention to the fact that, in accordance with Rule 113(3) of the new Rules of Procedure and under the new procedure laid down jointly with the Committee on Budgets, it is the Bureau's responsibility to decide the number of staff in its secretariat, after consulting the appropriate committee.

The Bureau has accordingly instructed me to put before you in the course of this debate the reasons underlying its proposals on the establishment plan and its general approach in relation to appropriations.

Let me first of all say a few words about the establishment plan. In the light of the present situation, and until a decision is taken on the seat, our proposals have been dictated by a need for prudence. They have led to the decision not to create any new posts in the establishment plan for 1982. We are, however, proceeding with the upgrading of sixteen posts in the interests of a more equitable career development within some of the services and in line with the rationalization of the various career structures begun in the establishment plans of 1980 and 1981. In doing so we shall be following the guidelines laid down in the Ripamonti, Jackson and Ansquer reports. We are also going ahead with the conversion of four auxiliary posts into established posts in order to regularize the position of four members of staff in the new section of the European Parliament's crèche.

What essentially has led us to adopt these proposals? First of all we have to recognize that such fundamental changes as Parliament has seen over the last eight years, and especially the last two, prompt us naturally enough on the one hand to give priority to integrating new officials into their new working environment and on the other to aligning the position of Greek officials, who are exposed to working hours and methods quite new to them. I have in mind particularly the linguists. We should point out that this breathing space is intended as an opportunity to complete the analysis of the structural changes that will ultimately be necessary. At the same time, work should proceed on rationalizing internal systems and reorganizing some of the departments, in particular in the administration.

To support these proposals with incontrovertible documentary and statistical evidence, the Bureau has forwarded to the Committee on Budgets detailed statistics on the activities of the directorate-general responsible for recruitment, that is to say an up-to-date job description book for all posts in the European Parliament in 1981, a summary table comparing the establishment plans for 1979, 1980, 1981 and 1982 and including, for this last year, detailed justifications in support of the upgradings and conversions requested and, lastly, a memorandum containing extracts from

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the reports on the 1979, 1980 and 1981 budgets which give the views of the rapporteurs of the Committee on Budgets in regard to the upgrading of posts. After consulting the Committee on Budgets, the Enlarged Bureau, as Mr Lange indicated a moment ago, finally adopted the proposals on the establishment plan at its meeting of 7 April. These proposals were outlined in the report just presented to you by the Chairman of the Committee on Budgets.

Mr President, I should like to move on to the matter of appropriations. On 7 April, the Enlarged Bureau was told that the Committee on Budgets had delivered an opinion in favour of freezing appropriations for 1982 at 199 million ECUs, the same as for 1981 — in other words a zero increase. The Enlarged Bureau thereupon, and after long discussion, adopted the preliminary draft estimates for 1982 on the basis of the provisions of Rule 114(2) of the new Rules of Procedure, fixing the rate of increase at 6.5%. At that time I was instructed to confer together with the rapporteur of the Committee on Budgets, Mr Bonde, in order to try and bring the Enlarged Bureau and the Committee on Budgets closer together. After lengthy talks with the rapporteur, no compromise was reached. The Enlarged Bureau subsequently confirmed its earlier decisions and instructed me to inform the Committee on Budgets that it was prepared to consider a reduction in some of the items so as to stay within the proposed 6.5% increase over last year. I was also instructed to pass on the requests from the political groups for increases in appropriations for items 3705 — relating to contributions to the secretarial expenses of the political groups — an 3706 — relating to other political activities — and also for the inclusion of a token entry to cover the financing of the publicity campaign for the 1984 European elections. As part of my brief, I attended the meeting of the Committee on Budgets on 23 April at which the overall increase in the budget total for 1982 was cut back, as you already know from Mr Lange, to 5% and the token entry was rejected. This then is the draft budget that the chairman of the Committee on Budgets has just presented to you.

The Enlarged Bureau has given its assent to the changes introduced in the original draft and I am delighted that agreement has been reached. I am bound to point out, however, that an overall increase of just under 5% over last year is considerably lower than the average rate of inflation inside the Community. Clearly, in these circumstances, any further cutback could mean a supplementary budget during the course of this year.

Just one final word. The new procedure decided jointly by the Bureau and the Committee on Budgets is beginning to bear fruit. For one thing, the two-stage examination of the budget estimates provides an opportunity for more detailed discussion. In effect, this procedure allows the Bureau to give more careful

attention to the establishment plan and to evaluate more precisely Parliament's budget requirements. One of the first and most important results of this cooperation is, in my view, the much greater transparency of the 1982 budget compared to the previous year. The remarks accompanying the budget have lost some of their inscrutability and allow the reader a clearer understanding of the justifications for the appropriations. An effort has been made to explain the various items of expenditure more fully by showing the exact amount and purpose of each. This new procedure will be finalized over the next few years, but the fact alone of having introduced changes in this area is a matter of some satisfaction and sets Parliament apart from the other Community institutions.

Mr President, may I say in conclusion that I regard the fact that a representative appointed by the Bureau has been allowed to explain the Bureau's position to the House in plenary sitting as a useful precedent. I also wish to take this opportunity to assure you of our willingness to continue the dialogue and our determination to work with the House in effective cooperation.

President. — I call Mr Hord to speak on a point of order.

Mr Hord. — I want to raise a point of order in connection with the capacity in which the last speaker addressed the House. Do I understand that he speaks as a rapporteur and, if so, for which committee? Because, if he is speaking in behalf of the Bureau, as it sounded to me, the Bureau, in my understanding of the Rules, is not a committee and therefore he was out of order.

President. — Rule 114 stipulates that the Bureau may deal with such matters, and it is on behalf of the Bureau that Mr Jaquet has spoken, just as he has also been spokesman for the Bureau in the discussions in the Committee on Budgets.

I call the Socialist Group.

Mr Dankert. — (NL) Mr President, my Group feels that it can agree to these draft estimates at the moment and I stress, at the moment. The reasons why we find them acceptable have in fact already been stated: firstly, the limited percentage increase in expenditure compared with last year's budget, a percentage — as Mr Jaquet has already said — which is well below the average inflation rate in the Community. But an equally important reason is that the Enlarged Bureau, which is particularly competent in this field, has decided not to request any additions to the establishment plan or an increase in the staff. Both these factors indicate that the somewhat wild and uncontrolled developments in Parliament's budgets in the year before and the two years after the elections are now

Dankert

apparently to be followed by a period of stabilization. We must take advantage of this period of stabilization, as, I feel, paragraph 3 of the resolution says, to find out at long last whether the budget is well structured, whether all its component parts are in good order and whether it is perhaps capable of improvement.

But that is a task, it seems to me, which will undoubtedly keep the Committee on Budgets and the Bureau occupied initially in the coming months and then perhaps in the coming years. And there is every reason for this when we consider the figures of past years. Underspensing of Parliament's budgetary resources is rather serious compared with the other institutions, with the one exception of the Court of Auditors. While we budgeted for 177·3m in 1980, expenditure amounted to 137·8m, a difference of almost 25%, and that naturally means in practice that the administration and the Bureau have plenty of scope to use a budget of this kind in a way that was probably not intended when it was established. In 1979 the situation was the same: 144m budgeted for, 115m spent, a somewhat smaller difference, but still too large both in comparison with the other European institutions and in absolute figures to be acceptable. I feel the Committee on Budgets must use the time available to it in the coming months to prevent the 1982 budget from resulting in a similar difference between the amounts estimated and the amounts used. A significant cause, Mr President, of underspensing in past years — accounting for two-thirds to three-quarters of this underspensing, according to my calculations — has been the poor estimation of staff costs and the unfilled posts in the establishment plan. I wonder what the present situation is with regard to the establishment plan. I feel that we of the Committee on Budgets do not yet fully understand this situation, and I believe that the Bureau itself does not fully understand it either. But considering the enormous number of posts which has been authorized in the past and the enormous number of vacancies or unfilled posts, perhaps I should say, which still exist according to all kinds of sources, there is a danger that the staff appropriations will again be underspent in 1981, and this may have implications for 1982. It therefore seems to me that a closer look needs to be taken at this aspect before the 1982 budget is finally adopted.

Mr President, it is also worthwhile considering the situation in the past in another context, an approach which Mr Bonde finds very attractive. In 1980 expenditure amounted to 137·8m EUA, rather less than the amount budgeted for 177m EUA.

The appropriations estimated for 1982 total 209m, which, if we continue with this theoretical approach, represents an increase by more than 50% in the two years, the new Parliament has been in existence. And that is a further reason for examining the contents of the various budget items. This is necessary, and the rapporteur, who has been unable to defend this report, had made a start on an analysis of each individual

budget item in order to achieve a better understanding of trends.

Mr President, it has become clear that three months is too short a time for the Committee on Budgets and the committee's rapporteur to do this, partly because the time was too short and partly because it is always extremely difficult to obtain the necessary information from the administration and the other organs of this Parliament. I feel that there is room for a substantial improvement here.

Mr President, reference is made in these estimates to greater transparency. I cannot say that the transparency of budget items is now optimal, but efforts have for the first time been made this year to achieve greater transparency with regard to a number of items, particularly those that have come in for strong public criticism. I feel that the publicity surrounding delegations to Bogotá and so on have greatly contributed to this. But again, it is not clear what is involved in all the items. Some explanation is needed. For example, item 105, language courses for Members: the costs incurred by Members in connection with these language courses are included in a different item of the budget. There must certainly be an improvement in the transparency of this kind of expenditure, above all through a clearer breakdown of items.

Mr President, there is, of course, an obvious way of reducing Parliament's budgetary costs even further. It is not for the Committee on Budgets to do this: it is for Parliament itself to seek an early solution to the question of its seat. I believe this is another factor which could substantially reduce the criticism of the size of the budget, which is, of course, largely due to the language problem and the various places of work this Parliament has.

Mr President, I have already said that my Group approves these draft estimates as they stand. This means that it will be voting against all the amendments to them.

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

Mr Langes. — (D) Mr President, ladies and gentlemen, the European People's Party approves the draft estimates which have been presented by the chairman of the Committee on Budgets, Mr Lange, whose statement has my complete approval. We feel that although these draft estimates are still unsatisfactory in some respect and cause some uneasiness where one or other item is concerned, it is, in our view, worth while debating these estimates now so that we have the time until October to discuss them in detail with the Bureau.

Langes

We have, after all — and I should like to quote these figures once again — fixed the draft estimates at 209m EUA in a very fair discussion with the Bureau. This is equivalent to a 4.9% increase over 1981.

On one point, however, Mr Jacquet, I must contradict you. In my opinion, paragraph 3 of our motion for a resolution makes it clear that we certainly can discuss further savings in the next few months without this entailing the announcement of a supplementary budget for 1982. We have undoubtedly adopted the course, together with the Bureau and fully aware of our responsibility, of submitting to this House draft estimates which, I feel, Members can approve.

I should now like to take up just a few points which I consider important. The Bureau has already made it clear that there will be no increase in Parliament's staff in 1982. The Bureau has taken a very good decision here, and it has our full support. On the other hand, we have blocked something under 200 posts in 1981 and developed a procedure — and I would ask the President to make this very clear to the Bureau once again — under which the Bureau and the Committee on Budgets proceed very carefully in releasing these 1981 posts, the object being to achieve the much sought after transparency in this area too. I believe we can do this together. In other words, the Committee on Budgets is proposing — and I fully endorse this on behalf of my Group — that the expansion of Parliament's administration should be progressively submitted to a close examination and effected with the necessary transparency, because we are, of course, aware that we have gradually grown to not inconsiderable proportions. A 4.89% increase — as you, Mr Jacquet, have rightly pointed out — is below the average rate of inflation. So this makes it clear that, if we adopt paragraph 3 of our motion for a resolution, we are prepared to reduce Parliament's budget to a reasonable level.

Mr Dankert has just referred to the difference between actual and planned expenditure. Of course, there is some disparity in this respect. But it has many different causes. Perhaps there was too much of a vacuum, if I may put it that way, in Parliament's budget again last year, but is it really such a bad thing for there to be a difference between actual and planned spending under our budgets? Surely not, otherwise we would have to tell Parliament's administration to keep up the spending so that its actual expenditure was about the same as planned expenditure, because then it will be praised by Parliament for submitting correct estimates. We are familiar with this from national governments and national institutions. We must not allow a situation in which thrifty officials are, as it were, punished afterwards on the principle that they have misguided us.

We must recognize the ambivalence of such action. I believe, to be fair, this should also be made quite clear to Parliament's administration.

Mr Bonde's proposal that the budget should simply be frozen by transferring the resources to Article 100 was rejected by the Committee on Budgets on the grounds that we are seeking budgetary honesty, for which Mr Bonde himself called. In other words, we feel we should state accurately what we need. Budgetary honesty forms part of a budgetary procedure, and we also call on the Commission to give the individual items clearer designations. I should therefore like to say to all those who were not present at the meetings of the Committee on Budgets that this was one of the reasons why we could not agree with our rapporteur.

Ladies and gentlemen, we are very much in favour of looking at things very closely, of our checking our own activities in particular, but we do not, of course, believe that the Committee on Budgets should become some kind of inquisition where Parliament's administration is concerned.

I should like to take up another point that has just been stressed by the rapporteur, Mr Lange. We have deliberately made a substantial reduction of 2.6m EUA, from 35.6m in 1981 to 33m in 1982, in expenditure for Members of Parliament. This shows, ladies and gentlemen, that we intend to impose stringent standards not only on others but also, and above all, on ourselves.

We should therefore try to show the public our budget with composure, calmness and resoluteness. We have nothing at all to hide. We should be very critical of ourselves.

Anyone who criticizes us will be heard. Of course, the criticism levelled at Parliament's budget takes various forms, for example criticism which regards thrift as the greatest virtue, a view I share, and I know that the Conservative Group includes various Members who pursue this object with puritanical zeal, which leads them to adopt the wrong political course, in my opinion. But I take their various criticisms seriously.

But there is another kind of criticism that is levelled at Parliament's budget, and I would ask the members of the Conservative Group to be very careful they are not confused with those who seek to attack Parliament as a whole through their criticism of its budget and merely want to expose our Parliament to the public. As a German Member I know only too well from history how in the years from 1930 to 1933 the National Socialists under Hitler pilloried the freely elected Reichstag of the German people, calling it a talking shop which did nothing but spend money. Their aim was to attack the democratic institution, and it is here, ladies and gentlemen, that we must make a distinction. We must completely reject criticisms of this kind. We approve these estimates.

(Applause from the centre and from the right)

IN THE CHAIR: MR ZAGARI

Vice-President

President. — I call the European Democratic Group.

Mr Balfour. — Mr President, I am delighted to take the floor after Mr Langes, because I think it is high time this House began to understand the position of my Group. For Mr Langes to say that our advocacy of greater economy for this Parliament is a way of pillorying it is profoundly to misunderstand an honourable and decent political motive. I would ask him to listen to what I have to say with the same dignity with which I listened to his remarks a few seconds ago.

We are well aware in our Group that our efforts in the past to speak out against an increase in the overall costs of this Parliament have been seen as an attack on the institution itself. There are remarks like 'puritan zeal' from Mr Langes. Although this may be an inevitable response, it is wrong and it is sad. We, in our Group, believe very deeply in the validity and the importance of this institution. It is the engine force for the future development of European integration. We do not wish to limit the power or the scope of this Parliament. There are a large number of us in this House who believe that the significance of the Community should be enormously increased, and we as an institution are asking for new own resources. We want new policies and we want a better balanced budget.

For our part, we believe that Parliament has to show that it can be ruthlessly tough with itself before it will be trusted to be tough with an expanding Community budget. The Community will not go broke if we vote ourselves an extra 5%.

Our own popularity back home will not change for the better or the worse if we do so; but let no one in this room forget that what we are seeking as a Parliament is something very unusual. We are trying to persuade the executive in the Community to spend more of the taxpayer's money. Normally parliaments are there to do the very opposite. These new funds to finance new policies, which we support in this Group, will only be granted by the Member States and put into a European pool if the Commission can be trusted to spend them wisely. Ultimately, controlling the Commission is our responsibility. Control of its expenditure is our only real weapon; and we shall only be able to wield that weapon if we have earned the respect of the people of Europe. In order to earn this respect, we believe we must show that we can be financially strict with ourselves. If necessary, we call upon the House to overdo it in that respect, and this is why we ask the House to support us when we call for a zero increase. We are not seeking a cheap headline back home. It is

not an excess of zeal and it is not an attack on the institution. We are genuinely anxious to eliminate the over-budgeting of recent years. We are keen to show the world that we are fit to monitor an expanding Community budget.

Of course, like Mr Lange, we want to hold group expenditures where they are. Our groups are well-financed already. Of course we want to put an end to political tourism, as he put it, and our position on these subjects has been made quite clear in committee, but the priorities have not changed since the days of Robert Jackson and Mr Ansquer.

First, the two-line reference by the Maastricht Council seeking to maintain the *status quo* on Parliament's seat was shameful. Moving between three cities is a hated, expensive and demoralizing exercise. And it bloats our budget.

Secondly, there are still many Members who are nervous about the willingness of our Bureau to engage sympathetically and on equal terms in conciliation with the Committee on Budgets, or even with the House in part-session.

Thirdly, there are still more Members and millions of people outside this House who look in amazement at our capacity for over-budgeting our own institution. We in our Group shall continue to demand precise explanations for this unsatisfactory state of affairs.

However, we are not all of us only in favour of cuts. For instance, we believe in principle that this institution should pay its own Members' parliamentary salaries. When a Member of Parliament from Yorkshire, like myself, goes to Westminster, he is not paid by the North Yorkshire County Council, he is paid by the National Exchequer. When a Commissioner is appointed by his Member State, he is not paid by his Member State. Well, we do not believe that we should be paid by our national governments. Let us try to make room for such future expenditure.

We ask the House to stand still on its appropriations, but the main battle remains our place of work. We give the Council, once again, formal notice that for budgetary reasons as well as for political and human reasons we shall not rest until there is a single and permanent seat and place of work for this House. The House will see that we are proposing both a zero increase, with one amendment, and the setting up of a separate working party to investigate whether further cuts could take place. This last posture is consistent with everything that Mr Lange said, with everything that Mr Dankert said and with everything that Mr Langes has just said, and it is therefore with confidence that I recommend it to the House.

President. — I call the Communist and Allies Group.

Mr Gouthier. — *(IT)* Mr President, this year the procedure for the approval of Parliament's budget has been particularly laborious, right from the beginning. I agree with the factual reconstruction and to a large degree with the judgments expressed by Messrs Lange and Jaquet regarding this procedure as it has developed up to the present.

The hub of the matter, as it presents itself today, is quite evident. Because of serious economic difficulties and because of the fact that Parliament is directly elected certain needs arise: on the one hand, the need to curtail expenses severely; on the other, the need to make Parliament's budget fully transparent as a guarantee of efficiency, functionality, earnestness, and rationality. The fact that Parliament is an elected parliament, however, necessitates a demonstration that its functional capacity is continually increasing. I fully share the ideas which arise, for example, from the study made by some of our colleagues regarding the expenses of delegations abroad. Here severe cuts should be made, but one concept should be made clear: the European Parliament has a function not only in the continental sphere but also on a global level, and we must therefore ensure that it remains capable of exercising this function.

It seems to me that when we deal with the problem of Parliament's budget we must combat two extreme positions: on the one hand there are those who want to present the entire budget as potential waste, a source of real or possible manipulation, and therefore they propose indiscriminate cuts. Such an attitude gives rise to many suspicions. We naturally do not wish to make generalizations, for not all those who fight so fiercely for indiscriminate cuts in Parliament's budget are attacking the Community institutions; we are able to make distinctions even here. But it is nevertheless obvious that someone wishes to make use of this already delicate ground — made even more so by the economic crisis — not to rationalize the budget but to strike a blow at Parliament itself and hinder it in the full exercise of its functions. We see that some seek to organize their 'political lives' around this question, not hesitating to invoke the morbid curiosity of certain sectors of public opinion. We have faith in our own possibilities, however, and we believe it is our duty to discuss these difficult matters calmly; we have faith in the understanding of public opinion in all of our countries.

There is another position equally as extreme which should be resisted: that which holds that the budget as it is now organized is basically acceptable, that, all things considered, progress can still be made by making some slight alterations here and there. We are not of this opinion, even though we have made our own contribution towards an agreement between the enlarged Bureau and the Committee on Budgets, an

agreement which we feel is very positive and which concerns the necessary reduction of Parliament's budgetary expenditures for the coming year. Parliament's budget must be renovated, however, and it must be renovated in the light of two basic problems: the first is that of the seat of Parliament, the second is that of the legal status and economic treatment of the individual Members.

As far as the seat is concerned, we are familiar with the situation and we know how Parliament's margin for decision is restricted. We say that Parliament should continue to fight, that it should be firm in pursuing the struggle with the Council in order that definitive choices may be made as soon as possible. The Council must know that this uncertainty throws a shadow of discredit on Parliament, involving as it does an appreciable waste of financial resources.

The matter of the legal and economic treatment of members is, in the first place, a moral question, for we are aware that corresponding to the equality in the work load there is a profound inequality in national remunerations. This inequality must be overcome. In this respect, however, there is also a problem of financial morality, a problem of budgetary transparency, of credibility in the face of public opinion. We know that national remunerations are embedded in a system made up of a multiplicity of various indemnities. We feel therefore that in progressing towards a single level of remuneration we must aim at simplification and greater clarity. We must have the courage to move in this direction, speaking openly among ourselves, in the Chamber, if necessary, and speaking clearly before public opinion.

The amendments we presented to the resolution and the preliminary draft budget do not aim at an increase in expenditure. They are the classic manifestation of the *nummus unus*. We wish to give a precise and concrete sign that the present situation is untenable legally, morally, and also from the view point of financial policy and the healthy administration of the parliamentary budget. We want to correct this situation gradually, dealing with the problems of remuneration in a uniform manner both in regard to base salaries and in regard to the right to pensions and health insurance. I repeat, this is not a call for increased expenditure, because we say *nummus unus* — that is, an EUA in the budget — but a manifestation of a clear and precise political intention.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — *(FR)* Mr President, I will tell you right away that the Liberal and Democratic Group will be voting for the report on the draft estimates of the European Parliament for 1982 submitted by the Committee on Budgets, particularly since we know that it is the result of long and difficult discussions in

Scrivener

committee, provoked by the very extreme position that the rapporteur, Mr Bonde, felt obliged to adopt.

It is true that a greater measure of restraint was called for than in previous years. But what do we find? The draft estimates submitted to Parliament certainly show restraint inasmuch as they provide for an increase of 4.93% over 1981 even though the Community has now got ten Member States. Moreover, no new posts are envisaged and only the regrading of a few posts to maintain normal career development has been accepted. In real terms and taking into account inflation, this budget, which is the result of genuine cooperation between the Bureau and the Committee on Budgets, not only shows evidence of a commendable restraint but has to be seen effectively as a cut in relation to the last financial year. In contrast, the system proposed by Mr Bonde of making systematic cuts in every budget heading without any consideration of the nature of the expenditure did not recommend itself to us. It is nevertheless a fact that in future years an effort will have to be made to correlate estimates more closely with actual expenditure and we believe that what has been proposed for 1982 is an important step in this direction.

Let me also say that, given the business that Parliament has to conduct and the additional burdens it is having to bear, I think it would be desirable if, in October, we were to compare the estimates with the actual budget. In fact, it is not simply a matter of making savings just for the fun of it in areas where certain activities — and in particular the representation of the European Parliament abroad — are among the tasks that are indispensable to its proper functioning. On the other hand, the usefulness of such activities must be understood by the public and it is up to Parliament to explain them. And when Members do go on mission outside the Community, careful planning and preparation, especially on the financial level, is essential, although this is not always the case.

In conclusion, the Liberal and Democratic Group will vote in support of the draft estimates as they stand and reject any attempts to introduce changes which could ultimately destroy the compromise reached between the Bureau and the Committee on Budgets after such a hard effort. We for our part attach the greatest importance to this cooperative effort.

President. — I call the Group of European Progressive Democrats.

Mr de la Malène. — (FR) Mr President, what I have to say is more in the nature of a warning against the procedure we have adopted in examining Parliament's budget. To me it seems a very bad procedure, which is why, on behalf of my Group, I have tabled some amendments to reinstate the Bureau's budget. I believe that is the correct and indeed the only legitimate method of discussion.

It is not usual to have a debate such as this and to do so is simply to lay ourselves open to every kind of demagoguery by the enemies of our Parliament. One can of course always find that one is spending too much, but the responsibilities should be very clearly drawn. We elect the President and Vice-Presidents who make up the Bureau. They are the persons responsible, because we elected them to be so. It is up to them to draw up the estimates. If they are not right, it is they who are responsible. But we think that the system whereby we get the Bureau to draw up a budget, which is then submitted to the Committee on Budgets for their critical comments, which then comes before the House, with all the demagoguery that can lead to, is a system that could do our Parliament untold harm. I have always let it be known to the Bureau that I objected to the expenditure; but here I am speaking of budgetary procedure. I believe we are doing our Parliament a disservice, are allowing its opponents to place it in a difficult position. That is the way to destroy a parliament.

The amendments I have tabled, and I have no illusions as to their fate, are amendments of principle, intended as an assertion that the procedure being followed goes directly against the interests of our Parliament!

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Bonde. — (DA) Mr President, I should like to start with an unpalatable assertion; nobody speaking today knows what he is talking about. Nobody in this Chamber knows the content of the budgetary items we are debating. Nobody, whether from the Committee on Budgets or from the enlarged Bureau, knows what they will be voting for on Thursday. I ought to be the person nearest to knowing something. Three months' intensive work on the budget ought to have made a dent in my ignorance, but the only thing that I know is that nobody knows anything.

These estimates hide much more than they reveal. When the Committee on Budgets considered it there was only one item which met the absolute minimum requirements for clarity, and that was the printing of EP News, where the expenditure happened to be calculated outside this institution. Most other items were so obscurely drafted that, as Mrs Hammerich has said, if a Danish minister submitted a similar finance bill he would lose his job overnight.

Let me give a few examples of the elementary information I was unable to obtain as rapporteur. As we have all seen in our offices here, typewriters, desks, dictaphones, etc. and all other office furniture and equipment are painstakingly fitted with metal number plates. However, nobody was able to supply an inventory. We know that Parliament has over 2 800 offices

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in 25 buildings, but it was impossible to obtain a list of these offices saying who was sitting where. We know that the Bureau speaks of restraint in recruitment and appropriations. It has even said so in print. However, the estimates allow a 50% increase in administrative staff in one single year, and despite countless requests nobody will tell how many new posts are planned for 1982. With all the talk of savings, expenditure next year will be allowed to rise by 50% over actual spending last year. This all means that what is being put to us is not in fact a budget estimate but a cheque-book for the administration and the Bureau to use freely next year, as they have used their funds in the past.

I regard this laxity in its budgeting as so serious that the People's Movement has reported the European Parliament to the Danish Government Auditor, to the Danish Parliament and the Government and asked them to take action against what we would call extravagance, maladministration and plain illegality. The latter may appear to be an unsubstantiated assertion, but it is not I who has prevented publication of the explanatory statement. I submitted a 50-page document for distribution to Members, which showed, item by item, a flagrant lack of the basic information required for any budget, but they will not publish it, perhaps because it might bring Parliament into discredit, as has been said in committee.

But it is this which has really brought this Parliament into disrepute. The extravagance of paying a Member as much in daily allowances for three or four days as a Danish pensioner has to subsist on for a whole month is one thing, on which opinion can be divided. But what is far more serious is that Parliament is unable to render accounts for such extravagance or to budget for it and, when this is pointed out, chooses to hide its head in the sand without even feigning an interest in putting its affairs in order. It is trying to give the impression that nothing has happened, and on Thursday the majority in this Chamber will adopt a set of estimates without a single Member being able to go out and tell his electorate what he voted for, and what it really meant.

Well, congratulations on their ignorance. Congratulations on breaking Parliament's own Rules of Procedure, preventing the rapporteur from including the views of the minority in the committee's report. Congratulations on the successful censorship, in which some Members of this Parliament have set themselves up to judge what the others should be allowed to read. I really mean congratulations, but I am not talking to the majority in this Chamber, but to the many opponents of the EEC in our countries, who are thus being provided with documentary evidence of a situation worse than they even suspected, and fresh encouragement for the Danish people, for example, in their desire to get out of the EEC!

President. — I call Mr Fich.

Mr Fich. — (DA) Mr President, we are today debating this budget of the European Parliament for the first time and we shall be returning to it on several occasions in the autumn. Unfortunately we have to debate it in a situation where the rapporteur has withdrawn, and it is obviously worth examining how and why this happened. Several months ago the Committee on Budgets decided to endorse the rapporteur's view that there should be a comprehensive examination of the budget followed, of course, by major changes, and the European Democratic Group and the Socialist Group, among others, expressly backed a serious attempt by the rapporteur to get to grips with the situation, to carry out investigations and to make changes.

It might be interesting to see where the investigations have led; what we have learnt from the press and in the Committee on Budgets is that we do not, in fact, know any more than we did two years ago when Mr Jackson so meticulously examined the same subject. At the time he described the situation very clearly, and nothing new has emerged since. It was clear even then that the budget was poorly drafted, that there was over-budgeting and general obscurity.

But our present complaint, which touches the heart of the matter, is that nothing has been done. We have carried out the same investigations over again, but the real need was for action in the intervening years. Conclusions should have been drawn from Mr Jackson's revelations of a couple of years ago, which were echoed by Mr Ansquer last year. That was where I should have expected the rapporteur — or the ex-rapporteur — to have tried to bring about improvements. But all we have seen is a proposal to freeze Parliament's expenditure at last year's figure which, by the ex-rapporteur's own reckoning, is about 50% up on 1980. That was not what I have expected. I had expected clear and precise proposals on the individual items in the budget, arguing where expenditure was unjustified and where changes should be made. We find nothing of the kind, and no proposals to change structures, which are in fact the real reason why some spending is too high, and why in many cases efficiency is too low. We are of course at liberty to speculate why there was not one proposal to change the present state of affairs. I myself shall be so indelicate as to insinuate that it was because the ex-rapporteur did not, in fact, want to change anything, as it was not in his interests to change what he described as a scandalous state of affairs, and which is, in fact, one of his main arguments, and he has therefore joined forces with those favouring inefficiency and extravagance.

I oppose this strategy on principle. Last year I proposed cuts amounting to about 10 m EUA, which were accepted and this year I proposed cuts of 12·5 m EUA, with rather less success, but at least I made the attempt. I hope and believe that we shall continue this process, trying not simply to make savings, although they are, of course, a worthy object in themselves, but also to get rather more our money, thus increasing

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efficiency within existing limits. I had hoped, and still hope, to see the budget kept under 200 m EUA, and I very much hope to see an effort to remedy the basic structural problems affecting the operation of this Parliament.

This time I have confined myself to one amendment. I propose cutting the 400 EUA paid monthly to Members on what I regard as very dubious grounds. Members' circumstances vary so widely that it has no connection with reality. Some Members do not incur expenditure of this kind, and to others the money is a problem. I believe we should abolish it and await more permanent solutions related to Members' circumstances. But I would stress that that is my amendment at this stage. We shall, of course, be considering this budget again in the autumn, in October and November, and I might well table other amendments then if the Bureau, with the aid of the Quaestors and the Secretariat, has not really got to grips with the problems in the meantime.

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Mr President, ladies and gentlemen, the outstanding feature of these draft estimates, in my opinion, is not that they are good estimates but that we have applied the provisions of the Rules of Procedure for the first time for years. I regard that as being the most significant and the most satisfactory feature of these draft estimates. We now have a division of power between the Bureau and the Committee on Budgets, with the Assembly as a whole taking the final decision. This is the first time for years that this has been done. Mr de la Malène said that this is wrong, that the Committee on Budgets has nothing to do with this, that this is a matter for the Bureau alone. But what he in fact was saying was that the Assembly has nothing to do with this, and I find that cannot be right in a democratic Parliament. He did not say so in so many words, but that is surely what he meant. Are we, the elected representatives, not to have the right to establish our own budget? I do not know if that is the custom in France, but I do not think so, and it is certainly not so in the other Member States. I must reject this idea, however imperfect the Rules of Procedure may be. The fact is that for the first time the attempt has been made to apply the Rules of Procedure properly, and I welcome that fact. For a number of years I have felt extremely dissatisfied with the preparation of the budget. A pointless atmosphere of tension had grown up between a large number of the Bureau's members on the one hand and various members of the Committee on Budgets on the other. After careful consideration, the correct procedure has now been used in Parliament for the first time. The two sides have come closer together, they have listened to each other and agreed on changes, which was not the case last year. Last year the proposal put forward by the Committee on Budgets was also lower

than the Bureau had planned, but tension emerged and a genuine compromise was not reached. Now, at last, we have listened to each other and cooperated with each other, and I think that is important.

The fact that there is to be no increase in the staff complement is also to be welcomed, even if the present level is, in my view, far too high. I feel that far too many new staff have been appointed in recent years. Fortunately, a number of posts have not yet been released, but all the same: what we can now do in the 1982 budget is put a stop to staff recruitment, which is what has been proposed, and I very much hope that this will be approved.

I will not repeat the amounts estimated, but in real terms there is a decrease. And there is a need for this: it is nothing special, nor is it exceptionally good, because it is still far more than what we have actually been able to spend in recent years. But, comparing budget with budget, this is a decrease in real terms, and that is a good thing. The 4.9% is in fact a decrease.

That does not, in my opinion, make the estimates perfect, as other speakers have also said. For years I have felt that our budget is too high and that we have too many staff, and this despite the two aggravating factors of three places of work and the language problem. This is because there is no management. The Secretary-General should not take this as a personal affront, because I do not mean it as such. What I mean is that it has not yet been properly decided at Bureau level what facilities the Members of Parliament are entitled to and what can be expected of our staff, and that has first to be decided at political level before the Secretary-General can organize his people accordingly. We must then see what staff we need and what resources are needed. But at present what happens all too frequently is that big gods and little gods get their way where resistance is weak, because there are still too many decision-making levels in Parliament, possibly working against each other. This is not a criticism of specific people. All I am saying is that we need strong management and proper political decisions.

The question is what does Parliament want, which needs can be met and which cannot. There must be economies everywhere, including Parliament, and this is something which is too easily forgotten. It is too easy for committees or committee chairmen, for delegations or leaders of delegations, for political groups or their chairmen or individual Members to come up with arguments for exceeding the limits that have been set and to get their way, and that is why, measured against objective requirements, our staff is still too large, at least in budgetary terms. I did not ask to speak so that I might criticize, but to explain the reasons for my approval of these estimates. I am saying this because I have refrained from doing so for three years. For three years I have voted against or abstained, either in the Committee on Budgets or in

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the Assembly, because I could not see a way out of the situation, because I could not see satisfactory decisions being taken, and now I see this happening. I am not saying that I am completely satisfied, but a start has been made on an improvement of the procedures. For this I thank Mr Jacquet and all those in the Bureau who were willing to listen and who have abandoned the idea that the Committee on Budgets consists of a set of maniacal economizers, as we have been called in various quarters. That is not so, with a few exceptions. The Committee on Budgets has adopted a responsible attitude. Just as it does in its dealings with the Council and Commission, it has adopted a consistent approach towards requests expressed in Parliament. There were no maniacal motives behind this. Mr Jacquet played an important part here. I therefore regret that it has been openly asked what Mr Jacquet is in fact doing. Mr Jacquet has done what the Rules of Procedure prescribe: he has shown that influence has been exerted both by the Bureau, represented by Mr Jacquet, and by the Committee on Budgets, represented by our chairman, Mr Lange, following Mr Bonde's regrettable resignation as rapporteur. Another welcome feature is that some items, by no means enough, have become more transparent, particularly smaller items, where the intention is clear, thus making it possible for policy to be adjusted through budgetary decisions. Above all, changes will be made — at least if that is the decision on Thursday — to existing arrangements for Members' allowances. As a small item of the budget has been reduced, this arrangement must necessarily be adjusted. This is a good thing. The budgetary authority is entitled to do this. We do the same to certain items in the Commission's budget: we begin by making them transparent and then influence policy through the decision on the budget. That is what has happened here with the budgetary decision proposed, with the intention of influencing policy, even encroaching upon established rights. Some people are happy with this, others are not, opinions may vary, but it is certainly a good thing that there is the courage to act in this way.

I therefore fully endorse what Mr Langes has said on behalf of our Group, and I will reiterate as little as possible, but because I have for a number of years been critical of the budgetary procedure adopted, I do feel the need to say why I shall be voting for the draft estimates. In the Committee on Budgets I, of course, made various proposals which were not all adopted by the Bureau, but I shall not be voting for amendments which correspond with my original proposals because, as Mr Lange has said on behalf of our committee, this is a compromise, and I shall not call for more or for less as otherwise we shall be attacking the essence of the compromise. If I am asked whether this budget can be further reduced, my answer is yes. If I am asked whether I can state where another 8 or 9 or 10 million can be cut, I can do so. But that is not the point. A start has now been made on a budgetary decision that has emerged through consultation. That is a good

thing, and I will show my respect by voting with conviction in favour of this compromise.

President. — I call Mr Møller.

Mr Møller. — (DA) Mr President, twice this afternoon I was interested to hear that Mr Bonde has denounced this Parliament to the Danish Government Auditors for contravention of financial regulations applying in Denmark. For four or five years I was chairman of the Danish Government Audit Board. I no longer hold that office, but I can assure Mr Bonde that his action has been completely pointless. The Government Auditors are bound to reject his case. First because of course they have no authority over this Parliament, and secondly because their task is solely to audit accounts presented, not to inspect estimates submitted by the budgetary authorities. This is a budget, not a set of accounts.

It was typical of Mr Bonde that, in clarifying his position, he ended up by claiming that the affair would encourage opposition to the Community at home in Denmark. I think that has been his aim all along. A couple of months ago I praised Mr Bonde, and thanked him for undertaking a useful and valuable task, sharing our common objective of making the Parliament of the European Communities work. I regret to tell the House that I was over-optimistic. I looked on the bright side. I believed, Mr Bonde, that you were serious. I am sorry to admit it, but there it is. When it came to the crunch, Mr Bonde was not there. At the first encounter he simply turned his back on the whole budget, produced a torrent of abuse and tried to hide behind a smoke-screen of fatuous claims that nobody but him understood what the budget contained and he had not been able to investigate it. I regret it and I believe that Mr Bonde too will regret it when he realizes what he has really been doing.

I can therefore only ask Mr Bonde to support my Group's proposal for an unchanged budget for 1982, with no increases. He can do so by voting, without having to be a rapporteur and thus, with his high-flown talk of what he did not know and what others did not know, I would remind him of the line by Holberg, that forefather of the Danish and Norwegian theatre. 'Take courage Anthony, you have done nothing wrong'. Mr Bonde has done nothing wrong, for he has done nothing; but he might try to take a little courage rather than run around with his tail between his legs. For example, he could send us the 50 pages. He might say he cannot afford it, it would cost too much. But at the same time he tells us that we are rolling in money. Let him use some of his excess money to distribute the 50 pages so that we can see had on his mind, what was trying to criticize. That what he would be an easy way of getting closer to the truth, or at least giving us some of the knowledge he feels we lack.

Møller

I shall not labour the point. I shall be supporting my Group's proposal for an unchanged 1982 budget, and I hope that on Thursday the results of the vote on the amendments will enable the Committee on Budgets to work on, with or without Mr Bonde's help. Should it be without, I am confident that by this autumn the Budget Committee, especially with Mr Fich's astute and tenacious approach, will arrive at a budget of which we need not be ashamed.

President. — I call Mr Mart.

Mr Mart. — (*FR*) Mr President, the Community's budget is an opportunity for every Member of the European Parliament to criticize proposed expenditure which in his or her eyes is either too large or inadequate.

For months we have seen the Bureau of the European Parliament coming under increasingly heavy fire. The visit by a few parliamentarians to Bogota, accompanied by a host of secretaries, translators and so on, gave some anti-Europeans an opportunity to discredit Parliament and the European institutions as a whole in the eyes of public opinion.

I should like to make a few observations of my own in this connection.

In the first place, it seems to me that our Parliament has reached a turning point. We can no longer be content simply to carry out our daily routine business, however important it is. What is needed now, above all, is a heightened awareness of Parliament's international responsibility. At present our hands are excessively tied by the national interests of most of our governments. I am sure that we all realize how weak a role Europe plays on the international scene. The whole world is waiting for a coherent European policy, while we are content to leave this field to the two superpowers, namely the United States and the Soviet Union!

In this context, I regard the Bogota visit as a very useful one, as a step along the slow and difficult road to a future European foreign policy. But this visit, like earlier ones, has been condemned by public opinion and by a great many of us here because Parliament has so far shown itself unable to distinguish between necessary, worthwhile expenditure and waste.

Firstly, the fact that every speech automatically has to be translated into seven languages represents an enormous expense. An organization like the United Nations functions just as well, better even, using just two languages. A reorganization of budget expenditure in this area is therefore imperative.

Secondly, Europe must make her presence felt on the international scene. The peoples of Asia, Africa and

South America want a strong Europe because they are looking for a valid alternative to the deliberate policy of confrontation between East and West, cynically pursued by the two superpowers. Europe must find a way off this dangerous path of escalating East-West confrontation, a way that, believe me, is eagerly awaited and will be followed by the whole world. But to get there, our Parliament has to give a lead and show the way to our respective governments. It must formulate a common foreign policy: it is high time Europe learned to speak with one voice! Let us remember from what ruins we sprang up. Thirty-six years ago the whole of Europe was in ashes; nobody believed then that the enemies of yesterday could one day find themselves meeting in a European Parliament in order to seek together a solution to their problems. In those thirty-six years Europe has seen no more wars and it is our duty to see to it that Europe never looks back.

That is why I cannot understand why Members of the European Parliament, like Mr Pannella and his associates, are seeking at any price to discredit the European institutions. Has Mr Pannella forgotten how Italy, particularly the south, suffered in the last war? Granted, it is the right of everyone, including Mr Pannella, to criticize certain things; but it is a big step from there to outright rejection of European initiatives. It is intolerable that extremists of his kind should seek to sabotage the unification of Europe! Of course the construction of Europe and its institutions has called for and will continue to call for great sacrifices — and not only financial sacrifices — and, yes, we do waste a great deal of time and money on pointless, sometimes even fatuous discussions, but all that is the price we have to pay for our peace and our unity. It should be obvious to anyone that the European institutions cost a lot less than wars which destroy human lives by the million! It is a pity that extremists, bigots in other words, are so blinded by their own ideology that they cannot see reality when it stares them in the face. Is peace not worth some sacrifices, is it not worth our working all out to preserve it? I do not believe Europe has any need for politicians who seek merely to destroy it and who have hitherto failed to come up with a single valid proposal for improving the lot of our peoples.

Of course there are many things to criticize, to call into question; for instance, the pointless discussions and other wasteful exercises which cost enormous sums of money, money that could better be spent, for example, on putting together a coherent European foreign policy. Just think how many billions are needlessly spent because of Europe's chronic inability to standardize its armaments or effectively coordinate its defence systems. And where these practical problems are concerned, incidentally, we do not hear any protests from all those who set themselves up as the so-called defenders of the people's rights. In this area they are prepared to tolerate any waste. One could even be forgiven for believing that, quite apart from

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the question of national self-interest, certain politicians would rather that Europe remained weak and disunited, in the hope of establishing a utopian socialism, a sort of socialist will-o'-the-wisp, which no one can define precisely but which has clearly shown that it would lead to mass bankruptcy, or even to the verge of economic disaster and famine, as is happening at the moment in Poland.

Our duty, as Members of the European Parliament, is to make our voice heard so that our people will know that there is a European Parliament which is looking after their security and which is seeking the path of stable and just world peace. For that, Europe must be strong internally and strong in its external relations. Our people will never tolerate the presence in our midst of parliamentarians who seek to destroy the edifice which allows them to live in peace. We have to give birth to the European idea and show the peoples of the whole world the road to universal and lasting peace. We have to put aside our petty national differences and stop squandering our resources, so as to make the necessary funds available for coordinating our defence systems and for putting together a common foreign policy.

President. — I call Mr Nyborg.

Mr Nyborg. — (*DA*) Mr President, I should like to make it clear from the outset that I am not speaking on behalf of my Group; that was done by Mr de la Malène, and I would point out that in doing so he was not speaking for me, as there is some difference of opinion between us on budgetary matters.

For a time it gave me great pleasure to see Mr Bonde playing his part in the work of the Committee on Budgets on the estimates of revenue and expenditure of Parliament for 1982. Although politically Mr Bonde and I have very little in common, in this instance he seemed to be taking the same line as I had on previous occasions when the Communities' budgets were under discussion, that is, in favour of public spending cuts. When Mr Bonde undertook to act as rapporteur on the budget for the European Parliament, I was glad to see that his attitude had changed since his election campaign. **If you want to change things, you must be prepared to make an effort yourself.**

I am therefore astonished to see that the rapporteur for this report today is not Mr Bonde, but the chairman of the Committee on Budgets. The People's Movement against the EEC has been announcing in the Danish press that Mr Bonde was rejected as rapporteur. That will not do. For a start no one can require a rapporteur to withdraw on the grounds mentioned in the Danish newspapers, and nobody can prevent the inclusion of a minority opinion in a report, as this right is enshrined in old Rule 42(2), new Rule 100(4), if the report is accompanied by a written

explanatory statement. I have known Mr Lange for a long time now; I know that he has been a Member of this Parliament for a generation, and I refuse to believe him capable of any breach of this Parliament's Rules of Procedure.

Secondly, as far as I could see, there was no particular reason why Mr Bonde could not have submitted this report, as it is reasonably similar to the draft he himself produced. A rapporteur does not have to agree with the report he is tabling — for he is tabling it on behalf of the committee — and there have been plenty of examples of this in the past. Everything indicates that Mr Bonde himself was seeking one way or another to relinquish his task before he committed political suicide.

As he said in his working document of 22 January 1981, his initial target was a 10% cut in all spending by comparison with the 1981 budget, i.e. total spending of about 179 m EUA. This initial target does not seem to have been particularly realistic, as, in his draft report of 21 April, Mr Bonde was proposing 199.4 m EUA. In the course of his work with the committee he had therefore accepted an increase of 200 m EUA, 11.4%, above his original figures. This is very sad, for I believe he started out with the right idea, although of course we cannot make across-the-board cuts, **we have to consider each item on its merits.** The estimates now tabled by the chairman of the Committee on Budgets mention total spending of 209 m EUA, 4.8-4.9% higher than Mr Bonde's last figure.

Mr Lange's report contains no more than a motion for a resolution with an annex relating to the estimates, the explanatory statement thus to be given orally. There can be no doubt that this matter has been discussed in even greater detail in committee. We therefore wonder what actually happened there. What was the original rapporteur trying to do? Was he really trying to rationalize Parliament's whole budget? If so, the task was too much for him. We could hardly expect a rapporteur to accomplish all that in the course of a couple of months. A rationalization of Parliament's budget is clearly needed, but if Mr Bonde believes so, why did he not propose that, for example, a team of efficiency experts be called in? That would have been an obvious move. I cannot account for Mr Bonde's hopes or intentions, but I have to admit that he probably managed to achieve some of his objectives. His work was then thrown away!

However I look at the evidence I cannot avoid the conclusion that Mr Bonde had no material reasons for stepping down as rapporteur, but why he did so was clear for all to see in the Danish press last week. One might go so far as to call it a media trip. Mr Bonde dare not answer to the People's Movement against the EEC in Denmark for the responsibility he had assumed and the work he had carried out. I therefore have to conclude that the claims printed in the Danish

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press are largely incorrect. No one can require a rapporteur to table a document on behalf of the committee if it is not available in his mother tongue. Under the Rules of Procedure, if the committee is not unanimous the report shall also state the views of the minority, if there is a written explanatory statement. If there is not, the minority opinion shall be delivered orally at the same time as the explanatory statement by the majority. To compare the 1981 estimates with actual spending in 1980 is a misrepresentation on the part of Mr Bonde, as the two figures are not of course directly comparable. It is misrepresentation to do so without saying why the 1980 spending was relatively low, and it is less than honest of Mr Bonde to tell us, which is undoubtedly true, that the 1981 budget is 52% higher than 1980 spending, but not to tell us that his own proposals were 45% higher, and that the difference was thus a mere 7%. His whole argument rather collapses at this point.

In conclusion, as several others have already said, we can continue our efforts to achieve savings, for we are not bound to spend the whole budget, and we have plenty of time between now and October, when the final debates will take place, to work out what we want to do.

President. — I call Mr Forth.

Mr Forth. — Mr President, my Group opposes the report submitted on behalf of the Committee on Budgets — and we are a part of the minority which has been referred to many times this afternoon — for the reason that we have always been unhappy about the procedure followed in the matter of determining Parliament's budget, and not, I should stress, for the reasons given by Mr de la Malène this afternoon suggesting that whatever the Bureau of this Parliament does must, by definition, be correct. Nothing, I regret to say, Mr President, could be further from the truth. It is precisely because the Bureau of this Parliament has consistently failed to adapt a responsible attitude to the budget of Parliament that we are unhappy about it. That is the first reason.

The second is that, as has been mentioned over and over again by many speakers this afternoon, the virtue of the figure that we have in the report from the Committee on Budgets is the fact that it is the result of a compromise. Now, compromise may be virtuous in many circumstances; but not, I regret, in this circumstance. The compromise arose solely and purely from the Bureau starting the bidding with the very high figure of 215 million units of account based on the Secretary-General's report. The Committee on Budgets took an initially very responsible attitude in saying that the figure for the coming financial year, i.e., 1982, should not go beyond the existing figure of 199 million units of account for the Parliament for two

reasons. Firstly, for many years now and right up to the present Parliament has consistently underspent its budget. Secondly, and related to that, the fact is that neither the Secretary-General nor the Bureau was able to give cogent reasons for requiring an increase in expenditure beyond the level of 199 million. We have not had reasons, and that is why this Group has been unhappy with the increase that has been suggested and the figure put forward by the Committee on Budgets today.

It has been said that there has been no increase in the staff. Well I should hope not, because we know that the number of staff authorized for this Parliament is about 2 900 people. What we also know is that this Parliament employs at the moment some 2 000 people. That raises two very interesting questions. First of all, how can we function as well as we do at the moment with 2 000 and justify an increase to 2 900? Secondly, if we were to recruit 900 more people in the coming financial year (a) what would we do with them and (b) where would we put them? Now these questions have not been answered by the administration or by the Bureau, and it is precisely for that reason that my Group has consistently opposed any increase in the budget of this Parliament until such time as cogent reasons for such an increase are given. It is that lack of justification that we come back to time and again. My Group is always prepared to listen with interest to a case being made for an increase in expenditure. But we are aware, as my colleague Mr Balfour said earlier, that being part of the budgetary authority of this Community, it is incumbent on us at all times to be aware of the responsibility we have to control our own budget before we set out to scrutinize and control the budgets of other institutions of the Community. These are the reasons for our unhappiness with the report from the Committee on Budgets. They are the reasons for the amendments to that report which have been submitted in the name of this Group and which I hope the House will support. It is also the reason why we urge yet again in our amendments that further consideration be given to this over the coming months in order that this Parliament can end with a responsible stance both in terms of the public and in terms of the other institutions of the Community and in order that in future we can discharge our role with pride and with confidence.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call Mr Nielsen.

Mr Brøndlund Nielsen. — (DA) Mr President, in this the initial debate on Parliament's 1982 budget, in

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which spending is not in fact being increased, I should like to say that in my view the Parliament we have set up is well run. The speeches we have heard so far have been critical in tone, but I think it is working well, two years after direct elections. To the best of my knowledge, two thirds of our spending goes to maintain the position of the official languages, and as I and many of those who have spoken today are Danish, we, as the representatives of the smallest language grouping, would be affected first if that two-thirds part of Parliament spending was tampered with.

Another point is that our spending has been devoted to equipping this Parliament to the standards required of a modern instrument of democracy. The world has become a complex place, the problems we have to deal with are intricate, and the other bodies we come into contact with, whether the major interest groups, industry, commerce or official bodies such as the Commission are large-scale institutions with considerable resources. If the elected body is to conduct its affairs properly and on an equal footing with the other organizations, it needs good technical and expert support, which is one of the things we have achieved in this Parliament. We have competent, capable assistance. I find it very encouraging that we have obtained facilities that many national parliaments are still only hoping for. Mr Lange's words should be treated with caution. Normally I find his views reasonable, but here he has been warning against attempts to produce scientific treatises. I admit it should not be taken to excess, but it is a good thing that Parliament can demonstrate its competence in such matters and its willingness to provide a counterweight to those we are cooperating with.

That is my view, but of course Parliament should also practise economy. I do not wish to get involved in the ridiculous argument started by my fellow Dane, Mr Bonde, the communist, but of course efficiency is needed. When the great expansion of Parliament's staff was being planned before direct elections, I spoke in this House on 13 March 1979 on behalf of my Group advocating a number of ways of conducting that enlargement more economically. I do not intend to go over the subject again, but I just wished to point out that I was concerned with this aspect at the time.

I do not wish to go into any further detail at this point, but I did feel that, during this debate on Parliament's budget and spending, the point had to be made that our present Parliament, which this proposal will enable to continue its activities, works quite well. Representation of the people cutting across old, well-established frontiers is a completely new task, and I feel we are involved in an exciting and hitherto successful experiment.

President. — I call Mr Langes to make a personal statement.

Mr Langes. — (*DE*) Mr President, I have asked to speak because I realize from the statement by Mr Balfour of the Conservative Group that I expressed myself badly or what I said was not correctly translated. I should therefore like to reiterate that I am in favour of a very critical appraisal of these estimates and that there is a group in this House, the Conservative Group, which regards thrift as the highest virtue. But they rate the virtue of thrift so highly that it may result in politically wrong conclusions being drawn.

Then there is another group which does not view these estimates with any kind of virtue and merely seeks to discredit and harm this Parliament. This group, which sits at the back over there and has made its views known on several occasions through Mr Bonde, Mrs Hammerich and Mr Pannella, has the destruction of our Parliament as its sole objective.

The conclusion I drew from this reminded me of German history: from 1930 to 1933 the National Socialists described the freely elected Reichstag as a talking shop that only cost money, and thus destroyed first part and then the whole of the democratic system. That, ladies and gentlemen of the Conservative Group, was what I said.

President. — Your statement will be noted.

I call Mr Bonde to make a personal statement.

Mr Bonde. — (*DA*) Mr President, I should like to make a brief personal statement pursuant to Rule 67 of the new Rules of Procedure.

I am glad to see my views confirmed by today's debate, for all those voices raised in criticism have attacked me for views I do not hold.

I did not propose that the budget should total any particular figure. I did propose that all funds should be entered in Chapter 100, where they would be effectively frozen until 218 Members of this House assumed responsibility for releasing them, which is a completely different matter. But those who have criticized views I do not hold have also demonstrated their failure to understand the views I do hold, and to understand the crux of the matter, which is that it is impossible to draw up proper estimates for this Parliament until the content of the individual budget headings is known. There is therefore little point in tabling amendments or proposals regarding this or that figure. That was what I said in committee and in the 50 pages — I myself have the draft, and Mr Møller can have it after the sitting. Those are the views I expressed, and they have not been criticized here today.

President. — I call the rapporteur.

Mr Lange, *chairman of the Committee on Budgets*. — (DE) Mr President, ladies and gentlemen, this has been an interesting debate, but it should not focus on the attitude and views of one Member of this House. It must simply be said that the rapporteur originally appointed — the political groups presented him to us — was not prepared in the end to present the views of the Committee on Budgets. The chairman was consequently instructed to explain the committee's position, a condition being that the various views and ideas put forward in the Committee on Budgets should be described, and this has been done.

Today it has again become clear that two things are not understood: firstly, what the rapporteur's task is and secondly, what European law as opposed to national law means. I will not say any more about this because I do not want to inflate anyone's importance. It was once said there is a certain disease . . . but I will not go on. I have told the person concerned personally that he is a victim of this disease because, like the rabbit transfixed by the snake, everyone has been staring at something.

We should — and we shall — continue our work in the normal way. I can therefore reassure everyone who has been very critical that we shall continue to examine the preliminary draft budget until the first reading, as we say in paragraph 3 of the motion for a resolution, which I assume will be adopted on Thursday. What people will be involved, however, remains to be seen.

I would also point out once again that I do not consider it advisable to recommend the House to adopt any of the amendments. I have said how difficult this compromise was to reach. We need it as a reasonable basis for further discussions — including those between the organs of Parliament — and as a means of establishing what can be done to achieve greater clarity, greater transparency in Parliament's draft budget for 1982.

I should like to emphasize once again that the standards we adopt for ourselves and for our own budget must not be different from those which we impose on the Commission's budget and the other administrative budgets, in other words, the Council's — the Council and Parliament have a mutual agreement not to interfere with each other — and also the Court of Justice and the Court of Auditors. That, then, is what the Committee on Budgets intends to do. On that you have my complete assurance. I would ask the political groups to think very carefully once again about calling for amendments to what is, after all, only a provisional preliminary draft. We should not act as if this is Parliament's final decision on its own affairs, because that will not be taken until the special part-session in October. By that time the whole issue must be properly arranged, and it is therefore right that everyone should be asked to withdraw his amendment.

(Applause)

President. — The debate is closed.

The vote will be taken at the next voting time.

8. Budgetary control

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

- by Mr Irmer, on behalf of the Committee on Budgetary Control, on
 - I. the accounts of the European Parliament and the discharge in respect of the 1979 financial year
 - II the discharge to be granted to the Commission on the implementation of the budget of the European Community for the 1979 financial year and the report of the Court of Auditors (Doc. 1-662/80)
 - III the discharge to be granted to the Commission of the European Community in respect of the utilization of the appropriations of the fourth European Development Fund in the 1979 financial year
 - IV. the comments accompanying the decisions granting a discharge on the implementation of the budget of the European Community for the 1979 financial year (Article 85 of the Financial Regulation of 21 December 1977)
 - V. the discharge to be granted to the Commission of the European Community in respect of the activities of the first, second and third European Development Funds in the 1979 financial year (Doc. 1-136/81/A and B);
- by Mr Kellett-Bowman, on behalf of the Committee on Budgetary Control, on the budgetary control aspects of the Joint Research Centre establishment at Ispra (Doc. 1-59/81);
- by Mr Kellett-Bowmann, on behalf of the Committee on Budgetary Control, on the budgetary control aspects of the data-processing centre of the Commission of the European Communities (Doc 1-66/81),
- by Mr Gabert, on behalf of the Committee on Budgetary Control, on the powers of control of the Commission of the European Communities over the collection of own resources following the judgment of the Court of Justice in Case No 267/78 *Como butter* (Doc. 1-695/80);
- by Mr Cousté, on behalf of the Committee on Budgetary Control, on the intensification of political control over the borrowing and lending activities of the Communities (Doc. 1-175/81);
- by Mr Dankert, on behalf of the Committee on Budgetary Control, on the Ninth Financial Report on the European Agricultural Guidance and Guarantee Fund — 1979 — Guarantee Section (Doc. 1-174/81).

President

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

Mr Aigner, *chairman of the Committee on Budgetary Control*. — (DE) Mr President, I wish to refer to the agenda. We are all extremely surprised that, although we set aside a whole day for the debate on the discharge in accordance with the Bureau's decision, this being the only legislative act for which Parliament is responsible, we are now being called upon to deal with this matter in the last half-hour. If we cannot continue the debate straight away tomorrow morning — and apparently the Bureau's decision does not permit this — there is a danger that we shall not be able to complete the debate before the vote on Thursday. That would mean this House having to vote on one of the most important acts for which it is responsible without completing the debate. In these circumstances, as chairman of the Committee on Budgetary Control I am not prepared — and I have agreed on this with the general rapporteur — to allow the debate to proceed in this fragmentary form.

If it is not possible for us to continue first thing tomorrow morning, I would ask you to withdraw these reports and to enter them in the agenda for the next part-session on the clear understanding, backed by the Bureau's decision, that we begin the debate on Tuesday morning and continue until it has finished.

President. — Mr Aigner, I understand your concern. It is true that we have very little time left today. However, we could go a long way in this debate this evening. With regard to continuing the debate tomorrow morning, I am not empowered to take this decision, since, as you know, it is not the Bureau alone but Parliament itself that has adopted the present agenda. And according to this agenda Wednesday morning is to be devoted to considering other matters.

Mr Aigner. — (DE) Mr President, I appreciate your difficulty, of course, but Parliament took its decision in completely different circumstances. But if you feel unable to take a decision in this particular emergency situation, for which none of us is responsible, I would ask, with the rapporteur's approval, for the reports to be held over. We therefore withdraw the reports, and there cannot therefore be any debate on them.

President. — We are dealing here with several reports by Mr Irmer, Mr Kellett-Bowman, Mr Gabert, Mr Cousté and Mr Dankert. We are not at all sure that all the rapporteurs will agree to withdraw their reports!

Mr Aigner. — (DE) Mr President, the chairman of the committee can withdraw the reports. And I now do so. In any case, the rapporteurs who are present are, I believe, in agreement. Mr Irmer, Mr Kellett-Bowman, who else is here? I cannot unfortunately ask

the others because they are not here. But I believe we are all agreed because we cannot see any other way out. What I do not want is that we should take a vote without a debate in which all the political groups have participated.

President. — I call Mr Wettig.

Mr Wettig. — (DE) Mr President, as Mr Gabert has appointed me as his substitute for his report, I duly withdraw his report on his behalf.

President. — I call Mr Price.

Mr Price. — Mr President, if we look at Rule 87, dealing with the adjournment of a debate, we find that it enables any Member, before or during a debate on an item on the agenda, to move that the debate be adjourned to a specific date and time. I would invite Mr Aigner to amend his proposition so that he asks Parliament under Rule 87 to adjourn the debate on these issues until 9 a.m. on Tuesday 16 June. We should have a specific date and time fixed for this debate.

President. — Nevertheless, the agenda for the next part-session must be considered and drawn up in the light of all these factors involved. Mr Aigner's proposal that the debate be adjourned is perfectly in order under the terms of our Rules of Procedure, but I do not think that we can go beyond that and fix here and now the day and the hour at which the matter will be considered.

I call Mr Bangemann.

Mr Bangemann. — (DE) Mr President, I believe your interpretation of the Rules of Procedure is correct. Under the Rules of Procedure Parliament adopts the agenda on the Monday of each part-session. We cannot now anticipate a decision which we shall be taking on the Monday of the next part-session. We can, however, put forward a proposal, which would read: Tuesday, 9 a.m., or Wednesday, 10 a.m., whatever the Assembly considers advisable. But the final decision cannot be taken until the Monday of the next part-session when the draft agenda as a whole is presented.

President. — I call Mr Price.

Mr Price. — Mr President, I do think that Mr Bangemann has left out of account what Rule 87 of our new Rules says. It says quite specifically that any Member may move that the debate be adjourned to a specific

Price

date and time. Now, if anybody wants any clarification I, being one Member, now specifically move that the debate on these budgetary control issues be adjourned until Tuesday, 16 June, at 9 a.m. That cannot in any way be in conflict with Rule 87 of our Rules. It says specifically that that is what any Member can do, and that is what I am now doing, Mr President.

President. — Mr Price, you have the right to make this proposal, but it is the Assembly that will decide on this matter, and there is a further fact of which I would like to remind you. Suppose for a moment that the Assembly were to approve of your proposal and to decide not only to adjourn the matter to the next part-session, as Mr Aigner proposes, but also to put it on the agenda for a certain day and a certain hour, when it came to draw up the agenda on Monday in the exercise of its sovereign right, it could still in any case, if it saw fit, change the decision that had been taken today. That is why I find it hard to see any value in this proposal.

I call Mr Irmer.

Mr Irmer. — *(DE)* Mr President, I am extremely grateful to Mr Aigner, the chairman of the Committee on Budgetary Control, for ensuring that the debate will not now take place until June. I will briefly explain my reasons.

This Parliament should not be surprised that it enjoys a low reputation with the public when it treats its most basic rights in the way it has done today. Parliament's right to grant a discharge is the only legislative act which can be performed by this Parliament alone. We do not need to ask either the Council or the Commission in this respect. The resolution now before us is binding on the other institutions. It represents a very clear opportunity for this Parliament to exercise power. But we allowed yesterday's agenda to be continued this morning, the reports on the discharge to be postponed and the speaking time allocated to the political groups yesterday to be added to today's proceedings. I was given another 8 minutes by my Group, and as *general rapporteur* I need at least 18 minutes to present this report. Through the change in the agenda these 8 minutes have, of course, been used up by other members of my Group, and I would have had to present this report in 10 minutes. Mr President, I can speak quickly, but 10 minutes would have been an impossibility. I therefore urge the Bureau to plan the agenda next time in such a way that there is ample time for this important report, which concerns one of the most important opportunities we have as a parliament.

President. — I call Mr Aigner.

Mr Aigner. — *(DE)* It is a pity that we are wasting our valuable time on a debate on the Rules of Procedure. I would remind the House that I have asked the Bureau not only to agree to the postponement but also to draw up an agenda for Tuesday which has the debate on the discharge down as the first item. I believe Mr Price and Mr Bangemann are both right. We can only make a recommendation to the Bureau, backed by a decision of Parliament. But I would urge the Bureau to show rather more understanding for the year's work of a committee whose commitment and workload are well above the average, and to show some respect for this work. Hence my request that steps be taken to ensure — I am not looking for an argument, Mr Bangemann — that this recommendation is accepted by the Bureau. That is all I am asking.

President. — I call Mr Bangemann.

Mr Bangemann. — *(DE)* Mr President, I fully agree with what Mr Aigner says, but I am at the moment the only group chairman in the Chamber. Let me repeat what Mr Irmer has already said: the guilty party is not the Bureau. The House constantly accuses the Bureau when it places obstacles in its own path through its own decisions. The Bureau had the debate down for 9 a.m. on Tuesday. It was the House that decided to continue Monday's debate, not the Bureau.

It was the House which decided to allocate speaking time as it was allocated. You should realize, ladies and gentlemen, that you are always attacking your own decisions, not those taken by the Bureau. Let us get that quite clear once and for all. Of course, the Bureau can also make a mess of things. But when the House does so, it should not make the Bureau its scapegoat.

President. — I thank Mr Bangemann for coming to the Bureau's defence. It needs it.

I call Mr Battersby.

Mr Battersby. — I would like to point out that on 16 June we have the future of the common agricultural policy before us — that is, Sir Henry Plumb's report — and I do think that the future of the common agricultural policy is perhaps more important than what went on in 1979.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — One word, Mr President, since I certainly do not want to become involved in an internal parliamentary debate. I would, however, like to say, with reference to Mr Aigner's remarks, that we have always attached the greatest importance to discharge. We believe that

Tugendhat

it is a major event in the Community year and it is, as Mr Aigner himself has said, an event in which Parliament has unique powers. Obviously we are disappointed that the debate was not able to start this morning. Three Commissioners are here to speak in it and a number of officials, but I think that the point that adequate time on a continuing basis should be made available for the discharge, as Mr Aigner and Mr Irmer have said, is a very important one and certainly for my part, and for my institution's part, we would welcome more importance and weight being attached to this function.

(Parliament agreed to the requests made by Mr Aigner and Mr Price)

President. — I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, when you began the vote, you asked a question that rather surprised me. I do not think that we can vote on an interpretation given by Mr Aigner. All we could do was vote on Mr Price's proposal. Whether or not his proposal was admissible, can be decided by the Bureau afterwards, but until it is otherwise decided, the proposal in precisely the form in which it was made by Mr Price stands. Our Rules of Procedure may not be perfect, and they may create a number of problems, but I feel the procedure for gradually overhauling the Rules of Procedure should be conducted along orderly lines and not by means of interpretations given by Mr Aigner.

President. — Mr von der Vring, I have already drawn the attention of the Assembly to the fact that it would be of little use to adopt Mr Price's proposal, since, while it might be a rather worthwhile gesture, it will not prevent the plenary Assembly from having its own way in drawing up its own agenda on the first day of the next part-session. This is what Mr Aigner also was saying. There is no question therefore of the force of Mr Price's proposal being deflected by means of an interpretation; it has been adopted in the most regular manner and will form part of the documentation to be submitted first to the Bureau and then to the Assembly on the first day of the next part-session.

The sitting is suspended until 6 p.m., which was decided upon as the next voting time.

(The sitting was suspended at 5.50 p.m. and resumed at 6 p.m.)

IN THE CHAIR: MRS VEIL

President

President. — The sitting is resumed.

9. Votes¹

President. — The next item is the vote on reports on which the debate has been closed.

We shall begin with the Schwencke report (Doc. 1-148/81): European University Institute.

(...)

After paragraph 13 — Amendment No 1

Mr Schwencke, rapporteur. — *(DE)* Madam President, the amendment enhances the text. I very much welcome it.

(...)

Paragraph 23 — Amendment No2

Mr Schwencke, rapporteur. — *(DE)* Madam President, I have no objection to the amendment as such, but it would conflict with the vote taken in committee if I supported it. In committee we adopted three different amendments, not just one like this one. Like the majority of the committee, the House should therefore reject the amendment, even though it concerns European schools and it is Europe Day today.

(...)

President. — I call Mr Pedini to give an explanation of vote.

Mr Pedini. — *(IT)* Madam President, I rise merely to state that I shall vote in favour of this resolution, because it signifies for me a renewal of the spirit that gave rise many years ago now in the Council of Ministers of the European Community to the University of Florence. I shall vote in favour because, thanks to the rapporteur and to the assent of this Assembly, the European University Institute of Florence is becoming more closely bound up with our Parliament. Parliament must now develop its own role not of being a watchdog but rather of supporting the Institute with the long-term vision of taking further steps along the road of cooperation between universities and stimulating the creative output of the existing national universities. I am glad that the Schwencke report, which was adopted unanimously in committee, is now going

¹ The Report of Proceedings records only those parts of the vote which gave rise to speeches. For details of the vote the reader is referred to the Minutes of the sitting.

Pedini

to be rewarded with a favourable vote also in this Chamber.

(Parliament adopted the resolution)

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*

President. — We shall now go on to consider the *Papaefstratiou report (Doc. 1-110/81): Programmes for coordinating agricultural research.*

(Parliament adopted the proposal for a Commission decision (Doc. 1-45/81))

I call Mr Haralampopoulos to give an explanation of vote.

Mr Haralampopoulos. — *(GR)* Madam President, PASOK will vote in favour of Mr Papaefstratiou's report. However, I should like to explain this vote so that there are no misunderstandings. There is no doubt that the question of research, if taken by itself, will find, in my opinion, all sides of the House in agreement that it is a crucial element for stimulating development. Consequently, from this point of view we have no objections. However, since Mr Papaefstratiou's motion for a resolution contains certain references which do not accord with the opinions of PASOK, I am making this speech to ensure that there are no misunderstandings and point out that we cannot help but have reservations on those paragraphs in Mr Papaefstratiou's report which are contrary to PASOK's position. We also have reservations on the amount by which the rate is to be increased and the way in which the funds are to be spent on research. Finally, Madam President, I have to say this because this morning, when we were discussing Mr Papaefstratiou's motion for a resolution, some colleagues from New Democracy — I don't think there was any nasty motive behind it — misunderstood our position.

President. — I call Mr Kappos to give an explanation of vote.

Mr Kappos. — *(GR)* Madam President, two Greek colleagues have commented upon my speech. One agreed with me, the other attacked and distorted the true state of affairs in socialist countries etc. Madam President, what I want to say in reply is that I thought that they both belonged to the same party. It seems I made a mistake. Of course, this is not an explanation of the vote. Nevertheless, Madam President, permit me to say that it is an answer that had to be given in response to what was said.

(Parliament adopted the resolution)

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*

President. — We shall now consider the *von Wogau report (Doc. 1-166/81): Harmonization of procedures for the release of goods for free circulation.*

(Parliament approved the proposal for a Commission directive (Doc. 1-46/81) and then adopted the resolution)

*
* *

President. — We shall now consider the *Didò report (Doc. 1-147/81): Operations qualifying for a higher rate of intervention by the European Social Fund.*

(...)

I call Mr Didò to give an explanation of vote.

Mr Didò, rapporteur. — *(IT)* Mr President, I must say only that the observations made this morning by Commissioner Richard at the close of the debate were unsatisfactory and contradictory, and that the vote just made by the Assembly is a confirmation of this. I would like to point out that it is unacceptable to exclude the regions of Athens and Saloniko from the increased contribution of the Social Fund and that the Commissioner's declaration of the wish to meet us half way has absolutely no concrete meaning: therefore I ask him to take note of Parliament's vote.

(Parliament adopted the resolution)

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* *

President. — Under the procedure without report¹ we must now pronounce on seven proposals.

First of all I put to the vote the proposal for a Council regulation adapting, as a result of the accession of Greece, Regulation (EEC) No 1108/70 introducing an accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterway (Doc. 1-48/81).

(Parliament approved the proposal)

I put to the vote the proposal for a decision adapting, as a result of the accession of Greece, Decision 80/344/EEC adopting a second research programme in the field of medical and public health research, consisting of four multiannual concerted projects (Doc. 1-35/81).

(Parliament approved the proposal)

¹ See debates of 4. 5. 1981.

President

I put to the vote the proposal for a directive adapting Directive 79/689/EEC concerning the methods of measurement and frequencies of sampling and analysis of surface water intended for the abstraction of drinking water in the Member States (Doc. 1-40/81).

I call Mr Peponis to give an explanation of vote.

Mr Peponis. — (GR) Madam President, the Greek members of the Socialist Group want to make it clear that they will abstain from the vote on these proposals since they are convinced that all of Greece's environmental problems are, in the main part, internal problems which can only be dealt with by making radical social and economic changes. The draft proposals refer to internal procedures and internal tasks of certain bodies which are not going to do anything whatsoever to assist the Greek people which is struggling to improve the environment and public health. Finally, our abstention on the vote is consistent with our basic position — yes, to a special association relationship; yes, to a special relationship in the EEC; no, to accession brought about by the very people who created today's frightening conditions in the environmental situation in Greece.

(Parliament approved the proposal)

President. — I put to the vote the proposal for a decision adapting Decision 77/795/EEC establishing a common procedure for the exchange of information on the quality of surface fresh water in the Community, following the accession of Greece to the European Communities (Doc. 1-41/81).

I call Mr Peponis to give an explanation of vote.

Mr Peponis. — (GR) I refer to what I said before which is still applicable in the present case.

(Parliament approved the proposal)

President. — I put to the vote the proposal for a directive adapting Directive 80/779/EEC on air quality limit values and guide values for sulphur dioxide and suspended particulates (Doc. 1-43/81).

I call Mr Peponis to give an explanation of vote.

Mr Peponis. — (GR) What I said before is particularly valid in the present case concerning the frightening conditions of the atmosphere in Athens, Piraeus and Thessalonika. I refer back to what I said before and I thank you for allowing me to speak.

President. — I call Mr Kappos to give an explanation of vote.

Mr Kappos. — (GR) Madam President, I do not find it acceptable to vote on motions for resolutions without discussing them. But, there is an even more important issue in addition to this. These proposals have not been distributed to us. I was asking for them and looking for them up until a few minutes ago and I am surprised that other colleagues are not complaining about this situation.

(Parliament approved the proposal)

President. — I put to the vote the proposal for a directive adapting Directive 80/778/EEC relating to the quality of water intended for human consumption (Doc. 1-44/81).

(Parliament approved the proposal)

I put to the vote the proposal for a directive adapting Council Directive 79/409/EEC on the conservation of wild birds (Doc. 1-47/81).

(Parliament approved the proposal)

10. Carry-over of appropriations from the 1980 to the 1981 financial year

President. — The next item is the report by Mr Dankert, on behalf of the Committee on Budgets, on the list of requests for the carry-over of appropriations from the 1980 to 1981 financial year (Guidance Section of the EAGGF) in accordance with Article 108(3) (b) of the Financial Regulation of 21 December 1977 (Doc. 1-143/81) — (Doc. 1-188/81).

I call the rapporteur.

Mr Dankert, rapporteur. — (NL) Madam President, I shall be very brief. On behalf of the committee I wish to make a request to the budgetary authority regarding the non-automatic transfer of the not inconsiderable sum of 177 125 777.90 units of account relating to structural improvement projects under the EAGGF, Guidance Section. This request is made pursuant to Article 108(3) (b) of the Financial Regulation, particularly because these projects to be financed from the EAGGF, Guidance Section, concern the period before the first enlargement of the Community, to which special arrangements apply. Madam President, it is, of course, absurd and very regrettable that there should be such delays with projects of this kind and that in an extreme case it can take 15 years before they are implemented. We therefore welcome the fact that the Committee on Budgetary Control will be

Dankert

conducting an investigation into the problems connected with the implementation of the remaining 545 projects with a view to obtaining a clearer understanding of the causes of the delays. But, once again, these are things which have been promised, and the delay in implementation is primarily due to national measures. The Commission cannot be blamed for this, and the Committee on Budgets therefore agrees to the proposal for the non-automatic transfer of this sum of over 177m EUA.

President. — The debate is closed.

The vote will be taken at the next voting time.¹

The sitting is closed.

(The sitting was closed at 6.25 p.m.)

¹ *Agenda for next sitting:* See the Minutes of the sitting.

SITTING OF WEDNESDAY, 6 MAY 1981

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IN THE CHAIR: MRS VEIL

President

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

President. — The sitting is open.¹

1. Decision on urgency

President. — The first item on the agenda is the decision on two requests for urgency.

We begin with the *Commission proposal for a regulation fixing the guide price for cotton (Doc. 1-82/81)*.

I call the Committee on Agriculture.

Mr Früh. (DE) — Madam President, on behalf of the Committee on Agriculture I would like to give my support to the request for urgent debate. The Committee on Agriculture approved the report on 23 April, so that there is no longer anything to prevent us from dealing with it in this sitting.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. (DE) — Madam President, I now have to vote on the requests for urgent debate on these proposals, and of course I have confidence in Mr Früh and the Committee on Agriculture, but I have just

¹ Approval of the minutes — Documents received — Topical and urgent debate of Minutes

Sieglerschmidt

heard from the documentation office that both proposals will be available this afternoon at the earliest. I do not feel in a position to vote on the urgency of proposals which I have not yet seen. I assume that this applies to the whole Parliament or at least to those who are not members of the Committee on Agriculture.

Madam President, may I take this opportunity to make a proposal relating to the new Rules of Procedure. I think it would be a good thing if we could receive together with the agenda, on the day on which the decision on urgency is taken — and indeed such a decision must be taken this afternoon — a list of requests submitted to the Enlarged Bureau so that we may familiarize ourselves to some extent with them, since, Madam President, you did indeed read these proposals aloud, but rather rapidly. I would regard it as useful if Members were to have an opportunity to study in advance the proposals which will be voted on this afternoon.

President. — I call Mr Kappos.

Mr Kappos. (GR) — Madam President, I understand the reservations of my colleague who spoke earlier, but I think that the documents have been distributed. The point I wished to stress is that it is necessary to debate the problem of cotton prices, indeed, to give full consideration to the problem, so that the producers know, before they grow it, precisely what they are likely to get for it — what the price will be. For that reason, we think that the matter is really urgent and that it needs to be debated.

President. — I would point out to Mr Sieglerschmidt that the report drawn up on behalf of the Committee on Agriculture is now available and is being distributed. On the other hand, the Commission documents have not yet been distributed and will certainly not be distributed until tomorrow. I therefore propose, in accordance with the request made by the Council and the opinion expressed by the Committee on Agriculture — which has already adopted its report — to vote on urgency this morning, bearing in mind that all the documents will be distributed tomorrow. They will probably have reached us from Luxembourg by Friday, when we shall have to vote on the substance.

(Parliament adopted urgent procedure)²

I would also like to tell Mr Sieglerschmidt, who expressed concern about the requests for urgent procedure scheduled for Thursday evening's debate, that all the proposals tabled have been distributed, except that by Mr de Lipkowski on the Lebanon,

which was withdrawn by its author, and that of the Group of the European People's Party on Thailand. All the requests for urgent debate have therefore been distributed in accordance with Rule 48. They should in theory be debated on Thursday between 9 p.m. and midnight, unless it is decided otherwise this afternoon through a request for a change.

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President. — We now move on to the *Commission proposal (Doc. 1-96/81) for a regulation laying down measures for the conservation and management of fishery resources.*

I call the Committee on Agriculture.

Mr Früh. (DE) — Madam President, unfortunately I cannot recommend in this case that the request for urgent debate be accepted. The Committee on Agriculture has not yet been able to study this matter, since the request for urgent debate reached it only yesterday. We have not yet examined this document, and we do not think we will be in a position to do so in the course of this plenary sitting. I therefore ask you not to adopt the urgent procedure, but to postpone consideration of this proposal to the next plenary sitting, when the Committee on Agriculture will have discussed it.

President. — It has been pointed out to me that not all the documents have yet been distributed. Since the Committee itself has not been able to consider the matter, I propose that this vote be removed from the agenda and reinserted in it when the documents have been distributed.

2. Industrial cooperation

President. — The next item on the agenda is the report (Doc. 1-157/81), drawn up by Mr Delorozoy on behalf of the Committee on Economic and Monetary Affairs, on industrial cooperation between the Member States.

I call the rapporteur.

Mr Delorozoy, rapporteur. — (FR) Madam President, ladies and gentlemen, in the last 25 years the world economy has gone through an exceptionally prosperous phase and, from the time the European Economic Community was born until 1975, the countries of Europe experienced tremendous growth. But the world in the mid-1950s, when the Treaty of Rome

² The item was placed on the agenda of 8 May

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was signed, was of course different from the world as it is today, and no thought was given to policies which would have to be adapted to cope with difficult times like the present.

The fact is that the message has finally been forced home on Europe. Since the oil crisis we have seen a new distribution of wealth, and if we want to be able to compete with the rest of the world we have to move quickly by making sure we do not limit industrial cooperation to obvious sectors where thorough restructuring is needed to protect them from external competition.

Europe must come to terms with the emergence of new technologies, such as data processing and telecommunications. Development in these areas in the European Community is hampered by the Community's lack of action or drive and by the absence of agreement which is necessary for any major and speedy achievement. The aim of the report before the House is not to consider the ins-and-outs of the sectoral problems and certainly not to come up with some philosophical treatise on industrial policy. It does, however, highlight the lack of political resolve and solidarity among the Member States in achieving genuine cooperation on industrial policies, even though — and I am at pains to point this out — there is already provision in the treaties for definite legal, administrative, political and financial procedures which, if properly employed, would enable us to achieve this level of cooperation or at least encourage it.

The report looks at the treaties and then considers on the basis of these the institutional and political framework and the procedures which now exist, before going on to the conditions and actions required to arrive at a policy of industrial cooperation.

What is this institutional and political framework? Under the ECSC Treaty the decision-making power and responsibility lie with the Commission, which is required simply to consult the Council. Consequently, under the ECSC Treaty, the Commission acted independently in implementing the programme to deal with the crisis in the iron and steel industry, introducing the anti-dumping rules and laying down a quota system, with the unanimous approval of the Council, in accordance with Article 58 of the Treaty.

Things are different in the case of the Treaty establishing the European Economic Community. This Treaty contains only a few isolated provisions which form a much looser framework than the ECSC Treaty. Pursuant to Articles 85 *et seq.*, the Commission has extensive powers to implement a policy on competition. Articles 92 *et seq.* allow it to supervise the granting of State aid, while Articles 100 and 101 cover all the legal aspects of economic activity: tax law, social and environmental legislation. Article 113 gives the Community the power to draw up a policy for

foreign trade. Finally, Article 235 of the EEC Treaty is a general provision for rectifying any omissions or inadequacies of the Treaty and would seem to be viewed as a means of extending the powers of the Community.

It appears therefore that there is a considerable number of legal provisions which permit the rapid establishment of industrial cooperation among the Member States. Unfortunately, it must be remembered that many of these provisions need the qualified majority or even the unanimity of the Council and, as you well know, it is often difficult to attain this level of agreement in the Council because there is a glaring lack of political resolve there, with the Member States all too often adopting positions different from their stated intentions. I must add that other Community bodies employ procedures which take far too long to implement and are therefore ineffectual. They are among the reasons for these wholly regrettable delays. Not until the end of 1976, for example, did the Commission implement the first measures to stem what it calls a sectoral crisis, the crisis in the iron and steel industry which I mentioned earlier. Without this delay certain disastrous social, economic and financial effects could have been lessened. Similarly, in the key sector of data processing, which is vital to the future of the Community, the ambitious but essential objective set out in the Council Resolution of 15 July 1974 of *ensuring that by the early 1980s there is a fully viable and competitive European-based industry* is a far cry from reality.

In fact, European computer manufacturers command only 16% of the world market and their share in the area of peri-informatics fell from a third in 1973 to a quarter in 1978. In the crucial micro-electronic components sector Europe imports over 80% of its integrated circuits. Lastly, the total world market in micro-processors is shared by five major companies, none of which is European.

These weaknesses are most often the result of the inconsistency of measures taken at national level or the fragmentary nature of the measures proposed by the Community. The fact is that at the Paris summit in 1972 the Heads of State or Government of the Community considered it necessary to establish a single industrial base for the Community as a whole. In order to answer this need the Commission, in its programme of action in the field of technological and industrial policy, submitted in March 1973, specified some guiding principles on which the policy should be based. These principles still apply today.

Presenting the Commission programme to the House on 11 February this year, the President of the Commission, Mr Gaston Thorn, said that the adaptation of our industrial apparatus to the demands of today's world was an area where non-intervention by Europe could have appalling consequences, particularly in the political and economic context. Increased

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industrial competitiveness was a precondition for a return to full employment in Europe.

With this aim of industrial cooperation, the Community must not usurp the position of undertakings or States but encourage the greatest possible degree of cooperation, since in this day and age no measures of any significance in the area of industrial policy can be unilateral. Any proposed action is complex in nature and requires the cooperation of the States, the undertakings and both sides of industry, and also calls for specific measures appropriate to the sectors concerned. A policy of convergence within the Community should not involve increased intervention and control, which restrict or even paralyze industrial initiative, innovation and research, but should, on the contrary, encourage free enterprise, promote adaptability and strengthen the competitive position of undertakings. Efforts must be directed towards a united and competitive market; this does not mean a uniform market

During its work the Committee on Economic and Monetary Affairs considered it particularly important to obtain the views of the Union of Industries of the European Community, the European Trade Union Confederation and the Economic and Social Committee at the hearings which took place last November and December. It should be pointed out here that the representatives of these organizations were agreed, in several areas, in recognizing the need for measures to promote industrial cooperation in the Community.

The motion for a resolution before the House points out that it is the responsibility of the Commission, together with the European Parliament, to stimulate — within the powers of the treaties and the existing financial and administrative legislation — the consensus which is needed to implement genuine industrial cooperation in the Community. There can be more effective use of existing financial instruments. The European Investment Bank can easily expand its loan programme directly and by strengthening the new Community instrument which was set up in October 1978. Interest rate subsidies granted under the European Monetary System now account for a significant amount of aid. ECSC borrowing and lending operations — involving loans totalling 1 026 million EUA in 1980 — facilitate restructuring in certain sectors, especially the iron and steel industry, but in view of the high level of industrial investment which is needed it would be better to arrive at greater coordination of all these schemes and to expand them. A major Community loan could be floated to amass the capital required for an extensive industrial programme.

There is also a need for a fund for industrial innovation and development for the purpose of technological adaptation and the encouragement of competitiveness. Details regarding the setting-up and operation of such a fund should be prepared by the Commission and

approved by the Council, after consultation with Parliament. Naturally, the fund should not be used to provide financial support or additional aid for sectors undergoing reorganization.

Industrial cooperation could no doubt be improved by the creations or strengthening of a number of administrative bodies.

The Council of Ministers of Industry should meet at regular intervals; the first such meeting since the Community was created did not in fact occur until 11 and 12 June 1980.

An Industrial Policy Committee could be set up on the lines of the Medium-Term Economic Policy Committee. Its task would be to examine all the matters of common interest which you will find listed in the explanatory statement of the report and to do the preparatory work for the Council of Ministers.

There is also a need to encourage the work of the Business Cooperation Centre, although nothing could be achieved by using the powers provided in the treaties and implementing budgetary, financial and administrative instruments if the conditions for industrial cooperation did not exist.

Among others, there are four areas in which action is needed to create an environment conducive to industrial cooperation:

- unity of the market by eliminating technical and administrative barriers to trade;
- introduction of open bidding for public contracts in all areas of activity;
- existence of a real capital market in the Community to allow transnational investment and to encourage investments of risk capital;
- harmonization of conditions of competition to assure the efficient functioning and dynamism of the economy.

In general terms, the development of industrial cooperation requires genuine equalization of conditions of competition among undertakings. There must be consistency of national measures and tax harmonization to eliminate differences in the basis for assessment.

Lastly, industrial cooperation should not simply be a matter for the large production and marketing concerns, and appropriate financial, administrative and technical provisions for the small and medium-sized undertakings must be found.

To sum up, this report highlights the regrettable fact that until now European industrial policy has been primarily defensive and concerned with the protection

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of declining sectors, rather than employed to boost the competitiveness of undertakings. The European economy is in a situation in which it must, at one and the same time, adjust rapidly its industrial structures and come to terms with the unprecedented intensity of competition on world markets. In this context, industrial cooperation would appear more vital than ever. We believe that this report shows that the Community authorities can achieve this goal if everyone has the will to do so.

Madam President, I have no doubt spoken longer than is normal for a rapporteur but my Group will accept responsibility for the extra time.

President. — I call the Socialist Group.

Mr Moreau. — (FR) Madam President, ladies and gentlemen, speaking on behalf of the Socialist Group I am delighted that Parliament has seen fit to consider the matter of industrial cooperation among the Member States. This is a pressing matter in our opinion. The fact is that no session of Parliament goes by without the inclusion on the agenda of reports or motions for resolutions on Community intervention in some declining sector or other or in some single-industry region that is having a hard time of it.

I think it is about time we all woke up to the fact that Europe cannot afford to lose any more time. Each and every one of the institutions must somehow work out a proper policy for industrial cooperation. Unless this is done, there is not going to be any European Community in a few years' time. Apart from the institutional and legal problems, the most serious shortcoming as I see it is the lack of readiness among Europeans to get together and do something on the industrial front. All the instruments the Community can employ are not going to be of any use, or are already of no use, if the willingness to do something is just not there. Let's get things straight. Is there anyone who is not aware of the tremendous challenges facing Europe in the 1980s? I am not going to dwell on this point since it has already been repeated often enough. Just let me mention unemployment and the widening gap between ourselves and Japan and the United States. We have to be in a position to respond more swiftly to the challenges of the third industrial revolution. We all know that there is not one of our countries that can go it alone and we also know that, even if some of us seem to be getting along quite well at the present time, the results at the end of the day, if we take a medium-term view, could be fairly disastrous. This willingness I was talking about is not only advisable; it is essential in the light of circumstances which are quite obvious. We have fallen a long way behind and we are running out of time. We need this willingness on the part of the Commission, on the part of the Council and the Member States, and also on the part of Parliament.

Nobody can criticize the European Parliament at this time for wanting to have its say on this matter and for stressing its belief that rapid action is needed. The report by Mr Delorozoy is an excellent report in this context. It is a very useful addition under the heading of *This is what you do*. It is not at all vague and very carefully lists the means available to the European institutions to achieve greater cooperation among the Member States and to work towards the development of a Community policy. It shows that the institutional difficulties, which cannot be denied, are not the sole reason for the dithering and any lack of action. The report outlines the framework for the actions and decisions of each institution in the Community *pas de trois*. It cannot be emphasized enough that the consolidation of the common market is absolutely essential. Every effort must be made to create the right conditions for a genuine single market. To a large extent, the existence of this market is a precondition for a real commercial policy. Unless we have a real common market, we know that any common commercial policy is going to be shaky.

As for the rapporteur's proposals, we want to endorse the idea he came up with for the creation of a fund for industrial innovation and development. This is an essential measure but at the same time it would symbolize for the benefit of the Community our willingness to rise to the challenge of the third industrial revolution. We are also very happy at the idea of having frequent meetings of the Council of Ministers of Industry and of establishing the conditions, by both the Commission and the Council, whereby a consensus can emerge as often as possible. The same goes for the Industrial Policy Committee, as it is described in the report. We should have liked a proposal for the immediate setting-up of a European Institute for Economic Analysis and Research. The circumstances force us to make do with cooperation among the various national institutes. We trust that the Commission and the Council of Ministers will make the appropriate proposals and decisions so that the ideas in the report are implemented as quickly as possible.

Members of the Socialist Group have spoken on numerous occasions, during debates on the budget or on other matters, to reiterate the need to obtain the financial resources and instruments which are necessary if we are going to have a genuine policy of industrial cooperation in all sectors, including those in trouble and those of the future. This involves the budget as well as the European Investment Bank and the new Community instrument. As far as we are concerned — and several colleagues have already expressed our support on this — we are in favour of the idea of floating a major Community loan. But all these instruments must be linked to a policy and are pointless on their own. The Socialist Group, in response to unemployment and the current problems, wants to see a wide-ranging policy of industrial cooperation emerge, based on the Community instruments,

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although the aim of this wish — and I want to make this quite clear — is not to hinder the normal working of the market. Basically, the idea is to redress the inaction or the confusion of certain national measures so that efforts can be coordinated at the only level which seems suitable these days, at the European level. The idea is not to curb firms' initiatives but to make them more effective and to enable Europe to respond to the current problems in the areas of innovation and competitiveness.

The Socialist Group hopes that the Commission and the Council of Ministers will bear in mind the wishes of this Parliament — the desire to see the Community at last assuming responsibility in this area and no longer hiding behind various institutional excuses — and arrive at the policy which everyone needs. As the rapporteur said before me, our industrial policy must not be simply defensive if we really want to be in a position to satisfy the needs and aspirations of our citizens. What we need is an aggressive and forward-looking policy.

IN THE CHAIR: MR BRUNO FRIEDRICH

Vice-President

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

Mr Herman. — (*FR*) Mr President, ladies and gentlemen, in view of all the talk at the present time about industrial policy, it ought to be pointed out that the best industrial policy consists first of all in having a sound economic policy. This has to ensure that the major elements are kept in balance: savings and investment, production and consumption, imports and exports. It is because this is rarely achieved that our governments are prompted to get involved in what they call an industrial policy but which is really just shutting the stable door. Sound moves at the national level are even more sound at the European level because at this level there is not the whole range of intervention measures which are available to the Member States. This explains why, at the Community level, we have to emphasize the need for all the Member States to work towards the convergence of economic policies in order to create the general conditions for development which go under the name of unity of market and — a point which Mr Delorozoy laid great stress on — competition policy. If I may repeat what I said briefly yesterday, competition policy is the only way that the Community as a whole can benefit from increased productivity in conditions that are not conducive to inflation and it is the only way

of having continued growth without the frequent hiccoughs caused by monetary upheavals. With regard to a policy of tax harmonization and the problems of aid, the action to be taken in this area cannot be emphasized enough. As for the capital market, every one of the Member States, apart from the United Kingdom and to some extent Belgium, still has a policy of exchange control. This is ridiculous in the age of a common market and it means that the European dimension is thwarted when it comes to doing its job and channelling capital to the most profitable and most productive sectors. Finally, there is monetary policy, about which we cannot state often enough that it has to be continued. We have stopped when we are halfway there, although there are some people who say that the EMS has been a success and that they are happy with what has been achieved, without going any farther. Of course there are difficulties and of course there are institutional changes to be made in each country, but we are still a long way from achieving total monetary stability in Europe and we must carry on the struggle to get there. These are all the preconditions which need to be satisfied before we can start talking about industrial policy. And I could add external trade policy to this list. We are faced with tremendous difficulties at the present time and each State is tempted to settle its problems with Japan separately. This is ridiculous from the European angle and it is pretty pointless having industrial policies in these circumstances, with each Member State carrying on as though the common market did not exist.

This brings me to the excellent report by Mr Delorozoy. Our Group endorses the conclusions and proposals in this report and we also go along with its analysis and diagnosis. For my part, I have a few comments to make about some of the proposals. We agree with Mr Delorozoy entirely when he says that it is not the instruments which are lacking, but the political resolve. Unfortunately, we take an even more pessimistic view than he does on the subject of political resolve. What we know of how decisions are taken in the Council of Ministers nowadays prompts me to say that it is not really the resolve of the politicians which is lacking. I am sure that as individuals each one is a convinced European and there can be no doubts about their sincerity. Where it all goes wrong is that most of these men, weighed down by multiple responsibilities, often delegate the power of decision to their national administrations and it is here, with a remarkable stubbornness which is matched only by the blind inability to take a long-term view of things, that national policies are constantly and consistently made to prevail. It is the national administrations which are against our making European policies because they are afraid of any transfer of power, which will affect them first. This is the main stumbling-block in the way of European integration. It is not the politicians who lay down the broad guidelines who are to blame but Coreper, the permanent representatives, when it comes to the routine decision-making, because it is there that most of the decisions get made. If you take a close look at

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their decisions as a whole, you will be amazed at the remarkable determination, firstly, to strip the Commission of what little power and scope for action it has, and secondly, to thwart the Council of Ministers in its moves towards supranationalism and to drag most of Community cooperation down to their level, to the level of intergovernmental cooperation. This is where the problem lies. And it is obvious what the result is going to be: failure and deadlock. You only have to think of some of the things that have happened in the last four or five years to realize this.

We are ready to see greater use made of the financial resources available to the Community. Like many Members here, we are sorry to see that one or two States nowadays are giving in to the temptation to float loans with just one or two other countries, when it would be much more worthwhile and profitable for everyone concerned, including those States which have opted for this course, to float Community loans on a European scale. The financial clout of Europe is much greater than anything that France or Germany or the United Kingdom can achieve on the international markets. Mr Delorozoy is therefore right to advocate gradual and wider use of the financial instruments, although he was a bit vague on the subject of a fund for industrial innovation and development. We think it would be useful, but it has to be defined better, of course. What would it consist of, where would the money come from, who would run it, what would the set-up be? These are the things we should like to know.

Speaking personally — and this is my opinion — it will come as no surprise to you if I say I should like to see emerge, either as part of the European Investment Bank or closely collaborating alongside it, a European company which could make investments of risk capital in industry. I think it is legitimate to be very optimistic about this kind of thing in view of the success which this type of institution has had at national level. I feel that a European investment company would make a natural and happy match for the EIB, since the creation of such a body would go some way towards offsetting the drawbacks, such as the absence of a capital market and tax discrimination, which still restrict the use or at least the increased use of risk capital.

Lastly, I want to end these few words by urging the Commission and the Council to ensure that Europe adopts a realistic and ambitious approach on external trade policy in the face of the difficulties provoked by competition from Japan and the countries of southeast Asia. If we sit back and rely on GATT rules, we are bound to fail. We need a more voluntarist approach. We need to start a dialogue along general lines with these countries and Japan, and it must not be limited to an exchange of statements of intent but must lay the groundwork for an international order to include Japan, which would pledge to honour the commitments incumbent upon a major international power.

Japan must agree to pay its share of what I might call the running costs of the world economy: defence, environmental protection, monetary stability, aid to the developing countries, and so on. I do not think this policy has been followed vigorously enough in the past. We see our ministers trotting off to Japan and the Far East, where they put in pleas for more balanced trade. They ask and almost beg Japan to take voluntary measures so that we are not swamped with Japanese goods. I am not sure whether this piecemeal approach will have any effect. What I do hope is that Europe will wake up so that we can be more vigorous and forceful — there is no reason why we should not admit it — in taking a more defensive and at the same time more forward-looking attitude. If we let things go on as they are, we are bound to fail.

In closing, let me say again to Mr Delorozoy that our group will give its backing to his report and watch it is not just pigeonholed. Through the national parliaments and the national governments we shall attempt to prod the Council into giving its most enthusiastic and utmost support to these proposals.

President. — I call the European Democratic Group.

Miss Forster. — Mr President, the European Democratic Group also wishes to support this excellent report and motion from Mr Delorozoy, but I am afraid we deeply regret that in many respects it does not go far enough. There is not one paragraph in the motion which calls for action by the European parliament itself in the development of a European industrial policy; nor, for that matter, does it suggest that the Committee on Economic and Monetary Affairs should take further initiatives.

This present report is the result of a request from the committee that we should produce an own-initiative report following the joint report on the restructuring of the shipbuilding and fibres industries, when the committee agreed that it was pointless to consider these two industries in isolation and that what was needed was a coherent industrial strategy for the Community as a whole. Over the years, Commission and Council have taken a series of *ad hoc* steps, including measures to alleviate the social consequences of declining industries such as steel, shipbuilding and textiles and others to promote the new growth industries such as micro-electronics and telematics; but in reality, as Mr Herman has so eloquently said, very little has been done at European level and the governments of Member States continue to act as though they were living in isolated self-sufficient communities. They miss the point that the EEC States, acting in cooperation if not in unison, could produce a community with the industrial strength and political power of the United States. Conservative Members of this House certainly do not want an interventionist, central planning bureaucracy in Europe; but we do

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want to create conditions where individual companies can grow and prosper and where the potential of a market of over 270 million people can be used for the benefit of those people and not squandered away by the lack of a coherent policy between one Member State and another. This Parliament must be the forum where progress towards this aim is measured.

Mr Delorozoy asked the Council of Ministers to take steps to set up an industry policy committee. That is fine; but I have not seen much evidence of forward thinking from the Council, and as usual their benches are empty and they are not even listening to this most important debate.

I feel that the Committee on Economic and Monetary Affairs should spend much more time on this subject, and because our committee has so much falling within its terms of reference, from the overall economic position within the Community down to the seemingly technical but often very important non-tariff barriers to trade, the European Democratic Group suggests that a subcommittee be formed with responsibility for considering and reviewing those matters which fall within the heading 'industrial policy' and whose deliberations would parallel those of the Council of Industry Ministers.

Both the Parliament and the Council have said they want a reform of the budget and a decrease in spending on agriculture; but there has been very little debate on how the Community's policies in spheres other than agriculture are going to develop outside the clearly-defined fields of the Regional Fund and the Social Fund. If more money is to be made available from decreased spending on agriculture or perhaps from an increase in the Community's own resources, how is spending to be allocated between all the other sectors such as energy, transport and industry? The priorities need to be established, and we suggest that a subcommittee of the Committee on Economic and Monetary Affairs should do this for industry.

A few months ago, this House debated the problems facing the car industry, and later today we shall be debating electronics. What, Mr President, is the result of these debates? I am afraid our paper mountain is growing with every part-session. I feel that the time is long overdue for far more tangible results in the industrial field, and certainly Mr Delorozoy's report, coupled with the establishment of an industry subcommittee, would be a step in the right direction.

President. — I call the Communist and Allies Group.

Mr Bonaccini. — (IT) Mr President, ladies and gentlemen, when we had the recent debate on the renewal of the Multifibre Arrangement our Group emphasized the need for common industrial policies. Consequently, we feel that credit is due to the

Committee on Economic and Monetary Affairs and the rapporteur, Mr Delorozoy, for grasping this opportunity to launch a fresh discussion of the need for common policies and actions in industrial sectors.

The excellent initiatives referred to in the preamble of the motion for a resolution have not led, in the last ten years or so, to the results which we might reasonably have expected. It is clear that the questions which everyone of us is entitled to ask do not concern particularly the industrial aspect but are related to basic political issues which point to serious shortcomings as far as commitment to full European integration is concerned.

Moreover, the economic and social context has changed radically. Economic competition has taken on a worldwide dimension, or not far short of it. New centres of industry have emerged and people are calling for a different and fairer share of the opportunities for work in the world. The ability to adapt and the ability to boost the overall productivity of the production system by real resources are decisive factors at the current stage of competition, and they are the key factors in the struggle to maintain and increase jobs and wages. In other words, we have to fight the inclination to accept the idea that our continent is losing its industrial role and being reduced to little more than an *entrepôt* role for lack of sufficient energy resources.

In a period when there has been so much in the way of pressure and problems, the fact is that the Community has found itself adrift without any political ideas to enable it to produce genuine and purposeful action and initiatives of note by way of encouragement and support. In other words, even though it covered the continent and had a structure suited to the times, the Community found that it had no industrial policies commensurate with this scale of operations and it has not always been effective in making up for the lack of joint initiative on the part of undertakings. The idea that by establishing a common market — which in any case falls far short of having been done properly — we could in this way steer national policies towards common goals has turned out to be just a myth. Things are no better with the plans for monetary measures, which have been put on ice not long after their introduction. And this was done against the express wishes of this Parliament. I think I can second in this regard everything that Mr Herman said earlier.

A Community without common industrial policies is bound to make no progress towards convergence and the reduction of regional disparities. This can be inferred from the tough problems which have recently affected the farming and steel sectors and from the inability to get anywhere in the monetary sphere. The institutions, too, are at the same time to blame for and victims of this situation. The regular use of the veto by Member States in the Council, on the grounds that vital national interests are involved, and the Commis-

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sion's stoic refusal to make use of the opportunities provided by the Treaties do not represent the ideal institutional framework for common industrial policies. We are not blind to the fact that the necessary changes cannot be made overnight but the revival of plans for industrial cooperation can and must ensure that the institutions and their activities are in tune with an advanced common market operating as one in its relations with the rest of the world. It must be based on the coordination of national policies and open the way for changes in the actual institutions.

This explains some of our amendments which seek to make a positive contribution to overcoming these shortcomings. We hope they will be accepted by the rapporteur and by the House. The motion for a resolution offers a significant opportunity for a revitalized approach, but if we do not want this to get bogged down in the face of political lethargy, we have to call on the Commission to prepare a proper programme of industrial cooperation and paragraph 12, with its corporate plans for the various sectors in a society where there is already far too much of this corporate approach, will have to be altered so that alongside consultation and agreement between the two sides of industry there is also the independent political responsibility of the institutions. Here, too, there has to be more coherent regional development and better environmental protection.

Ever since it was elected, this Parliament has keenly debated our nations' economies and their integration. These are two aspects which reflect the expectations of most of our voters but only the introduction of common industrial policies by means of real cooperation between States and undertakings can open the way to a rethink of the pointlessly limited ideas of the competition policy and to a refinement of the common market so that it can operate properly. To our minds, this motion offers an opportunity to revitalize the work of the Commission and Parliament and to forge a link with positive action by the Council. This is why we are suggesting a few improvements with a view to prompting decisions as regards the debate itself and the ideas which will come out of it.

President. — I call the Group of European Progressive Democrats.

Mr Deleau. — (*FR*) Mr President, ladies and gentlemen, in the report on industrial policy which our rapporteur, my good friend Mr Robert Delorozoy, has drawn up on behalf of the Committee on Economic and Monetary Affairs, he has pointed the finger squarely at the Community's shortcomings on the industrial front, which all too often have taken the form of a wait-and-see approach with serious consequences for the whole of European industry. He has pinpointed the causes: lack of resolve among Community bodies, lack of solidarity among the

Member States, Community procedures which are far too cumbersome. The Group of European Progressive Democrats agrees with this analysis.

What we are looking for now is a consistent economic programme which will enable Community undertakings to fill the role they should have in the European and world economies. This is absolutely essential. It is in the Community's interest to protect and guarantee the healthy state of its undertakings and we are not going to manage it unless we have closer industrial cooperation among the Member States. But we have to provide these undertakings with the means appropriate to their requirements. First of all we have to free them from the procedural jungle, and this is the job of the Commission. We have to put the accent on cooperation because where this is concerned the Business Cooperation Centre has not always produced the expected results. In general, the agreements which have been signed so far cover financial cooperation between big firms or holding companies. We have to make a bigger effort to attract smaller firms, the small and medium-sized undertakings and improve the scope for contact so that they can expand and take a bigger share of the Community market. If we want industrial cooperation, the aspects we have to tackle — the rapporteur listed them but I want to repeat them here — are the removal of technical and administrative barriers to trade, effective introduction of open bidding for public contracts, tax harmonization, aid to small and medium-sized undertakings and the adoption of the statute for a European company. These are some of the headings which have been dealt with in an excellent manner in the Delorozoy report.

The ultimate aim will remain an industrial structure which can meet the two challenges facing European industry today: how to create jobs — which is our number one priority — and how to be competitive on world markets.

I want to end these few words by saying that we endorse the conclusions put to us in this report. The Group of European Progressive Democrats will be voting in favour of the motion for a resolution tabled by Mr Delorozoy and I want to say once again that we echo the praise which earlier speakers have voiced.

President. — I call Mr Pesmazoglou.

Mr Pesmazoglou. — (*GR*) Mr President, I should like to emphasize the importance of Mr Delorozoy's report and the need for an industrial policy in the European Community. I think Parliament must agree with most of the rapporteur's proposals, but I should like to refer to a more general aspect of any common industrial policy for the Community, concerning present-day problems, and more particularly the problems facing the Community.

Pesmazoglou

My suggestion is that any common industrial policy must also involve industrial decentralization within the Community, with a view to the industrial development of the large areas of the EEC which are economically weaker. I refer specifically — and more particularly — to Ireland, southern Italy and Greece, as well as to relatively large areas of the other Member States which are economically and industrially less well developed.

There are three problems which I think ought to be dealt with in any document or report on a common industrial policy for the Community. The first one is the need for a medium-term Community industrial policy, i.e. a policy extending for a period of three to seven or eight years. This will indicate the lines which industrial policy and industrial restructuring in the European Community should be expected to follow.

The second aspect, the second criterion for a common industrial policy, relates to questions of industrial technology. Nowadays the whole world is talking about the need for a universal division, an international division — no longer simply of industrial production, but of technology as well. There is talk of the need for the industrially developed countries to concentrate on the production of goods requiring an increasingly advanced technology. Again, there is the question of a division within the European Community, as well as in the world in general, of those industrial activities associated with a particularly high level of technology. This is something which is of interest to the Community, to the underdeveloped regions of the Community — including the Mediterranean — and to the world as a whole

My third point is that the proposals contained in Mr Delozoroy's report — which I should again like to emphasize is of major importance — should be associated with the need for the industrial development of those regions to which I have already referred. I think it would be pertinent to have these considerations and suggestions included in Parliament's final text and in the final text of the Committee on Economic and Monetary Affairs, and that they should be the subject of study by the Commission of the European Communities.

President. — I call Mr Mihr.

Mr Mihr. — *(DE)* Mr President, ladies and gentlemen, few people in this House who have to deal with the problems facing the European economy, can remain unconvinced of the necessity of industrial cooperation, which is in the interest not only of firms but of whole regions, which, as we know, often depend on our industry flourishing. But industrial cooperation is especially in the interest of the employees of these firms. The increase in unemployment in Community States, particularly in recent months, speaks for itself,

and I believe the Commission and the Council must consider more seriously the need for cooperation outlined in this report.

Enterprises only call for State aid and assistance once they are on their last legs and need funds. Likewise Parliamentarians wait too long before demanding social programmes and financial support after the damage is already done. Given the way things are likely to develop in the 80s the Commission must take the initiative to promote industrial cooperation in good time. Not only is there a threat from outside, especially from Japan's export drive in recent years and months, which we have often discussed in this House and which we shall be looking at again during the coming months, for example, on the basis of an own-initiative motion which comes up for discussion this week.

But developments in foreign trade with the USA will also have a greater influence on the EEC in years to come. This is particularly true of technical development, microelectronics, which is the subject of much discussion. In view of these developments, which is also known as the third industrial revolution, the Council and Commission must control the rate at which these necessary technical innovations, which we naturally welcome, are introduced, if unemployment in the individual EEC countries is not to increase even more. It is essential to take social factors into account. We believe that it is not enough simply to provide the financial resources for promoting new innovations, unless they are used in the interest of all of us, that is of all branches of industry and of each individual State. We believe that the Commission still has time to encourage better cooperation in a great number of industrial sectors.

Furthermore, I believe that, as is outlined clearly in this report, something can be done without having to restrict competition.

The call for protectionism which we hear again and again is not, I believe, in the interests of EEC trade. The Commission must not therefore try to play down obvious cases of protectionism in some countries, but must point out clearly why cooperation is necessary in these areas too.

We welcome the initiatives set out in the report and shall give it our support.

President. — I call Sir David Nicolson

Sir David Nicolson. — Mr President, this is a good report on an extremely urgent subject. But I think that we must be very careful not to treat this urgent subject superficially in a sea of generalizations while the competitive decline of European industry continues and particularly in the growth areas of industry. I am

Nicolson

very worried about the role of this Parliament and its ability to generate the political will which is needed for really positive action. There is a real opportunity here for this Parliament, as Miss Forster has said, to give a lead in an area which is one of the most vital in the European Community because this is our major source of unemployment where we already have 8½ million unemployed — a figure which is expected to rise to 11 million by 1985 — and we must ask what are we doing about this, where is our plan and what can this Parliament do as a matter of urgency? We must organize ourselves to debate the many large and complicated policy problems which are involved in this subject and to generate the political will which is lacking.

Let me give you some examples. Reform of the Community budget for 1982 should include the establishment of an industrial development fund as well as enlargement of the Social, Regional, Transport, Energy and Research Funds — all of which affect industrial regeneration, which is our current priority need.

The industrial policy committee, suggested by Mr Delorozoy, should be a committee of the Parliament — a major committee — to be set up in January 1982 with the responsibility for monitoring this Industrial Development Fund in the budget on behalf of the Parliament's joint budgetary authority. I personally do not feel a subcommittee of the Committee on Economic and Monetary Affairs is psychologically adequate for this vital task . . .

(Cries of 'Hear, Hear')

. . . because we have got to make industry in this Community as important a subject as agriculture.

This committee must pay particular attention to policy coordination in such areas as the development of high technology and innovative enterprises, technological training and education and the increase in productive investments and productivity to achieve social and economic objectives and reduce unemployment. And all of these needs were emphasized at the recent Council in Maastricht. We also, of course, need a dynamic social policy to generate a new climate of industrial relations and permit industrial restructuring and investment confidence.

The Industry Committee, therefore, should also cover industrial relations and should be authorized to meet with the two sides of industry to draft a new, voluntary European industrial charter for which the moral authority of the whole Community should be sought as a guide for the future. This committee should also meet with the European Investment Bank and the Commission to discuss the more flexible use of finance, not to support declining industry but to stimulate new industry in ways such as the financing of a new European standards institute, the award of

contracts to public and private sectors for research and development, including, particularly, small businesses, the encouragement of intra-Community investment to promote internal trade, the active participation of industry in programmes for energy conservation and transport infrastructure which would raise industrial competitiveness. It should also debate the role of European chambers of commerce with which Mr Delorozoy is well acquainted and the role that they have, or could have, in completing the common market which we need so badly.

This committee should debate and report to the Parliament on an annual report from a new economic and industrial research unit in the Commission dealing with industrial development, competitiveness and opportunities for growth. And these are only some of the things which such a committee should tackle, should debate, and which are not being tackled fully and debated at this time. It is high time that this Parliament recognized the urgency of this subject and did something about it.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call Mr De Clercq.

Mr De Clercq. — *(NL)* Mr President, I have the honour of acting as spokesman for the Liberal Group, and I should like to begin by congratulating Mr Delorozoy most sincerely on his very sound report. The oil crisis has been haunting the Member States of the European Community ever since the beginning of the 1970s, with the result that production costs have risen and the competitiveness of European companies in the Community and on external markets has come under pressure. Unfortunately neither the Community nor the Member States have acted or reacted promptly. Propping up lame ducks and providing never-ending support for industries in trouble is no way to tackle the economic problems facing the Member States. Moreover, the Community and the Member States are struggling with the budgetary and financial problems brought about by the economic recession. All this is well known, which makes it all the more incomprehensible why the scarce resources in Europe are frequently tipped into what are, for all practical purposes, bottomless pits. Ever since the 1960s, academics and certain scientific study centres have been suggesting that public funds should be invested in growth industries. The current economic situation, which is in itself serious enough, has been exacerbated

Clercq

by the fact that no proposals have been forthcoming from the Commission and no decisions have been taken by the Council. As the Delorozoy report rightly points out, the European Community already has the optimum legal, administrative and even financial resources to set up a future-orientated industrial policy. The fact that the competitiveness of Western Europe's steel, textile and automobile industries has plummeted can hardly be blamed on Japanese or American competitors, who have achieved better results by way of superior cost-price calculating and the optimum utilization of production plant. Let us put our own house in order first. It is high time the European employers' and workers' organizations and the Community institutions applied themselves to this problem. It is wrong to claim that the lack of financial resources makes it impossible to put a policy of industrial renewal into practice. Apart from the political will which is of course always a *sine qua non* for the realization of any policy, the budgets must also be orientated towards the available future options. It would be a flagrant injustice if the common agricultural policy were to be given a back seat in favour of industrial policy. The Member States of the European Community must realize the complexity of economic developments and be prepared to draw the necessary conclusions, i.e. they must be prepared to transfer certain of their powers and certain of their resources to the European Community. The need for industrial cooperation cannot be viewed in isolation from the efforts to achieve economic, legal, fiscal and monetary harmonization, which is an essential prerequisite for any policy. Technical barriers to trade, other measures with similar effect and other ingenious devices, which are so typical of times of economic recession, can only be done away with at European level. The Community must do everything in its power to ensure that the results of research carried out by European universities and research centres are made available to industrial undertakings promptly and effectively

Special attention must be paid to cooperation between small and medium-sized undertakings. By virtue of their nature and structure, these economic units are equipped *par excellence* to be flexible and to adapt efficiently to the changed market situation. As far as we Liberals are concerned, industrial cooperation amounts to giving all undertakings, regardless of their size and aims, a chance to realize their maximum potential. The European Community is not being asked to adopt protectionist measures, nor — and this would be even more serious — to grant aid which would distort competition. It is, however, essential to set up an economic, social and fiscal framework within which the most viable firms can secure their futures. The Delorozoy report is due credit for clearly setting out the desired options. If the European Community wishes to be more than just a first-aid station for moribund industries and undertakings, we must give our approval to Mr Delorozoy's proposals, and above all, these proposals must be implemented by the

Commission and the Council. We sincerely hope that this is what will happen.

President. — I call the Commission

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, the Commission attributes a particularly high degree of importance to the initiative taken by this Parliament — and, more specifically, by its Committee on Economic and Monetary Affairs — in submitting a report on the general conditions for industrial cooperation.

For it is quite true, as several speakers have stressed, that hardly a session goes by without Parliament having to debate the problems of industry, whether from the angle of trade policy, or that of a particular sector, or in the context of an economic and monetary analysis of the situation or in connection with one particular provision or another relating to harmonization and improvement of the functioning of the internal market. It is only too evident that nowadays we are faced with an entirely different situation from that obtaining when the Treaty of Rome was inaugurated, and that these specific discussions by themselves no longer suffice to enable us to shoulder the responsibilities of the Community in the economic and industrial spheres.

It is only too obvious — and here I agree with those who emphasized this point this morning — that there are grave shortcomings at Community level when it comes to defining what should constitute a Community industrial policy which would be aggressive rather than defensive and which would advocate expansion rather than recession. There is a simple explanation for this failure: governments, some industrialists, some members of both sides of industry and the unions, all think that cooperation is only possible if the cooperating party is in a strong position. Everyone pays lip service to cooperation, but at the same time they all jockey for a dominant or privileged position. I want to make it quite clear to the Members of this House that the inevitable result of such an attitude is that industrial cooperation fails, because — inevitably, under these conditions — it is always introduced too late

A policy of adjustment is thus applied in the same way to all sectors, whether they are in decline or booming. It is obvious what happens then. If you think about it, is there any difference between adopting a Community restructuring policy which has become indispensable for certain traditional industrial sectors, and doing it five years too late, and devising a development and innovation policy which is also five years out of date? The Commission believes that these two errors are comparable, although the second of the two probably has more disastrous consequences than the first. We must not allow ourselves to be misled on this question

Davignon

of an innovation policy. If we implement such a policy five years later than our industrial partners, we are in effect introducing a policy of adjustment. Such a policy cannot truly be regarded as one of promotion and development. I wanted to point this out to the House to avoid confusion, so that no one will be duped into thinking that an adjustment policy in a boom sector is no longer an adjustment policy. It continues to be so. Such adjustments are no longer sufficient for the Community. This is the fundamental issue

Mr Delorozoy showed in his extremely clear report that the question of industrial policy cannot be isolated from its constituent parts. This accounts for its difficulty and complexity as well as its sheer size.

I should like to ask the House a question: Does anybody here think that we can institute a policy to boost industry in the context of the contradictory economic policies, all out of step with one another, pursued by the Member States? The answer is of course no. The increased harmonization of economic policies within the Community is therefore a basic condition for adequate stability and growth, in the absence of which renewed investment and the creation of new opportunities will not be enough.

Secondly — and Mr Herman was correct in drawing special attention to this matter — we need a monetary policy which creates better conditions for security as, if conditions are not dependable, we will be unable to encourage the investment of risk capital. This is of course irrelevant — should anyone misunderstand me — if such investment is the decision of people who are not taking any risks, namely the public authorities, who are always expected to make the first move.

This question is also inextricably linked with the need for an energy policy. How can we possibly introduce a policy to promote investment if, as a result of the different national energy policies — and this is the direction we are going in — there are significant disparities in the real cost of energy in the various countries? Could it be that industries which consume a great deal of energy are going to establish themselves in countries where the cost of energy is lower, or will obstacles be raised to block this trend, given that there is a tendency to prop up such industries because of the repercussions for employment in the areas where they are based?

If such obstacles are raised, all that we have said about industrial cooperation and the functioning of the market will vanish into thin air. It is essential that the Committee on Economic and Monetary Affairs continues to act as a forum for the discussion of these questions, because we will never achieve an effective industrial policy if we have not defined strategies for monetary stability and independent and coherent energy policies. Make no mistake about it: it would not matter if we set up a billion dollar fund and spent

it all, we would not be able to create a single extra investment or a single additional job unless we had made progress in these other spheres. I wanted to make this quite clear so that no one should misunderstand the aims of Mr Delorozoy's report, aims which the Commission supports wholeheartedly.

It can therefore be seen that this question of industrial policy is of key importance to both the Parliament and the Commission and will determine whether the Community succeeds or founders in the next ten years.

Mr De Clercq was quite right to say that we must stop thinking that the requirements of an economic or industrial policy depend on the outcome of the current review of the agricultural policy. We must pursue a correct and coherent industrial policy which is part of an overall economic strategy: that is essential. Such a policy and strategy must be financed and operated in accordance with their own requirements, and must not be tailored according to savings which ought to be made but which are not possible. Each question has to be examined on its own merits. The upshot of it all is that you cannot build a Community if, once and for all, Community funds are limited to 1% of own resources obtained through VAT. That is patently obvious. What is the point of our initiating policies in the fields of energy, research and innovation — which by their very nature must be long-term policies — if we have to tell industrialists, researchers, university teachers and others responsible for training programmes that they must get it into their heads from the outset that the continued pursuance of the programme depends on what is left over in the Community kitty! For we will of course have selected a completely arbitrary figure restricting Community funds for such projects. How can such a policy achieve credibility when anyone can see that unreasonable restraints have been placed upon it, while the advantages which would accrue from it are brushed aside?

What is the basic issue which is emerging from this debate? My underlying concern about this discussion is that, when we get tied up in the details of budgetary debates nobody points out the loss to Europe in terms of jobs, creativity and growth which is caused by a lack of policies which we will be obliged to implement at some point, but only when it is too late, and when they will be even more costly and have an even slimmer chance of success. What does an increase in the budget matter if expenditure is offset by greater benefits? This is something which we must work out and was one of the arguments raised by Mr Thorn when he made his speech introducing the new Commission, in which he said that the cost to the Community if it did not intervene in these areas would outweigh by far any amount we could ever ask for to achieve these policies.

I have just one more point, Mr President, on the more specific recommendations of the report. As I have already said, the Commission approves the spirit of the

Davignon

report, the way in which it was compiled and its objectives. It does, however, have some misgivings concerning the setting up of a fund for industrial innovation and development. It is not that we do not think that such funding is necessary, far from it. It is just that I feel that there is a risk of setting up new structures every time a new suggestion is made at Community level. The agricultural, regional and social policies all have their own funds, the industrial policy is going to have to have its fund, to be followed by the energy policy and the research and development policy. Well, it is my belief that if we do not put all our various finances into one kitty in order to achieve our objectives, the citizens of Europe will feel that we are not exercising our responsibilities correctly, by which I mean that we are not making proper use of the money obtained from our own resources.

Mr Pasmazoglou rightly pointed out that industrial policies should promote not only innovation and restructuring but also the development of underindustrialized regions. Is it not true, in cases such as this, that industry should also derive support from the Regional Fund? And should not the enormous challenge of the new technology and training needed for this purpose be met with aid from the Social Fund? I therefore wonder whether we should not define what is needed, and then make sure that the allocations — and I am deliberately using this budgetary expression — from all the funds that we can draw on are such that, by combining our income from Euratom loans, by making use of the EIB, the NCI, our research programme, certain sections of the Social Fund, the ECSC and the Regional Fund, as well as whatever else could be added to stimulate essential investment, we make the best possible use of our financial resources. I do hope that no-one in the House is under the illusion that I am trying to back-pedal or climb down on behalf of the Commission. The opposite is true. The firmness which I am advocating will, I believe, enable us to avoid the risk of not coordinating all our different activities. In this way we will manage to arrive at that basic economic policy which we need, and of which some components can be found in Mr Delorozoy's report, namely those which refer to boosting industry. Mr President, the Commission will make a number of suggestions regarding various policies when it submits its budget for 1982, and there will of course be a central element in the Commission's discussion on the mandate of 30 May. There is still a crucial point, namely to what extent we are going to pursue our battle with the governments of the Member States. The majority of industrialists — whether their firms be large or small — who have been in contact with the Commission have said they would support our campaign. Naturally, we must be firm with the industrialists as well, and not allow them to shirk their own responsibilities by getting others to finance them. Having had discussions with trade union organizations, we know that they want to devise, together with the Commission, a policy which really will

promote expansion and development based on both industrial reorganization and innovation.

But what is the attitude of the Member States to all this? They are keeping very quiet about it. They are not giving anything away, either at national or Community level. I believe that it is vital to exert the kind of pressure Mr Herman spoke of on the governments of the individual Member States. The Commission will certainly do its part to exert pressure where it can. As for the Parliament, it needs no instruction from the Commission about how to question the Council. The speeches by Miss Forster and Mr Nicholson were a clear indication of Parliament's desire not to skim over these issues and to hold all of us to our responsibilities, including the Commission and the Council, though neither more than the other. It is essential that the Members of this Parliament, having adopted such a clear-cut and determined approach to this question, — and the rapporteur might spare a thought to this — should find out from their government what its position will be when the crunch comes. That is to say, they should ascertain whether their government intends to opt for a short-term policy in the national interest or a long-term policy in the interest of the Community, or it is intending to combine its responsibilities at national and Community level. I for one am quite convinced that without such unification both national and Community policies will fail, and this would be intolerable for its effect on human lives, for its political consequences and for the future of the Community as a whole.

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

3. Restructuring the iron and steel industry

President. — The next item on the agenda is the report (Doc. 1-167/81), drawn up by Mr Ingo Friedrich on behalf of the Committee on Economic and Monetary Affairs, on restructuring policy for the steel industry.

I call the rapporteur.

Mr Ingo Friedrich, rapporteur. — (DE) Mr President, ladies and gentlemen, we all know that the steel industry is presently going through a crisis. The number of jobs has fallen from 800 000 in 1975 to 600 000. This represents a drop of approximately 25%, which is quite dreadful. The industry's capacity utilization rate is at present 55% and prices in Europe — it is amazing but true — are 20% lower than in America and Japan. Firms simply cannot survive on these prices today. Naturally, this has led to an

Friedrich

aid-race. Figures of up to 60 thousand million DM in the last three years have been quoted. I have been unable to check these figures, but they are certainly mere invention. We, the European Parliament, have a definite responsibility, since the ECSC Treaty gives the Commission greater powers of intervention in this area than in practically any other area, powers which no minister for trade and industry in Paris, Bonn or Rome possesses.

In this report which I lay before Parliament and which has already been adopted by a large majority in the Committee for Economic and Monetary Affairs, we have set out the following aims. First of all, to return the steel industry international competitiveness, i.e. to close old production plants. As we know, only a competitive industry can offer secure long-term jobs.

Secondly, this industry is expected to lose another 50 000 to 60 000 jobs in the next few years. Therefore we are obliged to take accompanying special measures for the workers concerned, so that they do not suddenly find themselves out on the street.

Thirdly, we have to bear in mind that many regions in Europe are practically monostructured, i.e. they live on steel alone. I come from Bavaria and even there there are regions for example Nuremberg, which are totally dependent on steel. Naturally we cannot just announce job cuts in places like this, but have a duty to create new jobs. It is easy to say 'create new jobs', but how do we go about it? Only by using the newest and the latest technology. I do not want to engage in party politics, but in many areas there is a certain hostility towards technology, which naturally hampers the creation of new jobs. People are not prepared to use the new technologies in telematics or microelectronics, because they are afraid that certain structures will be changed. But nothing in this world remains the same; everything changes! Only those who are able and prepared to use new technologies can create new jobs. The holding back of multi-million mark investment projects, as is happening for example in nuclear energy and airport construction, also prevents the creation of new jobs. All who are in favour of stopping such large-scale projects should realize that they are also preventing the creation of new jobs.

Fourthly, we must put a stop to the distortion of competition which is presently going on. For example, it is claimed in the Federal Republic of Germany that steel production in a neighbouring country — I do not want to name names just now — is being subsidized by 100 DM per tonne, which means that similar subsidies should be guaranteed within Germany or at least a certain compensatory tax should be levied at the border.

Therefore the subsidy code must be strictly complied with and all direct, indirect or regional subsidies must be reported to the Commission so that the amount of subsidies given to each competitive enterprise can be

checked — I am glad to note the presence of Mr Davignon, who is fighting a campaign which is vital to us all. Lastly, we aim to keep protectionism in Europe within limits and even put a stop to it, because if such tendencies take root again then we can certainly say goodbye to a prosperous Community.

Finally, what concrete decisions contained in this report are going to have a real effect? First of all, we are not just asking for all subsidies to be reported, i.e. for the subsidy code to be complied with, but that a start be made on abolishing them. We cannot keep pumping more and more tax money into this industry. Today's subsidy level can only be cut back, not further increased.

As for restructuring, we want new production plants in enterprises to be installed only if corresponding capacities in older plants, which only run at a marginal cost, are eliminated, so that they do not continue to produce, as it were, *en passant*, which would only increase the supply of steel if new plants were being introduced at the same time.

Finally we are asking — this is a new idea which I hope the Commission will take up — that certain premiums be introduced in cases where it is proven that non-viable production plants have been closed down.

As for social measures we call upon the Council of Ministers to carry out Parliament's decision. Parliament decided, as you know, to allot the sum of 100 million ECU to workers affected by the crisis in the steel regions over the next few years. So far the Council has failed to implement this decision although we have provided funds for it in the budget.

As for the compulsory cartel — and this is the last point I can touch open today, the Commission's exceptionally severe intervention of October 1980, which forced enterprises to comply with certain production quotas and which required whole armies of inspectors, is expected to expire as planned on 30 July.

But appeal to firms — for we realize that cut-throat rivalry must not be allowed to develop in this sector — to behave like reasonable people and not like children so that they can come to voluntarily agreements on certain production quotas. We should relieve the state of responsibility in this matter and leave it to the companies to deal with independently.

We want, and this brings me to the end of my report, to help restore the profitability of firms in the steel sector as soon as possible and safeguard stability of employment, without the European taxpayer being bled to the bone.

(Applause)

President. — I call Mrs Lizin.

Mrs Lizin. — *(FR)* Mr President, we have just heard Mr Friedrich telling us about the social measures, monitoring of aids, and credit policy. I would like to know whether Parliament is satisfied, in the context of this debate, simply to listen to Mr Davignon, or thinks that Mr Richard, Mr Andriessen and Mr Ortoli should also be heard. Particularly when Belgium is involved, the responsibility is often taken by Mr Ortoli and Mr Andriessen when things are not going well. I would like all those responsible to be present, or at any rate I would like the representative of the Commission to commit himself on behalf of the four Commissioners concerned and particularly the Commissioner responsible for employment policy

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — *(FR)* I imagine that Mrs Lizin is familiar with the Treaty. The Commission is a collegial body, and it is on behalf of that body that I shall speak.

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

Mr Schnitker. — *(DE)* Mr President, ladies and gentlemen, I think the House will join with me in thanking the rapporteur for his careful and well balanced report. I take the liberty of once more emphasizing the following points and aims. First of all, we have to make sure that direct and indirect operating subsidies to the iron and steel industry are abolished as soon as possible in all countries of the Community. This includes, I must stress, regional aids. Secondly, the Commission must monitor these subsidies, and this process is made extremely difficult because Member States frequently omit to notify it of such payments

Thirdly, we call upon the Commission to introduce a system for granting aids for the closure of obsolete and non-viable plants, a process which, if not carried out today, will be forced upon us some day by economic pressures and will cause problems on the job market

Fourthly, it is unacceptable and even harmful to the European steel industry that steel prices on the European market remain systematically lower than those on the Japanese and American markets. Fifthly, the establishment of compulsory production quotas pursuant to Article 58 must remain an exceptional measure. Sixthly, free trade within the Community must continue to be assured in the steel sector too. It is unacceptable that steel is persistently being subsidized in one of the EEC countries which takes absolutely no account of profits and losses and which then dumps this same steel on other people's doorsteps.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call the Socialist Group.

Mr Wagner. — *(DE)* Mr President, ladies and gentlemen, first of all I would support my colleague Mrs Lizin in her request, and I do so not just as a matter of form and procedure. Without in any way detracting from your great commitment, Mr Davignon, it would certainly be worthwhile if not only the Commissioners responsible were also present, but the President of the Commission would give his attention to this vital matter of the steel crisis, and to finding a viable solution in terms of social and competition policy, since it is the Commission as a whole which has responsibility. I would ask if something could be done about it during this debate. Perhaps our President can ask the gentlemen personally to attend the further stages of the debate and perhaps even attend tomorrow's vote on this important motion and the amendments.

Ladies and gentlemen, steel is not just any old sector but a key sector and a key policy of the European Communities. It is just over 30 years ago that the ECSC Treaty was signed. What is needed now is for the responsible politicians and industrialists to finally do their duty again in the spirit of the founding fathers of the ECSC Treaty and the European Community and to show more courage and resolve in order to overcome this crisis as humanely as possible. It is important for Europe to show humanity in steel policies too and that the will, aims and spirit of the ECSC Treaty be turned into practical policies.

Time being short, I shall limit myself to three points. My colleagues will comment on other aspects later on in the debate. The debate on the steel crisis and how to solve it should be with us and remain an important task for us for some time yet.

The way European steel firms have behaved over voluntary production quotas and a voluntary cartel to combat the crisis showed us how the mutual trust, which they keep demanding from others as a major prerequisite for economic activity, was undermined to such an extent last year that we have no option but to apply Article 58 to avoid chaos in our employment and economic policies on the European steel market and in the European steel industry. Large surplus capacities made it necessary to take disciplinary measures and to use the instruments available under the ECSC Treaty, which were developed by men who believed in the free market economy, but I warn you against trying to make these measures a matter of principle in this discussion about applying this Article, as this will only start an argument. That would be of no avail — on the contrary, I would call upon those who caused the

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damage to see to it in their own ranks that, after Article 58 ceases to apply from 30 June, the cartel be effectively dissolved and that this process be strictly monitored and complied with in practice.

It does not look as if this will happen at present, as some important points still have to be cleared up. We urge the Commission and Council and the steel manufacturers to face up to their responsibility and do their best to implement some effective measures.

Jobs must be safeguarded in the individual steel areas, and I must stress that business interests alone should not be considered when seeking a solution to the steel problem. Equally important objectives are to safeguard employment and come up into an effective regional policy for creating new and alternative jobs and improving social and economic conditions and infrastructure not only on paper, but in practice. This gives firms a good deal of the responsibility, and we cannot go on asking the State for help every time managers and certain entrepreneurs make mistakes.

Therefore my Group firmly rejects the proposal to provide closure premiums. I would like to ask those who have always called for solutions based on the free market economy how they can reconcile this measure with the market economy ideal. Those very people would be rewarded and compensated who made gross errors in investment and planning at the expense and sacrifice of the workers who subsequently lost their jobs. I am speaking about Europe . . .

(Interruption)

as for co-management, I thank the honourable gentleman for his interruption and can quote him an example. Unfortunately we do not have much time otherwise I could give him a more detailed example. Let me just take the example of my own region, Saarland. Thanks to the trade unionist struggle, which was supported by our friends in trade union and political circles Luxembourg and Lorraine, and thanks also to the co-management provisions of the ECSC, there were no larger-scale redundancies in Saarland after all. Exemplary social plans have been made there which did not just fall from heaven into the employers' or workers' laps, but were hard fought for. If it had not been for Montan ECSC co-management and the determined fight of the workers and their unions, then things would have been bad, very bad. I shall not go into it in any more detail.

Closure premiums are, therefore, not a solution. On the other hand, structural programmes are undoubtedly necessary, but not without accompanying social measures. This is of special importance to our Group. From what has happened in my home area, and with the problems facing its industry and the region as a whole, which is strongly monostructured, it is imperative that we ask the Council of Ministers and the governments to finally implement the social measures

contained in the Peters report, and which have long since been taken up by Mr Davignon and Mr Vredeling, who have done much excellent work. These measures are necessary if working hours are to be shortened, a five-shift system introduced, and further professional training and retraining implemented, as well as other social safeguard measures. This includes the lowering of the age of retirement to 55 years for people in the steel industry who do heavy work.

Finally, that important chapter which everyone keeps bringing up, including our colleague Mr Friedrich, and I believe he is sincere because he is probably speaking from bitter personal experience and experience in his own constituency. We cannot go on promising alternative work and doing nothing or next to nothing about creating it. I must make this quite clear. The Commission and governments have to see to it — and there are examples in other sectors, e.g. the non-quota section of the European Community Regional Fund — that the subsidies, which up to now have been distributed nationally, and the European Commission's financial resources for necessary restructuring and reduction of surplus capacities, are amalgamated and used for safeguarding employment in the individual steel areas. Our main aim is to combat unemployment effectively, to provide prospects for the younger generation and make sure that these aims are safeguarded in Europe not only for the sake of workers and the population as a whole, but especially for young people.

There is another point I would like to mention. Arrangements must be made from 1 July whereby prices can be fixed higher than production cost and whereby firms and concerns — which brings me back to the heads of firms and concerns — may not simply cut back on jobs. In Germany people have begun to use the euphemistic term 'Freisetzung', which is a dreadful word because it sounds as though people are being set free! They should call it simply what it is — sacking, cold-blooded sacking! In these difficult times we must ask concerns which are having to cope with restructuring problems to extend further processing themselves within the restructuring programmes, while employers themselves must face up to their responsibility and create new jobs, and the Commission must make sure that this is done. More must be done to further research and development in market and product research, as well as in humanizing working conditions.

One thing has so far been forgotten, and I would like to mention it in conclusion, namely that for every one job lost in the steel industry two more jobs are lost in related and service industries, and it would be a good thing if the Commission were to submit a report on this and say what, if possible, they intend to do about it. Therefore, we cannot just look at the loss of jobs in the steel sector itself, which is shocking enough, but we have to consider the serious consequences for small

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and medium-sized industries and the self-employed. I would have been happy, Mr President, if Mr Schnitker, in his contribution to the debate, had put his finger on this sore point. Thousands of jobs are being lost elsewhere as a result of the steel crisis, and something must be done about them too.

These areas need help, and we must ensure that European Community policies are geared above all to the future, to workers and to people and not towards short-sighted egoistical business objectives. It is in the interests of steel firms and everyone else to restore competitiveness, to put full employment and job security to the fore, and to avoid depopulation in the regions.

President. — I call the European Democratic Group.

Miss Forster. — Mr President, first I would like to congratulate Mr Friedrich on this most excellent report, which the committee supported and this Group supports. I think in paragraph 3 he really lists the main things he is trying to achieve. Firstly, he is trying to restore the steel industry in Europe to international competitiveness and, as he has said, prices in Europe are some 20% lower than elsewhere in the world and the industry within the Community is not in a state to compete with Japan, Taiwan and the other steel makers.

Secondly, he wants to restore profitability, and I am sure that if Mr Wagner's concern is jobs, he would agree that the only long-term way to preserve jobs is to ensure that the individual steel-making concerns are profitable.

Thirdly, Mr Friedrich asks that we should prevent distortion of competition between the steelmakers. I would like to deal with that last point first: this group fully supports the abolition of both direct and indirect aids to the steel industry. In times like these when there is vicious competition within the industry, we find that the privately financed firms are being forced out of the market because, as prices have fallen, only State-aided concerns have been able to continue operating with financial success. But if we are to remove those aids, I do ask that the Commission look not only at direct financial subsidies, but the indirect aids, such as aid with energy costs or transport costs because these can be equally important in affecting the competition between firms.

Coal and steel are, of course, treated in a special way in the Community because they come under the Treaty of Paris and in some ways our policies towards the steel industry have developed further than our policy for general industry strategy which we debated earlier this morning. However, this Group sees this as a danger because it can possibly lead to more interference in the industry than is really necessary. Last

October, when the voluntary market broke down, this Group supported the introduction of Article 58 and the declaration of manifest crisis. We did not like doing that, Mr President, because we support competition but we thought it was necessary and so did all the member governments. We thought it was necessary to spread production between the firms and to achieve some rise in price levels.

Since that time prices have, in fact, risen some 30% but the question now is, what is going to happen at the end of June? Despite Mr Davignon's efforts, no voluntary agreement has yet been reached and I understand that no really watertight arrangements have been made for the third quarter of this year. I feel that some voluntary arrangement must be made in the immediate future, because otherwise through July and August there will be chaos in the market and all the good that has been achieved by the use of Article 58 will be lost. So today, Mr President, this Group supports this report, and in particular Article 24 within it, and we support Mr Davignon's efforts to find a solution on a voluntary basis for the rest of the year. However, if he does not achieve this, this Group will possibly ask to return to this subject at the June part-session.

President. — I call the Communist and Allies Group.

Mr Bonaccini. — (*IT*) Mr President, ladies and gentlemen, the current economic and industrial crisis has affected the steel industry more than most other sectors. In the past year, we have referred to it on several occasions in this House, examining one aspect or another. We have not wasted a single opportunity to criticize the institutions for dragging their feet for such a long time as the crisis deepened. It is now more than a whole year since Mr Leonardi and I presented our motion for a resolution. It would have been of much more use if, during this year, Parliament had exerted pressure to have vital decisions taken.

The present crisis was predictable, and its likely development has also been foreseeable for some time. This is a sector in which the Treaties explicitly provide for a common policy and dispose of instruments and procedures on a incontrovertible legal basis for implementing such a policy, and yet the powers-that-be have deliberately chosen not to intervene for some time now. Firms and governments must both take the blame for their part in this affair. The living proof that this policy of playing for time has not paid off can be seen from the fact that firms are closing down, men are being laid off, and hasty attempts are being made to force through restructuring; all these measures which have now become imperative because steps were not taken in time to prevent them, are likely to become a heavy burden on the backs of the workers.

We should heed the warnings of past experience and think clearly and carefully about what is to happen in

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the future. Three basic features emerged from the system for regulating the market following the agreement among EUROFER producers. These were monitoring of minimum prices and production quotas, and the part played by imports from third countries. So far, it seems that only the first of these three has been tackled positively. Even today there is still uncertainty over the voluntary definition of quotas for the various categories of products and especially for the largest category. The strategic core of Mr Friedrich's whole report can be found in paragraph 24. It is evident that it was conceived and drawn up by someone who takes it for granted that the system of quotas provided for under Article 58 of the ECSC Treaty is going to expire. But such confidence has no solid basis in fact, and I think, therefore, that we are entitled to manifest a certain amount of pessimism. In any case, respect for the truth and a minimum of caution demand that paragraph 24 should have been expressed in a more hypothetical fashion. As for imports from third countries, they are not even mentioned in passing, although it would have been of interest to hear from the Commission about the role it has played in recent events, especially since the United States trigger-price system does not seem to have been of any help to European exports in North America. The motion for a resolution focuses almost entirely — and Mr Friedrich's speech only confirmed this — on public aid for restructuring plans, and takes no account whatsoever of the decision by the Council of Ministers on 26 March, even though this is a crucial ingredient in instigating the new phase of the system governing the steel industry.

The result is that even the laudable considerations regarding programmes and public aid are put forward in a context which is inevitably unbalanced. Only reference to the 26 March communication and to direct and indirect forms of such aid can partly help to rectify this. In this brief summary, I have tried to indicate the reasons which, together with those of a more specifically social nature, have led us to reserve judgement on the draft put forward in committee.

As regards the social aspects, it is of course essential that funds should be provided to help all those people who may well lose their jobs as a result of restructuring measures. We propose that emphasis should be placed on promoting a procedure which provides for adequate information, discussions and agreements on social issues. We have put forward some amendments. We will only decide how we are going to vote when we have seen the course of this debate, heard the statements of the Commissioner and seen what happens to our amendments.

President. — I call the Liberal and Democratic Group

Mr Damseaux. — (*FR*) Mr President, ladies and gentlemen, the general economic recession which has

been hitting Europe for the last few years has dealt a particularly heavy blow to some of the key sectors of our economy. Foremost among these is the steel industry, as one out of every seven persons in the Community earns a living either directly or indirectly from steel.

Without entering into a thorough investigation of the reasons for the present crisis — which would be pointless — it is nevertheless interesting to examine some of the basic causes in order to avoid repeating in the future the mistakes of the past.

The main cause which we have to keep in mind today was an error committed after the ratification of the Treaty establishing the European Coal and Steel Community in July 1952. The West then experienced a quarter of a century of unprecedented economic development and prosperity. The Member States measured their strength by the success of the steel-makers. At that time everything seemed possible and that is why countries made the basic mistake of trying to achieve growth in their production capacities at any cost. Now we are faced with a trend which is irreversible and we must come to terms with an unavoidable situation. There is no going back on the fact that the colonies are no more. Nor does the West have direct control over raw materials any longer. With the Yom Kippur war and the subsequent rise in the prices of oil, coal and ore, the countries producing raw materials finally realized how indispensable their mineral resources were to the industrialized countries. Japan — which is a country with no iron ore or coal — responded by building up the most profitable steel industry in the world, thanks to the creativity and productivity of its firms, a remarkable level of technical achievement and extremely low manufacturing costs.

Markets which were traditionally always open to the Europeans are now closed to us forever. Third World countries, such as Algeria, Egypt, South Korea and Taiwan, have set up their own steel plants to cater for their own needs and also to export at a low price. But there is no point in wringing our hands over these developments. They have happened and will go on happening, with all their inevitable consequences for our countries, namely, a fall in the price we can charge, an appreciable reduction in the use of production capacities and a drop in investment.

When the crisis reached its height, with losses averaging 1 000 Belgian francs for each tonne of steel produced, the EEC raised the barricades and established minimum prices, even though it was aware that the ability of the engineering and automobile industries to compete in the world was likely to be adversely affected. This measure was supplemented by the establishment of anti-dumping prices based on the differences between the basic European price and the actual delivery price of products coming from third countries. We have to acknowledge that all along these

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measures have merely been a palliative. Steel firms have never managed to recover a satisfactory balance between their selling price and their production costs. They have been working at less than 70% of their capacity — whereas any expert will tell you that they have to manage at least 85% in order to become profitable again — and have been quite unable to restore the balance between output and demand.

The crisis deepened still further in 1980. Firstly, there was a sharp fall in demand which brought in its wake a slashing of prices in an attempt to retain some sort of foothold in the market. Given these conditions, it is obvious that the financial situation of firms deteriorated still further. As neither the firms themselves nor the national governments seemed to be able to reverse this situation, the Commission — rightly in the first instance — decided to cut crude steel production quotas in Europe for the second half of 1980, by roughly 10% compared with the second half of 1979, and at a later stage in December 1980 — it invoked Article 58 of the ECSC Treaty, thereby openly declaring a state of crisis and establishing complete control of tonnages and prices and a closure of the ECSC market until June 1981.

As early as November the Liberal and Democratic Group indicated the short and long-term measures it thought indispensable to get the European steel industry on its feet again. In the short term, a clear overall strategy for Europe, strict supervision by the EEC of industrial planning and trade policy, and investments by steelmakers are all necessary for five reasons. First, production capacities must be limited. The average rate of use of steelmaking capacity in the Community has been about 68% for the last five years, which is far too low. Secondly, we must diversify, and make basic changes to the range of products we produce, as well as to services and markets. Thirdly, productivity must be improved. Fourthly, we must alleviate the social repercussions and foster redevelopment. Finally, research and development on steel must be stepped up and coordinated as it is an area ripe with unexplored possibilities and iron ore reserves in the world are practically without limit. So it can be seen that steel technology does have ever-increasing scope for development in the future.

In the long term, the extremely high birthrate in non-industrialized countries is going to produce a vast pool of manpower, in the shape of young people who are not trained but who are very cheap to employ in traditional manual jobs. In Europe, on the other hand, the birthrate has been falling, with a ratio of 1.8 children per woman in 1978/1979, whereas a ratio of 2.2 would be necessary just to replace the present generation. Then there is the fact that a growing proportion of young people are continuing with their education for longer, so the trend in the Community will be the opposite of that in the non-industrialized countries. It is therefore inevitable that labour-intensive activities such as crude steel making are going to be concen-

trated in Third World countries to specialize progressively in basic steelmaking activities.

They could therefore produce crude steel for European companies who would in turn concentrate more on more elaborate products which require advanced technology and hence highly skilled staff and close contact with users.

I should like to make four more points in conclusion, Mr President. Firstly, my Group welcomes the important decision taken by the European Council on 26 March 1981. This is really the first positive step, the first move made to institute a general and genuine industrial strategy at the behest of the Council of Ministers. One point on which we perhaps all agree — the Parliament, the Commission and the Council — is that, without a general strategy, governments have admitted that we will never be able to introduce the necessary changes. The crisis must be managed over a long period, problems must be treated in all their aspects and we must avoid selective or piecemeal solutions. We need, therefore, to bolster resolve in the Community, as without solidarity there can be no Community policy. But we also have to fix a date for the establishment of restructuring programmes. This date — 1 July 1983 — must be adhered to otherwise industrial cooperation, the willingness to accept changes, and the sacrifices by one and all will come to nought.

My second point concerns direct subsidies to steelmakers. These must be abolished as quickly as possible. I am, of course, referring only to direct subsidies to maintain production, as all the other subsidies are aids allowed under the restructuring plans must naturally be scrupulously respected, both at Community and at national level, if we want these restructuring plans to succeed.

My third point, which I will combine with my fourth in order to bring my speech to conclusion, is that the present system of regulations will cease to exist after 1 July 1981. At any rate, it will no longer exist unless the Commission does something after the necessary talks or as a result of an initiative on the part of a Member State. It is therefore vital that agreement should be reached among European steelmakers on 1 June. If this could be achieved, the worst of our problems would be over, although the Commission would still have the enormous task of introducing the necessary accompanying measures to ensure the success of the re-structuring plans decided upon.

As Liberals, we would very much prefer to see an agreement among steelmakers because we feel that there is one very serious flaw in Article 58 — which must in any case be used only exceptionally. The flaw is that this Article is applied across the board, without distinguishing between obsolete firms running at a loss and in receipt of aid and other firms which are already being reorganized. It is these go-ahead and competi-

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tive firms which are the first victims of aid granted to antiquated firms running at a loss.

On these terms, we will vote for Mr Friedrich's report and we will also support Amendment No 4 by the Socialist Group, so that if there is no agreement and the Commission has no response to make we will not go away completely empty-handed. We support the entire report and ask the Commission to do its utmost to ensure that Community steel producers agree to limit their production of their own accord.

President. — I call the Group of European Progressive Democrats.

Mr Deleau. — (*FR*) Mr President, ladies and gentlemen, the serious threats looming over the Community steel sector have prompted members of the Group of European Progressive Democrats to speak out on several occasions.

We do not expect today's debate on Mr Friedrich's report to come up with any miracle solutions, but we do at least hope that it will produce some precise and positive guidelines. For while a few years ago we still harboured illusions as to how long the crisis would last, today these are dead and buried. The main reasons for the crisis will not vanish overnight. The worsening of Europe's competitive position internationally and the fall in demand for steel have made it vital to continue with the measures in force. The only policy objectives acceptable are those which aim at restoring the competitiveness of the Community's steel industry in the world, those which aim at making steel firms profitable again, and those which guarantee stability of employment and eradicate unfair competition between firms.

Be that as it may, these objectives cannot be separated from the short-term measures taken by the Commission under Article 58 and the necessary accompanying social measures. A great many European undertakings have already reacted favourably. On average, productivity in the European steel industry has increased by 25% in 5 years. This effort must be continued, with encouragement from the Commission. We are therefore only too happy to support the Community decisions concerning the strict supervision of national, regional or local aid given to the various steel industries. Equally, any investment aimed at setting up new production facilities will have to be carefully examined by the Commission, and will have to involve a corresponding reduction in obsolete capacities before being given the go-ahead. Some precedents — such as the Bagnoli affair — have not always been very convincing in this respect, despite the highly technical explanations given by Mr Davignon. The most interesting feature is the contribution which could perhaps be made by the Commission to withdrawal of investment, by which I mean the granting of aid to shut down obsolete production units. But none of these measures

will have any effect unless the anti-crisis plan is replaced by an effective system on 1 July.

In the attempt to achieve some sort of balance between steel demand and supply, the quota system for Community production of steel has had a positive effect without any doubt, especially when one considers how the market for steel has continued to deteriorate. Indeed, since a state of crisis was declared, orders for the main products have dropped by 20%. Thanks to the measures taken, prices have not fallen to the same degree as in the past. On the contrary, the introduction of quotas has resulted in a definite rise in prices, for most products, although the rise is still not as high as we would like. Costs have also increased since the spring of 1980, and prices will have to go on being raised in order to compensate for this. But given the delay in instituting the restructuring measures, we cannot possibly allow the European market to be free of control as from July. We realize that the European producers are about to conclude a voluntary agreement to regulate steel production. Will the Commission be able to ratify such an agreement? Would it not be logical that such an agreement should contain at least two guarantees, namely, that it would be binding on all producers, including those who have so far escaped all forms of supervision and control by the Commission, and a declaration from the Commission that there will be a return to the crisis arrangements if the agreement is not respected?

To conclude on the production crisis, I should like to point out that, in 1980, European steel exports fell by almost 3 million tonnes in comparison with 1979, mainly because of the obstacles encountered by Europeans on the American market. What is more, during the first quarter of 1981, European steel supplies to the United States fell by 17% compared with the first three months of 1980. In addition, notice has been given of further anti-dumping procedures. What does the Commission intend to do to try to put a stop to these practices, which are so obviously flying in the face of the avowed principle of free trade?

Although the problem of steel imports is not so acute, it is by no means negligible. In fact, although steel imports from third countries dropped to less than 4% in 1980, when compared with 1979, they were still higher than they were before the crisis. It is therefore all the more essential to monitor the bilateral arrangements, and if this cannot be done, we would recommend that the provisions of Article 74 should be applied again. It would be a pity if — as in the case of Article 58, for which our Group has been clamouring for such a long time — the authorities only chose to make use of this Article of the ECSC Treaty when it was too late. But all these measures will only be viable in the long term if the intolerable harm being done to certain sections of society and to certain regions is halted. It is unacceptable for the Council not to give the Commission the funds it requires for the large-scale measures still to be carried out. What has become

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of the 112 million units of account deemed necessary by the Commission to carry out its priorities, i.e. giving aid to early retirement, promotion of short-time working, etc.? I should like to ask another question, too: will the Council deal with these problems on 13 May 1981? For nearly 3 years now, the Commission and the Parliament — represented by our colleague Mr Vincent Ansquer — have been calling for the transfer of customs duties on steel products to ECSC funds. To sum up, the restructuring projects, the accompanying social measures and the short-term anti-crisis plan are inextricably linked. If only people were prepared to shoulder their responsibilities, we feel that the European steel industry would still have a future. But for the moment, and to mark this occasion, it is of the utmost importance that we should have some ideas in our heads, so that they can be put into practice if necessary. Firstly, if the Eurofer group, enlarged to take in the independent steel makers, does not manage to exercise control over the market and if no other coordinated solution can be found, we recommend a return to Article 58. Secondly, let us make use of the opportunities offered by Article 74 to limit imports into the Community, if bilateral agreements are not sufficient, so that we can again have a fair balance between domestic demand and imports. Thirdly and lastly, the Council should permit the social measures accompanying the anti-crisis plan to be implemented without delay.

Mr President, ladies and gentlemen, I thereby conclude the comments and suggestions of the Group of European Progressive Democrats with regard to Mr Friedrich's report, and I hope that the Council, Commission and Parliament — naturally — will take note of them.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members

Mr Vandemeulebroucke. — *(NL)* Mr President, ladies and gentlemen, I should like to begin by congratulating Mr Friedrich on indicating the direction in which the steel industry must move. He also rightly pointed out that any support measures must make a contribution to a genuine restructuring of the steel industry, that the subsidies which have been granted so far must be stopped, that distortions of competition must be avoided and that the Commission must be given much wider-ranging watchdog powers over government support to the steel industry.

I am sorry to have to say that the government of my own country clearly does not care a fig for the Community guidelines and recommendations on this matter. The Commission has twice asked the Belgian Government for an explanation, but that is as far as we have got. Only recently the Belgian Government approved a fresh set of support measures for the iron

and steel industry in the French-speaking provinces of Belgium. Moreover, Belgium has now received a total of 3 800 million EUA in the form of Community aid. The new measures are designed to make up for a loss of 25 000 million Belgian francs, while future losses are put at 22 000 million Belgian francs, and that too is going to be met by the Belgian Government. The government is also financing 9 000 million's worth of investment, and that is not all . . .

The effect of these debts on the Belgian budget will be felt up to the year 2005, and will place an enormously heavy burden on the next generation. Unfortunately, I fear that all this aid will have no effect in the long run. On the contrary, there are already sure signs that the Wallonian steel industry will be coming along again in a few years' time to beg for more government aid. All these thousands of millions of francs are not being used in a serious attempt to streamline the industry or for investment purposes. They are merely being cast into a bottomless pit which is getting bigger day by day. The fact is that the Wallonian steel industry is doomed, and there is no hope of recovery. What we have here is a classic instance of the use of government subsidies to distort competition.

I should like to ask the Commission whether it is content to address a few polite requests to the Belgian Government. I have every sympathy for the disastrous social and economic situation in the French-speaking provinces of Belgium, but precisely for that reason, I find it deplorable for a total of 150 000 million Belgian francs in subsidies to be granted to the Wallonian steel industry, because thereby we are missing our chance. It would have been far better to carry out a future-orientated policy of industrial restructuring and to create new jobs. I cannot help but feel that my government — with the complicity and support of the Commission — is implementing a backward-looking policy which is bound to produce negative results.

President. — I call the non-attached Members.

Mr Petronio. — *(IT)* The reasons underlying the crisis in the European iron and steel industry, Mr President, have been amply demonstrated on a number of occasions both in the Committee on Economic and Monetary Affairs and in this Chamber this very morning.

For this reason we would like to make it plain that, quite apart from the fact that the new steel-producing countries have taken away parts of Europe's traditional markets. Quite apart from the second reason for the crisis, which is the increase in the price of iron ore and coal, demand for coal has fallen steeply and resulted in a crisis in other sectors. That, at least, is what is being said. We would like to put our own views forward on this: it seems to us that the crisis in other sectors is not a result of the crisis in the steel

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industry but that the converse is the case. We can expect to put right the crisis in the steel industry — which is an essential supplier of other sectors — in the reasonably short term only in proportion to our efforts towards a new and progressive industrial policy. We have talked about the crisis in the shipbuilding industry, we have talked about crises in many other sectors. Ladies and gentlemen, if we do not look at it from this point of view, we cannot expect any measurable, real future improvement in the steel industry. And of course we would not want zero growth for all time since that would be contrary to any hopes of development.

We should therefore, with national programmes and European commitments, be thinking seriously of some commitment to the shipbuilding industry, for which a new future is starting with new ferry boat services and perhaps inland ports on the navigable waterways which are being contemplated from the Rhine to the Main to the Danube, from Milan to the Adriatic and so on. Automation — closely associated with the automobile sector — must be opened up for the steel industry; so must the railway sector, so must the electronics, the data-processing and the telematic sectors, the nuclear and aerospace sectors after the recent American successes, and of course the construction industry — which is also in a serious crisis, if we consider that, for example, in Italy the cost of housing has risen by some 40 to 45% in one year — and the specialist industry of building in earthquake zones, where Italy is now conducting tests following the earthquake and which could constitute a field of application for the steel industry.

As regards the costs, a number of costs have been quoted to us, but not enough has been said about the cost of money, which, in Italy for example, has now reached the rate of 30%: this is usury; this is bringing business to its knees, whether it is State-owned or privately-owned. We are looking forward to hearing the report which Mr Davignon says he proposes to put before us together with Mr Andriessen: such a report should give aid to the steel industry, partly through direct aid, partly through financial restructuring, partly in the coking coal sector, partly with transport subsidies, partly with subsidies on energy, loans at advantageous interest rates and aid in making the labour market more mobile, all of which at least should be properly highlighted.

Lastly, we would invite the Commission to ensure that the price rules established by Article 60 of the Treaty are protected, and that there is some real connection between list prices and the prices offered by manufacturers. What is more, we invite the Commission to encourage the publication of reliable price lists which would guarantee transparency and a true relationship between prices and costs. Lastly, we call on the Commission to arrange adequate external protection and implement whatever measures are necessary to prevent the dumping of imports from third countries,

so that we may be sure that the sacrifices demanded of Community businesses under Article 58 will not be repaid by the market being captured by imports from third countries

President. — I call Mr Abens.

Mr Abens. — *(DE)* Mr President, ladies and gentlemen, I believe a majority of this House accepts the need for the European steel industry to pursue a policy of restructuring to secure or restore its competitive position. It is not enough, though, to be merely for restructuring. It is not enough to close down works or rationalize them in such a way as to do away with thousands of jobs. It is not enough to call for the abolition of operating subsidies. It was decided last year to abolish aid to the steel industry, but the mechanics of such a scheme must be carefully balanced

It is up to the Commission to bear in mind the situation as a whole when it comes to assessing each area and each works. For instance, in the case of Luxembourg, the country I represent in this House, it must be borne in mind that our steel industry has received practically no aid since the 1974 crisis. Another point to be considered is that, when it comes to restructuring, we must not allow production capacity to be dismantled to such an extent that the steelmaking areas of the Community as such are placed in jeopardy, as this would have serious social and political consequences. The main steelmaking areas must retain at least a minimum level of productive capacity. That is the point covered in Mr Glinne's amendment, which we shall be voting on tomorrow.

The same applies of course to various areas in the French-speaking provinces of Belgium and to steelmaking areas of the United Kingdom, Lorraine, the Saarland and of course Luxembourg. As far as these areas are concerned, a policy of solidarity at Community level is absolutely essential. In other words, what we need is a policy which gives pride of place to the job-creating and social aspects. In this respect, the Committee on Economic and Monetary Affairs has identified the problems accurately.

The Socialist Group takes the view that the process of restructuring must be accompanied by the essential social measures and by measures to create new jobs in the regions concerned. As regards the social measures, the Peters Report last year set out the detailed policy which would be needed to cope with all the unpleasant consequences of restructuring. Allow me just to remind you of the most important measures proposed: early retirement, overtime restrictions, changes in shift working, working time and working conditions, and the provision of 112 million EUA in the Community's general budget. Even so, these measures alone will scarcely suffice to solve the problems generated by the current crisis. In this respect, I should like to draw

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your attention to various amendments tabled by Mrs Lizin which we shall likewise be voting on tomorrow.

The Council has so far refused to take decisions on the basis of the Commission's proposals, and the 112 million EUA have likewise not been set aside, although all the experts agree that even this amount is totally inadequate. Nor has very much been done at Community level to create new jobs, mainly because the necessary resources are not available in the Community budget.

I am of the opinion that the measures provided for in the ECSC Treaty are inadequate to cope with the crisis facing the iron and steel industry. The Council should adopt the Commission's proposals, and should in particular make far more money available to enable superfluous workers to be pensioned off or retrained under acceptable conditions.

I feel I must comment very briefly on the need to organize the Community's steel market if restructuring is to be carried out successfully. A market organization is truly what we need in a situation where prices are 20% lower than those of the main exporting countries, the USA and Japan.

Mr President, in order to conform with the terms of the Treaty, and because I mistrust all cartels, I would favour the application of Article 58. I therefore deplore the fact that the Member States and the employers' representatives have confined themselves in their negotiations to EUROFER II — that is to say, a production and supplies cartel — and a minimum price system. After all, the obstacles we have encountered in the past still exist, especially on the employers' side. For that reason, we should not simply drop Article 58, as it could prove to be useful over the coming days and weeks

In conclusion, I should like to stress once again that it is extremely damaging to the Community that so little has been done so far at Community level in the social sphere and with a view to the creation of new jobs in the traditional steelmaking areas. We Socialists attacked this lack of activity before direct elections, and we have continued to press the point ever since. If the Community continues like this and leaves it up to market forces or, in some case, the monetarist policies pursued by the Member States' governments, to effect the necessary structural changes, the employers will never be persuaded to abandon their cautious attitude to the construction of Europe.

I would therefore address my appeal in particular to the governments of the Member States to show at long last, by their attitude to the steel industry, that they are prepared to adopt a socially responsible, progressive and future-orientated policy at Community level.

President. — I call Mr Franz.

Mr Franz. — (DE) Mr President, ladies and gentlemen, I wholeheartedly support what the previous speaker had to say. Of course, the elimination of subsidies and industrial restructuring are not enough in themselves, but they are the two most important points. We are aware that the subsidies which are handed out so liberally tend to distort the market, and we must find a solution to this problem in terms of the market economy. To that extent, therefore, it is true after all that — as Mr Friedrich's report says — priority must be given to the abolition of subsidies.

As regards the question of closures and restructuring measures, I can only say that we realize there is too much production capacity. As we cannot expect the market to recover to such an extent as to utilize all this capacity, old plants must be closed down. Article 58 can do nothing to help in this respect, and here I must take a different view to the previous speaker. I do not believe that application of this article would bring about a solution in terms of the market economy; instead, I think it would merely help to maintain the existing structure. It is my view that we must find a genuine solution that would involve the closure of obsolete and uneconomic plants. Of course, as Mr Friedrich's report says, any such policy must be accompanied by the establishment of new future-orientated industries, appropriate social measures and massive concerted efforts on the part of European industry. Obviously, the report on the steel industry produced by the Committee on Economic and Monetary Affairs cannot solve all the problems. It certainly cannot do so in the short term. But I believe that this report shows that we are on the right path, and I hope that the Commission will be quick to put our suggestions into practice. On behalf of the EPP Group, I would ask you to support the report.

President. — I call Mr Frischmann.

Mr Frischmann. — (FR) Mr President, reading the report for us and listening to the speeches made today, you really do get the impression that we are refusing to draw any conclusions from the measures which led to the situation we have today.

The crisis in the iron and steel industry has now really reached a catastrophic state. Just now the rapporteur admitted that 200 000 jobs have been lost in the Community iron and steel industry, and that 50 to 60 000 will be going in the next few years. These figures are without doubt an understatement since the French VIIIth plan is proposing a further reduction of 49 000 jobs in the French steel industry in compliance with the Community steel plans.

At the same time the Commission's 'anti-crisis' measures published in November 1979 provide for French steel-making capacity to be reduced in 1982 by

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almost 5% over the 1974 figure — that is to say the figure of seven years ago — whilst the Federal Republic's is to be increased by more than 11.1%. Trends such as this will lead to an irremediable decline in French steel production whilst at the same time 47% of the French home market is covered by imports from other Community countries.

There are events and people who are responsible for this situation, this crisis. Those who are responsible, in our country, are the French Government and the European Commission, who set up their plans for restructuring and redundancy, who put them to us as a cure for all ills and which for our part we have never ceased to oppose, alone though we frequently were. What is more, the true underlying causes of this crisis in the steel industry must be regarded as part of the greater crisis which is working its way across Europe. Policies of austerity, wage control and redundancy bring with them ever-worsening world economic stagnation. We are abandoning plant, systematically dismantling production capacity in order to make production profitable whilst national requirements are not being met.

And yet what is being proposed to us again today — by the Commission and Mr Friedrich's report — is the continuation and hardening of this policy. The same arguments have invariably been put forward in support of these views for 30 years: competitiveness and productivity. Working people know what that means. For them the pursuit of productivity means hundreds of thousands of jobs disappearing and exploitation increased. The national economy, meanwhile, derives no benefit from this since restructuring quite simply means the destruction of part of production potential, abandoning skills and experience and research facilities, delays in using the most modern technology and increasing dependence on imports.

What is quite clearly being sought here is not progress for the steel industry nor improvements in supplying national demand or in international trade, what we are talking about is simply and solely safeguarding private profit, using the euphemism of competitiveness and the reality of profitability.

We therefore reiterate that this disastrous policy, which has already created an intolerable situation, must be abandoned. Because of the seriousness of this deliberately-provoked crisis we are resolutely in favour of exceptional national provisions to protect production and employment: other countries such as the United States and Japan have shown us the way. In our view a start must be made by reducing considerably the amount of imports into our own country and giving our steel industry the real development which it needs through complete nationalization, since private management, even with the help of vast amounts of public money, is bankrupt. We consider that a stop must be put to all restructuring and all redundancy by adopting, without waiting for hypothetical European

agreements the urgent social measures which are being called for by all trade union organizations, such as reducing the working week to 35 hours, establishing five-shift working for 24-hour jobs, bringing down the retirement age, allowing a further week of paid holidays, improving health and safety conditions and, of course, increasing the spending power of wages, together with any other measures which are likely to bring about a return to economic growth. That is a proper anti-crisis programme, without which nothing will get better and everything will get worse. That is why we reject Mr Friedrich's report.

(Applause from the extreme left)

President. — I call Mr Davern.

Mr Davern. — Mr President, I am to replace Mr Cronin here this morning, who is ill at the moment.

Mr President, in the two minutes that are allocated to me I would like to thank Mr Davignon and the Commission once again for their understanding of the problems of the Irish steel-based industry in which 215 jobs have been lost in the last 12 months. I feel that the problems which have beset it in the past have received great understanding from the Commission. Now the re-employment of these people as from 31 July will put 198 people back to work. I hope that the Commission will make every effort to ensure that the jobs in the Cork plant are provided as promised and that, with regard to the base from which any voluntary cuts in production should be made, consideration will be given to the cutbacks over the past 18 months, much of which have been voluntary because of new techniques, methods of production being introduced. We hope that the Commission will continue to show a sympathetic attitude and that the only steel plant in Ireland will in fact be allowed to return to full production, which is an essential requirement for the future of the Irish industry.

My thanks to the Commissioner Mr Davignon for his understanding attitude towards this problem.

President. — I call Mrs Spaak.

Mrs Spaak. — *(FR)* Mr President, I would like to offer my congratulations to our rapporteur for a very fine report, and to compliment this House for its initiative in choosing this particular moment to hold this debate. It is, of course, essential that such a debate should take its place in the decision-making process even though Parliament is not officially required to give an opinion in this case.

Such initiative gives to this Parliament a political credence which cannot be dissociated from its credibility in the mind of a public which has been disorientated

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by an ever-worsening crisis, a crisis which the public feels although it has yet to reach its worst. Mr Friedrich confirmed it only a few minutes ago when he referred to the tragic increase in the number of unemployed which we can still expect.

The way in which the points put forward by speakers in this debate are answered will enable the European Parliament to be more critical, since we have at least shouldered our own responsibilities. At this time when governments, faced with great difficulties, are seeking national solutions, national forms of self-defence — a curious reflex action — and are making all sorts of excuses for themselves, putting the blame on others, it is important that all parties and all nationalities in the European Parliament should make plain the need for the positive strategy which only Europe is capable of implementing.

I would also like those members of this House who are also members of their national parliaments, or who have connections with them, to follow up any decisions which we take here. It strikes me that we would be wrong not to do so in our own parliaments.

A positive strategy, however, cannot succeed unless certain conditions, which seem to me to be essential, are fulfilled:

- We must first recognize that we must work together, otherwise no long-term programme will be possible. If all those involved — manufacturers, factors and governments — forget the need for discipline, it will be impossible to implement any overall strategy.
- Clarity and transparency in the programme are essential, so that every individual knows that others have made the same sacrifices as he.
- An impartial authority must ensure that the programme is carried out properly and that the rules are respected.
- Finally, but, I regret, before all else, national governments must abandon their ambiguous attitudes which give support to the Community when it takes on responsibility for an essential strategy which they themselves have delayed implementing, but at the same time refuse to give the Community the means to carry out the necessary complementary restructuring and social programmes. It is not possible to ask the Community to engage in an active policy and then to refuse the means with which to do so.

And if all these conditions are met, the European Parliament must still remain vigilant. What we are dealing with, Parliament's own credibility, is so important that the Commission must keep us regularly informed.

The European economy needs iron and steel. The old industrial regions — Wallonia especially — need a new steel industry which will be a symbol of hope rather than a symbol of a bygone age.

I do not propose to reply to Mr Vandemeulebroucke's speech — I notice moreover that he has left the Chamber — but I would like to point out to our European colleagues that the speech he has just made is one of national politics. He is young and a new member of this House, and I am sure he will learn to be a little more European in his ways.

A new policy will nevertheless be even more difficult for such regions as Wallonia because so much time has already been lost. Such a policy, would, however, be impossible without a general plan worked out at Community level and carried out with the support and authority of Europe and the political approval of a majority of the elected representatives of the people of Europe.

Such a major plan will take a long time and will call for sacrifices from us all, but what is at stake is worth the effort.

That, Mr President, is how we shall be voting shortly.

President. — I call Mr Caborn.

Mr Caborn. — Mr President, could I echo what some of the previous speakers have said about trying to discuss the question of the steel industry without discussing the overall industrial strategy as far as Europe is concerned. It is peculiar that we have had a discussion on industrial policy earlier this morning and now we are discussing the crisis of the steel industry. I agree with the previous speakers that unless you have a strategy for industries that use steel, it is very difficult to come up with something that is going to be acceptable to ordinary working people throughout the Community. When one looks at the shipbuilding industry and the car industry, which are under attack from imports — and some would argue that in many instances, it amounts to unfair competition — obviously that is going to have repercussions as far as the steel industry is concerned. The report uses the word 'restructuring' and we have on a number of occasions in this Parliament used the same word. But we have to start by defining what we actually mean by restructuring. What elements are actually taken into consideration when we are talking about the restructuring of the steel industry? Are we slavishly going to follow that of the free market economy, or are we going to consider social measures? Are we going to consider the need, hopefully, for an expanding manufacturing base inside Europe for which steel would have to be provided; and are we also going to look at economy of scale? Economy of scale as far as the steel industry is concerned is very important indeed. When

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one looks at the way restructuring is being carried out at the moment, we see in the United Kingdom, for example, that we have come down from something around 26 million ingot tonnes of steel to something less than 14 million. This has left 40% of the workforce unemployed in the areas where steel plants used to operate. Major decisions will have to be taken on the question of economy of scale in the UK in the not too distant future and it could well result in one of the three major plants shutting down.

So I would suggest that the report before us should develop two clearly distinct positions: one on Article 58 and the other on the restructuring of the steel industry. If I could just say a word on Article 58. There are many in the United Kingdom who would argue that Article 58 ought to continue beyond July and that it ought to be renewed. While that control on the steel industry is there, the restructuring programme can be discussed across the length and breadth of the EEC.

I turn now, Mr President, to the question of the European Coal and Steel Community. I want to draw the attention of this House to the fact that the ECSC Treaty does not cover the whole of the steel industry. It does not cover major parts of the special steel sector. Sheffield, the constituency I represent, produces 90% of these special steels, and the vast majority of that is not covered by the ECSC. Import penetration from within the Community has gone up since 1973 from less than 12% to more than 55% in the special steels area. So I ask with some feeling, where is the Community spirit and Community solidarity? The very factory where I worked before I came to the European Parliament declared some three weeks ago 1 200 workers redundant. Hatfields, in the same city, last week declared 1 900 people redundant, and indeed that factory for all intents and purposes will be closing down. But I say this very seriously, Mr President, that that part of the steel industry is very important for the new technology that is to be developed, whether in the aerospace industry, the nuclear power industry or the power-generation industry. Those industries rely on special steels. I say to Commissioner Davignon that, although he has tried to control it, I would suggest that a very serious look has got to be taken at the ECSC to determine what levels or what types of steel are covered and whether in 1981 there is a need to expand it to include the steel industry as a whole.

I conclude by saying that there are four points that we believe ought to be given consideration. First of all Article 58: we believe it ought to be continued as far as the UK is concerned. Secondly, restructuring ought not to be discussed at the same time as Article 58. Thirdly, we ask the Commission seriously to look at the ECSC and its expansion to include special steels. Fourthly — and this I think is probably as important as any of those three points I have already mentioned — is the question of social measures. There is no way that

you are going to get the confidence of workers on any restructuring if it is going to mean massacre with no concern for the consequences of those redundancies. The Peters report I think adequately outlined the strategy that ought to be followed by this Community. More than that the Council of Ministers has got to give the required moneys to that so that it can be effectively followed through. Without that there will be no restructuring. It will mean conflict.

President. — I call Mr Kappos.

Mr Kappos. — (*GR*) Mr President, we understand the problems of the steel industry and, most of all, of those who work in it in the Community countries. But the measures provided for in the report, far from solving these problems, will only make them more acute. In the same report, Madam President, it is acknowledged that the restructuring is bound to cause the loss of very many jobs. However, Madam President, we must stress that the situation of the Greek steel industry and of the workers in this sector is particularly unfavourable, and the application of the measures being taken by the Community are having — and will continue to have — particularly harmful effects.

There are a number of reasons for this. Firstly, the restructuring plan favours the large steel monopolies of the more highly-developed EEC countries which have modern plant and technology at their disposal and enjoy national subsidies, while for small and medium-sized steel undertakings, and especially those in Greece, the plan is tantamount to giving these undertakings second-class status as regards production and technology or even making them disappear altogether. Secondly, with Greece's entry into the Community, import duties on steel products were limited to 50%. As a result, the Greek steel industry faces tough competition from the monopolies of the Community countries. Thirdly, on account of the economic crisis and the restrictive measures applied to manufacturing in Greece, the Greek steel industry is working at 55-65% of its capacity. As a result, quotas and whatever other restrictions are imposed on steel production are making it impossible for Greek undertakings to keep on operating.

Thus the Greek steel industry, which produces barely 1% of total Community steel production, is in danger of being wiped out by the measures and the plan for restructuring the steel industry. And at the same time this means, of course, that the dreams of achieving any basis for the independent economic development of Greece are also in danger of being wiped out.

The consequences of this situation are particularly grave for Greek workers in the steel sector. There are mass redundancies and factory closures — recently, at Chalivourgiki, the largest steel concern in Greece, the

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coking plant and another section were closed down — and there is the threat of further mass redundancies.

In the meantime, we must stress that, so as to be able to implement any EEC projects, Greek employers trample mercilessly on the trade-union movement by dismissing trade unionists, transferring trade unionists to dead-end jobs, etc. Consequently we request — no, demand — that the Greek steel industry be exempt from any quotas which may be imposed in future, that the restructuring plan should not be carried out and that national measures should be taken to ensure the survival of the Greek steel industry and the jobs of Greek steelworkers.

Any other way of dealing with the Greek steel industry will mean its demise and will really be a crime against the Greek people and the workers in the steel sector.

President. — I call Mr Nicolaou.

Mr Nicolaou. — (GR) Mr President, the crisis which has been affecting the European steel industry since 1975 undoubtedly constitutes a phenomenon without precedent in the history of the EEC. But it is an equally undisputed fact that the Greek steel industry has played no part in bringing about this crisis.

It is really strange that the Greek steel industry is now being called upon to reduce its production by 20% on the basis of the quota system in what I would stress is Greece's very first year as a full Member of the EEC. On the one hand, we have the in any case indispensable restructuring of the European steel industry, which, as we know, produces structural surpluses; and on the other hand, we have the reduction in Greek steel production, which only accounts for 60% of the industry's actual production capacity.

It is well known and has already been stated that the total production of Greek steel hardly amounts to 1% of European production and is destined mainly for the Greek market and exports to the Arab countries. Exports to EEC countries are negligible or even non-existent. Thus, despite these facts, the EEC is now forcing Greece either to discontinue its exports to the Arab countries or to import more European steel — and as we know, it already imports enough European steel to meet its internal market requirements. In either case, the result is unfavourable as regards both the balance of payments and the Greek economy as a whole. And it amounts to a provocation to us when the interests which are being served by the implementation of this policy are those of the large European concerns and not, I would stress, those of the small and medium-sized undertakings.

Thus, the PASOK unfortunately has no other choice but to vote against the Friedrich report, which we

appreciate does have many positive points. We shall vote against it, nevertheless, because it is in substantial agreement with the measures adopted so far in the steel sector and because we consider that these measures, even if only temporary, are damaging to our country in a sector which is vital for its development.

President. — I call Mr Markozanis.

Mr Markozanis. — (GR) Mr President, I have no doubt that Mr Friedrich's report is important for the Community and I too should like to express my agreement with the other colleagues of mine who advocate the voluntary reduction of steel production. I should like, however, to refer to the special problems of the Greek steel industry, in which production has noticeably decreased in recent years as a result of the economic crisis and the reduction in building activity in Greece. It is well known that the production of the Greek steel industry, as other colleagues of mine have also stressed, represents in the context of Community production a minimal portion which does not exceed about 1% and has no influence whatsoever on the difficult problems experienced by Community steel production.

If the Commission does not take account of the special problems of the small Greek steel industry and wants to apply the output reduction to it as well, this will result in the small steel plants in Greece having to shut down and thus in thousands of workers losing their jobs. And, in addition to the other economic consequences, it will irrevocably damage the efforts of the Greek economy to adapt itself to the economic set-up of the Community.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, today's debate is on a subject which Parliament knows well since Commission and Parliament have now been discussing it for more than four years.

From the policy point of view the Commission is delighted that Parliament should wish to express its opinion on every aspect of what our iron and steel policy should be: market questions, long-term problems and associated measures. Indeed, Parliament is quite right since the Council will, from next week to the end of the summer, be reaching decisions which will involve the making of new tools with which to adapt an industry which is essential to the European Community.

Mr Friedrich's report comes in the wake of highly detailed discussion in the Committee on Economic and Monetary Affairs, and I think it covers all the

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points on which a political choice has to be made. Indeed, until such time as the political choices are made, it will be extremely difficult to define and set out the precise ways and means by which the problems can be solved.

As far as these options are concerned, I would like to set out where the Commission stands. I think we should begin with the short-term problem: it covers two well-defined questions.

Firstly, what can we do to ensure that the present situation regarding prices is done away with? In his report, Mr Friedrich points out that internal prices within the Community are anything up to 20% less than the internal prices of major competitors, which is to say the United States and Japan. There is not a steel industry in the world today which is so efficient that it can carry through an intelligent industrial policy including both sufficient production and sufficient investment to guarantee its own future with the prices that we have today.

It is therefore essential — and this is my second point — that we take anticrisis measures for the market — this is Parliament's view too — to ensure that a fruitless campaign on prices does not result in the total destruction of our steel industry for the sake of a few tonnes of extra sales.

I would stress, then, that in the Commission's view it is impossible to carry through the programme of changing and adapting the steel industry successfully unless we have a plan for solidarity and sharing in the market which will allow us both to increase prices and then to ensure that every business understands its role in the European steel industry. That is what we were doing by using Article 58 when all other ways forward were blocked; that is what we want to carry on after 1 July in a new system, when responsibility does not lie exclusively with the Commission but is shared between the Commission and industry. What we do not want is to go from the situation where business alone is responsible for the future of the steel market, without regard for the objectives of restructuring or for this vital solidarity — the Commission has never considered that such a situation was either desirable or possible, or even necessary — to the system which we have at present in which responsibility for its everyday management is entrusted only to public administration and which is not viable in the long term. I should add that the very strict statutory limitations of Article 58 do not always allow us to take account of the differences between these two situations and that therefore it has not always been possible for us to reward adequately those companies which have already started down the road to restructuring by allowing them to exploit to the full the changes they have made.

The Commission will be using every effort to bring about a voluntary agreement with the steel companies, with merchants and with governments, and in consul-

tation with workers' representatives, so that this mixed Commission-business system will be in existence on 1 July: a voluntary agreement monitored by the Communities which will allow us to cope with events throughout the duration of restructuring. That is the first, essential, point.

What I would like to say secondly is that the difficulties which the steel industry is going through are the result not of the problems of their own situation but of the problems of the European economy in general. That is the heart of the problem. Eighteen months ago the economic situation in the USA was particularly shaky, and American steel companies — even those with the most efficient equipment — had considerable difficulties. The Japanese are the only ones who have avoided these problems because they were the first to make the necessary adjustments. That is something which we always forget when we look at the Japanese problem. To a certain extent the structural over-capacity for steel production is a result of overestimating what the demand for steel would be in the 1980s — not only by us Europeans but, more particularly, by the Japanese. And there can be no doubt that the growth in Japanese production capacity has contributed to the world structural over-capacity with which we are now familiar. There is no doubt about that. The Japanese were, however, the first to appreciate the change. They reduced their production capacity by 30 to 35% at a time when it was still easy to find substitute jobs. That was the tragedy of the European steel industry: looked at objectively, its situation was no worse than that of any other, but the tragedy arose from the fact that the effort to adapt came later than other people's, at a time when the economic situation had become even worse. The problem of creating new jobs was therefore all the more difficult and jobs lost in iron and steel are not being replaced by other industries in the same regions. Europe is therefore going through a second crisis at the same time as the steel crisis, and that is that we are unable to cope with its consequences.

I ought perhaps to tell the various Greek members who have spoken in the debate that I have the impression that lack of communication — for which the Commission is certainly partly responsible — has given rise to a misunderstanding.

The Commission is in fact fully aware of the special situation of small steel producers. You heard your Irish colleague, Mr Davern, a few moments ago when he said how the Commission had been able to take account of the very special situation of the Irish steel industry. You did not hear any of your Danish colleagues talking about Danish steel-making, which is also small-scale, because we were able to take account of their particular situation too. I have heard some quite extraordinary things said, particularly that the Commission would be preventing manufacturers from exporting outside the Community, whereas in fact it is made quite clear that production quotas can be

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increased as soon as there is any evidence that the increase is for export. I should therefore like to talk to those Members so that I can give them a proper explanation of the benefits which Greek businesses can obtain because of their special situation. We must be careful though: there will be no Community system if we have exceptions as a matter of principle and if people start off saying 'we only produce 1%, and so we are insignificant and the normal rules should not apply to us'. Can you imagine what that would mean when applied to all the various policies we have? It would mean that those countries which have no steel industry or which have already finished restructuring could take the view that they had no part to play in the solidarity we are asking for in creating the means of developing new jobs in regions outside their own frontiers, since it would be done under a social programme which was not their own. Solidarity, like liberty, is indivisible: it either exists or it does not exist; it is either practised or not practised. There are no exceptions to these basic principles.

Even though the situations vary and the technical implementation cannot be the same, solidarity remains a fundamental principle underlying the whole of what is being undertaken in the iron and steel industry, and implicit in it is a mutual bargain: a bargain which is watched over, a bargain which is recognized. There cannot be any change and any alteration to the steel industry without a programme of State aid. Aid to the steel industry, whether in the social sector, aid to investment or in the creation of alternative employment, goes hand in hand with our efforts at restructuring. Such aid is only possible when given through solidarity. Why otherwise should those who do not need help themselves be willing to give help to potential competitors, if it is not through solidarity and because a Community effort is required? In exchange, the way in which this aid is granted — and, no matter what its form, its legal basis is irrelevant provided it helps a firm in its business — must be known and must help towards a clearly defined goal in restructuring which has been approved by the Commission — and it is here that I would stress the clarity, the transparency and the definition of the bargain — in such a way that the granting of the aid does not distort market competition and does not vitiate the solidarity I was talking about a moment ago.

Before the end of this year, therefore, we must set down precisely the way in which restructuring is to be carried out and, as a function of that, set out the way in which we can continue temporarily, and on a reducing scale, the various types of aid which are needed to bring about the objectives we have in mind. That, I am sure, is essential.

I do not propose to return to the question of job creation and industrial activity, since we dealt with it under Mr Delorozoy's report, which was the first item on the order paper this morning; my third point is that an essential element in Community strategy, and in the

Community's credibility, is to demonstrate our ability to overcome the present problems and regenerate hope and development. I would like to return to one point which the Commission considers unacceptable, namely the Council's refusal to make provision for the parallel social measures which would be the normal consequence of Community activity in this area.

Mrs Spaak stressed in her speech the profound ambiguity underlying the attitude adopted by Member States, which must not be allowed to continue. What is happening in fact is that Member States are in favour of restructuring: they accept that an outside authority tells them that if the machine is not adjusted it will not keep going much longer, but they hesitate to admit it because quite often their own programmes have been brought in too late and are therefore far more of a burden. That is the heart of the question. The real problem in iron and steel is not that the adjustment is being made, but that it is being made too late, with the result that the effort required at any one time is too great; that the task is too difficult. The mistakes are those made by businesses and by Member States, and not by the Community. Community intervention is to ensure that the consequences of such mistakes are not exaggerated, and the Community takes the political responsibility and shoulders the consequent unpopularity which befalls all those who predict bad news which turns out to happen. The Commission considers that it must be shown that everything is being done to keep the individual's problems to a minimum and to ensure that the normal rules of the ECSC remain in force during this period. Parliament agrees. The Commission agrees. The Council agrees in principle. Nothing, though, is more ambiguous than agreement in principle, because it means nothing at all. They agree provided that it costs nothing. They agree provided it changes nothing. Here we come up against one of the basic questions, that of the credibility of dialogue between the Commission, Parliament and the Council: the question of knowing what the Council will do in these circumstances. Now, with the fact that the 1981 budget exists, the financial possibilities are there, and it would not be difficult to agree on the transfer to the ECSC of 70 or 80 million EUA out of what has been added to the Social Fund. The money is available, the reserves are there in the budget, what is needed is the political decision.

I should like to make it clear that there is one thing on which no-one should count, and that is that the Commission goes on soaking up criticism about the inadequacy of its own actions in job conversion and the social field, whilst the fault lies in the Council's refusal to use the means which have been made available to it by the Parliament, since such a reserve has, in a way, already been created. This is something which has to be decided: (and I am now addressing not the Council, but the Parliament) — what will Parliament do later in the year when it becomes clear that we have agreed about aid, that we have got a voluntary agreement on anti-crisis measures in the

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market, and we still have no decision on the social side? How far will things go before there is a confrontation? I am not inciting you to mutiny or to revolt. All I am trying to do is to ensure that Parliament knows that the Commission will not accept criticism about the inadequacy of its reconversion policy and social policy if we cannot cut the Gordian knot and transfer available funds from the EEC budget to the ECSC, just because the Council does not want to. That is not the Commission's responsibility. The Commission is not the budget authority. The budget authority is the Council and the Parliament. I would like that to be perfectly clear.

To close, Mr President, I believe that the Commission needs approval of Mr Friedrich's report as a proof, firstly that a policy for iron and steel is not simply a policy of aid for an industry which is in trouble, but that it is an industry renewal policy which Europe and the steel workers need. That is the first way in which today's resolution can be taken. Secondly, and this is the second way in which it can be read, it confirms that no matter how the situations of individual companies vary, solidarity is the only policy which will enable most of them to survive. This solidarity nevertheless presupposes clearly defined objectives and methods. The Treaty gives the Commission responsibility for the impartiality, the transparency and the monitoring. The Commission will do this with the Consultative Committee, which consists of the trade unions, dealers and businesses. It will do so with this assembly and with the Council.

I think, finally, that if we succeed with this policy — and we have no option but to succeed — that it will enable us to prove that in this very difficult sector, which was begun so badly and where national feelings could easily be hurt, we were able to carry through the dynamic policy and that the funeral orations for the steel industry which were so willingly pronounced were ill-judged. It is possible to be confident, but confidence has to be earned and it can only exist if we establish a firm policy with objectives and terms that everybody knows. It is a long and difficult task but with it we share the ambition of those who created the original ECSC Treaty. It is our duty to rise to the task and the Commission will not fail to do so.

(Applause)

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

We shall now adjourn until 3 p.m.

The House will rise.

(The sitting was suspended at 12.55 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR GONELLA

Vice-President

President. — The sitting is resumed.

4. Topical and urgent debate

President. — The next item on the agenda is a vote on the requests for changes to the list of motions for a resolution for urgent debate communicated by the presidency this morning.

Two proposals for changes to the list communicated by the presidency have been submitted in the terms and according to the procedure laid down by the Rules of Procedure:

firstly, from the Liberal and Democratic Group, a request that the motion for a resolution on Radio K tabled by Mr Jaquet and others (Doc. 1-198/81) be withdrawn;

secondly, from the European Democratic Group, a request that the two motions for resolutions relating to Bobby Sands' hunger strike and the hunger strike at Long Kesh (Docs 1-194/81 and 1-200/81) be withdrawn.

I would remind you that, in accordance with the Rules of Procedure, Parliament must decide on these requests for changes without a debate and without explanations of vote.

(Parliament rejected the two requests)

I would remind you that the deadline for tabling amendments to the motions for resolutions on the list of urgent procedures has been set at 6 p.m. today.

5. Regulation on microelectronic technology — Recommendation on telecommunications

President. — The next item on the agenda is the joint debate on two reports drawn up on behalf of the Committee on Economic and Monetary Affairs:

- the report by Mr Leonardi on the proposal from the Commission of the European Communities to the Council (Doc. 1-434/80-I) for a regulation on Community action in the field of microelectronic technology (Doc. 1-137/81),
- the report by Mr Herman on the recommendations from the Commission of the European Community to the Council (Doc. 1-434/80-II) on telecommunications (Doc. 1-138/81)

President

I call the rapporteur on microelectronic technology.

Mr Leonardi, rapporteur. — (IT) Mr President, ladies and gentlemen, the motion for a resolution which I have the honour of presenting to this Parliament for examination is extremely straightforward. I have tried throughout not to get too deeply involved in the technical problems in order to draw your attention to the political aspects. My main point is that I think it is essential for our Community and individual countries to pull themselves out of the position of inferiority they at present occupy in the field of microelectronic technology when compared with the two leading countries, the United States and Japan.

It is my belief, that in order to do this we have to make an effort to change our attitude; instead of regarding microelectronic technology as an inevitable evil, we must look upon it as an opportunity to come to grips with the processes of redevelopment and restructuring of our systems of production, which we spoke about at great length this morning. In other words, microelectronic technology should be seen as a means of improving our ability to compete. With this motion for a resolution, therefore, I am asking us to take a political decision which will enable the Community to compete on equal terms with the United States and Japan.

I am well aware that one of the major obstacles in our path is the effect which the application of microelectronic technology has or may have on employment. In the explanatory statement of my report, I went into this question at some length and examined the various contrasting positions which people may adopt. Basically, there is one position which we may call the pessimistic one, since it assumes that the main reason why microelectronic technologies are developed and introduced is to rationalize existing manufacturing processes and not to increase and diversify the range of products made. If this were true, it is obvious that a number of jobs would be lost. On the other hand, there is the optimistic attitude, which takes the view that the introduction of microelectronic technology provides opportunities not only for rationalizing existing manufacturing processes, but also for creating new services and new types of production in highly diverse fields, such as agriculture, banking, the public services and so on. According to this viewpoint, jobs would not be lost, but, on the contrary, would be increased and modified.

I believe that this second view is the correct one. We must be bold enough to meet the challenge of technical progress, as has always happened in human history and as we in Western Europe have always done, mastering the problems which technical progress inevitably brings and highlighting the benefits once these disadvantages have been overcome. Even if this second optimistic viewpoint is correct, however, and the range of products is extended thereby providing new jobs,

we must nevertheless remember that in any case some time will elapse between the shedding of old jobs and the creation of new ones. Mobility of manpower, better training and intervention by the public authorities to promote a genuine and comprehensive labour policy will all be necessary to achieve such a transformation

What we must avoid above all else is that such a technical leap forward should be achieved at the expense of the workers, because it should be the outcome of efforts on the part of society as a whole, as it is society as a whole, after all, which will reap the benefits. In this particular case, then, we must regard the funds we deploy for the promotion of employment and for the improved training of employees as productive investments and not as financial aids. Let us not forget that our work capacity is the greatest basic resource of our various countries.

This, then, is the attitude we must adopt to technical development. We must have courage, we must take up the challenge and act positively. What is certain, however, is that this will not happen automatically, that the positive solution will not be achieved with good intentions but only with positive choices and actions. So, given the prevailing economic system of our countries, we will have to intervene with public funds. It is the national policies above all which will have to converge to fulfil our common objectives. Although private firms will play a decisive role where technical development, marketing and sales are concerned, public aid will still be necessary; even in the United States and Japan, microelectronic technology was developed mainly, or at least substantially, with the aid of public money, and this aid was crucial. So we too must follow this course, adapting it to suit our requirements. In this way, the Member States will have a big say in the policies to be adopted, but some decisions will remain with the Community. The scope of Community action could basically take one of three forms: we could try to intervene directly at Community level by helping the microelectronic industry or we could intervene in the means of production of microelectronic equipment, or we could leave production completely alone and just promote distribution, above all by encouraging the use of microelectronic equipment, in which case problems with technology and the manufacturing of components would be only secondary.

Of these options, we believe — or at least, I believe — that the second is the best and hence that our role at Community level is to promote the development of the means of production which we particularly lack in our countries. In other words, our intervention should occur at an earlier stage in the development of microelectronic production. For this reason, I approve the draft regulation submitted by the Commission. It does have some defects, however, and does not go far enough. It is based on the coordination of national funds and national policies; it does not bring out suffi-

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ciently the need to promote occupational training; finally, such a development process will take several years. Nevertheless, despite these flaws and all the others singled out by Mr Turcat, the draftsman of the opinion of the Committee on Energy and Research, we feel that the Commission's draft regulation ought to be supported because as a choice of policy it is on the right lines and is broadly an attempt to put the Community on a new footing so that, as I said earlier, it will be able to rise from its inferior position in this basic technological field.

In the last analysis, our support for the draft regulation also stems from the need to define once and for all who is responsible for what. With its resolution of 19 September 1979, the Council of Ministers was asking the Commission to put forward proposals in this very field. The Commission has made proposals and I believe that we, in our capacity as politicians, are duty-bound to support the Commission, even though the proposals may not be perfect. We should not waste time in a desperate attempt to achieve perfection by making extraneous criticisms which would only have the effect of tying everyone's hands. Today, the Council of Ministers has a precise proposal before it from the Commission. We support it, and now we must see what the Council of Ministers' reply will be. But if we were to get bogged down in minor details, recommendations and further attempts at perfection, we would be giving the Council of Ministers a good excuse for their own failure to act decisively. By adopting the position which I advocate of supporting the Commission's draft regulation — despite its imperfections — it seems to me that we are taking a political stance and that we are helping to clarify policies at Community level.

I thereby conclude what I wanted to say briefly and recommend — as I said before — that we agree to adopt the draft regulation put forward by the Commission.

President. — I call the rapporteur on telecommunications.

Mr Herman, rapporteur. — (*FR*) Mr President, ladies and gentlemen, neither Mr Leonardi's report on telematics nor my own, which I have the pleasure of presenting to you, is exhaustive by any means. We confined ourselves to the first two parts of the document submitted to us by the Commission, the first of which is about microprocessors and contains proposals for a directive, the second being about telecommunications, and including draft recommendations. The third is merely a report on the overall policy. We shall soon be submitting to you a report on the whole range of information technology.

In integrating new digital service networks, Europe is falling alarmingly behind the United States, Japan, and

Canada, not to mention other less important countries. Although we support the general objectives set out by the Commission, we regret the European Communities did not make that a more vigorous attempt earlier to harmonize the networks, and to find common standards of connection, interface and equipment since the Member States of the European Communities, whose Member States constitute the majority of members in the European Conference of Postal and Telecommunications Administrations.

Thus new telematics services are springing up all over Europe without anything being done to make sure that they are compatible and can be harmonized. We are heading towards a repetition of the Pal/Secam conflict which had disastrous effects on the development of the European industry for television industry. Neither the Commission nor the Council of Ministers have learned their lesson, for we are about to repeat the same mistakes in the field of telematics.

As for harmonizing networks, we think that the recommendation is too general as its proposals are not specific, and it does not opt for any switching system or advocate any one type of network or support medium. What are its main priorities? What interconnection is there between different networks and how can ground networks be integrated with the new telecommunication satellites which are soon to be launched in the United States and perhaps elsewhere?

Nor does the recommendation touch upon the problem of tariff policy, or at least it deals with it in a very general way, whereas this is, I think, a crucial problem affecting not only the financing of large investments, but, and this works the other way, the distribution of new services. We know the obstacles to setting up such a policy, we would have liked the Commission to have indicated more clearly what they were in order to overcome them better. I refer to the extraordinary diversity of administrative structures which exist within switching and distribution networks, and the frequent confusion in most administrations between transport and services, and between operation and control. All this considerably hampers the implementation of the objectives of harmonization and integration.

I would also like to say that the recommendation for setting up a common market for telematic terminals should have been a directive. We do not think that the definition 'telematic terminal equipment' is clear, as it is a political compromise rather than a logical working concept. We would therefore urge the Commission to apply itself more vigorously to working out type approval procedures and rules needed for harmonization. We would also argue with the Commission to use its powers to governing free movement of capital as provided by the Treaty to oblige administration to remove discriminatory and non-reciprocal type-approvals, which present technical and administrative barriers.

Herman

We would also ask that the national centres responsible for granting type approval of equipment be required to comply with the same standards and practices throughout the whole Community and in the longer term we would like to see these different national institutes gradually merge to form a common integrated centre.

Finally, with reference to recommendation No III about opening public telecommunication markets, we regret that the Commission, despite its considerable power in this area pursuant to Articles 37, 85 and 86 of the Treaty, has not tackled the problem of opening public markets in a bolder manner. Since we know what an important matter this is, and realize we are lagging behind and we are aware also that developments in telematics can contribute enormously to our economic growth and decrease our energy dependencies, it is our hope that more decisive progress will be made in this field in the near future.

Finally I shall end by saying that while we think it is not a bad thing to set up a working party or at any rate an advisory liaison committee, but we would like a body or at any rate a working party to be created within the Commission itself, to pressurize national administration and see to it that the recommendations which we are discussing here, and whose objectives and general guidelines we approve of, are implemented as quickly as possible.

President. — I call the Council.

Mr Van der Klaauw, President-in-Office of the Council. — (NL) Mr President, I should like to intervene in this debate to answer the question put to me by Mr Delors on behalf of the Committee on Economic and Monetary Affairs concerning new information technologies.

The European Council stated in November 1979 that it attached great importance to the new information technologies, and expressed the hope that a development strategy would be formulated for this field. The Council's recent activities have tended to strengthen this view. These new technologies are of paramount importance, not only to the informatics industry itself, but also to the development of European industry in general and its competitiveness in particular. The Council can therefore do no more than reiterate that we shall continue along the path mapped out in the resolutions of July 1974 concerning a Community policy in the informatics field and of September 1979 regarding a Community effort to encourage micro-electronic technology. Incidentally, in the latter resolution, the Council undertook to take a decision as quickly as possible on the specific projects at Community level for which proposals were awaited from the Commission. With effect from September of last year, the Council has these projects at its disposal,

and in order to comply with the undertakings given in the resolution, it has — pending receipt of the opinion requested from the European Parliament — already made a start on the technical discussions within the Council. We can therefore do no more than state that we shall study the proposals submitted recently by the Commission with the greatest possible care and urgency.

As regards the resources which will be needed to get a Community effort in the microelectronics field off the ground, I am sure you will appreciate that it would not be expedient to make the details known before specific projects have received the Council's approval. After all, the main thrust of our effort is already well known to the Members of the European Parliament. In its 1979 resolution, the Council indicated what fields the Community would have to concentrate its efforts on, and what main conditions should apply to the projects. For instance, projects must be submitted jointly by undertakings, research institutes or users in different Member States.

As regards item 3702 concerning Community measures for the development of the informatics industry, the Council wishes to point out that Article 2 of its decision of 11 September 1979 on a 1979-1983 multiyear programme in the field of information provides for a maximum of 10 million EUA to be made available for general projects and a maximum of 15 million EUA to be made available for specific projects aimed at stimulating the informatics sector. In its draft budget for 1981, the Council has entered under item 3702 5 million EUA in the form of payment appropriations and 8 million EUA in the form of commitment appropriations to take account, in the first instance, of the extraordinary underpayment of appropriations in 1980. For the same reasons, the Council decided on 24 November 1980 to reject Parliament's Amendment No 91 seeking to increase this item by 1 478 000 EUA payment appropriations and 978 000 EUA commitment appropriations. Parliament did not amend this Council decision on 18 December 1980.

As regards item 3704 concerning studies in the field of telematics, the Council decided on 23 September 1980 to allocate this item a token entry so that, should the need arise, work can start some time in 1981. When the Council came to review the situation in the context of the second reading of the draft budget on 24 November 1980, it left Parliament's Amendment No 92 unchanged, thus setting aside 1 million EUA in payment appropriations for this project.

As regards the social consequences of the changes which will be brought about by the introduction of new technologies into industry, allow me to remind you that, at the meeting of the Standing Committee on Employment on 26 February 1980, a start was made on a thorough Community review of the situation. The meeting in question was based on the Commis-

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sion's communication on employment and the new microelectronic technology. In his conclusions, the chairman stressed the need to stimulate an active policy capable of making a contribution to the necessary changes in the fields and sectors affected by the new technology, so as to safeguard the Community's competitive position, stimulate demand and avoid the negative social consequences resulting from unemployment and which might exacerbate tension in the present employment situation. The Standing Committee asked the Commission to pursue its efforts in this field so that discussions could be resumed at the next meeting.

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

Mr Turcat, draftsman of an opinion. — (FR) Mr President, ladies and gentlemen, the Committee on Energy and Research was consulted on one document only, that on microelectronics, but all the others are based on it.

In the various reports and proposals before you, everyone recognizes how crucially important electronics and micro-components are, and that they pose problems of social impact, market control or employment. First of all, I would say that while it is worth knowing whether the number of jobs will decrease or increase, this does not, in my opinion, help us much. For we are bound in any case to profit if more goods, and therefore wealth, are produced. We cannot choose whether we want progress or not. On the other hand, a question we can ask is where and at what production level the added value lies. Before asking two questions, I would like to point out two phenomena. The first is the added value flow, which at present goes from the equipment industry to the electronic components industry and consequently to the manufacturers of components. The second is that, because we subcontract in cheap-labour countries, notably in South-East Asia, we have a second added value drain. Consequently by buying 75% or 80% of our components and by subcontracting in countries with cheap labour, we in Europe end up with at most only 20% of the total added value of the components we use, and this is what is causing a serious employment problem. The first questions I want us to ask ourselves is under the circumstances should we feel happy about the American and Japanese installations in Europe? In the immediate term, yes, since it is providing us with jobs. Some people think that our situation is so bad that we have to cooperate even with the devil: for all that, the devil must agree and there must be real cooperation, not simply a foothold for the devil on our territory. And we must at least be aware of the dangers: outdated technology, leaving decision-making to others, jobs threatened by unilateral decisions. It is dangerous to put ourselves at the mercy of foreign multinationals. But on the other hand we

cannot neglect the very profitable technological bridge with the United States. Some large French producers have already set us an example.

The second question is: do we have to develop component production equipment when we can be supplied by the United States? Yes, of course, because unless we have the most up-to-date equipment we shall continue to be surpassed as we are at present. And to be surpassed in this field means losing world markets and in the long run our own, unless we can offer technical progress and mass-production prices. Nor must we be dependent on anyone for electronic products intended for defence or the numerous key products for manufacturing large-scale equipment.

This, then, is the technical and industrial background against which we have to judge the Commission's proposals. Can they meet the challenge referred to by Mr Leonardi on behalf of the Committee on Economic and Monetary Affairs? It would not appear so, but it must be acknowledged that the Commission has been trying harder since 1976. In my opinion it is doing what it can in the face of the reluctance and national self-seeking of Member States, and sometimes of industrialists, who will only start the necessary cooperation if they are given much bigger financial incentives than what is being proposed to us, even considering the Commission's wiles and the fact that they have access to the budgets of Member States, on which the Committee on Budgets has given its opinion.

I shall briefly summarize these proposals:

- The first proposal is for the coordination of national programmes. Let us have no illusions about this. Of course we must do all we can to find out at least the general aims, but this will be made difficult by their confidential nature, and so we wish the Commission the best of luck. They will certainly not get enough information to fill a data bank.
- The second proposal is for computer-aided design and testing. We wholeheartedly agree with this. No problems of confidentiality are raised, but we think that it should be concentrated particularly on the application of a specialized circuit.
- The third proposal is for the promotion of a European equipment industry. This is really the key problem. Despite the difficulties which exist, the Commission has our full support. But in our opinion it would have been wiser to give purely Community aid to companies buying newly developed European equipment. But that presupposes the existence of a budget which we do not have, and we reject the argument by which we are told when we come to vote on the budget that the budget cannot be increased because there is no definite policy, and today that we have to fix the policy according to the budget. In short, and this is the last point, the equipment industry cannot receive financial support until standardization is

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carried out and aid is given to the basic software industry, for which a favourable climate must be created, and we hope that the Commission will continue its efforts towards this goal.

When all is said and done, is the proposal for a regulation before us really adequate? While we are happy with it in some ways, we find it extremely inadequate in others, and the Seal resolution — which the Committee on Economic and Monetary Affairs did not take into account in its resolution — and the tone of Mr Delorozoy's report on industrial cooperation, which we discussed this morning, show us clearly that such efforts do not go far enough. But it is still a step in the right direction. Therefore I would support the Commission and the report of the Committee on Economic and Monetary Affairs, which could have been usefully backed up by the further proposals from the committees to which it was referred for an opinion. At the same time we would like to make an appeal. First of all to the Commission to make more ambitious proposals and create a favourable climate for our industries. And secondly to the Council and the political will of the Member States to encourage industrial cooperation, instead of developing their own individual plans, which would cause us to lose out in the field of electronics.

President. — I call the Socialist Group.

Mr Seal. — Although this is a joint debate, Mr President, the two reports involved are in my view very different. Moreover, I know that the Commission tends to mix up telecommunications and microprocessors and call them telematics, but I hope that after this debate this Assembly will be better informed and able to appreciate why telecommunications and microprocessors should be considered separately. In fact, anyone taking the trouble to read the explanatory statements in the two reports would realize why a separate approach is necessary. I feel rather sad that when we come to debate such an important topic which is going to affect the lives of all of us, the Assembly is so devoid of Members, and yet when we debate topics about which as the European Parliament we can do very little, it tends to be very crowded.

Let me first deal with Mr Leonardi's report on microprocessors. I certainly commend Mr Leonardi. I think he has produced an excellent report. It is well researched and he has obviously put a very great deal of work into it. I do congratulate him on his report.

I do feel, however, that he could have been a little more adventurous in the motion for a resolution that he presented. Whilst I see that he has covered all the possible alternatives concerning for instance, Commission involvement, I feel that just to accept the reasons contained in the explanation setting out why the Commission has refrained from direct financing is not good enough. We must insist, as has been said by the last speaker, on more direct involvement and direct

financing from the Commission, for which reason paragraph 5 of the motion, instead of being loosely worded, could and should in my opinion be much stronger.

I also feel a little unhappy about just one word in paragraph 1 I do not see why, although I agree that microelectronic technology will promote greater productivity and this in itself should make the whole of the microelectronic industry more competitive, we have got to talk about competition in this context. As I say, this is automatically covered by greater productivity. It is the only word in the motion that I do really object to, but at the same time I do feel that the motion does not really reflect the logical outcome of the arguments that are put forward in the explanatory statement. I would like to stress to all who are present the importance of microelectronics to our way of life in the western world.

One speaker said that we all know the potential effects on the social and working patterns of our lives, but I feel that to judge by the attendance in the House, however, that is not so. If we are to avoid further massive unemployment, we must start planning for microelectronics now.

The suggestion put forward by Mr Leonardi that a strategy be prepared to prevent a time lag between job loss and job creation will obviously be acceptable to everyone in this Assembly. But this can only be achieved by planning ahead, by economic planning, by social planning — in fact by socialist planning. If we are to prevent massive social disruption and massive unemployment because this is a situation which is developing in this particular way the gap between job loss and job creation must be narrowed. It is growing because not enough new jobs are being created to compensate for the jobs which are being lost. Moreover, all the new processors which are being created are very highly automated so it is not possible by creating new processors to fulfil the job requirements. It will therefore be up to each Member State, hopefully under guidance from the Commission, to change its views on public spending. In our opinion, this will be the only way to create sufficient jobs to close this gap.

Another important point which must be borne in mind, and it is not mentioned in the motion, although it is mentioned in the explanation, is that of dependence. We have seen in the western world the problems caused by our dependence on certain countries for oil, and microelectronics will very soon be equally as important. We must not be totally dependent upon the USA and Japan for our microelectronics. We must not be totally dependent upon them for all our future automation. Indeed, one of my Danish colleagues has already informed me that certain firms in Denmark which were producing very clear silica for use in microelectronic circuits have been taken over by American firms and closed down in order to eliminate

Seal

competition from the EEC. That is something that the Commission should be very much aware of.

I do, however, once again commend Mr Leonard upon his report. I think it is excellent and I hope the Commission will take note of it.

Let me turn now to the Herman report. Here again I can agree with part of it. I can agree with the criticisms of the Commission's lethargy, but some of the suggestions I cannot accept at all and neither can the trade unions representing telecommunications' workers accept these ideas. If the ideas on totally opening up markets are followed, then we will be practising the kind of disastrous policy that has been followed by the Tories, particularly Keith Joseph, in the United Kingdom. And this is something that we must avoid.

I can support the recommendations concerning harmonization in the field of telecommunications since we all feel that it is most important that emerging integrated digital networks of the different countries be such that customers in any part of the Community can communicate effectively and easily with those in any other. As Mr Herman probably knows, in the United Kingdom the integrated network which is being planned, SYSTEMEX, is already being installed in certain areas. France also is investing large amounts of cash in telecommunications. It is very obvious that we must have harmonization in these fields.

I have, however, serious reservations about the recommendations concerning the first phase of opening up the telecommunications market. We would not want to see a situation where the employment prospects of those in the telecommunications' manufacturing industry were threatened even more than they already are by new technology and the loss of world trade.

I also have strong objections to the recommendations concerning the creation of a Community market for telematic terminals. Whilst obviously I accept that the newer type of terminals, such as communicating word processors, should be outside national monopolies, I do believe that all terminal apparatus which is an integral part of the public switched telecommunications' services, such as telephones, telex and data terminals, should be supplied, installed and maintained by the national bodies.

Such terminals would obviously include all telephone instruments, private automatic branch exchanges, teleprinters and modems.

And it is not for any idealistic reason I put forward these objections. I would like to give you some main arguments for these objections, Mr Herman. I hope you will take note of them. The national bodies, by taking on this responsibility, would ensure that we get the highest possible standard of technical efficiency and safety. The telecommunication network is often compared to an electricity or a gas system. But such

comparisons are misleading and false because, whereas faulty appliances or installations connected to the electricity or gas supplies only affect the customers using them, a public telephone network is such a complex technical operation that, if the customer's telephone installation is wrongly designed, or wrongly installed, or wrongly maintained, it can endanger telephone users, the staff and the system itself. It can give poor performance on calls; it can interfere with other people's calls and it can involve extensive manpower in investigating service complaints.

Therefore it is essential — it is no good saying 'rubbish', just listen for a while — to the technical efficiency and safe operation of the public network that they are obliged to provide a service to any customer who wishes it, at a reasonable price, and of good quality. By having the national bodies carry out such control we would provide the best possible service to the customer. At present any customer knows that the equipment which he rents from the national body is safe for him to use, is technically compatible with the network and is capable of interacting with all the other equipment in the network. If a fault develops he is guaranteed maintenance wherever he lives, whatever the nature or location of the fault, and he receives as efficient a service anywhere throughout the country where the national body is in control.

It also strengthens the modernization programmes of the national bodies. If the markets are open to private companies, inevitably these would only look at the profitable parts and consequently the profitability of the national bodies would be undermined and this would have one of three consequences: either the national body would have to finance the capital programme by borrowing, which would increase costs, and which would have to be borne by the customers and everyone, throughout the Community; or the national body would have to meet its investment programme by raising the revenue through increased tariffs to subscribers; or alternatively, the national body would have to postpone the modernization programme, thus reducing the potential service to the customer. In any one of these three cases, however, the customer would suffer and your proposals would ensure that the customer would suffer.

And finally, the argument against opening markets in this way is that, historically, the national bodies throughout the European Community have bought European equipment in the main and this strengthens the EEC telecommunications industry. The free-for-all which you are suggesting particularly in the supply of subscriber apparatus for attachment to the network, would run diametrically opposed to this approach. There would be no protection against substantial imports from the USA and from Japan. At the same time technical problems of compatibility with the public network service would be created, thus reducing the employment and profitability of the EEC's telecommunications industry.

Seal

As I said at the beginning, I would accept some of Mr Herman's recommendations but I hope he, and in particular the Commission, will take on board the arguments I have put to this Assembly.

President. — I call the European Democratic Group.

Mr Beazley. — Mr President, my Group very much welcomes this series of technological debates that the House is having both today and tomorrow, and it fully supports the approach taken by both rapporteurs in the case of action in the field of microelectronics and telecommunications. We should like to congratulate both the rapporteurs on their excellent work and Mr Turcat for his valuable opinion. We also, of course, support the criticisms made by all three rapporteurs.

It is more than fitting that this House should be mindful of the need for industry in the Community to maintain and renew its technology. It is all too easy to take for granted that Europe will, in the future as in the past, be a leader in this field, and the economic and wealth-creating capability of the Community is an assured fact on which we can automatically count. For those who have already read the documents which we are debating today and tomorrow and the reports on microelectronics and telecommunications in particular, this is anything but the case. Our rapporteurs lay clearly before us in the stark terms of realism the tremendous challenge which we face. Both reports clearly show not only Europe's terrifying level of import dependence for the present components of modern technology in this field, but the alarming rate at which we have fallen behind the Americans and Japanese, the world leaders in these new and fast-developing technologies.

Furthermore, in the case of communications, Mr Herman rightly points out that, not only have we got to catch up quickly with the terrestrial networks, but that these in the very near future will be made obsolete by the capabilities of space satellite communications which themselves are already entering their second generation. In this area of modern technology, Mr President, we are faced by the danger that, without the most extraordinary combination of determined political will on the part of the Community and the Member States and technical skills and dedication on the part of industry, the task may already be beyond us.

Mr President, this House quite rightly spends much of its time in debating the reconstruction of 19th century industries on a European basis in order to make them competitive in a world with industries such as the American ones which enjoy a scale and technological content which is not available to the much more limited resources of the European nation States. We debate, furthermore, how European industry can

compete with the great industrial competence and dedication of the Japanese and with the low-wage societies of the young developing Far Eastern nations.

In electronics and telecommunications we have not only a challenge, but a new opportunity. We can build new industries appropriate to the modern world based on our European dimension and not restricted and cramped by the historical diversity of the specifications of individual nation States. Without this we shall have no chance of success

This is the clear message of both these reports. They call for technological systems to be set up with harmonized specifications, with components and systems which are compatible. Mr President, we have at present an imperfect common market which still suffers from all manner of technical barriers to trade. In these new spheres we must ensure that we do not add to our present difficulties by failure to accept the challenge to set up from the start harmonized specifications and compatible systems. Only in this way can we hope to be competitive with the world leaders. It is from their unified state that stems the synergy which is all but totally lacking in Europe today. The vast procurement programmes for space exploration and defence which the United States can provide produce funds for science research and development and for production programmes which create, not only a new industrial and technological revolution, but economic growth and social security, good jobs and a standard of living for all at an incredibly high level.

The two reports before us indicate that we have not only fallen behind but that, without utilizing all the means available to us as a community, in particular the financial resources that can be provided by the European Investment Bank, by NIC and by other facilities, the total dimension of the European common market with its size, both as regards production and consumption, its potential as a single unified market free from all barriers to trade, its ability to operate within a single unified set of specifications, the combined production, technical and marketing skills of Europe which have only been used, unfortunately, in a few examples such as the Airbus, we shall settle for being a second-class Community, import-dependent on components, technologically backward in modern systems and, Mr President, impoverished in wealth and opportunity.

Unless we concert our efforts, which otherwise will be unsuccessful in these particular new technological advances, we shall have counted ourselves out of this new technological revolution with all the political, economic and social consequences for our Community today.

Finally, Mr President, our Group supports the approach which these reports take towards the part played by industry, the national Member States and the Community. They appreciate that the main weight will fall on industry itself and that Member States of

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the Community must provide the necessary supportive circumstances with which these desirable aims can be achieved. It welcomes particularly the positive attitude taken by the rapporteurs to the inevitable social problems of employment where the Community with its Social Fund can play a major role.

The necessary requirement, Mr President, is the political will of the Member States so that the message from this House goes out to the Council loud and clear: Europe is not willing to be left behind in the new industrial revolution. The people of Europe have the skill and the will. Europe is determined to use the resources available to it to claim its position as a leader in world technology. This House will not lightly tolerate its determination being frustrated by the negative, inward-looking, displaced self-interest of individual groups of Member States.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call the Communist and Allies Group.

Mr Le Roux. — (*FR*) Mr President, once again an attempt is being made to impose a Community industrial policy, this time in the field of telecommunications and microelectronics. In this, as in other sectors, the French Communists and Allies Group wants France to remain free to develop her own economic potential in her own way. Fundamental political issues are clearly visible beneath the technological jargon of these two reports. It is quite clear, particularly in Mr Herman's report, that the strategy put forward by the Commission and approved by the rapporteur contains real dangers, not least of which is the dismantling of the national Post and Telecommunications service with the avowed intent of handing over the most profitable sections free of charge to private enterprise, with a total disregard for social needs and the legitimate requirements of the public services. This would also be the effect of Mr Delors' proposal, in his oral question, to open up the market to private enterprise. The grim consequences of the other EEC industrial policies justify our worst fears. Furthermore, the rapporteurs, along with the author of the oral question to which I have just referred, are trying to present the introduction of new technology as a justification for redundancies which they claim are inevitable. The truth is nowadays that the use of new technology in offices, banks, insurance companies, hospitals, is not intended to lead to progress nor to the improvement of the working conditions of the hundreds of thousands of clerical, technical and executive personnel directly

concerned. Work has become more repetitive, debased, unskilled; individual responsibility is gradually being eroded. Instead of introducing technology for the sake of progress it becomes the excuse for more redundancies and for confronting the working people concerned with additional hardships.

We, for our part, have a quite different conception of the use to which new techniques can and ought to be put. The development of telecommunications and microelectronics is more necessary than ever, but this development should, first and foremost lead to an improvement in working conditions by a reduction of working hours and a consequent creation of new jobs. It ought to safeguard the interests of workers and their participation in decisions concerning the introduction and application of these new techniques. It ought to lead to the raising of professional standards. The introduction of these developments ought to enable the production and use of these technologies to be promoted at national level. Only in this way can technological progress become the servant of men and nations. Our policy is obviously quite different from the one which has once again been proposed. It implies the total condemnation of the harsh consequences of restructuring. It is the policy which we will continue to defend, and it explains our rejection of these proposals.

President. — I call the Group of European Progressive Democrats

Mr Remilly. — (*FR*) Mr President, Europe today is having to make a tremendous effort to adapt to new ways in order to safeguard employment. There can be absolutely no question of abandoning traditional sectors of the economy, because a viable industrial strategy can be based solely on efforts to give Europe the highest degree of economic independence. The route to this independence, however, today lies in the development of such new growth sectors as microelectronics and telecommunications which are the subject of these reports by Mr Leonardi and Mr Herman

Microelectronics, data processing and telecommunications will give to knowledge and its dissemination as powerful an impulse as did printing. If the price of oil has risen tenfold over the past ten years, the cost of computers has decreased a hundredfold. The Japanese have understood this and have invested very heavily in these advanced-technology sectors which will, in the long run, be the most productive of new job opportunities. The efficient processing of information in the basis of economic success. This is how Japan, through computer science and particularly through microprocessors, has been able to make the technological leap forward with which we are all familiar, as it captures our motor-car, motor cycle and shipbuilding markets, and our markets in hi-fi and video equip-

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ment. Japan is, however, dependent on other countries for 80% of her needs in raw materials. This only goes to show that the wealth of a country derives not only from its natural resources, but also from the use it makes of its resources of human intelligence. It is now up to us to follow this example by developing industry on an international scale and by checking the massive flow of imports which is bringing poverty and unemployment to Europe. There is a twofold objective — the creation of jobs and the avoidance of unemployment. As the Commission so rightly says, it is not just by spending enormous sums of money that we will make the European microcomponents industry competitive. It is more important to break with the old habit where by European firms compete too often with each other instead of combining their efforts.

The proposals which are now being put forward by the Commission, in particular the proposal to set up a data bank to determine the various ways and means by which firms in the Community can cooperate, seem to me to be an important first step in this direction. We must, however, give priority to the creation of a unified European market for the machines and equipment necessary to keep this new technology well supplied. Industry must cooperate closely with potential users of these products in Europe. This will enable it to promote the most profitable products and techniques in order to become competitive on a world scale. The new technologies would then be in a position to back up new services such as electronic mail, video-text facilities and data transfer by satellite. Europe must make a great leap forward in this direction and we must give her every encouragement. Even so, before markets within the Community can be opened up, and particularly in the fields of telecommunications and telematics, two conditions must be satisfied. Firstly, there must be technical harmonization so that equipment will be compatible, and secondly, there must be a broad non-technical infrastructure — administrative, financial and legal — so that all competitors will have equal opportunities. A realistic appraisal of these problems can only be achieved with the cooperation of the industrialists concerned. Today, Mr President, we invite them to join in this common effort.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Vandemeulebroucke. — (NL) Mr President, ladies and gentlemen, the development of microelectronics will bring with it such changes to the way we work and the way we organize our lives that it is perfectly legitimate to refer to what is happening as a genuine revolution, just as far-reaching as the industrial revolution which started to make its mark two hundred years ago — perhaps even more so. The

Western world has taken a century and a half to come to terms with the social consequences of the industrial revolution and to seek a new social equilibrium, and all this at the cost of untold human suffering. The technical revolution now gathering pace will not leave us another hundred years to adapt naturally to the economic, social and cultural consequences by applying liberal policies or by way of a touch of reform every now and again. We are now facing the gulf which has opened up between the exponential growth in our technical know-how and the linear growth in the human sciences. Human ingenuity is equipping us at a gathering speed with unimaginably sophisticated tools without giving us sufficient time to integrate these in a humane fashion into our social patterns. Worse still, there is a danger that, if the human sciences continue to lag behind, we shall eventually reach a stage where nineteenth-century political sentiments come to dominate our thinking to such an extent that we shall forget to prepare ourselves for the twenty-first century. On the one hand, microelectronic technology of course opens up a multitude of possibilities, as the rapporteurs, Mr Leonardi and Mr Herman have explained in detail. On the other hand, though, the new technology also gives cause for concern. The electronic chip is sweeping all before it, but is at the same time jeopardizing the privacy of our people, effecting a shift in our social power balance, and science and education are gradually producing a small, select class of insiders and a large group of 'operatives', and leaving the large mass of people on the outside, with all the dangers this entails for the proper functioning of democracy. Clearly, microelectronic technology will do away with a large number of jobs, and that at a period of economic recession which is in itself having an adverse effect on the employment situation. In the near future, only 25% of the active population will be involved in the industrial process, and what is then to happen to the other 75%, who are probably going to feel superfluous? Is it not time our social system adapted to the situation? Despite what our eminent economists from the 1960s may have claimed, the dream of full employment is no more than an illusion. That is the major challenge we are facing today, and which has been described in masterly fashion by the American Socialist Alvin Toffler in his book *The Third Wave*. To my mind, this report pays insufficient attention to these matters. We must adopt a positive attitude to developments in the microelectronics field, but we must at the same time be prepared to give some thought to the much further-reaching social consequences which are described here; that is, we must not only give thought to the matter, but also find remedies and prepare our people to accept them. It is precisely in this field that the Community must, in my view, think ahead, not in economic terms or in terms of growth rate, but in terms of a new social patterns which will undoubtedly be spawned by the new technology and which our children will have to come to terms with. They will judge the European Community by its response to this challenge, and I hope will not find it wanting.

President. — I call Mrs Salisch.

Mrs Salisch. — (*DE*) Mr President, I have very little time left to speak in this debate, as our speaking time has been almost used up. Nonetheless, I should like to comment briefly on Mr Leonardi's report.

I am, like him, a rapporteur on this subject, although I do not think I shall be able to tell you until the next part-session what conclusions I have arrived at regarding the likely effects of microelectronics on the employment situation in the European Community. Looking at the problem from this point of view, I sometimes wonder what makes Mr Leonardi so optimistic. Considering the likely effects of microelectronics on workers in the Community, I can see nothing to justify such optimism.

All the evidence so far points to the fact that process innovation is easily outpacing product innovation. I wonder whether we shall in the future be so much more creative as to be able to offer new jobs, new products and new services to replace without delay what has been rationalized out of existence. Let us not forget that every second job will be affected — and perhaps even done away with — by the new technology. I am not trying to say that we should renounce microelectronic technology — which is undoubtedly a great challenge to us — but we must realize that, if we fail to intervene and control events, the working people of Europe will once again be left to pick up the bill.

I also wonder in what areas we can possibly make a breakthrough, in view of the fact that Japan and the United States now control more than 80% of both production and sales markets. Here again, we are faced with an enormous challenge to European creativity to compete on sensible — rather than merely destructive — terms.

In discussing the question of microelectronics in this House, we should refrain from sinking into a euphoric trance of modernism-for-the-sake-of-modernism. Instead, we should seek a sensible approach to this third industrial revolution, which is just around the corner and, in some cases, already upon us. In other words, our approach should be neither defensive nor aggressive, but sensible and meticulously planned, weighing up what consequences would ensue for the workers from specific policies. Personally speaking, this brings to mind the question of shorter working time and co-responsibility, to ensure that the workers here in Europe will not be sold down the river when it comes to stepping up the introduction of microelectronics in the Community. But I assume that we shall be coming back to this question at the next part-session.

My conclusion from all this is that we can live with the Commission's proposals. The first steps — or rather,

the fact that we are dealing with this matter at all — are promising. I can also live with the motion for a resolution tabled by Mr Leonardi. I hope he will not take umbrage when I say that certain important components are missing but I very much hope that we shall be able to take a decision on this matter at the next part-session.

President. — I call Sir John Stewart-Clark.

Sir John Stewart-Clark. — Mr President, we can only combat American and Japanese competition if we match these countries in technology, which means creating the conditions for large scale and competitive industry. If we turn to semi-conductors, today the United States has over 40% of the world's market and yet it produces 70% of world requirements. Europe takes 30% of world semi-conductors but we produce less than 20%. On top of that, 25% of all European production is American-controlled. Surely we have to change that. In telecommunications we see totally new techniques on our doorsteps, digital telephone networks, new electronic products such as viewdata, yet there is no sign that one can see of cooperation between nation states in the Community to see the establishment of genuine European technical standards.

We deplore the fact that public procurement in telecommunications is still virtually closed. It is still nationally based and this too must change. Turning to the Commission's proposals, we welcome the fact that positive recommendations have been made. It is the result of much hard work and I would like to say particularly how glad we are that industry has been involved throughout. The Commission recognizes that it has to be the catalyst but that it is industry that must decide. However, we do recommend that the Commission staff should be strengthened in this sphere to ensure that its proposals can be properly followed up. As for the proposals themselves, they need to be thoroughly tested. We have already seen them commented on in the debate today. We have commented on them also in a booklet which my own Group has published today. So I would therefore only say the following. Let us look at the databank. It must be reciprocal. It is no good one nation faithfully contributing whilst the other merely profits. It is vital to ensure that there is no duplication of effort and Community funds must be used to that end. This goes as well for a databank as for collaborative developments, the programmes into computer-aided design.

We also support the Commission's proposals for raising the level of engineering skills. But we do ask them to remember to take the back seat in deciding priorities and let priorities be decided by those who can best decide and that is industry itself. Turning to investment and licensing, it is unfortunately a fact that Europe cannot do without imported technology. We

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must therefore continue to encourage American and Japanese investment in the Community provided certain conditions are met. Research and development must be brought into the Community. We do not want to see just assembly plants established. There has got to be reciprocity. We, the Community, must be able to invest freely in the United States and in Japan if we are to give similar conditions to them. We must encourage licensing agreements and we must encourage as far as we can joint ventures upon our soil.

As far as the social side is concerned, in microelectronics today teachers are backward in the technology. Equipment is insufficient in schools. There are not enough technical colleges with microelectronics in their curricula. This must change. Our young men must be given the opportunity of gaining knowledge of this vital new technology of microelectronics. There is a need for a will; there is a need for funds, both from national governments and from the Community, to set up European technical colleges to encourage scholarships and exchanges between countries of the Community, to put computers into every college and every school and to educate teachers as well as pupils. Finally, we have to dispel the fear amongst people in the Community that microelectronics are something bad, that they mean a loss of jobs. We must show the people of the Community that it is only by investing in new equipment, in new technology and in microelectronics that the young people of the Community can be guaranteed the opportunities they seek in the future.

President. — I call Mr Markozanis.

Mr Markozanis. — (GR) Mr President, ladies and gentlemen, I too should like to start by drawing your attention to certain fundamental points concerning the general situation in the microelectronics industry. Firstly, we must stress the need for European cooperation so that technology can overcome the problems it is already facing in this sector.

Secondly, this is a sector in which the Member States cannot act individually, since they cannot match the enormous economic and technological resources of the United States. This means that it is a typical matter for the Community. The EEC is the ideal framework for solving such problems. Thirdly, in the case of such cooperation within the Community, it is essential, among other things, to organize a system of professional training which will take account of the job opportunities and the requirements of the European microelectronics industry. We must also stress the importance of professional training, given that this is a field which is specialized *par excellence*. The Commission will have to provide for economic aid in this context. For that reason, I should like to call upon the representative of the Commission to submit to us a report on the above, taking account of the following:

firstly, the growth prospects for the market and, consequently, the lines along which professional training should be oriented; secondly, the statistics on vacancies and unemployment in the microelectronics sector; thirdly, the true prospects for Community financial aid from the various funds.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, before I begin my speech I should like to express my feelings of regret and surprise. The regret is that this morning, during the debate on Mr Delorozoy's report, we were all of the opinion that the fundamental problems lay in the future and not in the past. It seems to me that this view is not wholly shared by all the Members of Parliament, since I see that only a faithful few remain to participate in such an important debate. What caused my surprise was that, after seeing Mr Van der Klaauw in the Chamber just now, I was looking forward to being able to make a number of points to the Council, all the more so because we have before us an oral question addressed to both the Commission and the Council. Could it be because I had an opportunity to reply in the presence of the Council representative that Mr Van der Klaauw has left? ... This is a procedural question which the Bureau will perhaps look into, because in this specific case there is a question of equal opportunity which, in my opinion, needs to be checked by the Bureau. I therefore request, Mr President, that you convey the Commission's concern over this matter to the Bureau.

(Applause)

Now to get down to more serious matters, I think that we ought to be grateful — and personally I am — to Messrs Leonardi, Herman and Turcat, all three of whom very clearly defined the limited extent of the Commission's proposals. This is not, however, a recantation. The Commission deliberately wanted — and it can be criticized for this but it was a deliberate act, we did not do it because we were faint-hearted, careless or through an oversight — because we had seen in the past that proposals which were too general often failed, to remind the Council of its responsibilities in a number of specific areas. I think that the three rapporteurs made it quite clear how risky this was. The danger was that, having broken the deadlock on these issues in this way, what we had thus gained would seem to us to suffice. I should like to reassure Mr Herman and Mr Turcat that the Commission has absolutely no intention of resting on its laurels once it has 'got its foot in the door'.

I feel — and I thank Mr Leonardi for having pointed this out — that this is a good way of getting straight to the heart of the matter in order to create a situation in which real discussions can take place with the industry the Member States and the trade unions on a specific

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issue which will enable progress and headway to be made on a number of questions. It is certainly important for Parliament to react quickly to this type of proposal from the Commission because this shows that if the Council does not react or is slow in reacting, it cannot put this down, as it has in the past, to Parliament's lack of interest — a state of affairs which would enable the Council to go no further than a technical discussion stage.

I should like to thank Parliament for its painstakingness. I should also like to tell you that, on the subject of how our proposal on microelectronics could be put into practice, that is to say on the choice between Community financing and joint financing on which during the various debates some of you have expressed reservations, it now seems to me that we can be bolder than we were in our initial proposal. Should the contacts we are now having bear fruit, then we will make an amendment to our proposal so that the part we shall finance will be exclusively financed by the Community in the future. This clearly shows that the method we chose was not such a bad one.

Well, how did things go with the Council? We started discussions, and then the Council said 'but these Member States have no programme!' What exactly did this mean, that we should exclude them from the financing scheme or that we should invent a programme for them?

We said no, that for us there was no difficulty involved. We can modify our proposals, provided that the same broad sum is kept, that is to say that we should keep to approximately 50 million ECUs and that the proportion of assistance should remain the same, which means that we should keep to 50% from industry and 50% of aid from outside sources. I therefore feel that the support we have had, and the method we have used, will enable us — I cannot set a precise date for this — to complete this task during the Dutch Presidency. This is why I should have liked to have heard the Dutch Presidency make its point of view quite clear. In its reply to Mr Delors' question, the Presidency referred to the four-year programme on computers, but did not make any mention at all of the programmes on microelectronics and telecommunications which are now being debated, even though the programme on computers has already been decided upon and entered in the budget. I therefore think that financing will be solely Community in origin, and I believe that this is a real step forward.

There is another concern which I can understand as being uppermost in Members' minds, and that is to wonder whether the procedures we are now establishing do not grant excessive power to the Council. This raises the old problem of the advisory committees. I must state that it is difficult for me to kill two birds with one stone, that is at one and the same time to ensure that we have Community financing, and not

joint financing with Member States, and to abolish the advisory committee as it stands at present, so that the Council cannot veto Commission decisions.

I can, however, reassure you that the Commission will do everything in its power to amend its proposal so that financing will become Community in origin. The Commission will take pains to see that the advisory committee cannot impose its ultimatum on the Commission, and that it should remain as it has been described in our proposal.

These, Mr President, are the observations I wished to make on microelectronics.

Now we come to telecommunications. What Mr Herman had to say touched me on a very sensitive spot. As for Mr Seal, he said quite the opposite. This shows how tricky this subject is.

Mr Herman asked us why we had not adopted the Directive form, which is an instrument entirely in keeping with the task in hand and provided for in the Treaty. We did not do so because a Directive requires a unanimous decision by the Council, and means a further time lag while this law is incorporated into national legislation, and also because the preparatory work we had carried out showed us that in such a sensitive and technical field as that we are now dealing with, we would have had to wait a long time before there was any practical outcome from a directive. Accordingly — not because we were faint-hearted as he said, but because we wanted to advance by stages — we reached the conclusion that we had to show publicly to companies, to the authorities and to the outside world that something had changed in the field of telecommunications, which up to now has been an exclusive preserve if ever there was one.

I should have liked to make a number of remarks on this subject to the representative of the Communist Party who explained how much easier things would be if we were working on a national scale, and who, nonetheless, took the same stance as the Council. This is because she prefers speechifying to listening. Since she is not here to hear me, I shall not make my remarks. I therefore come back to the problem as it stands, namely that we have to show progress can be made. This is the drift of my statement which will prevent the specialists from hiding behind the excuse that there is a lack of political guidance or that there are no directives being issued by ministers. This is why I wish to restate that a process which tends towards including us in the decision-making mechanism is a positive achievement.

The same is true of litigation procedures. Such procedures are important but long-winded, and we preferred to aim for a positive approach to harmonization — this is what we propose and what you are supporting in the motion for a resolution — which means avoiding having to tell industrialists 'you cannot

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do this, that or the other thing'. What is the real disadvantage of taking legal action? The disadvantage is the time it takes. With the best will in the world, on problems such as this legal action takes 18 months to two years. In that period, what do firms do? They either give in so that they continue to operate on the market, or else they take a stand whilst waiting for the decision to be made. It is quite obvious that they give in. They cannot afford to cease their economic activities for two years. This means that the method is not as effective as it would seem at first sight. This is the piece of practical information I wished to give you.

Mr Seal, too, said a whole range of important things. The first was that a public service must remain a public service. No one disputes this fact. That is why when we look into terminals, we do not consider the service which must continue to be provided, but the way in which users can benefit from the service. And it is in this area that quite clearly the situation must be improved. One only needs to see to what extent, when things are changed, the market is altered and expanded. I shall give you a very simple example, not a British but a German one. In the Federal Republic of Germany, some firms have developed a technique for using the telecommunications network for office telematics and telephone receivers, the use of which is still illegal. They cannot therefore sell such apparatus anywhere but on outside markets. If such markets then are closed, this would mean that when they are one day opened — and this will inevitably happen — products from outside will not be able to enter such markets. This is why I do not agree with Mr Seal's view. If our only wish is to protect ourselves, then we really cannot create a situation in which our firms can become really competitive. And if we are no longer really competitive, this will mean that the only people who can sell products in our markets will be those who have already manufactured them elsewhere.

The third point, which was raised by everyone and which is a fundamental one, is that of employment, training, and the use of telematics in schools and universities. In this connection, the problem will be especially serious because, not only will these new activities have an impact on employment, but there will be no compensation for lost jobs because we will not be manufacturing the equipment ourselves. It will come from outside and we shall therefore once more be subject to a twofold constraint, namely that of reorganizing our industries as a result of the change, and the fact that we will not be in a position to benefit from the growth which this new economic activity will have generated. This seems to me to be a very dangerous point and this is why, in my opinion, we must proceed with caution along this path. Why should we be cautious? What hidden problem is there behind orders from public services? If we all protect our markets, it is simple enough to calculate that a national company, let us say X or Y, will be able to sell its goods on the national market. Let us say this

market represents 100. Company Z or W will sell 75 on its own national market. But the fact is that because these markets are broken up, the total market is not 100 + 75 but perhaps 250 for other sorts of equipment which will only be obtainable from the United States or from Japan. Therefore, the real size of the market is 250. We cannot exploit this total market because one firm is afraid of losing its market of 100 and the other its market of 75. Industrial cooperation would mean that opening up markets would rid companies of this fear of losing their market for 100 items, and would move into the new market of 175, which will no longer be restricted to its country of origin. This is perfectly possible, and it is perfectly possible to launch projects of this nature within the framework of industrial cooperation.

This is phased opening up of markets. It does not mean keeping the 100 we have at all costs but rather working to obtain the 75 we do not yet have. This is in my view the real problem and if this is looked at from a purely nationalistic point of view, then we are pulling the wool over our own eyes because we are worrying about what we might lose and forgetting what we stand to gain. A policy of this nature, in a field in which change is so radical and where the aim of industrial strategy would be the safeguarding of existing markets whilst the world market is expanding, would mean a drop in the relative size of our market share. This is exactly the type of failure which awaits us if we continue pursuing this policy.

This is why the Commission feels that the proposals it has presented, which are, I must repeat, incomplete, have only been presented in order to focus attention on the above fact.

The Member States' selfishness can be overcome as can the ambivalent attitudes of the major firms, a realistic policy can be established which will prove that the situation has been improved by using the full potential of Europe and of a European strategy. Once this has been done, we will have a good frame of reference. Abstract comparisons will no longer be drawn between the results obtained by national policies and those achieved by the policies we have wished to implement on a European scale. We will have a frame of reference which will show what this stimulation has produced albeit on a limited scale, but will also encourage an increase in the speed at which things are done as regards both the budget and regulations. This is what the Commission will make every effort to do once it has firmly established — and that was the aim of these proposals — its sphere of action and its initial achievements.

President. — I certainly did not think that it was Parliament's task to be the forum where Commission and Council members have to meet. I thought they had easier and more rapid contact, and I do not think it is a good sign for our Community if this is not the

President

case. I hope that the Commission representative's desire for a development of microelectronics will lead to the telephone system being such that the Commissioner can rapidly get hold of the Council member who deals with the matter.

(Laughter)

I call Mr Davignon.

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, I would like to be very precise about the point of my complaint. It is not that I need Parliament in order to talk to the Council. It is a question of method. Mr Delors put an oral question to the Council and Commission in the same terms. It seems to me proper that Parliament should hear the replies of the Council and Commission at the same time and that it should have the opportunity to make comments on them.

(Applause)

Out of courtesy towards Parliament and to avoid taking up too much time, I agreed to give an overall reply at the end of the debate, including the reply to the oral question. I merely express surprise that the President of the Council, for his part, chose to reply to this question at a different time and that the debate which was to have ensued can no longer do so. That is what I expressed surprise about. I did not want to begin an exchange of views with the Council. I have enough opportunities to do that, but as it happened it was a question of principle and of organization. I was fully prepared to speak after Mr Van der Klaauw. I would have spoken twice, and everyone knows how much I like talking. I would have allowed myself this extra pleasure . . .

(Laughter)

President. — I am pleased that communications between the Commission and the Council normally function well!

The debate is closed.

The motions for resolutions will be put to the vote at the next voting time.

6. *Goods contained in travellers' luggage or sent in small consignments*

President. — The next item on the agenda is the report (Doc. 1-67/81), drawn up by Mr Schinzel on behalf of the Committee on Economic and Monetary Affairs, on the proposals from the Commission to the Council for

- I. a directive amending Directives Nos 69/129/EEC and 78/1035/EEC on tax-free allowances applied in international travel and to imports of goods in small consignments of a non-commercial character: third countries
- II. a third directive amending Directive No 74/651/EEC on the tax reliefs to be allowed on the importation of goods in small consignments of a non-commercial character within the Community (Doc 1-854/80)
- III a regulation amending Regulations (EEC) Nos 1544/69, 2780/78 and 3060/78 on the tariff treatment applicable to goods contained in travellers's personal luggage or sent in small consignment to private individuals (Doc 1-845/80).

I call the rapporteur.

Mr Schinzel, rapporteur. — *(DE)* Mr President, ladies and gentlemen, the directives and regulations under discussion here directly affect what we like to call 'day-to-day Europe'. On the one hand, we are concerned with the tax and customs treatment of goods carried by travellers, a distinction being drawn of course between goods from the Community and goods brought by travellers from third countries. Secondly, we are concerned with the tax and customs treatment of small consignments.

At Community level, the practice is always to specify a fixed amount in EUAs, which is then converted into the various national currencies. If the parity between the national currencies and the fixed EUA amount changes by more than 5%, the country concerned is required to alter its tax or duty-free allowance accordingly.

The problem we are faced with now is that the UK Government would effectively be forced, by reason of exchange-rate fluctuations for the pound, to reduce the allowances for goods imported by travellers into the United Kingdom. In the Commission's view — and it is a view shared by our committee — this would have enormous negative psychological repercussions which we should like to avoid if possible. For that reason, the Commission has proposed that the EUA allowance be increased so that the UK Government is not obliged to reduce its tax and duty-free allowance, and can thus continue to apply the fixed EUA allowance.

To strike a critical note, it must be said that the Commission's proposal is admittedly necessary to ensure that the British people do not get the impression that the United Kingdom is drifting further away from Europe, but from our European point of view, the proposal is totally inadequate. As we all know, inflation in the Member States of the European Community differs widely, but is on the whole fairly high — up to 20%. As a result, there is a steady fall in the real value of what a traveller is allowed to take

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with him over internal Community frontiers. In other words, we are getting closer and closer to the point where a traveller taking normal, everyday goods with him across a border will be making himself liable to prosecution unless he declares the goods at the border and — in some cases — pays the appropriate duty.

We Europeans want to see this kind of check at internal Community borders done away with once and for all, together with the need for travellers to queue for mile after mile to be asked about what they have with them. We should therefore like the Council to give some attention at long last to what should become of the Commission's proposals. After all, the Commission has proposed that the allowances be increased as I explained just now. We take the view that the best solution would be to get rid of this kind of duty and tax-free limit for travellers within the Community altogether. As I said, the Commission has proposed an increase but the Council has so far failed to react to this proposal, and as such is presenting a miserable image to the public. The travellers who year after year — at least when they go on holiday — are kindly requested to join one of these long queues get a very poor impression of the state of Europe, a Europe which likes to call itself a 'Europe of the people'.

Our Committee therefore expects these allowances applying at internal Community borders to be changed at long last, so that we can do something for the people of Europe and not concentrate solely on what tends to be called the European economy.

As the Commission was unable to take part in the discussions held by the Committee on Economic and Monetary Affairs, we have put our remaining questions in writing. What we are mainly concerned with is the real annual income derived from duties levied on travellers for exceeding the existing allowances. We suspect that, at European level, this income is negligible, at least compared with the resources available to the ten Member States of the European Community. We therefore see no real reason for maintaining checks of this kind. I would appreciate it if the Commission could answer our questions in the course of this short debate, so that our committee can decide on its future work. After all, as far as we are concerned — and I make this point in conclusion — this matter is by no means settled yet. We support the Commission's proposal to increase marginally the allowances in question so that the United Kingdom is not obliged to reduce its own allowances. But we expect the Council to reach a favourable decision in the near future on a substantial increase in the allowances applying at internal Community borders to enable us at last to do something for our people.

President. — I call the Group of the European People's Party (CD Group).

Mr Beumer. — (NL) Mr President, I shall be brief. It is clear from the report that the Committee on Economic and Monetary Affairs was in full agreement that the measures might be in the interests of the people of Europe. We too deplore the fact that, despite the Commission's readiness to increase the allowances by 1 January 1980 at the latest, we are still discussing the matter now in 1981, and we are still waiting for the appearance of improvements which should, as Mr Schinzel just said, lead to the abolition of levies altogether. Where do we go from here? The Commission has put forward what are really only very modest proposals, and for that reason — and in view of the position the UK is in — we feel that they at least should be implemented. But I should like to associate myself with what Mr Schinzel said to the effect that it would be preferable to set up a system whereby the people of Europe could see clearly that the Community had done away with this kind of petty obstacles. Another important thing in our opinion, Mr President, is that we should obtain a clear picture of the relationship between income from levies of this kind and the cost of imposing them. We have a feeling that the cost of collecting this revenue accounts for a large proportion of the takings, which means in effect that such levies can hardly be called productive, and may in fact be counter-productive, not only from a psychological point of view, but probably in the material sense too. We should therefore like to draw your attention once again to this matter, and we hope that the Commission can give us a clear answer, particularly in view of the fact that we support what it is doing in principle.

President. — I call the Commission.

Mr Tugendhat, Member of the Commission. — Mr President, as Mr Schinzel said when introducing the debate, this is an extremely brief item, but I hope that we never reach the day when the interest or importance of subjects is judged solely by the length of the debate. I would begin by thanking the Committee for the general support it has given the proposals which we have put forward and also confirm the view that Mr Schinzel put forward, that we want a Europe of citizens rather than a Europe of self-contained units.

Now this report deals with the Commission proposals aimed at avoiding a reduction in the common tax and duty-free allowances in terms of the pound sterling. When submitting these proposals, the Commission limited itself to this aim and did not attempt to develop further the Community systems involved, so as to expedite adoption of the directives and regulations by rendering them non-controversial. Experience with the intra-Community travellers' tax-free allowances, where the Commission has already proposed increases, has not, as the House knows, been very encouraging. The Council so far in fact has been unable to accept any increase at all, despite our views and despite a

Tugendhat

good deal of pressure from this House, and I remember debates going back into the early part of the year.

The Schinzel Report is favourable to the Commission's initiative and in paragraphs 2 and 3 of the resolution echoes two of the Commission's main concerns in this field — namely, the question of maintaining the purchasing-power of allowances and the problem of potential distortion of competition which is posed by mail-order firms. The Commission can fully support the views of the Committee on Economic and Monetary Affairs, as set out by Mr Schinzel, and we are, as I said at the outset, grateful for his support.

He mentioned the fact that he has submitted to us a written question, and in fact I have the letter which he wrote to us in front of me. This arrived just before the Easter holiday. I will endeavour to get a reply to him as soon as possible, although it may take a little while because the problem is complicated and it entails obtaining information from a number of sources. But it is an important question and I shall seek to get an answer to him.

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

We shall now adjourn until 5.30 p.m.

The House will rise.

(The sitting was suspended at 5.05 p.m. and resumed at 5.30 p.m.)

7. Question Time

IN THE CHAIR: MR DANKERT

Vice-President

President. — The sitting is resumed.

The next item is the second part of Question Time (Doc. 1-156/81) We begin with the questions to the Council.

Since its author is not present, Question No 47 will receive a written reply.¹

I call Question No 48, by Mr Moreland (H-32/81):

Is the Council concerned about discrepancies in the energy pricing policies between different Member States?

Mr Van der Klaauw, President-in-Office of the Council. — *(NL)* Last autumn the Council received a communication from the Commission regarding energy and economic policy, with particular reference to pricing policy for energy products. The Council recognized the relevance of the problems identified in the Commission communication. It asked the Commission to give these problems more thorough study and to submit a further communication on the matter as soon as possible.

Mr Moreland. — I should like to ask the President-in-Office, — and I might say that I welcome generally his answer — does he not agree with me that this is really becoming a very urgent matter because energy costs are now a very large proportion of industrial costs and that if we have fair competition within the Community there must be some common approach to energy pricing structures within the Community and therefore action must be taken as soon as possible, particularly in regard to those governments that have policies of subsidizing some of their energy costs which he might know of himself? Does he not agree with me then that this is a subject which now has got beyond the area of studying and has got into the area of action?

Mr Van der Klaauw. — *(NL)* I fully agree with the honourable Member that this is an urgent matter. However, it is also a many-sided issue — as I am sure he is aware — involving fiscal and other problems. Nor is it a simple matter, and if it can be solved it must be solved in a way which is generally acceptable.

Mr Seligman. — What preparation is the Council making in advance of the Ottawa Economic Summit in order to achieve transparency in energy prices in the USA, Canada, Japan, as well as the Member States?

Mr Van der Klaauw. — *(NL)* I do not think this specific matter as such will be included on the agenda for the Ottawa Summit. Preparations, in which the Presidency is also involved, are currently being made for this meeting. Energy problems will, I assume, be discussed within the general context of the economic situation as a whole, but I do not expect this question as such to be discussed, as it is more a Community matter.

President. — Since its author is absent, Question No 49 will receive a written reply.¹

¹ See Annex

¹ See Annex.

President

I call Question No 50, by Mr Seligman (H-672/80):

Can the Council confirm that the long delayed question of the establishment of the European Foundation in Paris was discussed at the last Foreign Affairs Council on 15/16 December 1980? If not, when does he propose to discuss it in view of the fact that it was last discussed at the Foreign Affairs Council in December 1978?

Mr Van der Klaauw, President-in-Office of the Council. — (NL) Although the general outline of the Foundation was laid down by the European Council and the objective remains as stated, it has not yet been possible to establish a system for the operation of the Foundation and more especially to agree specific financing arrangements. The matter was raised again at the Council meeting on 15 and 16 December 1980. The Presidency was forced to conclude that unfortunately the positions of the delegations had not altered since 1978. Therefore the prerequisites for unanimous agreement on the detailed arrangements for setting up the Foundation have not yet been met.

Mr Seligman. — I understand the European Foundation was first proposed in the Tindemans Report in order to give financial help to other institutions to spread knowledge and understanding which would lead to greater unity in the European Community.

In view of the growing disillusionment with the European Community, is it not a good opportunity and a landmark for the Dutch Presidency to establish some progress in the creation of this Foundation? It would be a good memento of the Dutch Presidency if he could do this.

Mr Van der Klaauw. — (NL) I can assure the honourable Member that the European Foundation is a matter which has received a great deal of attention from me. However, as I said, it is unfortunately — and I stress 'unfortunately' — impossible for the Dutch Presidency too to establish any progress in this matter in view of the problems which still exist between the Member States. I myself particularly regret this.

President. — I call Question No 51, by Mr Hutton (H-735/80):

Will the Council now adopt the proposals of the European Parliament,¹ the Commission² and the Three Wise Men³ for a return to voting in the Council by majority or unanimity, as prescribed by the Treaties, while retaining a residual right of veto only for substantial questions of genuine national interest?

¹ OJ No C 140, 5 June 1979.

² Bulletin of the European Communities, Supplement 2/78, paras 31-52

³ Report of the European Institutions, October 1979, pp 50-52

Mr Van der Klaauw, President-in-Office of the Council. — (NL) The honourable Member may rest assured that the Council takes its decisions in accordance with the provisions of the Treaties, under conditions which have already repeatedly been described in connection with previous questions put by various Members of Parliament.

Mr Hutton. — May I first welcome the Minister to Question Time with us today and say how pleased we are to see him here.

(Laughter)

But may I say also that I am slightly disappointed by his answer, if he does not mind me saying so, and ask him if he could tell us which governments in the Council insisted on such an equivocal answer and which favoured a more positive answer. Could I also ask him, perhaps, to give us an answer in the direct and forthright manner which we have come to expect of him.

Mr Van der Klaauw. — (NL) As President of the Council, it is naturally impossible for me to tell you what positions the various Member States have adopted in this matter. However, I can tell you as a Dutch Minister that I am very much in favour of majority decisions wherever possible.

Mr Enright. — Can the President of Council confirm that, if there had been a majority vote in Council, we would by now have a single seat for this Parliament? Would he therefore strive to throw open the deliberations of the Council in order that, instead of their shenanigans in secret, proper democratic pressure can be brought to bear on them.

(Laughter)

Mr Van der Klaauw. — (NL) No, this is not the case, since the seat of Parliament must be fixed by a unanimous decision between the representatives of the governments.

Mr Welsh. — Would the President-in-Office, as President-in-Office and as a Dutchman, assure us that he will make approaches to the next presidency of the Council with a view to, perhaps, establishing the principle of majority voting within the spirit of the report of the Three Wise Men?

Mr Van der Klaauw. — (NL) I have already made arrangements with Lord Carrington to make the changeover to the next presidency as smooth as

Klaauw

possible, and this question will undoubtedly be discussed in this context too.

(Laughter)

Mr Prag. — I was very surprised, Mr President, at the President-in-Office's answer. Can it possible be that he is really not aware that his answer bears no relation to what really happens in the Council of Ministers, which is that they never vote on anything except budgetary matters, but attempt to reach unanimity, even on minor matters?

Mr Van der Klaauw. — *(NL)* Yes, but that is the whole point. Mr Prag mentions 'minor matters' and these are exactly what I am talking about. There are a number of very weighty matters which, it has been agreed, must be decided unanimously. However, majority decisions are in fact taken on other matters. This does not mean, however, as I have already said — and again I am speaking in my capacity as a Dutch Minister — that I would not like to see the range covered by these 'other matters' extended.

Mr C. Jackson. — Can the President-in-Office tell me whether there have been any votes, and if so how many, first in the Foreign Affairs Council and secondly, in any of the other specialist Councils during the period of the Dutch presidency?

Mr Van der Klaauw. — *(NL)* I hope I have understood the question correctly. There have indeed been votes, and in the Foreign Affairs Council too. I even think this may well be the Council in which things are easiest, but I naturally do not have any figures with me at the moment

President. — Since its author is absent, Question No 52 will receive a written reply.¹

I call Question No 53, by Mr Balfe (H-18/81):²

In December 1980 I asked a written question (1754/80)³ about the practice of a German registered lottery selling tickets by post in the United Kingdom, which is illegal. The Commission has replied that this falls outside the Community's competence, but should be followed up by diplomatic initiative between Foreign Ministers.

Since the selling of tickets constitutes trade, will the Council agree that there are certain aspects of the free movement of goods that do not fall within the competence of the Community, and will the Council define what these are?

Mr Van der Klaauw, President-in-Office of the Council. — *(NL)* It is not for the Council to pass judgment on a reply made by the Commission to a parliamentary question, or to comment on the interpretation which the honourable Member himself appears to give it.

Moreover, it is no part of the Council's function to state an opinion in the abstract on the scope of particular provisions of Community law. However, on the supposition that the tickets in question constituted goods imported into the United Kingdom, the honourable Member's attention could be drawn to the provisions of Article 36 of the Treaty establishing the European Economic Community.

President. — I call Question No 54, by Mr Kappos (H-63/81):

Is the Council aware that in 1980 at least 3 000 workers, including 250 members of union branch executives and factory committees, were sacked in Greece on account of their trade union activities?

Is the Council also aware that this number includes about 80 members and all the executive members of the union branch in the Greek aeronautical industry?

Does not the Council consider that these dismissals are a crude attack on workers' elementary trade union rights?

Mr Van der Klaauw, President-in-Office. — *(NL)* The Council, while recalling the Joint Declaration it made with the European Parliament and the Commission stressing the prime importance which all three Institutions attach to the respect of fundamental rights as enshrined in particular in the constitutions of the Member States and in the European Convention for the Protection of Human Rights and Fundamental Freedoms, would draw the Honourable Member's attention to the fact that the problem raised is a matter for the Member State concerned.

Mr Kappos. — *(GR)* Mr President, the reply was completely vague. We have condemned one specific fact. In 1980 approximately 3 000 trade union members were dismissed, some 250 of whom were members of branch executives. In one company 80 workers who were forming an association were dismissed and found themselves on the street together with their executive. This is what is at stake. Quite apart from that, after Greece's accession to the EEC, Greek workers are wondering whether the EEC can help them put a stop to this campaign of dismissals . . .

President. — Mr Kappos, you must put a supplementary question, not state your views on the matter in hand.

Mr Kappos. — *(GR)* My question is whether the EEC can help Greek workers in their struggle to defend

¹ See Annex

² Mr Lomas deputized for Mr Balfe.

³ Bulletin No 57/80.

Kappos

their trade union rights and to put a stop to the campaign of dismissals for trade union activities.

Mr Van der Klaauw. — (NL) I can only repeat this matter does not fall within the competence of the Council. I have referred to the basic principles — I think this is important — and I have also pointed out that this is a matter for the Member States concerned. I have nothing to add.

Mr Welsh. — Could the President-in-Office explain to the honourable Member, as a matter of general principle, that when, unfortunately, workers occasionally become redundant it does not amount to an attack on trade unions' rights

Mr Van der Klaauw. — (NL) It is not for me to go into the reasons why these workers were dismissed or to answer the question as to whether, as maintained by the questioner, these dismissals were connected with trade union activities or were simply because the workers had become redundant.

President. — I call Question No 55, by Mr Hord (H-131/81, formerly 0-6/81):

It has been reported that during 1980, firstly 145 000 tonnes of butter and butter oil were exported to the USSR and secondly in reply to Written Question to the Commission 1273/80 by Mr Paisley, that surplus Community agricultural produce to the value of 591 875 million ECU was sold to the USSR in the first six months of 1980, compared to a value of 421 511 million ECU for the whole of 1979

1. What action does the Council of Ministers intend to take following the failure of the Commission to abide by the instructions issued by the Foreign Ministers meeting in political cooperation on 5 January 1980 regarding the export of surplus agricultural products to the USSR?

2. Is the Council contemplating formal communication with the European Parliament as joint budgetary authority to consider whether the Commission has acted without budgetary cover in respect of the incident of excess sales of surplus agricultural products to the USSR, over and above the normal levels envisaged by the Foreign Ministers meeting in political cooperation on 5 January 1980?

Mr Van der Klaauw, President-in-Office of the Council. — (NL) Mr President, following the events in Afghanistan and the subsequent measures adopted by the United States regarding supplies of agricultural products to the USSR, the Council of the European Communities, at its meeting of 15 January 1980 laid down the principle that supplies of Community agricultural products to the Soviet Union should not be used as direct or indirect replacements for supplies which the United States were refusing to make to that country. The Council decision also specified that this

principle of non-substitution was to be subject to traditional trade patterns. The Council, which asked the Commission to take the necessary measures regarding cereals and other derived products and to propose, where possible, other measures for other agricultural products, has been kept regularly informed by the Commission of the implementation of the Council's decision. With particular reference to the assessment of traditional trade patterns, the Commission adopted in principle as a reference base the average over the period 1976-1979. Of all those producers who endorsed the principle of non-substitution it is beyond doubt the Community which has most strictly complied, and continues to comply, with that principle. The Council reviewed its position after the United States had decided to lift the grain embargo *vis-à-vis* the Soviet Union, and has agreed that its decision of 15 January 1980, in which the Commission was requested to ensure that Community supplies did not act as a substitute for United States supplies, no longer applies.

Mr Hord. — I would respectfully suggest to the President-in-Office of the Council that he has failed to answer my question but has concerned himself with the recent decision to lift the embargo.

I would ask the President-in-Office of the Council to answer my original question and at the same time confirm that he agrees that the Commission's performance in regard to the excessive sales of surplus agricultural commodities is not only deplorable but has contravened the Council's own decision of 15 January 1980.

Mr Van der Klaauw. — (NL) I think I have in fact answered the honourable Members' questions and, that, in particular, as I have already said, I have made no criticisms of the Commission on this matter. The Community has, I think, kept strictly to the agreements reached and to the Council's decision.

Mr Patterson. — Mr Hord's question refers specifically to the Commission acting without budgetary cover. Would the Council, as part of the joint budgetary authority, consider joining with the Parliament in asking the Court of Auditors to make special investigation of this in conjunction with its preparation of the discharge for 1980? It is a question of budgetary cover.

Mr Van der Klaauw. — (NL) It would appear to me that this is more a question for the Commission, and that Parliament could also consult the budgetary authority. It is not a question I can answer here today.

Mr Harris. — With respect, I do not think the President-in-Office can really get away with that. May I

Harris

respectfully ask him to look again at the original question by Mr Hord, which deals with the sale of butter, not with the subsequent arrangements for lifting the grain embargo. We dealt with those earlier this week. Those arrangements in my opinion were totally deplorable, but never mind; this question relates to butter, it is specifically directed to the Council and it asks the Council what it intends to do as part of the budgetary authority.

Mr Van der Klaauw. — (NL) As far as butter is concerned, I can assure you that COREPER is keeping a close eye on all developments in this matter.

Mr Welsh. — Will the President-in-Office accept that the two figures quoted in Mr Hord's question show that 170-odd thousand EUAs' worth of produce was sold to the Russians by the Commission when the Council had specifically forbidden it to do that?

Mr Van der Klaauw. — (NL) There was no export ban on butter, it concerned the grain embargo and the resultant situation.

I think that is the answer.

(Laughter)

President. — Since their authors are absent, Questions Nos 56 and 57 will receive written replies.¹

I call Question No 58, by Mr Welsh (H-83/81):

On 23 January 1979 the Commission submitted a proposal for a Directive establishing measures for implementation of Directive 77/489/EEC on the protection of animals in international transit.

Could the Council make a statement on the progress of these proposals and identify the principal obstacles to their speedy adoption?

Mr Van der Klaauw, President-in-Office of the Council. — (NL) The Council is able to announce that, as the remaining substantive problems have been resolved, it intends to adopt the Directive in question formally at its meeting on 12 May 1981.

President. — I call Question No 59, by Mr Colla (H-91/81):

What does the Council think of the idea of having the European Community, possibly in cooperation with the existing broadcasting companies, produce a radio and television programme and, should such a scheme be realized, what are its views regarding, on the one hand,

advertising and, on the other, the safeguarding of the interests of minorities and groups of all political and philosophical tendencies in relation to such broadcasts

Mr Van der Klaauw, President-in-Office of the Council. — (NL) Mr President, the Council has so far not had occasion to discuss the matters raised by the honourable Member.

Mr Colla. — (NL) Would it not be a good idea if, since it knows that such an important question might well arise, the Council could occasionally discuss it in advance rather than after the event, since in most cases this is too late, as is unfortunately often the case in the Council.

Mr Van der Klaauw. — (NL) Naturally, I could speak at great length over the question of whether or not this would be a sensible thing to do. I think, in view of the many problems facing the Council and in view of the fact that the Council should give the Commission general guidelines with respect to them, this is not the most important of the many subjects which must be discussed.

Mr Seligman. — It is very difficult to put a supplementary question if the President-in-Office is not prepared to discuss it at all. Nevertheless, does he not regard it as important to acquire television and radio channels for the Community, in order to be able to broadcast to the member nations and to save the enormous cost of direct lines? Should he not, therefore, get on and ask the Commission to acquire time on national satellite channels if we cannot do it on a Community one?

Mr Van der Klaauw. — (NL) Might I say a few words in my capacity as a Dutch Minister? Minorities receive considerable attention in the Dutch broadcasting system. For example, there are programmes for migrant workers in their own languages, such as Turkish, and there are special broadcasts for the Surinamese living in the Netherlands. I assume this is also the case in other countries of the Community, but I have no details. I wonder, however, whether or not this is more a national matter rather than one with which the Council should directly concern itself.

Mr Hutton. — Would the President-in-Office of the Council not accept that there are now plans in train for launching satellites for direct broadcasting to European countries and that these will probably be flying by 1985? In view of the time it takes for the Council to decide almost anything, and in view of the fact that these satellites will not be broadcasting to single Member States alone, but will be covering a number of Member States, would he not accept that this is a very important matter with legal as well as

¹ See Annex

Hutton

technical implications, which the Council must look at now so that it will have made a decision by the time these broadcasts begin?

Mr Van der Klaauw. — (NL) We are all perfectly aware of this, and I think these questions are being discussed in all the national parliaments. Obviously there are major problems in store for us but, I should think, the satellite broadcasts will also make for considerable progress in communication between the peoples of Europe. This is a fact, but I have my doubts as to whether it necessarily means that we, as Europeans, must organize a sort of European channel. Particularly in view of the problems brought up by Mr Colla, it strikes me that this is more a national question and not one for the Council which — as I have already said — in my view has more urgent problems to deal with.

Mr Sherlock. — Surely although the President-in-Office has twice referred to the national responsibility in this matter, he must agree that transmissions from one Member State to another within the Community must contribute to a European spirit of understanding among Community citizens and in that case must be pressed ahead with.

Mr Van der Klaauw. — (NL) The honourable Member should hear the debate in the Netherlands Parliament to realize that not everyone in the Netherlands is convinced that transmissions from other countries would be useful and informative for the people of the Netherlands. I personally may take a different view and tend rather to agree with the honourable Member, but opinions differ on this point.

Mr Van Minnen. — (NL) There are, of course, European events which are extremely suitable for broadcasting live, for example, not only the lively debates in this Parliament, . . .

(Laughter)

. . . but also the Council meetings which so far take place behind closed doors. Would not a channel of this kind do a great deal to promote European awareness if the deliberations of a secret society such as this were transmitted directly?

(Laughter)

Mr Van der Klaauw. — (NL) I should like to say two things in reply to this. Firstly, if the Council meetings were broadcast the negotiations and discussions in the Council would, I think, become more difficult still, and secondly, they if were broadcast in the way in which we are talking to each other now this would in

most cases promote the European cause but, in some cases perhaps not . . .

(Laughter)

Mr Bøgh. — (DA) Mr President of the Council, cultural policy does not come under the Treaty of Rome. Would it not be sensible if the Council would in the near future clearly state that all this Parliament's fantasies about establishing a cultural policy do not belong in this assembly, and that it is a waste of time, money and effort to go on attempting to interfere in purely national matters? After all, the question of radio and television transmissions is a question of financing publicity. This is direct interference in the affairs of my country, where a very serious debate on these questions is currently under way. Will you assure us that this is out of place?

Mr Van der Klaauw. — (NL) I have listened very carefully to what you have said, but I would have thought this was a specifically Danish problem rather than a European one.

(Applause from the centre and right)

President. — I call Question No 60, by Mr Harris (H-102/81):

When does the Council intend to implement the proposals for a Directive laying down standards for pressure vessels so as to remove the longstanding obstacles to intra-Community trade in this field?

Mr Van der Klaauw, President-in-Office of the Council. — (NL) There are currently four proposals for Directives on pressure vessels before the Council. The technical provisions of the two Directives on seamless steel gas cylinders and seamless aluminium alloy gas cylinders have been agreed, but adoption is being held up pending agreement on the application of the Directives to products from third countries; this problem also arises in connection with a large number of other Directives on the removal of technical barriers to trade. The technical examination of a third proposal, relating to welded steel gas cylinders, will be completed shortly. Discussions are still going on within the Council regarding the fourth proposal, which relates to certain types of simple pressure vessels. The problem of application to products from third countries also arises in the case of these two proposals

(Laughter)

Mr Harris. — May I thank the President-in-Office for the details of that answer, while expressing disappointment at the lack of progress? Does he realize that this

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matter has dragged on for several years and also that the absence of a European standard in these fields causes considerable problems and additional expense to manufacturers as they have to manufacture to various standards to get their products into different countries of the Community? Is he also aware that it particularly affects a firm in my constituency?

Mr Van der Klaauw. — (NL) I am very much aware of these facts but can only repeat that the Council naturally attaches the greatest importance to maintaining and strengthening what has been achieved in the field of free movement of goods within the Community since, if we did not have this strong free internal market, the Community would run the risk of losing its very *raison d'être* and hence its influence in the world as a major trade partner. This is an important and pressing problem — I wholeheartedly agree with you on this point. However, there are also an enormous number of aspects to the problem, and for this reason it receives the fullest attention of the Presidency.

Mr Seligman. — While I agree with the questioner in this matter, has the President-in-Office considered joining the European standard to the other existing standards rather than creating yet another standard? Why not have joint discussions with the ASME Code in America so that we just have one code for world trade? It would be much easier for firms to cope with that sort of situation.

Mr Van der Klaauw. — (NL) The situation is slightly different. The problem is that, according to the GATT rules, when a standard is laid down it must be applied in the world as a whole.

President. — I call Question No 61, by Mr Habsburg (H-103/80):

Now that the deadline for issuing a European passport has been set at 1 January 1985, which is an inordinately long way ahead, can the Council assure Parliament that it intends to spare no effort to bring this date forward?

Mr Van der Klaauw, President-in-office of the Council. — (NL) The draft Resolution which will be presented to the Representatives of the Governments of the Member States meeting within the Council on 18 and 19 May 1981 provides that the Member States will endeavour to issue this passport from 1 January 1985 at the latest. This provision does not rule out Member States issuing the uniform passport before that date.

Mr Habsburg. — (DE) Mr Van der Klaauw, do you not also feel that the Council should finally call on the governments to come to some agreement on this question of the European passport — which has been

under discussion for some years — now that all the technical details have been settled, since compared with the major tasks before us it represents a very small step?

Mr Van der Klaauw. — (NL) The Council, as you will realize, consists of the governments and therefore cannot contradict the governments. This is the first point I should like to make.

Secondly, the deadline of 1985 does indeed appear to be a long way ahead, but a period of adjustment is obviously necessary and this takes time. I can assure you that we intend to introduce the passport as soon as possible — i.e. 1 January 1985 is the final deadline — but if this is to be possible the Member States must take the necessary steps, and some of them will be quicker to do so than others.

Mr Van Minnen. — (NL) Thus the President of the Council does not rule out the possibility of the European passport being introduced before 1985. I should like to rule out something else and ask him whether the Council is prepared to guarantee that, after the final deadline of 1985, all possible steps will be taken to prevent this European passport being used to give the authorities a firmer grip on citizens travelling through Europe, in other words to prevent this European passport giving rise to a situation after 1985 similar to the one described for a year earlier by George Orwell, in which the passport would enable a complete check to be kept on citizens. It strikes me that the possible risks which this passport could entail are so great that we must constantly bear this question in mind.

Mr Van der Klaauw. — (NL) The Council decision relates only to the document as such. It does not concern intra-Community travel, which is a completely different matter. Free movement is one of its aims of the Community and it will therefore obviously be promoted. I can assure Mr Van Minnen of that.

Mr Patterson. — Since the French Communist, Mr Chambeiron, was typically not in his seat to ask Question No 56 — it was however, on the same subject, — could I ask the Council to confirm that they do not intend to forbid making European passports machine readable? Would they confirm that this would speed up procedures and constitutes no threat whatsoever to human rights?

Mr Van der Klaauw. — (NL) The draft resolution on the introduction of a uniform passport currently before us, and to which I have just referred, contains no provisions whereby those Member States which opt for a passport incorporating a plastic card would be

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obliged to incorporate a machine-readable information strip on this card.

Mr Simpson. — While I welcome the introduction of a European passport as a tangible symbol of membership of the Community which will be recognized by each and every citizen, what steps is the Council taking to provide even more convincing evidence of the European Community by abolishing all forms of passport and identity checks at internal frontiers?

Mr Van der Klaauw. — (NL) As the honourable Member is no doubt aware, this idea has been discussed and considered. It became apparent that abolishing these things would lead to very great difficulties, and the Council has therefore dropped this matter.

Mr J. D. Taylor. — Would the President-in-Office confirm that it really is a misnomer to call this particular passport a European passport, and that in fact he is talking about a new form of national passport which will simply have the same colour throughout the ten nations and in addition to the name of the individual national countries will include on the front cover the name of the European Economic Community?

Mr Van der Klaauw. — (NL) Yes, of course, the honourable Member is quite right. The passport will also bear the name of the Member State. As you know, the questions of where and how the name should be shown and what lettering should be used, etc. have been discussed at great length, and we have solved this problem. The European Passport is, of course, a symbol, it is a standard passport for everyone and has a symbolic value, as many honourable Members have also pointed out.

Mr Schmitt. — (DE) Mr Van der Klaauw, do you not agree that this passport will not be worth the paper it is printed on if border checks are not at the same time reduced or abolished?

Mr Van der Klaauw. — (NL) We naturally wish to keep border checks to a minimum, but the honourable Member will undoubtedly be aware of the security problems which a number of countries have unfortunately had to contend with and which have, regrettably, made extra checks necessary.

Mrs Rabbethge. — (DE) Will the question of the European passport perhaps be included on the agenda for the European Council in June?

Mr Van der Klaauw. — (NL) The question is already down for the Council meeting in May. The European

Council pronounced on this matter at its last meeting. Thus the formal decision will be taken at the next general Council in May, i.e. after this European Council.

Mr Sherlock. — Is the President-in-Office of the Council of Ministers not aware that, as has already been hinted here tonight, this is equally useless until each Member State establishes separate entries for Community nationals and abolishes practices such as, in the case of one country, the requirement to fill in nasty yellow-coloured immigration cards.

Mr Van der Klaauw. — (NL) This is the case in all countries. I must admit that when I was referred to as an 'alien' when entering a certain country in the past I felt somewhat slighted . . .

(Laughter)

Mr Van Aerssen. — (DE) Can the President-in-Office confirm that the Council of Ministers will deal with the exceptionally sensible proposals of the European Parliament to make travelling easier this year for the citizens of Europe by small steps whilst nevertheless taking account of security regulations, in good time, i.e. before the summer holiday rush starts in Europe?

Mr Van der Klaauw. — (NL) If I have understood correctly, the honourable Member is referring to the question of extending the free import of goods by travellers. The Council is currently discussing this question.

Mr. C. Jackson. — Will the President-in-Office of the Council consider that a further practical advantage of the new-style passport might be that it could be used as evidence of entitlement to free health treatment in the various countries of the Community?

Mr Van der Klaauw. — (NL) This question strikes me as referring to a completely different field and is not one which I can answer. Health treatment and the eligibility of nationals of other countries for such treatment is a national affair, and I do not think that we have yet reached the stage where we can take steps of this kind on the basis of the introduction of the European passport.

Mr Prag. — Whilst I accept that there are no provisions or plans for magnetizing European passports, would the President-in-Office tell us how he thinks the Council of Ministers could be galvanized into action particularly on matters such as those which have just been raised and which are directly related to the freedom of people to move throughout the Community?

Mr Van der Klaauw. — (NL) Mr President, it is naturally the job of the President to galvanize the members of the Council, and I will certainly do this.

(Laughter)

However, it has been suggested that the introduction of the European passport should at the same time lead to common conditions for medical treatment in all the Member States and this, I think, is a matter which goes beyond the scope of the decision on the introduction of the passport.

President. — I call Question No 62, by Mr Galland (H-110/81):

Does the Council not think that the communication forwarded to it by the previous Commission in March 1980 on the introduction of a tax on oil to provide funds for investments in energy is the wrong way to go about financing a new policy which is more necessary than ever?

Mr Van der Klaauw, President-in-Office of the Council. — (NL) In April 1980 the Council received a communication from the Commission which mentioned the possibility of introducing a specific Community tax on energy as one of the methods of providing funds for achieving the objectives of the energy policy as a whole. No decision has been taken by the Council on the matter. On 13 May 1980 the Council, noting that the Commission intended to submit a report on Member States' investment programmes, stated that the financial aspects would have to be examined in due course. A Commission document on energy investments will probably appear on the agenda for the Council meeting on energy on 9 June 1981.

Mr Galland. — (FR) Mr President, I should like to know whether, unlike your attitude to Question No 59 by Mr Colla, you regard this problem as an important one for the Council and whether, as you said in April 1980, the time has really come firstly to implement an energy policy and secondly, to try and find other ways of financing such a policy than by a specific tax, which is a bad way of going about it.

Mr Van der Klaauw. — (NL) As I said, this item figures on the agenda for the Energy Council in June. I do not think I need to stress the importance of the Community energy policy here today, as it is something we all recognize. However, whether this specific proposal is an appropriate one is a different question.

Mr Seligman. — Does not the President-in-Office agree that an oil import levy would (a) have the advantage of raising money for investment in alternative sources of energies and (b) discourage the use of

oil; and is it not a mistake to reject prematurely any method of overcoming the obstacle of the VAT ceiling in a year when we are considering the new Community financing system?

Mr Van der Klaauw. — (NL) As I have already explained, the Council has not taken any decision whatsoever on this matter so the question is completely open or closed — whichever you like. At this stage, however, I cannot as President-in-Office make any statements even on the desirability of such a course of action.

Mr Kirk. — (DA) I should like to ask the President of the Council whether or not he agrees that energy prices are already such a burden on economic activity in the Community as a whole that there is no room for further levies on energy, that additional levies are not essential to achieve the necessary energy saving in the Community and that the consumers, by which I mean both commercial and private consumers, are already very much aware that it is in their interests to make the savings necessary to reduce our energy consumption to a minimum?

Mr Van der Klaauw. — (NL) The Council has not expressed any opinion on this matter, but I would say in a personal capacity that it is obviously true that energy prices are high and constitute a considerable burden on economic activity. However, whether they are too high is another question. The energy saving programmes being conducted in the various countries are, I think, having some effect. We can observe a clear reduction in oil consumption and a move towards other energy sources. Naturally, the price increases have led people to seek other ways of using and saving energy. It is hard for me to say, however, to what extent a tax over and above the current prices would make the burden too great to bear, since this also depends on the level of this tax. However, I fully agree with the honourable Member that energy and oil costs are high and represent a considerable burden.

President. — I call Question No 63, by Mr Adam (H-112/81)

With reference to my previous question (H-726/80)¹ and the inadequate written reply, will the Council now explain why the reference to the 'promotion of economic convergence' and 'the reduction of regional disparities' were deleted from the proposed Regulations (COM(80) 333 final) and did not appear in Regulation No 2744/80 (OJ No L 284, 1980)?

Mr Van der Klaauw, President-in-Office of the Council. — (NL) As the honourable Member has stated, the

¹ Verbatim report of proceedings of March 1981

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Council did indeed delete the references to 'convergence of economic policies' and 'the reduction of regional disparities' which appeared in the Commission proposal on supplementary measures in favour of the United Kingdom. The Council takes the view that the measures in question constitute an exceptional action planned and carried out in accordance with principles peculiar to such action and in no way prejudice the development of Community policies.

Mr Adam. — It is a very painful business continually to butt one's head against a brick wall.

(Laughter)

However, here goes! Why did the Council not insist that in view of the exceptional nature of the supplementary measures there was a particular need for them to be seen to be achieving economic convergence and a reduction in regional disparities. I do not understand why it was felt necessary to delete these two phrases from the Council regulation at the end of the day.

Mr Van der Klaauw. — *(NL)* Let us state right from the outset that there were exceptional measures in favour of the United Kingdom. It was not a question of setting a precedent for a new form of policy nor were these measures intended as a means of developing further the existing policy in the various sectors. It was out of place here, in the view of the Council, and I am sorry that you feel you are up against a brick wall, but this was not the intention — it was a rational consideration.

Mr Griffiths. — Will not the President-in-Office of Council agree that the references to the promotion of economic convergence and the reduction of regional disparities were deleted because the programmes presented by the British Government would not have complied with these particular criteria and that the British Government made it quite clear to the Council that it intended to use the money to reduce the public sector borrowing requirement in Britain and had absolutely no intention of doing anything to deal with the severe problems of the regions in the United Kingdom.

Mr Van der Klaauw. — *(NL)* No, I repeat this was an exceptional measure. When it adopted the regulation for the introduction of these measures in favour of the United Kingdom, the Council stated in so many words that the supplementary measures in favour of the United Kingdom constituted an exceptional action planned and carried out in accordance with principles peculiar to such action and in no way prejudiced the development of Community policies. This is what the Council stated at the time, and I am convinced that if we had involved convergence problems and such like this exceptional action would have taken an entirely different form.

Mr Welsh. — Could the President-in-Office of the Council confirm that, notwithstanding the meretricious questions of the honourable Members opposite, this money was in fact spent in the disadvantaged regions of the United Kingdom which are represented here by Mr Griffiths, Mr Adam; myself and many others.

Mr Van der Klaauw. — *(NL)* This does not actually strike me as a question, which I find a little strange for someone from Oxford, but the proposals came from the United Kingdom and were adopted by the Council.

(Laughter)

President. — I call Question No 64, by Mr Griffiths (H-114/81):

What steps are being taken by the European Council at Community level and by its individual members to enter into 'intensive consultation with the social partners' to deal with the high and rising rates of unemployment and in particular the 'evil' of youth unemployment?

Mr Van der Klaauw, President-in-Office of the Council. — *(NL)* The Council attaches the greatest importance to the 'intensive consultation' with the social partners recommended by the European Council in Maastricht. The Presidency has maintained close contact with the representative of the social partners, and a meeting on 19 May 1981 of the Standing Committee on Employment — which, as you know, is a tripartite body — will be entirely devoted to detailed discussion of the problems of unemployment, and particularly youth unemployment. The position is the same at national level, where the governments of the Member States are continuing and intensifying their consultations with the organizations of the social partners to step up the fight against unemployment and inflation. I might add that the Presidency has been particularly active in this field in recent months and intends to continue to this way in the near future, particularly in connection with the preparation of the 'jumbo Council', where these problems must also be included on the agenda.

Mr Griffiths. — Would not the President-in-Office of the Council agree that to show good will and commitment to dealing with this ever growing problem of unemployment, in the 1982 budget there should be an increase in the size of the Social Fund, the Regional Fund, the amount made out for the Ortolli facility and the funds available under the Coal and Steel Community and that these should be increased not by the rate of inflation, or anywhere near it, but by the rate of increase of unemployment in the last year.

Mr Van der Klaauw. — *(NL)* As the honourable Member will no doubt be aware, all these budgetary problems are currently being discussed in connection

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with the restructuring of the budget, in which the greatest attention will be devoted to these matters for various reasons including the very ones just outlined by the honourable Member.

Mrs Maij-Weggen. — *(NL)* Mr President, it is, of course, a very good thing that the European Council in Maastrich tackled the question of youth unemployment — this was one of the few points where something emerged in concrete terms. I should like, however, to draw the attention of the President of the Council to a very specific aspect of youth unemployment, namely that the level is several times higher in some regions than in others. I have had the privilege of visiting Scotland, and I was told by trade unionists there that in certain parts of that country, youth employment has reached levels of 40 to 50%.

Are special measures to be taken for these specific regions rather than general measures which, in my view, do not achieve the required effect?

Mr Van der Klaauw. — *(NL)* As I have already said, the question of the social and regional funds — which are of course of particular interest for certain regions which have specific serious problems to contend with — will receive a great deal of attention in the context of the new budget.

Mrs Rabbethge. — *(DE)* Can the President of the Council assure us, against the background of the statement he has just made, that a debate on youth unemployment will be held during the next few days in which particular attention will be paid to the question of girls who are out of work?

Mr Van der Klaauw. — *(NL)* I take the view that unemployment is a great evil for everyone, and we should, I think, devote attention to all the categories involved rather than selecting specific groups. The problem, which is a major one, is precisely the same for all young people regardless of their sex.

Ms Clwyd. — Is the Council aware that Wales is now a priority area for aid to combat unemployment among young people as provided for by Article 4 of the Social Fund, and can he explain why the United Kingdom Government has not done anything to inform the Welsh people that Wales is now such a priority area, and would he not agree that the money which the EEC is spending under the Social Fund should be additional to the money being spent in the Member States for that purpose?

Mr Van der Klaauw. — *(NL)* This strikes me as a question which should in the first instance be considered by the United Kingdom, and the United

Kingdom will undoubtedly put it before the Commission where it belongs.

Mr De Goede. — *(NL)* Since the President of the Council has — and quite rightly, I think — stated that the problem of youth unemployment will be one of the points discussed at the 'jumbo Council', the question arises as to whether we can expect the jumbo Council to take place before the end of the Dutch Presidency. If not, can the President of the Council tell us when we can expect this Council to be held?

Mr Van der Klaauw. — *(NL)* We are doing our best. I cannot promise anything.

President. — I call Ms Clwyd on a point of order.

Ms Clwyd. — Mr President, the Council has agreed to answer this question which was addressed to it and which asks specifically about individual Members, so I maintain that the Council should answer the question and not simply say it is up to the UK.

President. — This was a comment on the answer. Perhaps you could make use of this answer in a future question.

Mr Purvis. — I am indebted to Mrs Maij-Weggen for bringing up the problem of youth unemployment in Scotland. Would the President-in-Office agree that one of the problems is that the vast majority of unemployed young people have left school without any qualifications or aptitude at the age of 15 or 16 — in the case of Scotland, 16 — and yet the Community is excluded from dealing with the years prior to school-leaving? What steps does the Council intend to take towards preparing young people at the time of school-leaving for employment?

Mr Van der Klaauw. — *(NL)* I am sorry but this would appear to me to be a problem of national education policy, and it is for each individual country to take up its responsibility in this respect and ensure that young people are given an education which offers them a future.

President. — Since their authors are absent, Questions Nos 65 and 66 will receive written replies.¹

We continue with the questions to the Foreign Ministers.

¹ See Annex

President

I call Question No 67, by Mr Purvis (H-69/81):

Recalling Parliament's resolution of 19 September 1980 on the persecution of members of the Baha'i community in Iran, what action have the Ministers taken and what representations have they made to the Iranian authorities and with what effective results in protecting Iranian Baha'i from summary arrest, detention and execution?

Mr Van der Klaauw, President-in-Office of the Foreign Ministers. — (NL) The Ten are greatly concerned over the persecution of the Baha'i community in Iran and, in particular, over the most recent events. They have also discussed the question at several meetings within the context of European political cooperation. In addition, the representative of the Presidency spoke on behalf of the Ten during the debate on the report by the Commission on Human Rights which was discussed on 30 April in the Economic and Social Committee, when he expressed the wish of the Ten that the Iranian Government should review its policy with regard to this minority group in the spirit of the International Convention on civil and political rights to which it is party. The honourable Member can rest assured that the Ten will continue to keep a close eye on the situation of the Baha'i community in Iran.

Mr Purvis. — Is the President of the Foreign Ministers meeting in political cooperation aware that three more Baha'is were executed on 29 April in Shiraz. The reasons given were that they were agents of Zionism, enemies of Islam and members of the Baha'i Institution. They were all professional people; there is still no news of many others. What effect has the Community had to the benefit of the Baha'is? What direct representations have the Foreign Ministers made to the Iranian Government and authorities — not just by discussing it themselves, but by making representations?

Mr Van der Klaauw. — (NL) The honourable Member will realize that although — as I have already said — we are greatly concerned at the situation of the Baha'is, there is relatively little we can achieve in Teheran. We have chosen the Commission on Human Rights as a forum for bringing the problem to the attention of the world as a whole. We have discussed this matter in the Economic and Social Committee. We are constantly considering what steps we can take and are very much aware of the situation. I can assure you that I regularly receive letters on this question both in my national capacity and in my capacity as President of the Council, and we devote the greatest possible attention to this question. Unfortunately, however, we cannot do the impossible.

Mr Prag. — Has the point been clearly made to the Iranian authorities that we are dealing here with a

question of straight religious persecution because these people are Baha'is? Is the President-in-Office aware that the future of the Baha'i community, and particularly of its elected representatives, is balanced on a knife edge and that very large numbers of executions may take place at any moment, and in view of this, will he try to get the member governments to step up their representations to the Iranian Government?

Mr Van der Klaauw. — (NL) As I have already said, we have not so far felt it would be desirable — and I can assure you that this was after careful consideration from all points of view — to make representations in Teheran, and we considered that we should approach this abhorrent situation in a different way.

Mr Israel. — (FR) Mr President, do you not think that it would be rather more fitting for our Parliament to take steps on its own behalf? I am well aware that there is an United Nations Commission on Human Rights, but do you not think that personal representations in our own right would have far more impact than calling on an intermediary?

Mr Van der Klaauw. — (NL) We have unfortunately come to the conclusion that this would not have the desired effect.

Mr Habsburg. — (DE) Mr President, would it not be sensible if the representatives of the Community were finally to bring up the question of the Baha'i in the United Nations — as in the case of so many other questions — not in the hope of achieving anything, but in order to give the Iranian leaders the kind of publicity they would find highly embarrassing?

Mr Van der Klaauw. — (NL) As I have just explained, we brought this matter up in the United Nations on 30 April, i.e. just a few days ago, and we have in addition advised the Baha'i to make use of the procedures available to them for the protection of human rights, and they have accepted our advice.

President. — I call Question No 68, by Mr Tyrrell (H-109/81):

Do the Foreign Ministers consider that it would undermine the strong stand that they have rightly taken in condemning international terrorism, if they permit their representatives to talk to a head of an organization which not only preaches terrorism but practises it with the avowed purpose of exterminating Israel, a friendly democratic State?

Mr Van der Klaauw, President-in-Office of the Foreign Minister. — (NL) I should like to refer you to paragraph 11 of the declaration issued by the European

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Council of 13 June 1980 in Venice. This paragraph states that the Nine have decided to take up the necessary contacts with all the parties involved with a view to ascertaining the views of the various parties regarding the principles described in this declaration and to determining, in the light of the results of this consultation, the form which an initiative on their part could take.

That is what we stated in Venice and it is, I think, Mr President, clear from this that what we are currently trying to do is to promote the recognition and application of the two principles which have been generally acknowledged by the international community, i.e. the right of all States in this area, including Israel, to continued existence and security, and the right to justice for all peoples, which implies the acknowledgment of the legitimate rights of the Palestinian people. It is difficult to see how our efforts in this direction could be regarded as undermining the strong stand the Ten have taken against international terrorism.

Mr Tyrrell. — While considering the answer that has just been given, which of course just restates the view of the Council of Foreign Ministers that has stood for some time, may I draw attention to a new item of information, according to newspaper reports now emerging, namely that a representative of the Foreign Ministers meeting in political cooperation is to meet Yasser Arafat. My question is whether the Foreign Ministers do not consider that a meeting with such a person will only serve to encourage terrorists in Corsica and the Basque country and Northern Ireland, Molucca and elsewhere to think that by violence they will achieve political ends?

Mr Van der Klaauw. — (NL) The honourable Member is clearly a little behind in his newspaper reading, since I have already had my meeting with Mr Arafat. That was my first point. Secondly, I totally disagree that this discussion I have had with Mr Arafat could serve to encourage terrorists elsewhere in the world. What we are trying to do is to put an end to terrorism, war, conflicts and the victims of these and, by means of sincere and honest consultation — and this is a very difficult thing — to achieve the peace which we all so urgently need and so much long to see in the Middle East.

Mr Moreland. — Would the President-in-Office tell us what discussions have been held on this particular issue with the PLO, with the Secretary of State Haig, and what differences exist between the Community's representatives and the Secretary of State of the United States?

Mr Van der Klaauw. — (NL) I have no intention of giving information at this stage regarding discussions which I am in the process of conducting. As the

honourable Member is no doubt aware, I will report on these discussions at the European Council at the end of June. However, I can assure him that the discussions I have had — there have so far been two, and I have yet to have a third one with the American Secretary of State — have made it clear that the alleged differences do not in fact exist, and that although we are working on our own basis we are not at cross purposes with the United States, nor do I think this would be in the interests of a European initiative — should one be taken — since, in my view, it is only together with the United States that it will be at all possible to find a solution to the Middle East's problems.

Mr Israel. — (FR) Since you have met Mr Arafat, are you aware, Mr President, of the fact that the organization of which Mr Arafat is the head is a joint organization which includes a number of sub-organizations, and that some of these are overtly terrorist organizations which, together with other terrorist organizations, are sowing terror throughout Europe?

Do you not think that the President of the Council is failing to take things seriously enough if he meets the head of an organization whose terrorist offshoots are dealing in death throughout Europe?

Mr Van der Klaauw. — (NL) I am aware of the composite nature of the PLO and I am also aware of the terrorism which is being practised. Almost every day Dutch UNIFIL soldiers come up against either terrorism on the part of the PLO, or infiltration from the south into the Lebanon, where they are stationed. We are very much aware of this and therefore also realize that it is vital that we should do all in our power in practical terms with a view to establishing peace in the Middle East.

Mr Schmid. — (DE) Mr President-in-Office, since you now admit that there are various wings within the PLO, do you share my view that refusing to talk to the PLO would tend to strengthen the wing which practises violence and hence weaken those forces who are in fact in favour of diplomatic negotiations?

Mr Van der Klaauw. — (NL) I have no intention of speculating but I am nevertheless convinced that we must talk to the PLO — and not only the PLO, but other Palestinians too — if we are to find a solution to the Middle East problem.

Mrs Lizin. — (FR) I should like to thank the President of the Council for the statement he has just made. Unfortunately, following this meeting I think the two main interested parties, i.e. both Israel and the PLO, made a relatively negative statement regarding what response to make to the European initiative. I should

Lizin

therefore be grateful if the President-in-Office of the Council could tell us what he thinks at this stage. Is he optimistic or pessimistic?

Secondly, some of the Members of this Parliament were present during part of the deliberations of the Palestinian National Council and also met Mr Arafat, who spoke to us at great length on the Brezhnev initiative regarding the Middle East. Has this subject also been dealt with in your discussions and what was your answer, since I am certain that this was one of the major points in your talks.

Mr Van der Klaauw. — (NL) In answer to the first question, i.e. whether I take an optimistic or pessimistic view, I should like to say that I take a realistic view. This is, I think, all I can say.

Secondly, Mr Brezhnev's proposal to convene a conference naturally came up in my discussions with Mr Arafat, and it was in fact he who brought the matter up. In my view, a conference of this kind would certainly not help us find a solution at this stage. Such a conference must, I think, wait until the final stage.

Mr Lomas. — May I take it that the President-in-Office agrees that, whether we like the policies of the PLO and Yasser Arafat or not, or whether we like the policies of the Israeli Government or not — and I do not like the terrorist acts of the Israelis any more than Mr Tyrrell likes the PLO — the facts of life are that both the Israeli Government and the PLO will have to be included in any discussion for a peaceful settlement?

Mr Van der Klaauw. — (NL) Yes.

Mr Schinzel. — (DE) Mr President-in-Office, can you confirm that views such as those expressed in Mr Tyrrell's question have in the past in fact prevented any dialogue in the Middle East and that we — including those Europeans who thought along the same lines as Mr Tyrrell — have contributed towards the violence which takes place there every day?

Mr Van der Klaauw. — (NL) I do not understand what the questioner is getting at. I can only say that what Europe is trying to do is to get the peace process in the Middle East moving, despite all the problems involved.

President. — I call Question Number 69, by Mr Lizin (H-122/81):

Have the Ministers meeting in political cooperation discussed the outcome, with particular reference to the harmonization of European positions, of the top-level meeting of May 1980 attended by a number of European countries (German Federal Republic, the United Kingdom, Belgium and France), the United States, Japan and certain Arab countries to decide upon projects of common interest in Africa at which the United States was given sole responsibility for 'improving public health' in Africa through American aid and a specialist centre in Atlanta?

Mr Van der Klaauw, President-in-Office of the Foreign Ministers. — (NL) In view of the nature of the activities and the countries involved, the ACDA — i.e. the concerted action for development of Africa — has not been discussed within the context of political cooperation.

Mrs Lizin. — (FR) Does this mean that, in the opinion of the President of the Council, political cooperation is not competent in matters of this kind? Is it not regrettable that no concern has been felt in this respect.

Mr Van der Klaauw. — (NL) Any subject may be included on the agenda for political cooperation. Thus, it is not for lack of competence that this conference has not been discussed. I am sorry, but this can happen. We have not discussed everything.

President. — Since its author is absent, Question No 70 will receive a written reply.¹

Question Time is closed.

I should like to thank the President-in-Office of the Council for his answers, not only for the fact that it has never before happened that we have got through all the questions, but also for the fact that Question Time today has been rather more lively than we have recently come to expect.

The sitting is closed.²

(The sitting was closed at 7 p.m.)

¹ See Annex.

² Agenda for the next sitting: see Minutes.

ANNEX

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

1. *Questions to the Commission*

Question No 5, by Mr Balfe (H-840/80)

Subject: Level of the Green Pound'

It is estimated that because of the level of the 'Green Pound', Britain's budgetary contributions to the EEC will be increased by about £250 000 000. Can the Commission confirm that this money will be repaid to the British Treasury under the agreement of May 1980?

Answer

Given that the conclusions of 30 May 1980 provide for repayment on the basis of the overall 'net contribution' of the United Kingdom, the amount to be repaid cannot be specified in advance for various reasons

If the United Kingdom's net contribution is more than £250 million or about 460 million ECU higher than the estimated amount, the following rule should be observed in accordance with the conclusions of 30 May 1980

- if the estimated amounts are exceeded in 1980 the United Kingdom must bear 25% or 150 million ECU, and the other Member States must pay 75% or 345 million ECU;
- if the amounts are exceeded in 1981, the first 20 million ECU must be paid in full by the United Kingdom. Out of the second tranche of 100 million ECU, 50 million ECU is payable by the United Kingdom, and 50 million ECU by the other Member States. Amounts above that are payable to the extent of 25% by the United Kingdom and 75% by the other Member States. Thus out of an increase of 460 million ECU in 1981, 155 million ECU are payable by the United Kingdom and 305 million ECU by the other Member States

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Question No 8, by Mr Turcat (H-6/81)

Subject: Exploitation of 'bottom of the well' oil

Various reports on the outcome of research into the exploitation of 'bottom of the well' oil suggest that this would provide new energy resources not only for the Community but also for the world at large

Would the proposed methods make it possible to recommission wells considered to be exhausted, some of which are on Community territory, and has the Commission been involved, or does it intend to be involved, in this matter?

Answer

The use of so-called secondary or assisted techniques for recovery of oil still remaining after the normal exploitation of the deposit is constantly increasing in the oil-producing areas of the Community.

Indeed, the use of these techniques makes it possible to raise the rate of recovery of the oil initially found in the deposit from 20% to 35% on average.

In order to increase further the quantities recovered, the Community has been taking part since 1974¹ in the financing of pilot projects which seek to perfect new and more effective recovery methods. Up to now, about 20 projects have benefited from aid measures, which have totalled 29 million ECU, representing 40% of the cost of implementing these projects. Positive technical results have been achieved in nearly all the projects financed.

For the current year, 12 new aid requests have been submitted to the Commission, representing an overall investment of the order of 129 million ECU

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Question No 11, by Mr Ansquer (H-47/81)

Subject: New quota system

At present, a number of non-member countries are applying a new quota system which differentiates between 'developed' and 'low-wage' countries. Does the Commission plan to introduce such a system for sectors where it is warranted and for the footwear and textile sectors in particular?

Answer

1. The Commission points out that customs duties and import quotas on the basis of GATT rules are applied only *erga omnes*
2. To the extent that certain non-member countries diverge from this practice, they normally do so in the context of so-called self-limitation agreements
3. The Multifibre Arrangement allows to all industrialized countries treatment which differs to some extent from that for so-called 'low-wage' countries. The European Community, like the most important other industrialized countries, has made use of this possibility by concluding about 30 self-limitation agreements.
4. The Commission does not intend to conclude self-limitation agreements in other fields.

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Question No 12, by Mr Couste (H-49/81)

Subject: Improvement of common transport infrastructures by means of the various Community funds

Does the Commission not think that greater use should be made of available instruments such as the various Community funds so as to further the improvement of common transport infrastructures, which are essential to European development?

Answer

The question put to the Commission has been examined in the report on road bottlenecks and the various measures which could be taken. The report was transmitted by the Commission to the Council in June 1980 and the latter took note of it in December 1980.

Parliament is aware of this report and intends to examine it soon, so I shall confine myself to a very general answer

¹ Council Regulation No 3056 (EEC) of 9 November 1973 on aid to Community projects in the hydrocarbons sector

The Commission reminds honourable Members that the existing financial instruments of the Community which can be used for transport infrastructures, *viz.* the European Investment Bank, the Regional Development Fund, and the new Community instrument are all of considerable use for assisting the implementation of certain infrastructure projects, but that the opportunities for their utilization are limited either by geographical constraints (RDF) or limitation of the forms of financial aid (loan, subsidy or interest rebate)

Moreover, the criteria followed for the utilization of the various existing instruments can in some cases limit the intervention capacity of these instruments in the field of transport infrastructures, in view of the need to create a cohesive network of communication routes of importance to the Community

It is for these reasons that the Commission felt it necessary to supplement the range of existing financial instruments as rapidly as possible by presenting to the Council a draft regulation on financial aid for transport infrastructures. Nevertheless, it is clear that, failing the adoption of the new system proposed by the Commission, the Member States can only seek to make maximum use of the existing instruments in the light of their needs and the potential of these instruments

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Question No 17, by Mr Johnson (H-25/81)

Subject: Law of the Sea

In view of the reports that the United States intends to block possible agreement at the current session of the United Nations Law of the Sea Conference apparently under pressure from deep-sea mining companies which regard the existing draft treaty as unfavourable to their interests, can the Commission indicate what stance is being adopted by the EEC to indicate their extreme disappointment at this development?

Answer

1. The proceedings of the tenth session of the third Law of the Sea Conference ended on 16 April. This session was unable to make much progress. Particularly important questions remain open, relating to the creation of an international framework for exploration and exploitation of the sea bed; questions also remain open relating to the delimitation of the continental shelf and other sea areas, and conditions for the free passage of ships through territorial waters

On the other hand, an exhaustive exchange of views and detailed negotiations took place on the question of the participation of non-governmental organizations in the Law of the Sea Convention and on the subject of the Preparatory Committee

2. The European Commission has already expressed its views to the honourable Member and to the European Parliament on the changed attitude of the United States at the Law of the Sea Conference. According to the information we have, the reassessment of the American attitude could last until the autumn of this year, it is therefore unlikely that the United States delegation will play an active role in the summer session of the Law of the Sea Conference. The American administration has stated that the USA could once again play a full part in a session at the beginning of next year.

3. On 17 March 1981 the Netherlands Presidency explained to the plenary session of the Law of the Sea Conference the attitude of the Community and its Member States to the present situation, as follows: 'Our goal remains, of course, the same, and we, for our part, hope that the results of our past work will not be put in jeopardy. We remain convinced that a speedy conclusion of an all-embracing Convention, laying down the new approach to the law of the sea, cannot but be the object of the efforts of all of us. In our view it is essential, now as before, to concentrate our efforts in order to complete the work of the Conference as early as possible.'

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Question No 19, by Mr Hord (H-132/81)¹

Subject: Sales of surplus Community agricultural products to the USSR

It has been reported that during 1980, firstly 145 000 tonnes of butter and butter oil were exported to the USSR, and secondly in reply to Written Question to the Commission 1273/80 by Mr Paisley, that surplus Community agricultural produce to the value of 591 875 million ECU was sold to the USSR in the first six months of 1980, compared to a value of 421 511 million ECU for the whole of 1979

- 1 How does the Commission explain its failure to conform to the instructions of the Foreign Ministers' meeting in political cooperation on 5 January 1980 that future exports to the USSR should not exceed the level of normal trade?
- 2 How was the Commission able to allow 145 000 tonnes of butter and butter oil to be exported in 1980, when the Commission had confirmed previously that the normal level of trade with the USSR was 70 000 tonnes in respect of this commodity?
- 3 Does the Commission agree that by not respecting the Council's instructions that it may have acted without budgetary cover in respect of the incidence of excess sales to the USSR?

Answer

The Commission has strictly observed the line agreed by the Council of Ministers of 15 January 1980 concerning exports of agricultural products to the Soviet Union.

As far as butter and butter oil is concerned, the average exports of the Community to the Soviet Union in the three years 1977-1979 were 70 000 tonnes. In 1980 certificates were granted by the Commission for export of about 59 000 tonnes of butter and butter oil to the Soviet Union, which is well within the three-year average.

No such certificates have been granted since May 1980 and, despite the relaxation of the embargo, the Commission does not intend to issue any certificates for butter and butter oil for the present

The reason why about 104 000 tonnes of butter and 44 000 tonnes of butter oil were shipped to the Soviet Union in 1980, according to the latest trade statistics, is firstly that some certificates issued before 15 January 1980 were used for these exports, and secondly that some certificates issued for export to other destinations may have been misused traders.

As regards the budgetary cover, I would remind the Honourable Member that the credits for the milk sector in the 1980 budget were not used up, and expenditure was in fact about 180 million ECU less than credits

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Question No 20, by Mrs Ewing (H-55/81)

Subject: Assistance for blind people

What proposals does the Commission have for assistance rates or flat rate allowances to blind people in the Community?

Answer

The Commission does not envisage making proposals specifically on the subject of allowances for blind people. It has in the past made proposals (which proved unsuccessful) concerning the extension of social protection to categories of people inadequately covered by existing social security schemes.² It is currently studying the particular situation of severely handicapped people, whatever the nature of their disablement.

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¹ Former oral question without debate (0-8/81) transformed into a question for Question Time.

² OJ No C 30 of 7.2.1977

Question No 21, by Mr Van Aerssen (H-61/81)

Subject. Negotiations between the Community and the Andean Group with a view to concluding a framework agreement

Can the Commission state what position has been reached in the negotiations for a framework agreement between the Community and the Andean Group?

Answer

As the Commission has already had occasion to state before this honourable Assembly, negotiations with the Andean Pact for the conclusion of a cooperation agreement were broken off in July 1980, following the *coup d'état* in Bolivia. No date has yet been fixed for resuming these negotiations.

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Question No 22, by Mr Kappos (H-62/81)

Subject. Crude attack on workers' elementary trade union rights

Is the Commission aware that in 1980 at least 3 000 workers, including 250 members of union branch executives and factory committees, were sacked in Greece on account of their trade union activities?

Is the Commission also aware that this number includes about 80 members and all the executive members of the union branch in the Greek aeronautical industry?

Does not the Commission consider that these dismissals are a crude attack on workers' elementary trade union rights?

Answer

In view of the lack of more precise information on the dismissals that are reported to have taken place in Greece in 1980 and that were due to the trade union activities of the workers concerned, it is not possible for the Commission to express an informed opinion on the events referred to by the honourable Member

At the legal level, the legislation in force in Greece provides for protection against dismissals based on the trade union activities of the employee concerned.

At the international level, protection of trade union rights is provided for by the conventions of the International Labour Organization.

It is therefore the task of the ILO, in the first instance, to note infringements of these Conventions by means of the grievance procedures organized and recognized by the ILO. Should it prove that there had indeed been an infringement of certain general principles relating to the protection of the right to organize, the Commission, in view of the general responsibilities conferred on it as regards compliance with the fundamental principles of the Treaty, and especially Article 3 of the Act concerning conditions of membership, would not fail to take action and draw the attention of the national authorities to the matter.

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Question No 23, by Mr Buttafuoco (H-74/81)

Subject: Renewal of the Italy-Tunisia fisheries agreement

The Italy-Tunisia fisheries agreement expired on 19 June 1979 and its renewal is the responsibility of the EEC. The failure to do so means that Sicilian motor trawlers are obliged to fish further and

further away from their home ports, since they cannot operate in Tunisian territorial waters. Can the Commission state why it has delayed the conclusion of a new Italy-Tunisia fisheries agreement?

Answer

With regard to relations with Tunisia on fisheries, I would refer you to the lengthy debates which took place particularly on 26 September 1979 and 20 and 21 November 1980. There has been no change in the situation, which is that Tunisia is not prepared to conclude a fisheries agreement with any partner according to the traditional terms of the agreement with Italy which expired in July 1979.

We know that Italian shipowners are now making informal contacts in Tunisia to examine the possibilities of cooperating using mixed companies. The Commission is still prepared to negotiate with Tunisia as soon as it obtains information from the Italian Government on the willingness of Italian shipowners to become involved in an undertaking of this kind.

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Question No 24, by Mr Calvez (H-76/81)

Subject: Fisheries — increased surveillance

Can the Commission give precise details of the system of increased surveillance in force in the zone beyond the twelve-mile limit?

Answer

In its Communication of 10 March 1981 (COM(81) 104), the Commission proposed systematic surveillance of fishing activities in Community waters in the North-East Atlantic between 58° 30' N and 61° N. In the draft proposal for a regulation attached to this Communication, the Commission precisely described the proposed system, *viz.* the creation of a system of licences, the details of a logbook to be kept by captains, and the obligation to notify when entering and leaving the aforementioned zone and to provide information on the quantities of each species held on board.

What is the value (or the aim) of this system?

As the Commission stated in the Communication of 10 March, the creation of a system of increased surveillance is a way of achieving the aims of the fisheries arrangements for species of special importance in sensitive regions of the Community, covered by Article 6, Paragraph 3 and Article 8 of the modified proposal for a basic regulation of 25 February 1981 (COM (81) 80).

In view of the delicacy of the problem which concerns the most disputed item of the common fisheries policy, it is proposed to limit the answer to a repetition of the wording of the relevant Commission proposals. The effect of the proposed zone of special surveillance largely depends on the practice concerning the issuing of licences, whether they are issued automatically on request to all fishermen applying or whether they are issued in a selective way allowing the Commission to limit the fishery, as is envisaged under letter C of the Communication, by spreading the fishery campaign on a seasonal basis and in relation to the quotas allocated, by rotation of voyages per vessel and by the limitation of catches per vessel.

The Commission should not take publicly position on these items unless the British and French positions have become clearer.

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Question No 25, by Mr Galland (H-77/81)

Subject: Closure of customs clearance points for imports of steel into Italy

In view of the application of the procedure provided for in Article 169 of the EEC Treaty to the

question of customs clearance points for imports of steel into Italy, and also of the discussions which took place at the beginning of March between Mr Mario Pandolfi, Italian Minister of Finance, and Mr Karl Heinz Narjes, European Commissioner responsible for the internal Community market, can the Commission state whether the Italian Government has in fact followed up its intention of opening seven additional border posts? Whatever the case may be, is the Commission satisfied with this measure, which would only partly solve the problem, since the most important customs clearance points are still closed?

Answer

By Decree of the Minister of Finance of 27 March 1981, the Italian Government authorized the reopening of eight customs clearance points for imports of steel. This brings the total of such points now open to 20 out of the original 33 competent customs posts.

This measure is an important step forward. However, there are still many limitations on trade in steel with Italy, so that the Commission does not regard the Italian violation of the Treaty as being at an end. It is therefore continuing in the usual way with the Treaty infringement procedure initiated on 5 February 1981.

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Question No 26, by Mr Caborn (H-82/81)

Subject: European shipbuilding industry

Will the Commission make a statement on the future of the European shipbuilding industry in light of (a) Japan's increase in output in 1980 by 30% which now accounts for 46.5% of world ship completions, (b) the reduction in output in 1980 in the UK by 38%, France by 61%, Netherlands by 56%, along with Denmark and Germany recording reductions in shipyard output; (c) the absence of any Community programme for the industry?

What information and direction of action has emerged from the recent Commission discussions with the social partners in the industry?

Answer

1. Since the first oil crisis in 1973, the shipbuilding industry has been in an increasingly difficult situation, but particularly since 1977, since the effects of the economic crisis have led to a notable reduction in trade and hence in the need for sea transport and, in the shipbuilding sector, to a reduction in world demand for new tonnage. World demand now represents less than half of the production capacity for 1975 and 1976 (not until 1983 is the situation likely to show an upturn again).

On the other hand, account must be taken of the dominant position of Japan and the appearance on the scene of new shipbuilding countries.

2. In the Community production depends above all on internal demand. 1980 was a difficult year in this respect (the equilibrium between Europe and Japan in 1978-1979 was broken).

3. Japanese dominance cannot be explained solely by the devaluation of the yen, but also by a relaxation of restrictive measures in respect of capacities and production ('crisis cartel'), as well as by financial support measures.

4. One cannot talk of the absence of Community action, although the Council — and the Commission regrets this — has not acted on definite proposals which were put before it.

The Commission would like to draw special attention to the activities connected with the Fifth Directive on aid to shipbuilding. This Directive is due to come into operation in the first half of 1981.

5. With regard to relations with the social partners, the Commission is carrying on the dialogue with representatives of industry, trade unions and shipowners. It is as yet too early to express an opinion about the task which the industry has undertaken of examining a Community action

programme aimed at improving the competitiveness of the sector, or about the mechanisms which would be likely to lead to the stimulation of demand.

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Question No 27, by Mr Welsh (H-84/81)

Subject: Subsidized gas prices to Dutch growers

In its written answer to my oral question (H-766/80¹) the Commission stated that its final position on the pursuit of a procedure under Article 93 of the Treaty of Rome would be influenced by decisions on tariffs to be announced in the Netherlands by April 1st.

Would the Commission now make a statement on its attitude and intentions in respect of this matter which it admits is causing severe distortions in the market for horticultural products (see answer to oral question (H-411/80))?²

Answer

The Commission continues to follow the situation attentively.

The negotiations between Gasunie and the Landbouwschap on the natural gas tariff for growers were not completed in the time originally envisaged. However, these negotiations continue. Definitive results are expected in May.

The Commission will express a definitive view at that stage.

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Question No 28, by Mr Schwartzberg (H-85/81)

Subject: Greece and the Middle East

Is it true that, when speaking on behalf of the Commission to the ambassadors of Saudi Arabia, Iraq and the Lebanon, Mr Thorn believed himself authorized to state that the Community institutions would not urge Greece finally to recognize Israel (see 'Agence Europe' No 3110 of 1 April 1981, p. 3)? If so, is the Commission not aware that, on the one hand, it has no power to make such statements and that, on the other, any political cooperation between the Ten concerning the Middle East will be quite futile unless all of the Ten have diplomatic relations with all the States concerned?

Answer

On 31 March 1981 Mr Thorn received the Ambassadors of the Lebanon, Saudi Arabia and Iraq at their request. The three Ambassadors expressed the concern of all Arab Heads of Mission accredited to the Community about a statement dated 25 February last and attributed to Mr Thorn at the end of his discussions in Athens.

In reality, when asked at his press conference in Athens if it was true that he had exerted pressure on the Greek Government to recognize Israel, Mr Thorn:

- indicated that Israel had not been mentioned in his conversations in Athens;
- confirmed that, by virtue of its accession to the Community, Greece had adopted the entire *acquis communautaire* of which the agreements between the Community and Israel form a part.

¹ Verbatim report of proceedings, 11. 3. 1981.

² Debates of the European Parliament, No 261

He confirmed his remarks to the Ambassadors of the States to which the honourable Member refers, and indicated that it was not the Commission's role to decide the modalities of diplomatic relations between the Member States and non-member countries.

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Question No 29, by Miss Hooper (H-86/81)

Subject: International exhibitions within the EEC

Is the Commission aware that manufacturers from Member States taking the time and trouble to exhibit at international exhibitions in the EEC are required to re-import their exhibits to their own country? Any orders obtained at the exhibitions therefore run the risk of being lost, particularly in respect of small manufacturers of highly specialized products who may not have all the export facilities of large companies

Answer

In the absence of Community regulations in this field, goods to be exhibited or used at an international exhibition are subject to national rules. These were drawn up in accordance with a customs agreement concluded in Brussels on 8 June 1961 on facilities for the import of goods to be exhibited or used at exhibitions, trade fairs, congresses or similar events.

This agreement, to which all the Member States of the Community are parties, rests on the general principle that all such goods must be re-exported within six months from the time of their import. The agreement also provides that goods not intended for re-export can be imported, and especially transferred to duty-free and tax-free trade, if they have been directly imported from abroad and provided that the conditions and procedures applicable under national law and the legislation of the country to which they are temporarily imported are complied with.

It should also be pointed out that in some Member States the most important exhibitions are dealt with not under the temporary use provisions but under the bonded warehouse procedure, which carries no obligation to re-export the goods and thus allows more freedom of manoeuvre in terms of the possibilities of transferring the imported goods to duty-free and tax-free trade.

The Commission will present to the Council a proposal to introduce a procedure for temporary trade in goods which are exported from a Member State for temporary use in one or more other Member States. In that proposal it has provided for the possibility of transfer of goods covered by this procedure to duty-free and tax-free trade, to the extent that the conditions laid down in Articles 10 and 11 of the Sixth Directive on the Community VAT System are fulfilled.

It should not, however, be forgotten that clearance for duty-free and tax-free trade in some products (e.g. articles of clothing) originating from certain individual non-member countries, which have been cleared for duty-free trade in the Member State which exports them, may be subject to quota limitations in the Member State where they are used, if the latter has been authorized by the Commission to exclude the products from Community treatment under Article 115 of the Treaty

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Question No 30, by Sir David Nicolson (H-87/81)

Subject: Commission's basic prices for steel imports

The Commission has replied to my question No (H-829/80)¹ by saying that exchange rates were reviewed in October 1980 and that the imports concerned represent only a very small proportion of the UK's total steel consumption

¹ Verbatim records of the sittings, 9 3 1981.

With regard to the exchange rate, can the Commission explain why the rate set last October was well below the market rate of the previous nine months?

Even though sterling is now showing a downward trend, the current parity still leaves the basic UK price approximately 14% higher than in Germany: is there not therefore a case for an adjustment?

With regard to the proportion of consumption to which the price applies, is the Commission not aware that:

- the marginal lowest cost supplier exercises a far greater influence on the market than the tonnage he supplies might suggest,
- UK producers clearly do not regard the import basic prices as insignificant. They have lobbied hard to prevent full adjustment of the sterling parity. This helps to keep UK prices above those elsewhere in the ECSC,
- where steel accounts for 50% or more of the price of the finished product (e.g. a pressure vessel), any measure which helps to keep UK steel prices above competition is damaging to users?

Answer

The exchange rate published in the Official Journal L 290 on 31 October 1980 quoted 0.614488 as being the Pound Sterling equivalent of one European unit of account. This rate was an average of the ten months available at the time of the calculation following the previous review, i.e. December 1979 to September 1980 inclusive. The average of the rates of the nine months from January to September 1980 was 0.610531. Since December 1979 average rates have changed significantly each month and not always in the same direction.

Basic prices for certain iron and steel products are currently under review and, if necessary, adjustments will be made.

Pricing rules permit alignment to competitive offers within the Community where, also, the general level of steel prices is below that obtaining in the USA and Japan. Thus, the effect on steel users should not be serious especially when taking into account the relatively small quantities involved in the import basic prices.

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Question No 31, by Mr Beazley (H-88/81)

Subject: Accession of Portugal to the European Community

What changes to the Portuguese Constitution of 2 April 1976 will need to be made when Portugal joins the European Community, and, in particular, and in the light of the joint declaration by the Council, the Commission and the European Parliament on 5 April 1977, will the Commission state whether the 'Council of the Revolution' defined in Article 142 of the Constitution as the 'Guarantor of the proper working of democratic institutions' and composed largely of members of the armed forces, is consistent with that country's membership of the European Community?

Answer

It is not incumbent upon the Commission to state its view at this point concerning possible modifications of a constitutional character which Portugal might be called upon to make as a result of her accession to the Community. In accordance with the jurisprudence which the Court of Justice has always maintained, it will be the responsibility of Portugal to carry out any necessary adaptations to the institutional structures of her national legal system in order to ensure the respect of the obligations which will result from her accession.

In particular, the juridical system established by the Treaties instituting the Communities is essentially characterized by the direct applicability of certain of their provisions and of certain acts adopted by the Community institutions, by the primacy of Community law over national provisions which might

be contrary to such law, and the existence of procedures enabling the uniformity of interpretation of Community law to be ensured. Accession to the Communities implies the recognition of the binding character of these rules, and it is indispensable that they should be respected if the effectiveness and the unity of Community law are to be guaranteed.

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Question No 32, by Lady Elles (H-89/81)

Subject: Implementation of Directive 77/728

What measures is the Commission taking to ensure that implementation of Directive 77/728 and any amendment adopted to it is carried out uniformly and simultaneously within Member States?

Answer

1. The time-limit for implementation set in Article 12 of the Directive in question, relating to the classification, packaging and labelling of paints and varnishes, adopted by the Council on 7 November 1977, was 24 months, i.e. 9 November 1979.
2. Since the Member States had not notified it of implementation measures by the expiry of that time-limit, the Commission initiated the infringement procedure on 17 June 1980 against all the Member States except the Netherlands, under Article 169 of the Treaty, by sending a letter of notice (the Netherlands had in the meantime communicated their implementation measures).
3. Since then the Commission has suspended the infringement procedure with regard to Germany, Italy and Belgium, since these countries have communicated their implementation measures.

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Question No 33, by Mr Colla (H-90/81)

Subject: Community radio and television programmes

What does the Commission think of the idea of having the European Community, possibly in cooperation with the existing broadcasting companies, produce radio and television programmes and, should such a scheme be realized, what are its views regarding, on the one hand, advertising and, on the other, the safeguarding of the interests of minorities and groups of all political and philosophical tendencies in relation to such broadcasts?

Answer

1. The Commission is following with the greatest interest the current debate in the European Parliament on the proposal to create a European television channel which would also produce programmes. Radio and television are of course the most suitable media for bringing up-to-date information to the public and for producing programmes on European problems, as well as broadcasts of general interest placed in the European context.

Within the framework of its information activity, the Commission is currently investigating how the Radio, Television and Films Division can make the maximum practical use of the possibilities offered by the communications media.

2. As to the possible use to be made of advertising income to cover, in whole or in part, the expenditure involved in the production and broadcasting of the European programmes, a decision will be taken as soon as the European Parliament and other competent bodies have been consulted.

3 In a democratic society such as the European Community, the safeguarding of the interests of minorities and groups of all political and philosophical tendencies by the producers of radio and television programmes is one of the foremost principles which the Commission seeks to guarantee.

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Question No 34, by Mr Hutton (H-92/81)

Subject. Coordination of forestry measures

Since a number of separate measures for forestry have already been proposed, would the Commission say why these cannot be coordinated in an overall forestry policy?

Answer

I can assure the honourable Parliamentarian that the Commission maintains an overall view of the needs of the forestry sector and has proposed a coordinated series of measures. What I regret is that the Council has still not adopted them.

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Question No 35, by Mr Pininfarina (H-94/81)

Subject. Rigid systems of indexing incomes

In the European Council's final declaration at its meeting in Maastricht, mention was made of revising certain rigid systems of indexing incomes

What measures does the Commission intend proposing to ensure that the Italian indexing system is brought into line with the economic and monetary situation generally obtaining in the European Communities?

Answer

In the Annual Economic Report 1979-1980, the Commission suggested that, in those countries where there is a general indexation mechanism with rapid adjustment to inflation, this mechanism should be restricted so as to avoid secondary increases in the rate of inflation. Similarly, in the 1980-1981 Report, the Commission underlined that although some countries have taken measures to modify the indexation system, other countries have made insufficient adjustment or have experienced an excessive rise in nominal wages and salaries.

The Commission considers that systems of wage and salary indexation can, in those countries applying such systems, impede the success of policies aimed at reducing inflationary tendencies and therefore not be totally compatible with the aims of economic convergence which the Commission must pursue

The Commission reserves the right to propose, in the form it considers most appropriate, a certain number of ideas which it will submit to the attention of the Council

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Question No 36, by Mr Coutscheras (H-95/81)

Subject. Greek students in British universities

Is the Commission aware that, contrary to agreements that students from EEC Member States should pay the same enrolment fees as British students, Greek students in British universities are being asked

to pay enrolment fees for the academic year 1980-1981 of between £1 330 and £5 000 instead of fees ranging from £216 to £1 105?

What steps does the Commission intend taking to ensure that Greek students receive equal treatment as regards enrolment fees in British universities?

Answer

Last year, the government of the United Kingdom decided to exempt students of the European Community from differential fees charged to overseas students studying in higher education institutions in the United Kingdom.

The Commission warmly welcomed the announcement as this decision was consistent with the terms of the report of the Education Committee adopted by Council and Ministers of Education on 27 June 1980 which stated as follows: 'where tuition fees are payable in a Member State, those for students from other Community countries will not be higher than those applicable to home students' (see Council document EDUC 30 of 7 July 1980). In the case of students from new Member States, however, a Member State may for reasons of administrative necessity defer application of the principle set out in this paragraph, until the beginning of the first academic year after accession.

In the view of the Commission, the dispositions taken in respect of Greek students do not represent discrimination against Community citizens by the government of the United Kingdom, since the application of the principle mentioned in the above paragraph is being applied in the first year of Greece's membership of the European Community.

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Question No 37, by Mr Vlahoroulos (H-101/81)

Subject: Relief measures to support farmers

It is a fact that modern agriculture is increasingly making use of liquid fuels and electricity, in addition to other energy sources, in the process of cultivation and agricultural production.

As the production costs which our farmers have to meet are constantly rising does the Commission intend to propose any measures to provide economic relief for them, such as cheap supplies of liquid fuel, electricity, etc., so that their overheads can be reduced?

Answer

Agriculture, like other sectors of the economy, must accept the consequences of higher energy costs. The Commission does not therefore envisage measures of the type suggested by the honourable Parliamentarian.

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Question No 38, by Mrs Squarcialupi (H-104/81)

Subject: Birth of deformed babies in Augusta (Sicily)

In Augusta — which has one of the largest concentrations in Europe of petrochemical industries, discharging tonnes of poisonous substances into the air, water and soil — the number of babies born with severe deformities in the last ten years has risen from 3 to 14 per thousand, and the number of deaths from cancer (especially of the respiratory system, the intestines and the liver) has doubled in the last two years. Furthermore a study by the World Health Organization has established the presence of cadmium and mercury in the food cycle of this industrial area.

When and how does the Commission intend to take measures to intervene directly — or in cooperation with the Italian Government — to assess the extent of those developments, to establish the

degree of pollution in the area and to guarantee that industrial development does not jeopardize health in one of the most disadvantaged regions of the Community?

Answer

The Commission thanks the honourable Member for drawing attention once more to this important problem. At this stage the Commission can only give the same answer as it gave earlier to a written question (No 1702/80 of 10 December 1980)

For a number of years the Commission has been following the problems of environmental pollution caused by large industrial plant. As early as July 1979, it presented to the Council a proposal for a directive on the dangers of serious accidents in certain industrial sectors. This proposal has already been examined twice by the Council of Ministers for the Environment, but it has not yet been possible to adopt it. Moreover, in June 1980 the Commission presented to the Council a proposal for a directive on inspections to ensure that certain public and private projects present no threat to the environment.

Both of these proposals aim to prevent situations such as that mentioned by the honourable Member. It is unimportant whether these regulations are laid down at the national or the Community level. At all events, it is up to the responsible Italian authorities to ensure compliance with the regulations on protection from environmental pollution.

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Question No 39, by Mr Prag (H-103/81)

Subject: Grants for students studying in Community countries other than their own

Will the Commission propose to the Council a common system of grants for students who are nationals of Member States and wish to study in a Member State other than their own?

Answer

On 22 September 1978 the Commission proposed in its communication to the Council (COM(78) 469 final) the setting up of a European Community Scholarships Scheme for Students. The idea behind this proposal was to supplement the provisions of Member States by the agreement in principle by Council and Ministers of Education on a common approach to the admission of students from other Member States, part of which refers to the availability of national maintenance grants in all Member States. See Council document EDUC 30 of 7 July 1980, § 19 of section IV-D: this relates in fact to the higher financial potential that is available to students in most of the Member States.

The proposal however did not receive the necessary support of the Education Committee, and it was not considered ripe for discussion by Council and Ministers of Education.

Consequently, with the cooperation of the Education Committee, the Commission has made a fresh survey on the availability of national grants to enable students to study at higher education institutions in Member States other than their own. On the basis of the results of this survey, the Commission may decide to re-submit appropriate proposals designed to improve the financial incentives to encourage student mobility within the Community. I expect the survey to be formulated during the remainder of the year.

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Question No 40, by Mr Tyrrell (H-108/81)

Subject: Competition in air transport

Since the Court of Justice has affirmed in Cases 167/73 and 2/74 that the General provisions of the EEC Treaty, which include the rules on competition, are directly applicable to air transport, why is

the Commission delaying its draft proposal for a procedural regulation in the air transport sector which would allocate to Directorate-General IV of the Commission the powers of investigation and penalty necessary to enforce the competition rules in this sector?

Answer

As was explained in the answer to the oral question by Lord Bethell (H-578/80) on 9 February, Articles 85 and 86 alone are directly applicable to agreements and activities of undertakings in the exercise of their own independent business. In the field of air transport,¹ on which most discussion has arisen, regulations can only have a limited influence because of the role played by governments. The latter issue instructions to the aircraft companies on tariff procedures and reserve the right to approve or reject tariff proposals. In the circumstances, in which we have to deal with public undertakings or undertakings to which the Member States give special or exclusive rights, the Commission departments are carrying out a thorough investigation of the possibilities of proceeding under Article 90 of the Treaty of Rome and taking action against the conduct of Member States if it gives rise to a situation on the relevant market which is incompatible with provisions of the Treaty. It is, however, a complicated question, not least because of the consequences for other government measures, in relation to the prices in other fields.

The Commission has called for a report on these matters, and has decided to await it before expressing a definite opinion on the draft regulation and submitting it to the Council of Ministers, instead of proceeding against Member States under Article 90 without waiting for the regulation to be adopted

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Question No 41, by Mr Adam (H-111/81)

Subject: Multinational companies

In view of the recent activities of multinational companies, will the Commission undertake to establish immediately a monitoring procedure to record the investments of multinational companies in coal and strategic raw materials and to report the findings periodically to Parliament?

Answer

1 Without prejudice to the powers attributed to it in the field of competition, the Commission has no intention of establishing a special monitoring procedure to record the investments of companies in the sectors mentioned by the honourable Member or in other sectors.

2 With regard to coalmining investments, the mining undertakings of the Community, whether multinational or not, submit periodic information to the Commission of their own accord on all their investments flows, within or outside the Community.

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Question No 42, by Mr Griffiths (H-113/81)

Subject. Combating unemployment especially among young people

What steps are the Commission taking in the light of the European Council's Maastricht meeting's expression of 'deep concern' about 'high and rising rates of unemployment among youth' and their call for 'intensive consultation with the social partners'?

¹ Of scheduled flights.

Answer

With regard to youth unemployment, the Commission is seeking to reinforce its existing action, particularly by means of the European Social Fund, to support training and employment measures for young people

The increasingly high rates of youth unemployment reflect a general worsening of the unemployment situation. A number of guidelines for a more positive policy response to the problem of unemployment¹ have just been approved by the Commission and sent to the Council for consideration in the first instance by the Standing Committee on Employment on 19 May 1981 and the Ministers of Employment and Social Affairs on 9 June 1981. Other contacts at different levels are taking place between the social partners and the Commission.

The Presidency of the Council has also arranged a first high-level contact with the social partners and the Commission to consider the problems of unemployment and, in particular, to identify specific issues that could usefully be considered by a joint session of Ministers of Economy, Finance, Social Affairs and Employment.

The Commission will be ready to make its contribution to such a joint session once decisions are taken by the Presidency concerning the date and the agenda.

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Question No 43, by Mr Pintat (H-120/81)

Subject: Research programme in the field of ceramics

The Council has informed the European Parliament that it still has not been able to begin work on the research and development programme in the field of ceramics because CREST has not delivered its opinion.

Can the Commission state what progress this body has made with its work and what the gist of the proposal will be?

Answer

The Commission sent the relevant proposal to the Council on 5 June 1979 (COM (79) 273 final). CREST dealt with this on 25 September 1979 with a view to giving an official opinion. Most of the delegations of the Member States acknowledged the scientific and technical interest of the proposed action, but the Committee agreed to give its definitive view as soon as the Commission had decided upon, in particular, the implementation methods envisaged. It is a question of research activity with a direct industrial aim, on which CREST finds that not only the rules for carrying it out (particularly whether or not to make use of public invitations to tender) but also the regulation on the dissemination of knowledge (rights to industrial property) must be clarified.

Because of this concern, and in the light of the rationalization of Community R & D efforts in which the regrouping of programmes is envisaged, the Commission departments intend to take this proposal up in an extensive programme in the raw materials sector. CREST had a preliminary exchange of views on 8 April 1981 about the future programme, and provisionally expressed a favourable view on the adoption of an R & D subprogramme for clay and ceramic materials (this provisional favourable opinion was confirmed on 10 April 1981 by a group of experts).

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¹ COM (81) 154 and SEC (81) 662 of 15.4.1981

Question No 44, by Mrs Desmond (H-125/81)

Subject Situation relating to abolition of headage grants in disadvantaged areas in Munster

In answer to a previous question of mine¹ concerning the Irish Government's decision to abolish headage grants in certain areas in Munster, the Commission was to contact the Irish Government to ascertain the situation; can the Commission now state the results of its enquiries?

Answer

I am satisfied that the abolition of these headage grants for part-time farmers whose annual income exceeds 4 175 Irish pounds will not cause undue hardship, and is unlikely to have detrimental effects on agricultural development.

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Question No 45, by Mr Purvis (H-127/81)

Subject Exploitation of turf peat

As a result of the Parliament's resolution on turf peat contained in the Gallagher report of 19 December 1980, what action has the Commission taken to promote the use of peat for electricity generation, heating and other uses and what schemes involving peat exploitation are currently being assisted by the Community and in which related areas does the Commission propose to extend its involvement in the future?

Answer

In the field of production and exploitation of peat, the Commission's activity consists of making loans consisting partly of interest rebates and provided on the one hand by the European Investment Bank and on the other by the Commission in the context of the NIC

In 1979/80 the European Investment Bank loaned 11.7 million ECU to encourage the use of peat for electricity generation. The Commission has received no request for aids for peat-fired heating systems. In the same period the Commission and the European Investment Bank have made loans amounting to 18.9 million ECU to finance investments in peat production.

Up to now these credits have been confined to Ireland. The Commission is prepared to extend the aids to other countries when corresponding projects for developing production and exploitation of peat — e.g. in Scotland — reach the implementation stage.

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Question No 46, by Mr Petersen (H-128/81)

Subject: Right of veto in the Council

Mr Gaston Thorn, the President of the Commission, has proposed on several occasions, either directly or indirectly, that the right of veto in the Council should be abolished or curtailed

Does the Commission consider that it is beneficial to the Community, during a period of economic crisis, for discussion of such a controversial issue to be resumed?

¹ H-38/80, Debates of the European Parliament, Ann to OJ No 1-255, p 37

Answer

Like the previous Commission, this Commission has always urged the Council to make more frequent use of majority voting. The honourable Member is no doubt well aware that the same view was expressed by the Heads of State and Government at their Conference in Paris in December 1974.

In view of the well-known difficulties encountered by the Council in its decision-making process, the Commission thinks that a review of the current practice of the Council could contribute to the solution of certain problems facing the Community

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*2. Questions to the Council**Question No 47, by Mr Vié (H-22/81)*

Subject: Renewal of the Multifibre Arrangement

Why did the Council in its brief to the Commission on the renewal of the Multifibre Arrangement give no instructions on the inclusion of a clause on the non-use of child labour in the textile industries of third countries, this being an ILO standard which I understood the Commission had decided to include in EEC arrangements with non-associated countries?

Answer

The Council has just begun examination of the Commission proposal on the renewal of the Multifibre Arrangement, submitted to it on 15 April 1981.

All problems raised by the renewal of the Multifibre Arrangement, including that of working conditions in third countries, will be dealt with in the course of this examination.

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Question No 49, by Mr Ansquer (H-48/81)

Subject: Development of the European Monetary System and public issues of ECUs

What is the Council's reaction to the recent statement by the Chairman of the European Monetary Committee concerning public issues of ECUs in the form of coinage and travellers' cheques?

Answer

It is not appropriate for the Council to comment on public statements made in a personal capacity such as that referred to by the honourable Member

The Council wishes to point out, however, that the way in which the ECU may be used and developed is currently being studied by the competent Community authorities. Any initiative in this connection can only be gradual and the fruit of careful consideration.

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Question No 52, by Mr Poniatowski (H-93/81, ex 0-80/80)

Subject: Development cooperation and the observance of certain international standards governing working conditions

What action does the Council intend to take on the communication from the Commission of the European Communities¹ concerning development cooperation and the observance of certain international standards governing working conditions?

Answer

The Commission communication of November 1978 concerning the respect of certain international standards of working conditions has been examined by Member States in various subordinate bodies of the Council on a number of occasions. These examinations have related partly to the negotiation of the second ACP-EEC Convention of 1979, partly to the proposals for the 1981 Schema of Generalized Preferences and, finally, to the general context of cooperation with developing countries. In the course of these examinations, the 1979 Report of Mr Nyborg and the Resolution of the European Parliament of 11 May 1979 have been taken into account.

On these occasions, the Member States, while appreciating the motives which inspired the Commission in its communication, did not consider that reference should be made to the ILO standards of working conditions in the preferential agreements which they were at the time examining.

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Question No 56, by Mr Chambeiron (H-66/81)

Subject: European passport and threats to freedom

Certain Member States have indicated that they could magnetize the 'European passport' on which negotiations are currently taking place in Brussels. Can the Council state whether it intends to ban this procedure, which would enable the movements of the citizens of the ten Community countries to be computerized and would thus seriously undermine their freedom; does this procedure comply with the solemn declaration, signed by the Council, on respect for human rights and freedoms in the Community?

Answer

The draft Resolution currently being studied with a view to introducing a passport of uniform presentation, does not contain any provision which would oblige Member States adopting a passport which incorporated a plastic card to provide for a machine-readable strip on the card.

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Question No 57, by Mrs Scrivener (H-67/81)

Subject: Use of oestrogens in breeding

In view of the alarm felt by European public opinion, particularly consumer organizations, at reports that natural and synthetic hormones might be re-introduced as growth stimulators, can the Council confirm that there are no such plans?

¹ Doc COM (78) 42 final

Answer

The Council is particularly aware of the problem of the use of hormones as growth stimulators in breeding animals, a problem which has made an impression on public opinion and caused difficulties on the markets of several Member States

Further to the Council's request of 30 September 1980, the Commission submitted a proposal for a Regulation on this subject to the Council on 3 November 1980.

Within its relevant bodies, the Council is continuing to examine the technical and political aspects of this proposal and of the implementing text relating to the control and use of certain substances for therapeutic purposes. In accordance with the instructions given by the Council at its meeting on 8 and 9 December 1980, this examination currently includes the preparation of a very short positive list — by way of derogation from the principle of a ban — of products whose use will be permitted under certain conditions to be determined

The Council will resume examination of this matter at its next meeting on agricultural questions.

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Question No 65, by Mrs Lizin (H-121/81)

Subject: Food aid to Vietnam

Having read the poignant conclusions of the report drawn up by the commercial and technical cooperation advisers under the presidency of the Netherlands which refer to a fresh outbreak of infantile malnutrition on a tragic scale and the need to consider the possibility of making a humanitarian gesture, has the Council decided to adopt a positive attitude towards these findings?

Answer

The Council has followed closely developments in the food situation in South-east Asia, following in particular the influx, in certain regions, of people uprooted by war or by other, natural, disasters. It wishes to point out that the Community contributed in favour of these peoples to a number of major projects, both in 1979 and in 1980 and is currently still carrying out some of these. One of the fundamental conditions for such projects is, of course, the assurance that the aid supplied by the Community actually reaches the people for whom it was intended and at the right time

The Community has not always been convinced that, as regards food aid to Vietnam, such a condition has generally been observed. The Commission was not able to avail itself of the opportunity which arose in the context of the 1980 programmes to grant aid to Vietnam and did not consider it desirable to make proposals on behalf of that country in the context of the 1981 programmes, which are currently before the European Parliament for its opinion

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Question No 66, by Mr Calvez (H-123/81)

Subject: Fisheries

A framework agreement was signed between the EEC and Norway in February 1980. One problem, however, is still outstanding in 1981 and concerns the management of joint stocks of saithe and cod in the North Sea (17 % of the cod and 48 % of the saithe stocks belong to Norway). The level at which the TAC has been fixed is considered by France and other Member States as too restrictive

Does not the Council agree that the Community is entitled to disregard Norway's objections and to unilaterally raise the TAC for these two species?

Answer

In accordance with Articles 2 and 7 of the Agreement on fisheries between the Community and Norway, approved by the Council on 27 June 1980, the two parties consulted each other in order to fix the mutual fisheries arrangements for 1981. The outcome of these consultations is given in an Agreement in the form of an exchange of letters, which the Council approved on 27 March last following consultation of the European Parliament which delivered a favourable Opinion

The Community and Norway fixed by mutual agreement the TAC (total allowable catches) for the species mentioned by the honourable Member. They also agreed that if the Advisory Committee on Fisheries Management were to issue further recommendations, the Parties would review these authorized rates for catches

In these circumstances the Council feels that the Community may not unilaterally review the TAC for stocks which it holds in common with Norway

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*3 Questions to the Foreign Ministers**Question No 70, by Mr Kavanagh (H-126/81)*

Subject Participation by the Community in UN Conference on sanctions against South Africa

Will the Community be represented officially at the forthcoming conference organized by the UN in cooperation with the OAS on the question of sanctions against South Africa to be held in Paris from 20 to 27 May 1981?

Answer

The Community is not officially represented at the Conference. The Ten have been unable to agree on a joint voting policy in respect of the UN Resolutions underlying the conference on sanctions.

SITTING OF THURSDAY, 7 MAY 1981

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IN THE CHAIR: MR ROGERS'

Vice-President

(The sitting was opened at 10 a.m.)

President. — The sitting is open.

1. *Development of transport infrastructure*

President. — The next item is the report by Mr Klinkenborg, on behalf of the Committee on Transport, on the Memorandum of the Commission on the role of the Community in the development of transport infrastructure (Doc. 1-601/80).

I call the rapporteur.

Mr Klinkenborg, rapporteur. — *(DE)* Mr President, ladies and gentlemen, I should like to begin by making three points in connection with my report. Firstly, although this report reflects a lengthy debate in the Committee on Transport regarding infrastructure questions, the final decision was nevertheless unanimous. Secondly, the report was made possible only because we agreed in a debate not to go into details of individual projects as this would have placed us in the difficult situation of having to draw up priorities as well. Thirdly, in the course of the discussion, we asked the Commission to submit to Parliament a list of priorities on the basis of the criteria set out in the report so that Parliament could then discuss the individual specific measures. As you all know, there is a long list of requirements before Parliament which concerns all sorts of desirable projects from the English Channel through the Rhine-Rhône canal to the Messina Straits.

The Committee on Transport in fact felt it was incredible that it should have taken nearly 20 years for the

Commission to submit a report which deals in detail with transport policy and suggests possible lines of action. Our first reaction, therefore, was to welcome this report but we also expressed our regret at having had to wait so long for it.

It has, we feel, been made very clear for the first time in this report — and I do not think there is any disagreement among the experts on this point — that if we are to have a transport policy we must have a transport infrastructure. If we do not develop a transport infrastructure, we can forget any ideas of a European transport policy. For this reason, we were very pleased that the Commission has now stated its views in detail regarding the transport infrastructures within the European Community in this document. We are firmly convinced that the development of an appropriate transport infrastructure will — and this is desirable in our view — ultimately be in the interests of further European integration.

One of the aims of the European Community must be and must continue to be, in the view of the Committee on Transport, to develop a transport system which will facilitate travel and interpersonal contacts. This is regarded in the report as the primary aim in the context of further integration. Clearly, if the infrastructure is developed in a rational manner, access to the various markets will be facilitated. In addition, as we see it, the infrastructure should first and foremost serve the people and it can do this best if it enables them to get to know different cultures.

However, the development of transport routes is also very much in the interests of regional policy, I think this point should be made very clear. After all, what is regional policy but the attempt to make the regions less remote and alleviate structural weaknesses by improving the links with conurbations? Obviously, one cannot bring these regions any closer to the conurbations, but it is equally certain that this measure will serve to facilitate access and in our view this is also desirable from the point of view of regional policy. We must examine the extent to which specific measures in a region will produce direct benefits in each case.

Klinkenborg

There is also no doubt about the fact that regional measures have a direct effect on the employment situation and it is amazing that — as was made very clear in the Committee on Transport — so little attention is paid to the effects of transport on employment, since the transport sector accounts for 6% of the gross domestic product of the Community — and this is, in our view, such a substantial sum that more attention should be devoted to these matters.

We are agreed that the development of transport infrastructure projects will be of great significance to intra-Community trade since how can Greece be involved to a greater extent in the Community unless we see to it that the requisite transport routes are set up? How are we to solve the problem of Italy and the Community without suitable transport routes?

However, there is also a foreign-trade aspect, i.e. we must examine our relations with third countries and probably, almost certainly, revise them. The responsibility for European transport systems cannot be left with the transit countries. In our view, this a job of the European Community. We must determine what infrastructure measures will be required in the future on the basis of the changes in the situation which oblige us to develop our transport infrastructure if only to achieve a systematic use of existing systems and a more rational use of energy. We should like to point out in particular in this connection that road-rail transport is of exceptionally great significance to the European Community.

Naturally, the development of transport infrastructures is a very expensive affair and for this reason it had originally been intended that the report should contain a section dealing with the financing of these measures. We finally decided against this idea since we had the impression that we would in that case have had no longer been able to reach agreement. However, it should be made clear that, if Parliament adopts this report today, it must realize that appropriate amounts must be included in the budget for 1982 as otherwise this document will become nothing more than a piece of paper full fine-sounding but empty words. Thus, anyone who support this report must realise that it will cost money. However, I should like to add that it is our firm conviction that Europe urgently needs a European transport policy, and if we are to have a European transport policy we must develop the transport infrastructure.

President. — I call the Committee on Transport.

Mr Seefeld, Chairman of the Committee on Transport. — (DE) Mr President, ladies and gentlemen, I am very pleased that today's agenda for the European Parliament includes four consecutive items relating to transport policy. Today is, I think, a transport policy day. Unfortunately it is very rare that we have such an

opportunity to discuss various aspects of European transport policy in a connected fashion.

These are very important subjects — for example there is the question of the future of European transport infrastructure as raised just now by Mr Klinkenborg. This will be followed, quite logically, with a further report on the situation as regards the Channel Tunnel and finally there is a further problem which is to be discussed today and which has been on the European transport policy agenda for years now, in fact more than a decade, i.e. the weights of road vehicles.

Ladies and gentlemen, I am convinced that today will enable us in Parliament to make it clear once more to the Ministers who must bear the actual responsibility in the Council how dissatisfied we are with what has been done so far and the very small amount of progress which has been made in the field of transport.

I should like first of all to take the opportunity of thanking all the rapporteurs, Mr Klinkenborg, Mr Moreland, Mr Carossino and Mr De Keersmaecker, for the work they have done. However, as Committee Chairman I should also like to thank all my colleagues in the Committee on Transport who have been very accommodating and shown considerable team-spirit in their attempts to overcome group and national differences with a view to getting things moving in the hope of a successful outcome.

Mr Klinkenborg has just rightly pointed out that the transport sector accounts for around 6% of the gross domestic product of the Community, which, as you know, is more than in the case of agriculture. I do not intend to indulge in any axe-grinding, but I think one of the ways in which we must make the importance of European transport policy felt more clearly is by drawing more attention than hitherto to the difficulties encountered since every citizen in the ten countries of the Community is faced with some form of transport problems or regards himself as an expert in this field. 15% of all investment and no less than 40% of all public investment stems from the transport sector. It is, I think, high time attention was drawn to these facts if one considers that only 0.006% — yes, you heard rightly — of the budget of the European Community is earmarked for transport measures.

I should like to thank Mr Klinkenborg first of all for the fact that he has attempted, with a great understanding of the matter in hand, to go into the various individual aspects. If we in the Member States manage to rethink our attitudes on infrastructure policy, I think we may then also succeed in arriving at an overall European approach.

Community action can in no way be a substitute for action on the part of the Member States which must continue to plan and work out what must be set up or maintained in the way of transport routes. However, all the Member States must know how their plans fit in

Seefeld

with those of other Member States and we therefore need an overall long-term scheme for European infrastructure. As you will remember, in the past, before this Community had been set up, the transport routes in most of our countries were based on the capital or the main industrial centres and took very little account of the borders. Nowadays we are trying to facilitate trans-frontier traffic and are coming up against many difficulties in all the transport sectors.

I should like to stress another point made by Mr Klinkenberg. We will have to consider how certain projects are to be financed in the future. Mr Klinkenberg made a number of observations in this respect in his report but I should like here today to make a very clear appeal to you all. There is no point in us adopting the Klinkenberg report today — which I urge you to do — and saying how vital all this is and then forgetting about it a few weeks or months later. In other words, anyone who is in favour of developing the transport infrastructure — and I hope you are in favour — must as soon as possible join us all in considering how we intend to translate what we regard as necessary into practical budgetary terms. If we do not succeed in doing this, the Klinkenberg report might just as well be consigned to the waste paper basket. We will have made a lot of fuss without achieving anything in practical terms. I wanted to make this point at the beginning of the debate so as to make it clear that in the transport sector we will need decisions which — if we in the European Parliament bring more pressure to bear — may also be accepted by the national governments.

Ladies and gentlemen, I should like to thank you for listening to me at the beginning of this debate. I hope a number of important issues will be made clear today. I should like to thank all the rapporteurs and am very pleased at this opportunity we have of discussing various transport topics at the same sitting. I would be grateful to the members of the Bureau if they could give us more opportunities to deal with European transport policy on the basis of several different subjects.

President. — I call the Socialist Group.

Mr Albers. — (NL) Mr President, the Commission memorandum on transport infrastructure has been given the graphic title of 'a transport network for Europe'. This is, I think, a very good title as it makes clear what is involved. Those who know anything about transport policy will certainly not dispute the fact that we need to develop a European transport network. The figures show that by the year 2000 the flow of goods and persons will have doubled compared with 1980 so a European network is vital if only to eliminate bottlenecks which already clearly exist in various places. However, it is not only trans-

frontier transport within the European Community which is increasing and will continue to increase at an enormous rate, but the volume of traffic and transport from and to third countries will also continue to increase. The maps accompanying the memorandum show where the difficulties lie for the various modes of transport. As regards roads, it is of course clear that there is a bottleneck at the link between the continent and the United Kingdom, i.e. the English Channel. As regards waterways, it is clear that both the Rhine-Main-Danube link and the Rhine-Rhône link will have a very important role to play, but improvement of the entire inland waterways network also calls for our attention

As regards the railway network, we must obviously aim at reducing travelling times and improving goods transport. What is too much lacking in the memorandum, however, is attention to sea-ports and airports since it is clear even now that with the increase in travel and transport to third countries these will also have a greater role to play in the future. It has been pointed out by the municipal and regional organizations that the transport and traffic infrastructures in conurbations also call for our full attention and that there must be consultation on a regional and local basis with these authorities. How then does the Socialist Group view these proposals? We should like to look into their consequences for economic and regional development, particularly as regards employment, energy saving, the environment and road safety. We attach great importance to the elimination of bottlenecks in the road system, particularly at border crossings and we should like to devote particular attention to peripheral areas in the future. However, my Group would also like to place particular emphasis on the improvement of the waterways, especially in view of the opportunities this will offer in the future for energy saving and reducing our dependency on oil imports. Above all, however, we attach great importance to a substantial improvement of the railways network as a whole. This is something which in our view is of the utmost importance since, as we see it, the railways currently account for too small a proportion of transport, particularly goods transport. We realize, Mr President, that these proposals for an improvement of transport infrastructure may act as a stimulus for the European Community as a whole. We found figures in the memorandum which are based on calculations of a few years ago. For example, the figure of 12 000 MUA is quoted for the total expenditure on transport infrastructure throughout the Community, and it is stated that approximately 1 520 million of this would have to be financed from Community funds in the form of aid to projects of Community interest. Obviously, these figures are out of date. We should probably be talking more in terms of 20 000 million per year nowadays, of which 2 000 million could possibly come from Community funds. Then we see how limited the possibilities for Community financing are. We would have to use all the existing instruments to make this financing

Albers

possible. However, we should not lose sight of the other side of the medal, i.e. cost recovery. I would draw your attention to the old proposals made by the Commission at the beginning of the 70s and again in 1975 regarding the infrastructure levy, which met with general approval, but did not lead to any decisions. According to these proposals, it was to have been possible to pass on the infrastructure costs for road, rail and inland waterways sectors. This is, I think, an essential basis for the implementation of the plan currently before us. First and foremost, there must be loans, since we must invest in the future of Europe and we can spread the costs over a number of years. But, finally, Mr President, it is perfectly clear that the first thing we need is a decision regarding the proposal for a regulation on the granting of aid for projects of Community interest in the field of transport infrastructure. Council must get out of the present *impasse*. It must make a decision on that proposal before we can proceed further.

Mr President, I do not wish to finish my brief remarks without congratulating the Commission on its proposals and the rapporteur on the excellent report he has drawn up. This proposal deserves our full attention. It should not be left to gather dust but we should consult it every time we come to consider the proposals so as to see what has in fact come of them.

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

Mr Travaglini. — (*IT*) Mr President, ladies and gentlemen, it is quite clear from the Treaty of Rome that the founders of the Community had a very good idea of the significance of a common transport policy and of the effect it would have, if implemented in a shrewd and telling manner, on the harmonious development of the Member States' economies and on fostering relations between the peoples of Europe.

Be that as it may, there is so far precious little to show for a common transport policy. It is way behind schedule. Things got moving with regard to infrastructure only in 1966 with the introduction of a consultation procedure between the Commission and the Member States, whereby the latter had to report on investment in infrastructure projects of benefit to the Community. In 1970 there was a decision by the Council on the organization of an inquiry into infrastructure costs. Apart from this, there has been nothing else of note.

There were great hopes for developing transport infrastructure within the Community when the Commission submitted a proposal for a regulation concerning aid to projects of Community interest. But this proposal has been with the Council for five years now, once again perhaps because of this ridiculous Luxembourg compromise which requires unanimity

and which has turned out to be a constant stumbling-block in the way of economic integration, in spite of the decision to get shut of it at the 1974 submit.

The Commission has now given Parliament a memorandum on the role of the Community in the development of transport infrastructure. I regard this document as the first hesitant move in laying the groundwork for a definition of Community policy in this field. We are in favour but we are not going to get excited about it. We just want to show for the umpteenth time that we are waiting for some genuine commitment on the part of the Commission and the Council in this area which is fundamental for the economic integration of Europe. Mr Klinkenborg has produced an excellent report which gave the Committee on Transport an opportunity to go into the matter in a fitting and constructive manner.

I think there are two points which deserve special attention. I mean the two paragraphs calling on the Council to adopt the proposed regulation on support for transport infrastructure projects of Community interest, and on the Commission to draw up a list of priorities for projects coming under this heading. The Commission had listed criteria which the report adapts to bring them more in line with the aims of development and regional balance. It had also put forward an outline of infrastructure of Community interest. With this motion for a resolution the Committee on Transport is seizing the opportunity to ask for a new method guaranteeing uniform assessment for each individual project. We hope that the priorities which the motion clearly lists in paragraph 13 will be borne in mind. I must, however, stress the remarkable effect of a proper transport infrastructure policy on development and regional balance, in line with the aim which was explicitly stated in the Treaty of Rome. The Commission and the Council will have to remember these points and give priority to Community projects which help to narrow the gap between the less well-off regions, which in fact are usually the ones at the edges of the Community, and the more prosperous regions.

We are also in favour of this motion because it calls on the Council to adopt the regulation. Under discussion are separate proposals acknowledging the importance to the Community of certain major infrastructure projects. the Innkreis-Pyhrn motorway across Austria which will finally link northwest and southeast Europe; the fixed link across the English Channel; the Rhine-Rhône canal which will provide a major waterway link between the North Sea and the Mediterranean. Everyone knows how useful these projects would be, and people have been advocating them for some time. But unless we waste no time in taking a thorough look at the impact they will have on the territorial organization of Europe and on relations between States as part of an overall view of the European system, there could well be profound changes which could be tremendously counterproductive in some cases and in some countries or regions.

Travaglini

Can I just say, for example, that I am really concerned about the effect of the Innkreis-Pyhrn motorway on Italy's northern regions, unless the system is completed by improving trans-alpine routes and the whole of the Adriatic coast road from the ports down in Apulia up to Trieste, since this is going to be the major link between Europe and the countries of Africa and Asia.

We need to take an overall view in adopting a bold approach to improving the whole European infrastructure system. The Community is well able to carry out this essential task, provided it does more than simply consult and instead takes the lead in this arduous matter by providing financial aid through the regulation which, once again, we hope will be adopted, and above all by working hard to encourage and coordinate the efforts of the Member States for the greater benefit of the Community.

President. — I call the European Democratic Group.

Dame Shelagh Roberts. — Mr President, I support this report, and the amendments I have tabled are designed only to strengthen and broaden its scope. The absence of transport policies and, in particular, the absence of a transport fund, is really a glaring omission in what is termed a European Economic Community. Good communications are indispensable to the development of an economy, and I hope, therefore, if the House approves this excellent report of Mr Klinkenborg, that the message will go out that, because transport is a late starter in the field of Community activities, this should now be reflected in a great sense of urgency and in the allocation of resources in this field.

I do not think that we want to be too particular about trying to draw a clear distinction between a Community interest and a national interest. Every Community project has, of course, a national impact, and many national projects have a Community interest. For this reason I do not go along entirely with the remarks of Mr Albers on the subject of bottlenecks. I do not think that primary attention should necessarily be given to bottlenecks at frontiers. There are internal bottlenecks which also have a Community impact. For example, because of the inadequacy of the London road system, London is a major bottleneck for traffic between the UK and the Continent.

I do however go along with Mr Albers' statement that greater weight should have been given in the Commission's document to the significance of airports and seaports. In this connection I think that we need to look beyond the links with the non-member nations which are peripheral to the Community. The importance of the North American continent in terms of the development of trade with the European Community cannot really be overemphasized. That does call for

particular attention to be paid to both airports and seaports to see to what extent the Community can help.

I would also, Mr President, like to see Community funds devoted to research. I believe that the Community should be spearheading research into the development of electric vehicles, the improvement of safety standards and vehicle designs. Indeed this would improve the image of the Community. If we could be seen to be taking positive initiatives which have public approval instead of simply being looked upon in the transport field as a restrictive and regulatory body, it would greatly improve the reception which the European Community would have, particularly in countries represented in my group. It would also produce a better balance in the Community budget and a better mix of Community policies. I hope therefore that the Commission will take very seriously the remarks which speakers are making in this debate.

President. — I call the Communist and Allies Group.

Mr Damette. — (*FR*) Mr President, I wish to confine myself to a few simple remarks on behalf of the French Communists and Allies. Each Member State has its own exchequer and ministry of transport, whose authority and responsibilities are in no way disputed. We have the European Conference of Ministers of Transport take charge of all desirable harmonization. Then there is the United Nations Economic Commission for Europe, which can deal with any transport problem. This latter body has ample opportunities for bilateral or multilateral contacts any time a particular problem needs to be solved without delay. What then is the point of introducing new machinery, providing new funds, and setting up new bureaucracies? It is all the more ludicrous that the very same people who are loudest in their condemnation of the bureaucracies in their own country are at the same time contemplating setting up a supranational bureaucracy which will be even more expensive, even more remote from reality, and even more technocratic than the ones at home.

What does it all boil down to in fact? We are talking about setting up supranational machinery to take over all the national infrastructure policies. The scheme is presented as being in the Community interest, although no-one seems capable of defining what that interest is. The report even goes so far as to say, with a certain degree of naivety, that calculations will have to be made to define what the Community interest is and that, for the moment, there are still teething troubles with the methodology, but never mind, because once the calculations have been made there will be no need to stick to them too closely anyway. It may all seem quite farcical, but let us not have any illusions. For we know that there is no need whatsoever for any instrument to define what the Community interest is because, quite simply, Community interest is the inter-

Damette

ests of big business and of those who wield power in the Community. Accordingly, in the name of Community interest, we are going to be offered a policy whereby canals would bypass Dunkirk to the benefit of Antwerp, and whereby the Lorraine area would be isolated while the Ruhr reaped benefits. Such a transport policy is a logical accompaniment to the Davignon plans, the aim of which is to run down the French iron and steel areas.

Speaking on a more general level, I feel I must denounce in the strongest possible terms the idea that certain transport routes which are said to be in the European interest should benefit from particularly favourable financing. Such an idea is dangerous, and particularly pernicious for France. France's geography and its location in the middle of the Community make it more concerned than any other country by these problems. Granting special favours to certain international routes would inevitably lead to France being split up into two types of area: those of general interest and those of only local interest. Such an idea is totally unacceptable to us Communists. It would amount to the economic and social crippling of certain regions. We would end up with a two-tiered society, along the lines already envisaged by others.

Finally, and above all, what we have here is a plot to impose supranationality, a plot in which the role of this Assembly is by no means passive. On the one hand, Member States and various pressure groups are increasing their proposals for new expenditure so that they can grab as much of the Community kitty as they can, whether for transport or for other matters. At the same time, we are told that new resources will have to be found to meet increased expenditure. A Commissioner tells us that the VAT rate will have to be more than 1%. In this very Chamber a European tax on hydrocarbons has been proposed. But we can see through this little game. There is no need for supranational agencies to deal with these problems when coordination and cooperation through existing bodies can make far greater progress, and at a lower cost.

For these reasons, the French Communists and Allies will be voting against this motion for a resolution and thereby recording our protest at the political conniving of which it is only one aspect.

President. — I call the Liberal and Democratic Group.

Mrs von Alemann. — *(DE)* Mr President, the short speaking time available to me is not in keeping with the importance of this subject and the excellent report by Mr Klinkenborg, but nevertheless I will need time later to speak on the Carossino report.

Transport infrastructure policy originally formed part of the discussions on the economic utilization of the existing routes and the harmonization of the distribution of infrastructure costs, which varies from one

sector or country to another. With the increased use and overloading of those transport routes which are important for international transport, the question of the elimination of bottlenecks and the investments this would necessitate also arose. This concerned the use of the routes for transit and the financing of projects. According to the Commission, the development of the main transport routes between the Member States of the Community would cost around DM 75 000 million by the year 2000.

I should like to deal with just one point very briefly here today, i.e. the question of how infrastructure investments of Community interest may be financed. If they are to be financed from Community resources, we must discuss whether only general sums would be preferable or whether project-specific solutions could also be considered, i.e. how, for example, how multinational financing of individual investment projects can take place. The planned introduction of a heavy vehicles levy in Switzerland and the idea of introducing a toll for motorways in Belgium, which is occasionally discussed, show how pressing it is that we should set up a European transport infrastructure policy and settle the question of financing.

It has also been proposed in this connection to consider whether the common transport infrastructure policy could be financed by a certain percentage of the taxes on mineral oil. We should really seriously reconsider this proposal since there are certain budgetary objections to it. Introduction of a tax specifically for the financing of certain projects is not possible and apart from that there are other considerations, i.e. that only those countries which are financially involved in, for example, the construction of a road would directly benefit from it. We should really look into the question of the extent to which this would be in the interest of the European solution.

To sum up, I might say that this report deals with a problem which is of great importance for the integration process of the Community. There is considerable danger that more and more countries might introduce tolls for the use of their roads because their national resources are no longer adequate. We can only go against this trend if we are prepared to accept a European or at least multinational system of financing.

This is the primary and most urgent task before the Commission.

My group supports the Klinkenborg report.

Mr Doublet. — *(FR)* Mr President, Mr Klinkenborg has written an indisputably excellent report and the Committee on Transport has thoroughly examined the proposals put forward in its usual conscientious manner. We can only express pleasure at the fact that the Commission has suggested that Community transport policy should be extended into a field which up to

Doublet

now had barely been touched upon or had only been tackled at the instigation of those with short-term needs or interests but as part of an overall strategy for the future. Although we in Europe may be satisfied with the number of means of transport at our disposal, I am afraid that we can hardly say the same for the quality. The Memorandum points out the special burdens placed on people when travelling and seeking accommodation. I am particularly aware of these problems as I have personally experienced and studied them in one of the largest built-up areas of Europe.

Once again, we must draw attention to the need to adopt the celebrated regulation for which we have been waiting ever since 1976. The report is of course a compromise and on many points it leaves its options open for the future. At some point, a list of priorities for the different modes of transport will have to be drawn up, the means of financing them will have to be established, and we may well have to go beyond the Community interest as such in order to give support to projects which, although they are the responsibility of a particular Member State, are important as international motorway connections — I am referring once again to the Thionville motorway bypass. In short, all these arguments would lead us to adopt Mr Klinkenborg's report with enthusiasm.

However, we have serious reservations about some of the points. In paragraph 37, for example, not enough emphasis is given to true competition between rail and water ways where the carriage of goods in bulk is concerned. We also have reservations about paragraph 6 of the motion for a resolution, and about paragraph 10, which was just mentioned by my colleague, Mrs von Alemann. Finally, with regard to relations with third countries, it is up to the competent bodies in the Community and the Member States to propose to Yugoslavia an arrangement on tax measures affecting transit traffic and a scheme for coordinating the improvement of infrastructures, because the route through this country is an intra-Community route. As the spokesman of my Group, I have to say that we have weighed up these different arguments for and against the report, and that, while we congratulate Mr Klinkenborg for the tricky and important task he and the Committee on Transport have performed, we have decided to abstain from voting.

President. — I call the non-attached Members

Mr Buttafuoco. — (*IT*) Mr President, it has been said many times here when we have been discussing transport issues that European integration will only come through the integration of all the regions of the Community in a single, functional and linked transport system. The result would be the elimination of all those obstacles which are still there today to hinder the free and smooth movement of people and goods, be it within the Community or with other countries.

A system like this provides more scope for all sectors of production in the ten Member States; it provides a worldwide dimension which is right and proper for the world's leading commercial power. Consequently, it is in the interest of the Community as a whole to use the resources at its disposal, notably the Regional Development Fund, to help implement rationalization schemes which have already been tried with success in the various Member States. The idea is to eliminate excessive cost caused by the lack of integration at Community level and to make way for increased investment in these sectors. We should then be rid of obstacles like traffic holdups and bottlenecks which, because they hamper trade, have a considerable impact on costs and prices. I want to repeat here what I have mentioned before in a motion for a resolution, namely the need to incorporate in the system every mode of transport on the ground, in the air and on the sea, and especially the ports and airports, as was rightly called for in amendments on that occasion.

If a committee were set up to study the various possibilities which exist nowadays, that would be sufficient to come up with a definite plan. The watchwords for such a committee should be harmonization, coordination and rationalization.

Another point I want to make is that when it comes to allocating funds our budget shows a clear bias towards expenditure on consumption, while penalizing infrastructure projects which represent investment and therefore wealth. Speaking of these investments, I should like to mention — as does the motion for a resolution we are discussing — the projects which have been acknowledged to be of Community interest. I am referring to the Channel Tunnel which is again in the news and which we shall be discussing in the form of a motion for a resolution; to the bridge over the straits of Messina which would do away with a bottleneck which is affecting the development of Europe's most southerly region and which would provide a fast link between Sicily and all the countries in the north of the Community; and to the Milan-Adriatic waterway which is mentioned in Mr Petronio's motion for a resolution and for which millions have already been spent on the infrastructure, if you bear in mind that the port at Cremona has been built. This is going to be all talk, however, and the transport policy — which is explicitly mentioned in the Treaties — is going to be a lot of hot air unless we provide the right instrument, and that is the financial regulation we have been talking about for years and years and which still seems to be as far away as ever.

Another vital issue to which the Community has not paid due attention concerns the kind of vehicles we are going to use. The type of infrastructure that has to be built depends on our decision here.

Mr Klinkenborg's excellent report reflects all these requirements. Knowing what kind of infrastructure to build, that is the basic problem. And once again, my

Buttafuoco

own country, Italy, has been first off the mark with rational legislation, especially with regard to energy savings on the roads. The Council of Ministers must now reach a decision, without putting things off any longer because now, more than ever before, the transport sector desperately needs clear rules so that it does not go off in some direction only to be pulled up by the Community powers-that-be at some future date. Any further delay in reaching decisions represents an economic and financial waste which has no little impact on the national and Community economies. We have to remember that the transport industry provides jobs, directly or indirectly, for tens of millions of people throughout Europe. Harmonizing infrastructure is the vital element in a system to make savings in the transport sector. And it goes without saying that if we make savings, this will have a positive effect on costs and prices.

Consequently, I welcome without reserve Mr Klinkenborg's excellent report, and I do so also because it presents a new idea: the idea of making the Community formally responsible for part of the spending which will be needed for the infrastructure projects which directly affect the Member States. But as Mr Seefeld said, with his usual command and sense of responsibility, these initiatives will have to be followed by definite budgetary measures, because unless this is done all we say here is going to be a lot of hot air, with no chance of anything coming of it.

Lastly, we give our full backing to the idea of aiding infrastructure projects of Community interest in third countries. Of course, this has to be done in a rational manner in the light of the requirements and in full awareness of the interests of the ten Member States.

President. — I call Mr Carossino.

Mr Carossino. — *(IT)* Mr President, the good thing about the Commission memorandum on transport infrastructure which Mr Klinkenborg superbly set forth in his splendid report is that it sketches the basic outline of a transport policy which, if it could be implemented, would provide a significant boost to the flagging process of economic integration in the European Community. We endorse the main idea of having a coordinated Community approach to the development of transport infrastructure because — and this is something we should not forget — this is one of the common policies envisaged in the Treaties which established the Community.

This proposal is also important on account of the contribution it could make to improving the efficiency of the European transport network, to restoring the competitive edge of the Community economy on world markets, and at the same time to bringing the regions of the Community closer together.

For these reasons the Italian Communists feel we should reject the view of those who say that this is an acceptable proposal but that it should be shelved until such time as we have got over the economic crisis and the financial problems which are currently besetting the Community. If you ask us, this is in fact a relevant political proposal which should be listed among the urgent options for productive investment to be written into the Community budget right away, in order to combat the effects of the economic crisis and to ensure that jobs are protected in the Community.

In 1978 we had the decision to set up a consultation procedure and to form a committee on transport infrastructure and then we had the proposal for a regulation which the Council has still not approved and which was intended to introduce a definite financial procedure in the transport sector in order to complete the range of instruments which were already available. We now have this memorandum which outlines planning for the sector. In our opinion, this planning should be comprehensive, in other words it should cover all modes of transport, including the ports and the airports, and should in turn help bring about other projects which come under regional, energy or industrial policy.

It is vitally important at this time to identify the European projects which should get priority when it comes to financing. In this respect, there can be no doubt that the most important and imperative projects are those for road and rail links through the Alps, and I am thinking in particular of the tremendous importance to Europe of the Brenner tunnel, since this stands out as a bottleneck in the European transport network.

We supported the proposed modification to the regulation extending the possibility of aid to third countries because we believe that cooperation with third countries can help significantly in solving these problems.

By way of conclusion, Mr President, let me say that we are firmly convinced that we must at last get round to thinking about a Community transport policy, which is one of the missing links in Community policy. If something definite comes of the ideas in this memorandum — and this is the wish and the hope of the Italian Communists — the Community will at last have made some real progress on transport policy.

President. — I call Mr Markozanis.

Mr Markozanis. — *(GR)* Mr President, ladies and gentlemen, I should like to congratulate Mr Klinkenborg on his detailed report, which represents a comprehensive study of the subject, although I must at the same time express my disappointment that it is not available in Greek.

Markozanis

Together with the rapporteur, I should like to emphasize that there are many ways in which infrastructure projects in the field of transport can be financed, if only we have the political will which is necessary if we are to find solutions. At a time of austerity, of course, it goes without saying that the initial steps will have to be taken very slowly and, since finding procedures will prove to be a time-consuming process, the Commission will have to prepare concrete proposals immediately with a view to selecting ways of financing projects in this sector. There can be no doubt that a properly functioning transport system — of whatever kind — is one of the essential requirements for the economic integration of the Community. The importance of transport infrastructures of European unity and integration is all the more crucial now that the tenth Member State of the Community — Greece — is geographically separated from the rest of the Community.

It is therefore essential that we avoid any kind of geographic or economic isolation of Greece. Since it is generally accepted that there is a wide gap between the North and the South as regards economic development in Europe, any geographic isolation in the case of Greece could make this problem of unequal development even more serious.

In general terms I agree with the Klinkenborg report, but we note to our regret that the problems of transport infrastructures, in which Greece should be helped in its efforts to adapt itself better to the European economy, have not been dealt with adequately in the motion for a resolution.

There should be a comprehensive and clear report on Greece's problems with regard to transit through Yugoslavia and Austria. This is a unique problem which is of crucial importance for the integration and economic unification of Europe.

For this reason, the decisions to be taken must be given effective support, so that do not remain mere decisions, and they must be given economic muscle by means of loans and grants from the Community funds, particularly the Regional Development Fund and the European Investment Bank.

We must all appreciate that recognition of Community interest in studying ways of financing infrastructure projects in third countries — such as the motorway through Austria — have top priority in the light of the transport requirements of the Community, with a view to the transportation of goods to the countries of the Middle East, while at the same time this will considerably boost the further development of transport in the new Member State of the Community, Greece.

In conclusion, Mr President, I should like to express my agreement with the point referring to the implications of transport infrastructures for competition, to

their significance for increasing potential, and to their importance for saving energy.

President. — I call the Commission

Mr Kontogeorgis, Member of the Commission. — (GR) Mr President, I should like to thank the rapporteur, Mr Klinkenborg, and congratulate him on what is in every respect a comprehensive and thorough report. This report is an excellent basis for the action which the Commission of the European Communities has proposed in this sector, the first stage of which was the publication of its Memorandum on the need for infrastructure projects in the transport sector.

Let me remind you that this Memorandum aroused great interest in all the interested quarters and encouraged the fruitful exchange of views in the debate of 6 June 1980. One has only to read the minutes of that debate to appreciate the conviction with which both the Chairman of the Committee on Transport, Mr Seefeld, and the rapporteur welcomed the way in which the Commission was tackling this problem. I take this opportunity of thanking them for their extremely positive contribution. I also take this opportunity of thanking all those who have spoken today for their contribution on a subject of such crucial importance for European integration. At a time when the Commission is, as you know, drawing up proposals and asking for funds to enable the structure of the Community budget to be adapted to the current economic situation, so that those Community requirements which have been given priority can be met, Parliament's vote on transport infrastructure projects will be of special and significant importance.

The proposal before you is intended both as an encouragement and as a warning. We must not lose sight of the fact that, in the economic crisis currently facing the Community, adapting the transport network to meet the need for greater integration of our economies is essential if we are to safeguard the political and economic cohesion of the Member States.

I am fully aware of the fact that the rapporteur would have liked to go even further and indicate the approach to be adopted in ensuring a better economic basis for the measures being proposed. I share his concern and, from a tactical point of view, I welcome the fact that the Committee on Transport showed itself to be sensitive to this point. At the current stage, we must insist that we be given the chance, in specific cases, to take effective action within the framework of the Regulation we are proposing. Something along those lines could limit the budgetary implications. In my view, the important thing is that we manage to prove that the system we are proposing under the draft regulation can function and that it can be gradually extended.

Kontogeorgis

Parliament's Committee on Transport attaches great importance to the establishment of criteria for the selection of studies and programmes. In this context, I would emphasize that, quite apart from the application of the selection criteria laid down in the draft regulation, there must also be a method by which the Community interest can be assessed, and work on establishing such a method has already started at the request of the Council. There have been talks with the Committee on Infrastructure Projects, and we expect the relative report to be published by the end of the year.

As regards infrastructure projects in the field of sea and air transport, I think we are well on the way towards finding a generally acceptable solution. An analysis of the survey of bottlenecks indicates that it is possible to cover a sufficient number of handling facilities in areas where there are ports or airports without the matter of principle being involved and without having to resort to the provisions of Article 84 of the Treaty of Rome

Finally, it has been pointed out that the Commission Memorandum makes no mention of a comparison between financing the infrastructure projects and passing on the cost of construction to the localities involved. In theory, this comparison goes without saying, but I think Parliament is fully aware of the difficulties which application of this principle runs into, and I think that it would not be politically expedient to insist upon this link for the time being.

In repeating my congratulations to the rapporteur, Mr President, I should like to express the hope that Parliament's vote will represent a new starting-point from which we could proceed to make major progress by implementing Community infrastructure projects in the field of transport, which is of such great importance for all the Member States of the Community and for the Community as a whole.

President. — The debate is closed.

The vote will be taken at the next voting time.

2. Carriage of goods by road between Member States

President. — The next item is the report (Doc. 1-950/80) by Mr Moreland, on behalf of the Committee on Transport, on the

proposals from the Commission to the Council (Doc 1-853/80) for.

- I a regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States

- II a directive amending Directive 65/269/EEC on the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States.

I call the rapporteur.

Mr Moreland, rapporteur. — Mr President, Members may find it helpful in this debate to remember that a lorry consists of two parts. The front part is the tractor, which includes the driver's cab and the engine. The rear part is the trailer on which the load is carried. Under existing Community legislation governing the issue of permits for the carriage of goods by road across Member States' borders — what is usually referred to as the Community quota — an authorization to carry goods is issued in the name of the owner of the vehicle, in other words the owner of both the tractor and the trailer together. However, in some Member States there is no legal requirement to register ownership of the trailer. Indeed, often the owner of the tractor may borrow or hire a trailer from someone else. The consequence is that when a driver takes a vehicle across a border, he may be confronted by an official who complains that either he has no papers for his trailer, or that his trailer is in the name of someone different from the owner of the tractor and therefore his permit allows him to take only the tractor across a boundary.

Now Mr President, your Committee on Transport is against unnecessary bureaucracy. Indeed, we do not take kindly to bureaucratic officials at borders and we have in the past urged that border procedures be simplified. Consequently, we endorse the Commission's proposals which would require only the tractor to be registered. In other words, as long as there is a permit for the tractor it matters not if the trailer is owned by the tractor owner or borrowed from someone else. We are asking the Parliament to endorse the Commission's proposal.

I wish to add three further points. I have been asked to express the view of a minority on the committee who were concerned that the proposal represented an opportunity for some hauliers to bypass the permit regulations. This was not the majority view and it is not my personal view, but it is one to which the Commission should respond.

Secondly, there have been a number of reports, including one recently from the United Nations Economic Commission for Europe, on the abuses at the borders of Member States of the permit systems. For example, there have been a number of reports of bribes given to officials by those hauliers who do not have permits. As one has to ask far too often, will the Commission ensure that Community legislation on transport is being enforced by Member States?

Finally, I would emphasize that it is appropriate that a debate reviewing the quota is alongside the other

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transport subjects today. The existence of a requirement to obtain a permit to cross Member State boundaries after 25 years of the existence of the Community reflects the slow progress on the development of Community transport legislation. In this context the Carossino report and its support for it are extremely important. For there are those who would thwart such legislation on uniform lorry weights by confusing us, by talking about huge, bigger or larger lorries when of course there is no Community legislation advocating larger lorries. There are those who tell us how dreadful it is to increase gross weight when the real effect on damage to the environment is a function of axle weight. I make this point because, as rapporteur on the quota, I am bound to remind the Parliament that it passed a resolution last November on the quota which I presented stating that liberalization of the carriage of goods should be accompanied by progress on, *inter alia*, uniform weights.

I would like to see an end to the need for continual presentation in this Parliament of adjustments to the quota, and indeed, perhaps more importantly, an end to border bureaucracy. Therefore, I think it is important in this context to state that, in supporting this particular motion today; it is also important to support the other committee reports and above all to give the impetus that we all want to transport policy in the Community.

President. — I call the Group of European Progressive Democrats.

Mr Doublet. — (*FR*) Mr President, ladies and gentlemen, the purpose of the proposed regulation and directive submitted by the Commission to the Council is — as our colleague Mr Moreland has just explained — to authorize the circulation of haulage vehicles of which the tractor and trailer may be of different nationalities. But such a reform presupposes the revision of the Regulation on the Community quota and of the Directive on bilateral authorizations. In putting forward this motion for a resolution, the Committee on Transport is hoping to improve the situation by providing for authorizations to be granted to tractors and to tractors alone, no matter where their trailers may be registered. There is no doubt that these proposals would be an improvement from the administrative and practical point of view, but I am afraid that we have a few reservations about them.

Firstly, the suggested reform for unaccompanied semi-trailers being conveyed on container ships will pose certain problems. This particular point should be gone into much more thoroughly as it would seem that the interpretation given to the proposals contradicts their aim. My second reservation — and this one is crucial — is that by extending these arrangements bilaterally, we will be besieged with demands from third countries for their vehicles to be treated as those

of the Member States. This would pose a grave threat to our hauliers, given the transport policies practised by States with planned economies. On this issue, we have fundamental reservations and, if no account were taken of them, we would be forced to vote against the proposals.

It is therefore necessary to specify that the proposed simplifications are aimed at facilitating the circulation within the Community of load-carrying vehicles when the various parts are of different nationalities. It must be emphasized that in no case would the arrangements apply to unaccompanied haulage vehicles or to those which come from third countries. Having voiced these reservations — in the strongest possible terms — I must say that we will be voting for Mr Moreland's report, and, being aware of the conditions under which it was drawn up, we should like to warmly congratulate the rapporteur for his achievement.

President. — I call the non-attached Members.

Mr Bournias. — (*GR*) Mr President, before commenting on the report before us — and I shall respect your call for us not to spend all night on these matters — I should like to thank the Commissioner, Mr Kontogeorgis, for clarifying the question of the development of transport infrastructures in ports. This is a fundamental matter and one which is of direct interest to my own country. Another aspect to which I should like to draw attention, by way of introduction — although it concerns all three reports — is that of energy-saving. It is quite rightly pointed out that we must bear in mind the question of moderation in our use of energy. And now let me turn briefly to Mr Moreland's report.

As you all know, the question of establishing common rules for road transport is of major importance. In our modern economy, road transport of goods from one Community country to the other has expanded enormously, and the proposed measures must be adopted if this transport is to operate smoothly. In particular, the permit system must be adapted to the present-day situation, so as to avoid unnecessary problems in the movement of goods. In the case of fruit and vegetables, which account for the greater part of road transport because they have to be moved rapidly from the area of production to the centres of consumption, it is frequently difficult to find the necessary trucks, since there are continuing disparities in respect of the permits for tractors and trailers, which is something which could easily be rectified by adopting common rules. This is the aim of Mr Moreland's report, which I welcome.

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — (*IT*) Mr President, I wish to congratulate Mr Moreland on the excellent and thorough report he has produced, although there is little chance that my colleagues and I shall be voting in favour of it. The reason is that this report — on the Commission proposals for a new regulation on the carriage of goods by road and for a new directive on the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States — has ignored existing legislation as well as the principle of affording equal opportunities to all the various Member States.

I say this because there is legislation in Italy which forbids as a rule the entry of vehicles comprising a trailer which comes from a different country from the traction unit. If we were to adopt this motion today, better organized and better equipped countries would benefit to the detriment of the less well-organized. You could even have a haulier setting up business near frontiers, ports and airports in a different Community country from his own and hauling through the country the widest range of trailers his traction units could handle. If this were the case — and Mr Doublet made this point, too — it would create an impossible situation for haulage contractors in the country concerned. There would be less work for them and this would have really serious repercussions on jobs and an equally serious effect with regard to the economy of the country in question.

President. — I call the Commission.

Mr Kontogeorgis, Member of the Commission. — (*GR*) Mr President, I should like to thank Mr Moreland for his report and the speakers for what they have said on the subject of haulage vehicles and trailers. The number of articulated vehicles, lorries and tractors with trailers is increasing continually. This should come as no surprise to those who know the potential of such vehicles, not just within one and the same firm — since one tractor can be used for several trailers — but also, more generally, in haulage combining more than one mode of transport.

Roll-on-roll-off transport, road haulage of goods, the opportunities for utilizing a pool consisting of several hauliers from one or more Member States — all this is forcing carriers to acquire articulated vehicles. It is precisely because of these various new opportunities available to carriers that the tractor and the trailer — which together perform the transport — are frequently no longer registered under the name of the same firm, or even do not belong to the same Member State. Applying Community regulations for the issuing of transport authorizations, such as the Regulation on the Community quota, does not run into difficulties in the case of coupled combinations, as long as the two elements forming the combination are registered under the name of the same firm established in the Member State issuing the authorization.

However, in cases where the vehicles are not registered under the name of the same firm, this sometimes causes problems. Certain Member States require an authorization for the trailer and pay attention only to the freight haulage. Other Member States, however, are interested only in the movement of the vehicle doing the haulage and therefore require an authorization only for the tractor. Other countries, finally, are interested not only in the transport as such, but also in the goods being transported, so that they require an authorization for both the tractor and trailer. The Commission is of the opinion that the simplest and most equitable solution would be to issue articulated vehicles with authorizations for the tractors. Apart from the fact that this system is applied in eight of the ten Member States, it also has advantages for the hauliers, for the users and for the supervisory authorities.

All these advantages are listed in the Commission's proposals. The sole aim of the Commission proposals now before you is to suitably modify the systems currently in force, so that we can have the greatest possible chance of success in tackling this problem, which is of major importance for the smooth functioning of intra-European road haulage.

President. — The debate is closed.

The vote will be taken at the next voting-time.

3. Weights of road vehicles

President. — The next item is the report by Mr Carossino (Doc. 1-865/80) on behalf of the Committee on Transport, on the proposal from the Commission to the Council (Doc. 575/78) for a directive on the weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods.

I call the rapporteur.

Mr Carossino, rapporteur. — (*IT*) Mr President, there can be no doubt that behind this obviously technical proposal for a directive lies one of the most important and pressing decisions if the Community is to initiate a coherent policy on road transport. The adoption of a directive on the weights and certain other characteristics of road vehicles used for the carriage of goods represents an essential stage — and it would be no exaggeration to say that it is of strategic importance — if real progress is to be made in the area of road transport.

The adoption of this directive would pave the way for a common system of calculation and collection of

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certain specific taxes on transport. It would help future planning for infrastructure and make it easier to draw up standards for the safety and supervision of road traffic. Energy resources would be conserved. The Community could have a common market for heavy goods vehicles, a factor of particular importance to manufacturers and hauliers. It would be possible for the Community to negotiate with third countries through which a proportion of Community traffic passes — several Members, especially from Greece, have raised this point — on the harmonization of the weights and dimensions of vehicles. Finally, by eliminating one of the causes of distortion of competition, we could take a definite step towards total liberalization of Community transport.

These are the benefits. But the fact that this decision has been delayed for 20 years, since the first proposals were drawn up by the Commission in 1961, shows that this is no simple measure to adopt. There have been, and to some extent there still are, variances and differences of opinion. The proposal for a directive which is before the House today reflects these problems and is to a large extent the result of a compromise. It has also been greatly influenced by the directives which the Council of Ministers issued in 1975, calling on the Permanent Representatives and the Commission to find a practical solution to the problem. What this means is that we have here a proposal for a directive which is partial and phased and which can be accepted because it falls logically into the general outline of transport policy.

In the report which accompanies the motion for a resolution, I have made every effort to be objective in considering the various points of view which were put forward during talks with experts and representatives from unions and local authorities. As a result of these talks and the wide-ranging and thorough discussion they prompted, the Committee on Transport feels that it has made a definite contribution to the gradual attainment of a decision which — as I said before — is one of the most important and most pressing for the development of a policy on road transport.

Among the various arguments which have been raised against the proposal, there are some which concern the effects on the environment and safety. These are arguments to which the general public is particularly receptive, and they involve paramount community interests which must be safeguarded.

If we look at the major causes of pollution and road accidents, we find exhaust emissions and noise are to blame for the former, while the majority of accidents are caused not so much by the maximum permissible weight, as many people believe, as by overloading, driving too fast for the braking capacity of the vehicle, working longer than the statutory hours, lack of emergency services and the difficulty of carrying out more frequent and stricter checks on infringements.

The adoption of the directive should improve matters significantly because, while it is true that for some countries heavier loads than at present will be authorized for transport within the Community, at the same time standards and regulations on pollution and road safety will be made more stringent. What is more, the adoption of a single set of rules will make it easier to monitor traffic and to clamp down on infringements and abuses. As for the fairly widespread and warranted fear in some countries that increasing the maximum permissible weight could result in damage to infrastructure and the need for more expenditure, it has to be said that there is a lack of full and up-to-date information on this. The experts' views do not always tally and the Commission document fails to take proper account of the advances which have been made in recent years with regard to the research carried out in various Member States on suspension, tyres and the optimal ratio between the maximum axle weight and road damage.

We also have to assess the importance of the change proposed by the Committee on Transport in the motion for a resolution. I mean the proposal to allow national, regional or local authorities the right of decision to ban heavy traffic from particularly vulnerable structures. It is interesting to note that the same conclusions were reached in the Armitage report commissioned by the British Government, from whom of course came the major difficulties. Although this report does not agree with the Commission proposals as they stand and instead makes some recommendations which in my opinion should be given consideration together with those submitted by other European experts, it does state that the Commission proposals would reduce the harmful effects of goods vehicles, especially heavy ones, on the population and the environment.

In finishing, let me say that the use of heavier goods vehicles will certainly bring significant and lasting economic benefits, resulting in particular from lower transport costs and less damage to roads.

Finally, I want to say something about rail transport and the fear that the adoption of this directive might push more goods traffic off the railways and on to the roads. It has to be admitted that this is a problem of some significance and with tremendous economic implications. The improvement and development of the European rail network so that it can handle a greater share of all goods traffic, especially over medium and long distances, should be one of the top priorities of the transport policy. This aim should not, however, be viewed as conflicting with the need to maximize the potential of the existing network.

These are the main reasons why it is to be hoped Parliament will vote for this motion. However incomplete and inadequate this proposal may be, and although it can be criticized in some respects, its adoption would represent a major step forward. Like all

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compromise proposals, it requires everyone to make some concessions and, in some cases, sacrifices. This is true in the case both of those countries which have stricter national legislation and which are going to encounter problems, even if they are going to benefit as well, and for those which already allow heavier loads and which are not going to get any immediate benefit. The solution proposed by the Committee on Transport, on the basis of a proposal from various quarters, is to limit authorization for the time being to the type of vehicle which is most common in the Community: 40 tonnes on five axles. This will be a real help to the transport sector and will lead to energy savings and increased productivity.

By way of conclusion, ladies and gentlemen, let me urge the House to adopt this proposal for a directive with the amendments suggested by the Committee on Transport. If this is done, it will at long last represent a major step forward for Community transport policy.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call the Committee on the Environment, Public Health and Consumer Protection.

Miss Hooper, Draftsman of an opinion. — Mr President, we would all like to live in a Utopia without any pollution, with empty roads, energy savings and at the same time low prices and high standards of living.

(Applause)

Our job here is to seek to strike the best possible balance in the interests of our electors. Now, a great deal of emotion has been generated by this particular topic of maximum vehicle weights.

I believe there has been a great deal of exaggeration and that improvements in technology and concern over the design and maintenance of vehicles will satisfy many of the environmental needs. In my view the essential point is not that of overall weight, but of the individual axle weights, and in this respect it seems to me that the proposals made by Mr Carossino, after consideration of the recently published Armitage report, are quite reasonable.

However, as draftsman of the Committee on the Environment, Public Health and Consumer Protection's opinion on these proposals, I now wish to move the amendments tabled in my name, on behalf of the committee. In the first place, however, I should say

that the Committee on the Environment, Public Health and Consumer Protection was unanimous in agreeing that alternative methods of transportation by rail and water should be much more actively encouraged, and this point is made adequately, I think, by Mr Carossino in his report. The committee was also unanimous in supporting the proposals contained in Amendments Nos 19 and 20 dealing with speed limits and consultation with environmental groups. But I should point out that Amendment No 18, suggesting a maximum weight of 32.5 tonnes overall, was supported by a majority of only one. Nevertheless, Mr President, I beg to move these three amendments on behalf of the Committee on the Environment, Public Health and Consumer Protection.

President. — I call the Committee on the Environment, Public Health and Consumer Protection.

Mr Collins, Chairman of the Committee. — Mr President, first of all, I say frankly that I think the basis of this debate is far too narrow, because although it is concerned with the internal economics of road transport, it is not about the economics of road transport in its entirety: if it were, we should have heard the rapporteur and no doubt other speakers tell us about the cost of these proposals to the public, to other users of roads and to the taxpayer in general. But we hear nothing at all about that, and in particular we hear nothing about the cost to our entire architectural and environmental heritage throughout Europe which is imposed by these heavier lorries.

We know, for example, having read the evidence from the Civic Trust and one or two other environmental organizations, that structural damage to buildings is caused not just by direct impact but also by the long-term effects of low-frequency vibrations. That will impose a cost, and that cost is not mentioned at all in the equations which have been presented to this Parliament, either by the rapporteur or, come to that, by the Commission. It is a cost that will have to be borne by the private citizen, by the taxpayer. We know too, from the King report published in the United Kingdom in 1977 on the causes of serious gas explosions, that heavy lorries cause damage to gas, water and sewage pipes, and the cost of that also does not appear in these balance sheets. We know there will be damage to street furniture, and that will be a cost. We know from evidence of the European Environmental Bureau that the enforcement of regulations on the tolerance levels of weights and the restriction of these vehicles to specific routes is difficult and probably impossible. Here, again, are costs that do not appear on the balance-sheets and yet will have to be met. We can guess that these proposals will have a clear effect on the use, and therefore on the profitability, of European railways and canals, and again that is not presented to us. The fact is, Mr President, that this proposal is misconceived because it is not set within the proper framework of an overall freight policy for

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the Community. I think it is misconceived and I think it is misleading, because it fails to recognize the economic implications for other sectors of environmental and commercial life in Europe. It is inconsistent with other sectors of Community policy and notably, I may say, with the directive presently proposed by the Commission of the assessment of environmental impact, which says that statements of environmental impact should be compulsory throughout the Community for 'development projects likely to have a significant impact on the environment'. This is clearly going to have a significant impact on the environment, and yet the Commission is not even suggesting that it should be subject to that kind of analysis.

Finally, Mr President, may I say that these proposals are being supported by a ragbag of politicians who have simply swallowed whole the bait, the propaganda issued by the bigger sections of the road lobby, and in particular I may say that some, indeed most, of the British Conservatives will no doubt be supporting this. They have often posed as champions of the environment in my own country, the United Kingdom, but I think the voting pattern that emerges and their speeches today will reveal their essential and very base hypocrisy in this. There are a few honourable exceptions, and I hope that these will grow in number today. I hope they will have the courage of their convictions and will break the whip imposed on them by their own hierarchy.

In short, Mr President, I think this proposal should be rejected on economic, environmental and political grounds, and that the Key and Hopper amendments should be supported.

President. — Mr Collins, when representatives of committees, given priority to speak in a debate, also set out views which they do not themselves share — as they are obliged to do — they must refrain from attacking groups or individuals.

This is something which, without wishing to create a stir, I thought it important to point out to you.

I call the Committee on Transport.

Mr Seefeld, Chairman of the Committee. — (DE) Mr President, in the course of nine meetings of the Committee on Transport held between 5 October 1979 and 30 January 1981 we discussed all of this issue, although individual members who were not always present are perhaps not aware of this. We heard experts from many spheres and did not arrive at a decision lightly. We not only listened to statements about the economic effects, the effects on the environment, but we also debated them and discussed them in detail. And we also — which may surprise some of you — arrived at solutions!

In the end there was a large majority in the Committee, with only two members voting against. Indeed this was not very difficult because we left ourselves a lot of time. Mr Carossino has already pointed out how long it actually took until the whole question was ripe for a decision.

Let me emphasize once again that harmonization is necessary and that each day's delay is a day wasted in the development of the European Community. Article 75(1) (a) of the EEC Treaty states that the implementation of a common transport policy depends, *inter alia*, on the enactment of

common rules applicable to international transport to or from the territory of a Member States or passing across the territory of one or more Member States

Harmonization is necessary. Because it has only been stated in writing and has not yet been mentioned, let me point out what the present situation is: the maximum gross weight ranges in the Community between 32.5 tonnes in the United Kingdom and 50 tonnes in the Netherlands. There are many who have no conception of what this involves for transit traffic which has to observe the rules of all the individual countries. It affects unloading, transloading, storage, reloading and the continuation of the journey; it is a burden on those working in this sector and creates difficulties for goods which have to be unloaded and reloaded several times. I do not believe that any reasonable person can dispute the fact that there must now be harmonization. What is more, even the environmentalists have long ago recognized that this is urgently necessary for many reasons.

There is also the question of transport infrastructure, in connection with which we have just discussed Mr Klinkenborg's report: how can we possibly draw up a long-term road construction programme for the individual countries of the European Community if we cannot first succeed in defining the dimensions and weights of the vehicles which are to use these roads? This is another reason why a decision must be taken. How can we harmonize, for example, road taxes or fuel oil taxes in the European Community — which we all want to do — if the factors involved such as the means of transport, remain as diverse as ever? And how can we oppose motorway tolls in various countries if we cannot lay down the characteristics of the vehicles using Community roads?

Ladies and gentlemen, if I say all this once again on behalf of my Committee in support of Mr Carossino's report, then it is because I want to ask you to approve a compromise solution. Those who wish to remain with an upper limit of 32.5 tonnes are dissatisfied because this will have to be increased somewhat, and others who have to lower their existing upper limit of 50 tonnes are dissatisfied because they now have to share in this decision. The Commission has proposed 44 tonnes. I hope we can agree on 40 tonnes — that is

Seefeld

the compromise solution. Ladies and gentlemen, if everybody persists in his point of view, then nothing in the European Community will work any more, and we may as well all go home, having failed in our mandate!

(Applause)

For this reason we must try and find solutions. Our decision was not taken lightly. I plead in favour of accepting Mr Carossino's report with the compromise solution of 40 tonnes, because it is only in this way that our demands for a meaningful European transport policy in this specific sphere can be met.

President. — I call the Socialist Group.

Mr Albers. — *(NL)* Mr President, following the previous speakers, who were Chairmen of Committees, I stand here as an inhabitant of the most densely populated country of the Community where we are used to 50-ton vehicles on our roads. My native country, the Netherlands, is perhaps not quite the Utopia described by Mr Hooper, but it is nevertheless a fine country to live in.

However, I am not speaking here today on behalf of the Netherlands, I am not speaking as a Dutchman, but as spokesman of the Socialist Group which has naturally given a great deal of consideration to this matter since we realize that an increase in trans-frontier traffic and transport makes harmonization essential. It is vital that those involved in transport and traffic should know what standards are in force. I am speaking here of hauliers who, for reasons of their competitive situation, need to know what is permitted in the European Community. I am also referring to those who transport their own products and there are of course also the drivers who are often threatened with fines, penalties and even loss of their driving licence if it turns out that they are driving around in certain countries with loads which exceed the permitted limit. Above all, however, there is the motor industry, which needs to know what kind of goods vehicles must be produced. If this proposal leads to harmonization of the weights of heavy goods vehicles, the automobile industry will be able to develop better in this respect, which is of the utmost importance for the employment situation, as we all know the difficulties currently facing the automobile industry. The proposal is also important for third countries since they frequently adopt the standards we apply.

However, it is easy to reach agreement. Agreement in principle was reached in the Council in 1972. It was agreed in principle that we should aim at introducing a 40-tonne limit for 5-axle vehicles. However, the limit is still 38 t in both the Federal Republic and France, which are by no means insignificant countries.

We must therefore support the Carossino report. This is an excellent piece of work on which I should like to congratulate him. Unfortunately, I cannot do so on behalf of my entire group as we are somewhat divided on this point. These are not ideological differences — as we sometimes see in the Communist Group — but practical differences. Some Members of our Group place great — and in my view too great — emphasis on the environmental requirements as the motion for a resolution contains a special provision for roads which are not suitable for these vehicles. It is somewhat unrealistic to assume that this goods transport could take place by rail as this would first of all call for considerable investment in the railways and it is improbable that this investment will be made. For this reason, the vast majority in our Group supports the Carossino report as it often takes a critical approach in that the resolution calls for consideration of the feasibility of fitting vehicles with speed-limiting devices and for the introduction of noise limits with the view to reducing noise nuisance. It also calls for account to be taken of social legislation with a view to improving the working conditions of the drivers and, in particular, it calls for Regulation No 543 of 1969 to be observed. In addition, it is requested that measures should be taken to improve road safety.

Under these conditions, a large majority of my group can therefore go along with proposed maximum combination of 5 axles/40 tonnes with a view to improving productivity and saving energy, and in the hope that the number of lorries will increase somewhat less rapidly. In addition, we take the view that if the roads require more maintenance, the costs should be passed on to the transport which makes these costs necessary. That is the view of the Socialist Group. If we work on the basis of the assumption that there are approximately 8 million lorries driving around in the European Community, 5% of which, i.e. 400 000, are combined vehicles over 10 t, it would be a matter of no small significance if we could come to some agreement and if the Council could take a decision regarding this sector in June or perhaps at the end of this year.

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

Mr K.-H. Hoffmann. — *(DE)* First of all, on behalf of my group I should like to object to the insulting remarks made by Mr Collins. It is simply not on for the Chairman of a committee to refer to all those who do not share his viewpoint and who wish to approve the Carossino report as lobbyists. That is extremely undemocratic. In my view Mr Collins is no democrat, but rather a pocket dictator, to behave in this way towards his colleagues in this House . . .

(Applause)

(Mr Collins asked to speak on a point of order)

President. — Mr Hoffmann, since you mentioned Mr Collins by name, I shall perhaps have to allow him three minutes at the end of this debate to make a personal statement

Mr K.-H. Hoffmann. — *(DE)* ... Mr President, under the Rules of Procedure it is not normally permitted to interrupt a member who is speaking in order to raise a point of order. If Mr Collins wants to make a personal statement at the end of the debate, he is free to do so.

In any event, on behalf of my group I welcome Mr Carossino's report and at the same time express the hope that its adoption by Parliament will signal the end of a long-standing dispute in this Community. If the report is approved with a big majority in Parliament we are justified in hoping that the Council of Ministers will at long last fix a uniform maximum weight of 40 tonnes for European lorries, because for too long now — namely for 20 years — national interests have taken precedence in the Community, and that must now finally cease!

Some may ask what the significance of introducing a uniform maximum weight for lorries is. The answer is quite simple. A uniform weight improves road safety, makes it possible to calculate the cost of road construction, creates fair conditions of competition and at the same time contributes towards energy saving and the protection of the environment. In addition, in order to be competitive the European motor vehicle industry and the hauliers require uniform standards. Such uniform EEC standards would give the European motor vehicle industry an important competitive advantage over lorry manufacturers outside the Community, since 57 states are meanwhile adopting EEC standards in their national legislation, because they have recognized that these would be useful and workable in their countries too; this encourages lorry sales and at the same time creates thousands of new jobs within the Community, jobs which we urgently need, Mr Collins.

All these issues have been discussed within the Committee on Transport. The answers to these questions contained in Mr Carossino's report make it easier for my group to approve this report. I therefore make an urgent and earnest appeal to Parliament to approve the 40 tonnes maximum weight. On this important issue please put aside national interests and vote for a truly European solution.

Of course, it is difficult for our UK members from the Labour Party to take this step. This can be seen from their proposal for an amendment, which proposes the UK maximum weight of 32.5 tonnes as the EEC standard. While appreciating the specific UK interests involved, we must emphatically reject this proposal for an amendment because it does not bring us any further in the Community.

We have already seen on one occasion how the Regulation on the harmonization of certain social legislation relating to road transport was blocked by the veto of UK unions and the UK Government. At that time I could not persuade my friend Jack Jones, the then chairman of the UK Transport Union, that this was a regulation heralding progress for workers. This policy held up the further development of social legislation for five years and in so doing hindered social progress. Today, now that it is also in force in Great Britain, the UK transport workers are becoming increasingly convinced of its usefulness. The UK Transport Union today demands the strict application and monitoring of this regulation. The 40 tonnes standard is also in the interest of workers because we will see to it that cabs are better equipped, that braking systems are improved and that 40-tonne vehicles remain controllable and steerable.

Many colleagues from the Committee on Transport and also in my group have waived national interests in favour of Community solutions. I am grateful to them for this, because this, solution makes it possible to further relieve the strain on roads. Forty-tonne lorry-trailer combinations can now be loaded without problem onto trains; the necessary installations such as loading ramps, cranes and goods waggons need not be changed. Such changes would, however, be necessary if we introduced a universal 44-tonne as the standard. For this reason the proposal by Mr Carossino and the Committee on Transport is a practical one.

My group espouses social security, prosperity and personal happiness for all people in this Community. The transport of persons and goods from one Member State to another contributes far more to European integration than many a declaration made by this House. For this reason Parliament must take the transport policy decisions which are needed. One such decision is the introduction of a uniform standard for lorries. Let us be jointly responsible for seeing that a transport policy measure which promotes European progress is implemented. I urge you to approve the Carossino report!

President. — I call the European Democratic Group.

Mr Moorhouse. — Mr President, first let me congratulate the rapporteur on a first-rate analysis which, I think, greatly helps to put this complex issue of heavy lorries in a proper perspective. Now nearly all of us in the European Democratic Group accept the principle of the harmonization of the weights of lorries throughout the Community as an essential element of a common transport policy.

However, we consider that both the draft directive and the report need to be amended to provide even stricter environmental safeguards and we shall be moving amendments to this effect. Their purpose is and will be to protect the public, increase safety, cut

Moorhouse

noise levels and limit damage to roads and bridges. Some of my colleagues are also moving amendments

The reason for our particular concern has already been stated — that in the UK we have the lowest maximum weight of 32·5 tonnes. Understandably there is genuine fear and concern that the advent of heavier lorries will harm the environment and the quality of life even further. I should say this is a concern that I fully shared myself until quite recently. But with the publication of the British Armitage Report I have been won over to the case for heavier lorries provided that, as I have said, and I repeat, there are the strict environmental safeguards we are calling for. The Armitage Report is an environmental impact assessment of a most exhaustive type, which I think is an answer to what Mr Collins was saying earlier when he regretted the absence of such a statement. There could hardly be I think a more exhaustive statement than the Armitage report.

Now our qualified support is given on the understanding, of course, that no increase is proposed in the size or dimensions of lorries except for the half metre extension of the driver's cab for reasons given in the Carossino report. So we are not talking about bigger lorries — not at all.

The Armitage Report clearly demonstrated, to the surprise of a good many people, that heavier lorries in limited numbers can actually improve the quality of the environment. The UK Transport Road Research Laboratory reckons that if heavier lorries are introduced the saving in lorry mileage for lorries over 25 tonnes will be around 10% in the United Kingdom.

Now this is very considerable, particularly if the growth of road transport is as expected. So the saving in lorry mileage would in fact be an environmental gain. But then let us not forget, and one or two speakers have made this point, it is not only the all-up weight that counts, although it does get all the publicity and the headlines. What matters far more is the load on each axle. That is what does the damage to roads, that is what does the damage to bridges about which we are concerned. So we say that provided that the loading on the driving axle is limited to 10·5 tonnes, and this will be the subject of our Amendment No 7, then we feel we can avert further road damage and avoid having to take any action to strengthen bridges in the United Kingdom. I hesitate again to mention the point, but it is a particularly critical matter in our country.

The alternative would be to invoke Article 7 of the directive which allows vehicles to be excluded from certain routes or structures for reasons of safety or of protection of the infrastructure or the environment.

Now such action of course would defeat much of the object of the whole exercise. But one might be left with no alternative. But otherwise we are very much in

favour of the provision of no-go areas, where Member States think it necessary.

Mr President, heavy lorries are a fact of present-day life and nothing we can say will wish them away. Let us take this as an opportunity to put them within a framework which properly safeguards society as a whole. We contend that our amendments will achieve that.

President. — I call the Communist and Allies Group.

Mr Cardia. — *(IT)* Mr President, ladies and gentlemen, the Italian members of the Communist and Allies Group intend to vote in favour of the Carossino report, and thus in favour of the report's proposed amendments to Article 7 and paragraph 1.3 of Annex 1 of the text proposed by the Commission.

We are well aware, ladies and gentlemen, that there is still a fair amount of doubt and puzzlement in this House. We are especially aware of the concern which prompted the Committee on the Environment, Public Health and Consumer Protection to dub as unreasonable — I think that was the word they used — the Commission proposal regarding a maximum permissible weight which was of 44 tonnes, and not the 40 tonnes proposed in the Carossino report. We are also aware that there is a need to take a closer look at all the environmental effects on public health, including road safety, of more and more fully-laden lorries trundling around Europe. I just want to take this opportunity of mentioning to the chairman of the committee that some of these concerns were borne in mind by the rapporteur and that they do in fact form the basis of the compromise which was worked out by the Committee on Transport. We must realize, however, that effective measures for environmental protection, safety and public health which are compatible with an integrated transport system — which apart from being required by the Treaties is also essential for the economic and territorial unification of the Community — can be achieved, as can considerable energy saving and a reduction in costs, only by giving a decisive boost to rail, waterway and sea transport and by rapidly developing multiple transport systems, so that the expansion of road transport is kept within reasonable limits. If this is to be done, ladies and gentlemen, Parliament must succeed in making the Council of Ministers respect the Treaties, in which a common transport policy — which we simply do not have at the moment — is viewed together with the common agricultural policy as providing the basis for the economic and territorial unification of this Community of ours. Starting with a common policy for major transport infrastructure, we have to work towards a more coordinated and planned approach to the expansion of an integrated system of Community transport.

The accession of Greece and the entry of Spain and

Cardia

Portugal in the next few years will push the borders of the Community way beyond central Europe. As a result, physical links will have to be developed rapidly to facilitate the movement of people and goods and there will also need to be — and it is already overdue — a thorough review of the part played by different sectors and means of transport. This is the direction we have to move in, starting with this compromise which we have finally managed to reach on an initial and provisional harmonization of the weight of heavy goods vehicles. Another point, which has already been made but which I want to stress, is that this motion lays down definite guidelines for the European motor manufacturers who desperately need this kind of contact, harmonization and convergence, before the tremendous impact of competition from America and Japan is felt in this area as well, in both European and Third World markets

Briefly, Mr President, these are the reasons behind our vote in favour of this report and behind our hope that Parliament will vote in such a way as to persuade the Council of Ministers to adopt, in keeping with the Treaties, a coherent common transport policy for the Community.

President. — I call the Liberal and Democratic Group.

Mr von Alemann. (*DE*) — Mr President, the Liberal and Democratic Group has repeatedly and vigorously advocated a common transport policy. At the same time however we were forced to recognize that the basic requirements and the respective interests of the individual Member State were so different that progress was scarcely possible or could be achieved only with great difficulty.

The subject under discussion today is almost as old as the EEC itself, namely about twenty years. Since a comprehensive Community regulation of vehicle dimensions and weights can to our regret obviously not be achieved today, the proposal aims mainly at laying down uniform weights. The main difficulty with a Community regulation consists in finding an acceptable balance for all Member States between the economic demands of the haulage industry and the heavy goods vehicle manufacturers, the protection of roads, environmental considerations and economic energy consumption.

In our opinion the partial regulation proposed here offers a pragmatic solution to these problems. From the hauliers' viewpoint the most economic combination is a two axle traction unit with a two or three axle trailer or semi-trailer. For the success of this proposal it is absolutely essential that the Member States agree on acceptable values for this combination. If this proposal is accepted, it will also be possible to develop an effective and practical system for monitoring international heavy goods vehicle traffic. Overloaded

lorries can lead to heavy noise pollution and air pollution and can cause excessive damage to roads and amenities. This could provide irresponsible haulage firms with an unfair competitive advantage. We are convinced that common vehicle weights would simplify the necessary monitoring of heavy goods vehicles and make it more effective.

Attention is also drawn to the environmental pollution caused by heavy lorries, and this is presented as an argument in favour of restrictive measures governing road traffic. We are convinced that the environmental problems of road traffic must be considered with the same objectivity as other policy issues. Questions to which a Community solution has already been found, such as driving time, the introduction of the tachograph, the annual road worthiness test for lorries and other technical provisions already make an effective contribution to reducing noise levels and environmental pollution. These provisions must be constantly reviewed and, if necessary, new standards must be introduced. Environmentally sensitive areas could perhaps require lower weights, which would then have to be determined in individual cases after careful consideration of environmental and safety factors.

The proposal represents no danger from an environmental point of view but rather on the contrary it makes an effective contribution to improving practical environmental control. It should be remembered that the proposal for a directive represents a reasonable compromise. Indeed the directive is long overdue. The harmonization of heavy goods vehicle weights as sought here presents great advantages. We are aware that this is just a first step. Further Community provisions, particularly regarding the dimensions of vehicles, are urgently necessary.

The Liberal and Democratic Group vigorously supports the proposal. We call on the governments and parliaments of the Member States to accept the proposal for a directive and to enact it as Community law as quickly as possible.

President. — I call the Group of European Progressive Democrats.

Mr Doublet. — (*FR*) Mr President, ladies and gentlemen, on this question which has such widespread and important repercussions, I think that the main point to be stressed is that what is being proposed to us is a range of vehicles authorized to circulate in the European Community without at the same time Member States being required to adopt Community legislation for all lorries. Undoubtedly, this proposal contains certain contradictions arising out of the conditions of application — in particular as regards road infrastructure — within each Member State and especially in the UK. As regards the number of axles and the tonnage my Group would have

Doublet

preferred a slightly different approach than that proposed, but we are prepared to adopt a provisional compromise solution dictated by common sense. We therefore support the conclusions presented to us and also those contained in the Economic and Social Committee's report. Furthermore I would not like to let this moment pass without paying tribute to the important, decisive role played by our fellow member Mr Hoffmann in getting the 40 tonnes and 5 axles adopted.

A Community weapon such as that provided for in this proposal, undeniably offers an economic benefit, notably energy savings, in all sectors of activity linked to road haulage. It will also provide greater statutory safety, because in the absence of any harmonization in this sphere road haulage undertaken under the present conditions is subject to very precarious safety margins. However, it is essential, that if the Community agreement on five axles of a total weight of 40 tonnes, is to be effective, it must not be undermined by standards regarding the axle load which would be likely to eliminate a great many vehicles. Furthermore, we hope that, for the sake of hauliers and users, the directive fixes the driving axle weight at 11.5 tonnes instead of 11 tonnes.

Of course, the motions for a resolution in question are not satisfactory in all respects and we cannot support the proposed amendments to the annex of the directive, which do not always improve on the Commission text but which restrict its scope and this in spite of the efforts of the rapporteur who was not always backed up. However, although inclined to reject it, our Group has decided to adopt this report in view of its principal feature, namely the 40 tonnes and 5 axles.

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Bøgh. (DA) — Mr President, in this Assembly, where we are so proficient at harmonizing, I think that we should do something about harmonizing road legislation in Europe. There is a great difference for example between road legislation in France and road legislation in my country, Denmark, and this is reflected in the fact that at present Danish roads are in a very poor condition as a result of the increase in the axle weight introduced in 1977. It is not possible to harmonize in this sphere just like that. Frost, which plays an important role, means that the roads become damaged and that they become vulnerable to the impact of heavy lorries with a high axle weight. The new proposal will mean an increase of several hundred million kroner annually in Danish expenditure on roads and it is a small consolation to tax payers that in return road haulage becomes more profitable.

The Danish People's Movement against Danish membership of the EEC will therefore vote against

both on the question of weight restriction and transport infrastructure. Our reason for opposing the common infrastructure policy is that joint financing tempts or forces countries to adopt EEC priorities for tasks instead of their own priorities based on their own needs. May I just mention for example the permanent link between Germany and Denmark via Femern proposed by the Commission which is likely to be very far down the list of Danish priorities. We have a far greater interest in linking our own country divided as it is by the sea than in linking individual parts of it to the EEC traffic-wise and consequently interest-wise. The Danish government has already clearly refused Community financing and the resultant lack of national control. This did not make the Commission withdraw its proposal however. On the contrary, it has changed its proposal so that the EEC now also wants to support projects in third countries.

We will vote against both the resolution on transport infrastructure and on the weights of road vehicles.

President. — I call the non-attached Members.

Mr Bournias. (GR) — Mr President, I shall keep to the two minutes on a subject which, I have heard (since I have only been here since 1 January 1981), is as old as the European Parliament, which means that it has been pending since January 1979.

I have heard many interesting things from the chairmen of the committees and the other speakers, so that there is no need for me to go into a detailed analysis of my views in such a short time. I shall return, as I said in my last speech, to the subject of fuels. It is essential that we should deal with this subject and that there should be no waste. It is the first subject I must stress. The second point is the fact that road transport today has become very extensive and heavy lorries subject the road network to extreme wear and tear, especially in the small and economically weaker countries, where the roads were not designed to take so much traffic. But apart from these two considerations, we need to pay attention to the working conditions of those who drive heavy lorries. Lorry drivers also have rights, and we must pay more attention to them. Lastly, there is the ecological factor, since motor vehicles, especially heavy lorries, often cause more pollution because of poor combustion, and on the whole there are many reasons why there should be a serious study on this subject and joint decisions taken.

The rapporteur, Mr Carossino, goes into all the facets of the subject, pointing out the weaknesses of the proposal from the Commission of the European Communities to the Council and proposing further study of the subject and greater use of railways, a point with which I agree as long as the further study does not again go on for years.

President. — I call Mr Ripa di Meana.

Mr Ripa di Meana. — (*IT*) Mr President, before I say anything else I must pay tribute to the excellence of Mr Carossino's report, with special praise for the admirable efforts to find common ground which have marked his work throughout. I must say that this is a change from what happens far too often here, where technical questions get mixed up with questions of principle with the result that no one is willing to make any concessions. I should like to acknowledge what he has done and to thank him for his work.

It has been said that this directive, arriving 20 years late, is the linchpin for the harmonization of Community transport. I too believe that the future of the motor industry, especially heavy vehicles, depends on the approval of this directive which also effects taxes, road safety and, lastly, the ACP countries which have signed the Lomé Convention and which are desperately waiting for a clear decision by the Community. Turning to the matter as such, I want to say something about the compromise which the Commission proposals represent and which is outlined in the Carossino report. We in Italy find it very hard to accept this compromise because our country, unlike the United Kingdom, has legislation which is more advanced and which allows lorries of 44 tonnes. In any case, this is the ideal size for the transport of containers, and an amendment along these lines has been tabled by Mr Travaglini and others. However, I do not think there is any reason to fight this out from entrenched positions. What we have to do is to find a way out of the present stalemate. I am concerned on this point at the suggestions of severe and unbending attitudes, which is what I noticed when Mr Collins was speaking earlier.

I am making an urgent plea to our British colleagues who with their amendments, such as No 3 by Mr Key and others and No 7 by the European Democratic Group, want to bring down the weights suggested by the committee's amendments. In my opinion, these are reasonable and applicable and can be supported and approved by a clear majority in the House.

President. — I call Mr Johnson.

Mr Johnson. — Mr President, 'juggernaut' is an emotive word of Indian origin. It refers to a many-headed and multi-limbed monster which comes up out of the night with a great deal of roaring and belching and swallows villages whole. I am not going to talk about juggernauts. The word is not going to pass my lips again. I want to speak in a non-emotive way about this subject

(*Laughter*)

There are three reasons for opposing the Carossino report and three reasons for opposing the Commission proposal. They are economic, environmental and political.

The economic case against heavier lorries rests primarily on the damage caused to road surface, buildings and materials by heavy overall weight. The Commission based its proposal on outdated evidence of damage caused, data produced under experimental conditions over twenty years ago in the United States of America. The Commission has posited a so-called 'fourth power' factor, but in fact evidence now suggests a fifth power, sixth power or even higher power laws should apply. It already costs more to repair one mile of the motorway than it originally cost to build it. Our society cannot afford, given the other claims on resources, the massive investment which the heavier lorries will require. The economic cost to society as a whole far outweighs the benefits to individual hauliers. And even these may be overstated, because access may not be possible and load factors envisaged may not be attained.

Now, the environmental case against heavier lorries is, to my mind, strong and convincing. Without a highly developed network of motorways and by-passes, of lorry routes and no-go areas, there is no way of limiting environmental damage at all. I represent a part of the South of England that is criss-crossed by major trunk routes. It is a mirage to believe that the towns and villages of Hampshire can be protected by waving some magic wand. The truth is that the environmental package will not materialize because we shall not be able to afford it, and I say this with the greatest respect to my colleagues who worked hard and who take a different view in my group.

In the United Kingdom, the present limits on gross vehicle weights are 32.5 tonnes, with 10 tonnes axle weight. Increased to 40 tonnes as proposed by Mr Carossino, or to 44 tonnes as proposed by the Commission with 11 tonnes axle weight — actually we are talking about 11.55 because a 5% tolerance limit is also proposed — becomes intolerable. It is not just a question of the noise and vibration of individual lorries, it is the totality of the effect created by the invasion — and I have to use that word — of British ports when they are opened to the new eurolorry.

And that brings me to my third point which is the legal case against the heavy lorry. I believe that Britain's future lies within the European Community or it lies nowhere. But that means that we have to carry public opinion in Britain with us, and public opinion will not tolerate the notion that yet another outrage is being foisted upon us from the other side of the Channel. It would be politically disastrous in a short-term sense, and as far as the long-term integration of Europe is concerned it will also be disastrous, because it will divert resources from other much more worthwhile transport projects.

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — (*IT*) Mr President, you have to admit this is an important day for transport policy. I say this because I feel Parliament has been made aware of the problem as a result of considering the various aspects which have been dealt with in the motions for resolutions which are before the House today.

Mr Carossino is to be congratulated on his efforts, on behalf of the Committee on Transport, on this thorny problem which has been dragging on for years and years and which even now has not been properly settled. I mean the problem of the technical characteristics of vehicles for the carriage of goods by road, especially the weight and size of such vehicles. Of course, you have to consider all the valid and reasonable arguments which have been put forward on the opposite side, but I think Mr Carossino has done this and has tried to meet the requirements of those countries which are currently producing vehicles different from those covered by the directive.

The problem of the size and weight of goods vehicles, ladies and gentlemen, is one of the most important and most awkward problems for a common transport policy which is absolutely vital — this is obvious from today's debate — if we want genuine European union.

We have been at it for 15 years and the problem is still not solved. Frankly, I think that the Carossino report is satisfactory and should be approved by the House as a whole in view of the compromise of 40 tonnes on five axles. This is not the ideal solution, in our opinion, but it is an attempt to meet the legitimate requirements of other countries.

I want to echo Mr Hoffmann's plea. Can we pay a little less attention to national interests and a little more attention to the interests of Europe, for the reason that it will be possible to satisfy national interests in the future only if they are considered from the European angle.

Thank you, Mr President. If I may, I should like to say how delighted I am to see a large delegation of Italy's famous Carabinieri in the gallery today.

President. — I call Mr Key.

Mr Key. — Mr President, on behalf of the British Labour Members of this Parliament and, I also believe, on behalf of a very substantial body of opinion not just inside my own country but throughout Europe, I am going to appeal to the House today to reject not just the Carossino report but also the Commission's proposals, and to my British colleagues to reject the proposed compromise of the Armitage report or the compromises that are going to be made in this chamber. I do so for a number of reasons.

The first is an economic one, it is claimed that the introduction of heavy lorries will actually reduce road transport costs. This is based on the assumption that there will be fewer lorries and that each of the lorries will be fully laden. I am afraid that all the evidence that we have on this and all the reports that come forward indicate that it is very rare to see a lorry fully loaded all the time. Indeed, a third are usually empty on their way back after delivering their load. Most of those that are fully laden are often over-laden.

The second point is the claim that it will save energy. I find this amazing. I would have thought the best way to save energy on long haulage routes was actually to use the railways and waterways of our Community, not to introduce bigger road vehicles. To me, with the energy crisis we are facing today and will face in the next ten or twenty years, such vehicles, if introduced, will be no less than modern dinosaurs.

My third criticism concerns the cost in terms of infrastructure. I will quote but one figure because of the shortage of time. Purely to ensure that the bridges on the main trunk roads in the United Kingdom are strong enough to take the new 44 tonne lorries that are being proposed, would cost 12 hundred million pounds. There is no way, particularly with the government we have at the moment, that the British government will commit itself to such high expenditure which, in fact, amounts to the same figure as the British contribution to the Community for 1980.

The fourth point I wish to make concerns the environment. I think both Mr Collins and Mr Johnson have made an excellent point in this connection. Just one statistic: over 170 000 miles of our 200 000 miles of road in the United Kingdom are acknowledged by experts to be unsuitable for the heaviest vehicles that are being suggested. No evidence is given to show the dangers to the environment. As Mr Johnson said: the tests were carried out 20 years ago, in another continent, not even in this continent, and carried out on an experimental basis under unvarying climatic conditions, which are very different from ours.

The fifth point that I want to raise is that people refer to this as being a package, and they quote Armitage and other things. This will not be a package. This is just one item involving harmonizing just one aspect of the problem. People are therefore not going to spend money on the environmental side, they are not going to spend money on the road infrastructure or any of the other aspects involved. I do not say that it is harmonization for its own sake, but I do believe that we can harmonize just as well at 32.5 tonnes as at 40 or 44 tonnes and get the same benefits. Therefore, what I am asking you to do in this Parliament — and I am really appealing to the back benchers here — is to reject the proposals contained in the report by Mr Carossino. Admittedly he has put a lot of hard work into it and I sat through all the committee meetings

Key

with him and we debated it all the way through, but I have no alternative but to ask you to reject it.

President. — I call Dame Shelagh Roberts.

Dame Shelagh Roberts. — Mr President, I support the principle of harmonization subject to the safeguards which were stipulated by my colleague, Mr Moorhouse. I am bound to point out that this would be likely to lead to considerable areas in the United Kingdom being declared no-go areas. However, if that resulted in putting some freight back onto rail or water where that is a practical proposition, it would be all to the good. Unlike Mr Johnson, I believe that the arguments on economic and energy-saving grounds for harmonization are very compelling indeed. I do not think either that the economic and the environmental considerations are irreconcilable and in this connection I might say that the speech by the chairman of the Committee on the Environment, Public Health and Consumer Protection, coupled also with the names of the British Conservatives when he spoke, might not have sounded quite so silly and might even indeed have been a little bit credible if, instead of treating us to a string of sweeping assertions about the horrendous damage and cost of these heavier lorries, he had quoted some evidence from member countries, such as the Netherlands, which have far higher limits on their lorries than are proposed in the Carossino report. I happen to believe that having fewer heavy lorries on the road would result in an improvement to the environment every bit as much as to the economy and the freight transport industry. There is clear unmistakable evidence that as lorry weights have increased, so the number of lorries licensed to use the roads, at any rate in the United Kingdom, has decreased. I think it is a reasonable assumption that the same has applied in the other countries of the Community. I think this is probably one very good reason why the Netherlands has been able to support a very much higher lorry weight.

The one other point I would just like to make is that I do think manufacturers of these vehicles should be exhorted to carry out much greater research to produce a more satisfactory vehicle. It is a fact that more damage is done to the roads and to the environment when a vehicle is travelling at less than fully laden weights. This is bound to happen at times, and it does require research so that you don't get the bounce when the vehicle is not fully laden and I do hope that the Commission will urge this on manufacturers.

President. — I call Mr Markozanis.

Mr Markozanis. — (GR) Mr President, ladies and gentlemen, I should like to state that I view as positive the Commission's attempt to introduce for the first time harmonization of the weights and certain other

characteristics of road vehicles. I must, however, stress one point which concerns both Mr Carossino's report — paragraph 57 to be precise — and the difficulty which, if the harmonization proposed by the Commission in this field is carried out, is likely to arise when the Community comes to negotiate with non-Community transit countries, in which different criteria are applied and different measures are in force. This difficulty will have to be studied and specific solutions found because otherwise we shall be in a very difficult negotiating position with regard to the non-Community transit countries such as Yugoslavia, Austria and Switzerland. Thus we shall all have to pay serious attention to this whole problem.

I should also like, Mr President, to ask the rapporteur to accept the two amendments which my colleague, Mr Vogiatzis, has tabled and which for technical reasons it has not been possible to distribute but with the content of which Mr Carossino is familiar. If I may, I shall read these two amendments, which we feel are positive and should be incorporated into the text of the resolution:

The European Parliament calls on the Commission to enter into the necessary and appropriate consultations with the governments of non-Community countries such as Austria, Switzerland, Yugoslavia, Romania, Hungary, etc., through which Member States' vehicles pass for the purpose of carrying goods from and to Community countries such as Greece, with a view to bringing the regulations on goods vehicles in force in these countries into line with those adopted in the EEC countries through the present resolution.

And I shall conclude, Mr President, by quoting the second amendment:

The European Parliament calls on the Commission to report to the Council on how the Community contributes to the financing of the infrastructure projects necessary for the road network in those Member States of the Community whose main road networks are not adequate to cope with the increased demands placed upon them by the application of the provisions of this resolution

President. — Mr Markozanis, you are therefore really introducing oral amendments to this report. I fear that the amendments in the form in which you have introduced them will be difficult to accept. In other words, they must first be printed and distributed.

I call Mr Gabert.

Mr Gabert. — (DE) Mr President, ladies and gentlemen, I should first of all like to say that I could happily go along with many of the critical arguments raised in Mr Carossino's report.

I too voted against the report in the Committee on Transport, because I really did feel that a total weight of 38 tonnes should be about the highest limit.

Gabert

Another reason for my voting against was the fact that I knew that we were certain to run into difficulties as far as transit through third countries was concerned. Nevertheless, it was always my belief — for a variety of reasons, which have all been mentioned here today — that we had to come to a general agreement. The majority of people in my Group also supported the 38 tonne figure. In the end, however, we thought it was more important to reach a general agreement by striking a compromise.

The Commission had proposed 44 tonnes. In my opinion, this figure would have been quite wrong for a transport policy. So I came to the conclusion that we needed a big majority for a compromise. Such a compromise is to be found in Mr Carossino's report, for which we will now vote, because we really do want this big majority. Otherwise, a decision might be reached on a haphazard basis, and the figure of 44 tonnes might even be picked. What is more, if we had proposed amendments, it was quite possible that other Members would have done so as well. So it was more important — or so it seemed to me — to get a joint directive, as it was still possible to devise one for 'piggyback' transport, i.e. combined transport. I became convinced of this through my conversations with railway officials both in the Community and in countries outside it. From the environmental point of view, the 'motorway on rails' has distinct advantages.

As it is still possible that 40 tonnes may be the figure chosen, I am putting aside my reservations and asking you all to show your support for the report. I do this because the joint directive is an essential precondition for the commitment of capital on the plant needed for a system of combined transport, by which I mean the carriage of goods not just by road and rail but also by means of inland-waterway and seagoing vessels. For these reasons, I ask you to vote for the motion for a resolution.

President. — I call the Commission.

Mr Kontogeorgis, Member of the Commission. — (GR) Mr President, in his very well-balanced report on the weight and dimensions of commercial vehicles, Mr Carossino expresses the view that as long as the necessary political will exists, a fair Community solution can and must be found to a complex problem which has been pending for years. I can only agree with him. Furthermore, today many points relating to vehicle construction, such as braking, steering, noise, emission and many others, are subject to Community standards and some of them have been harmonized.

The weights and dimensions of vehicles are almost the only matters which still depend on decisions taken by the Member States in isolation, and it is unilateral and uncoordinated decisions of this kind which are continuing to reduce and restrict the possibilities of substan-

tial agreement at Community level. As is stated in your motion for a resolution, the right moment has arrived for the adoption of a Community decision-making procedure for weights and dimensions. It is important that these decisions be taken because, as Mr Carossino himself pointed out earlier, the inability to reach agreement in this area prevents action and important decisions being taken on transport in other sectors, such as the imposition of road charges on commercial vehicles and measures concerning the capacity of the road network. I am therefore pleased to see that Parliament and the Commission want and are determined to bring to an end this matter which has been outstanding for so long.

Mr President, before dealing as briefly as I can with the resolution itself, I should like to acknowledge the excellent work done by the members of four committees and, of course, especially the work of the author of the report as well as that of the members of the Committee on Transport and its chairman.

First of all let me say that the Commission agrees with all the main points of Mr Carossino's report and with the motion for a resolution, since the Commission is seeking to achieve an acceptable balance between the six objectives which are set out so clearly in the report, namely keeping down transport costs, conserving energy resources, minimizing damage to roads and bridges, minimizing damage to the environment, improving road safety, and progress towards a scheme for whole vehicle type approval, while at the same time continuing to deal rationally with the problems of the transport sector as a whole.

Our proposal, Mr President, must be simple and easy to implement. It is impossible for us to harmonize all the technical characteristics of heavy goods vehicles by incorporating them into the provisions of a single measure. In the first place, most of these points have already been dealt with, and not only those relating to weight and dimensions. Secondly, if we make an already complicated subject even more complicated, we are more likely to fail.

Some honourable Members might have the impression — there has already been an allusion to this effect — that the subject of weights and dimensions has not been adequately studied. I can assure you that this is not the case; neither is it true, as has been suggested, that our proposals are exclusively based on the 20-year-old proposals based on tests by the American Association of State Organization, however important these may have been. Of course they have been taken into account. Over the years the Commission has compiled a great deal of documentation providing technical information both on the Community and countries outside it. Shortly before drawing up our most recent proposals on weights, we helped to organize a meeting of the Organization for Economic Cooperation and Development, the subject of which was heavy goods vehicles and the effects of their use.

Kontogeorgis

It was a meeting in which experts from all over the world took part and during which many important views were put forward.

The latest reports which have been drawn up by independent bodies in Germany and the United Kingdom, and which were I mentioned previously, come out in favour of the way in which the Commission is dealing with this problem. The proposals before Parliament were previously discussed in detail with government experts. During our discussions it was requested that we should deal with the problem of maximum loads permitted for lorries crossing bridges, and work on this is underway. It will of course be possible to review the decisions taken on this matter in the light of current findings and future research, and amendments will be made if they are felt to be useful, as was the case with Community legislation on braking systems, noise level, emissions etc.

Technical progress does not stand still, but it is not sufficient reason not to take here and now a rational decision based on the wide knowledge we have today.

The Commission looked into the possibility of the step-by-step introduction of measures as proposed in your resolution, namely a maximum of 40 tonnes on 5 axles. After adequate examination, however, the Commission still feels that it should stick to its proposal to achieve the long-term and balanced objective which it wants. A particular reason is that 44-tonne vehicle combinations are necessary for the kind of combined transport which everyone is in favour of, since in this way it is possible to transport already existing containers — ISO 40-foot containers — fully laden. And this is extremely important for facilitating intra-Community transport.

Secondly, the heavier 6-axle vehicle proposed by the Commission causes less damage to roads and bridges than any other heavy vehicle which is allowed on the roads in any Member State, and it is the authorization of this 6-axle vehicle which is proposed in the two reports I mentioned earlier.

The Commission feels that its proposal will help to improve road safety by means of the more efficient control of heavy vehicles and the reduction of overloading. It will ensure that such vehicles comply with the most recent environmental standards and it will enable local or national authorities to retain their right not to allow the transit of heavy vehicles. Lastly, our proposal will provide vehicle manufacturers with a model for the next generation of heavy goods vehicles and will enable them to work towards ensuring a freer and more uniform internal market in view of increased outside competition. These are objectives which the Community would like to pursue at this time of economic depression and of the crisis which is affecting certain sectors of Community industry but also, I repeat, of outside competition in this area.

Certain details of the question of vehicle dimensions, which is linked to that of weights, have been under examination since December 1978 on the basis of the 1971 Commission proposal on the subject. Unlike the situation regarding weights, there is already a reasonable degree of harmonization on vehicle dimensions throughout the Member States, which already largely agree on this subject. However, certain Member States would prefer a decision to be taken on the two subjects together, since they constitute a single whole.

Mr President, I cannot enter into greater detail on all the subjects which the previous speakers have touched on. But I assure you that the Commission will take into account with the greatest attention both the resolution which will be adopted by this House and what has been said during today's debate. The Commission accepts the proposed amendment to paragraph 7 but, as I mentioned before, we would like to retain our long-term objective, so that we would not like any amendment to be made to paragraph 1.3 of the annex, which concerns maximum vehicle weights as proposed in the resolution.

In conclusion, Mr President, I should like to acknowledge once again Parliament's constructive and useful contribution and assure you that we shall most conscientiously work along the lines suggested by Parliament.

President. — I call Mr Johnson.

Mr Johnson. — Under Rule 64(4), I really wanted to ask the Commissioner for clarification. It says you can interrupt him, but it was difficult to do so because he was speaking. It was not clear to us, Mr President, what the position of the Commission *vis-à-vis* the Council is going to be — and this is a matter of vital importance, I think, on all sides of this House — in the event that this House approves the Carossino compromise of 40 tonnes. Is it or is it not going to change its proposal? It is a matter of vital importance under the new Rules for us to know this.

President. — I call the Commission.

Mr Kontogeorgis, Member of the Commission. — (GR) As I told you before, the Commission has studied the possibility of accepting straight away the proposal of 40 tonnes. But on the basis of its study, the Commission considers that the figure should remain at 44 tonnes, as in paragraph 1.3 of Annex I. As I told you at the end of my speech, we shall of course continue to study everything which has been said here in the debates and the resolution which Parliament will adopt, and we shall form our own views accordingly. But for the moment the Commission's view is that which I described to you earlier.

President. — I call Mr Cottrell on a point of order.

Mr Cottrell. — Mr President, I have an Amendment standing in my name — No 1 — which is structurally quite different from the other amendments put forward by my group. I have not actually been given speaking-time, and I seek your guidance as to whether this amendment may be taken on and voted on when we come to the vote.

As a Member, I would also make the point that, as a general principle, if Members have substantial amendments which are different from those of their own political group, they should be given speaking-time to explain them.

President. — Mr Cottrell, in accordance with the new Rules of Procedure your amendment is acceptable, seeing that it has been distributed and translated into all the Community languages.

I call Mr Collins for a personal statement.

Mr Collins. — Mr President, the rôle of a chairman of a committee is a somewhat curious one. He has to preserve balance in discussions in the committee and he also has to represent the views of the committee in plenary sittings.

I think very few people would argue that I have been anything other than scrupulous in observing balance in the committee. As regards representing the committee in plenary sitting, I obviously represent these views, and since these views are those held by majorities, in this particular case I represent the German, Dutch and French majority in the committee against, oddly enough, the British minority because this is not a British case, it is not an isolated case, it is an environmental issue. My duty is also to carry the environmental banner into this Chamber, because although there are those who claim to be environmentally sensitive, by their activities and their actions and their speeches they sometimes reveal themselves to be the opposite.

Now I do not think it is legitimate to attack personalities, although I do think it is legitimate to attack views. It is certainly not legitimate to attack personalities by indulging in cheap and rather immature name-calling, and I think we would all look with scorn on those who choose to conduct their political affairs in that way.

I certainly hope that in the end we will take account of the evidence I mentioned, which unfortunately Dame Shelagh Roberts is not here to listen to; but then she was not here to listen to the Commissioner either. The evidence that I presented was from the Council for the Protection of Rural England, from the Civic Trust, from the European Environmental Bureau, from the

Royal Town Planning Institute and from the Town and Country Planning Association. If Dame Shelagh Roberts feels that these are silly generalizations, then perhaps she ought to take the matter up with the management committees of each of these organizations and not with me; and I have no doubt at all that she will get a very similar answer from them to the one she would get from me.

I think that the body of this interested professional and voluntary environmental opinion is against Carosino, and so therefore must I.

President. — Mr Collins, you may express your opinion calmly, fully and without qualms, but in that case you must do so in your own name. This matter is now closed.

The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

(The sitting was suspended at 1.15 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR MØLLER

Vice-President

President. — The sitting is resumed.

4. Channel Tunnel

President. — The next item on the agenda is the report (Doc. 1-93/81), drawn up by Mr De Keersmaecker on behalf of the Committee on Transport, on the construction of a Channel Tunnel.

I call the rapporteur.

Mr De Keersmaecker, rapporteur. — *(NL)* Mr President, ladies and gentlemen, in the previous debate, one of our British colleagues referred to the question of the weights and other characteristics of goods vehicles as a monster. Some people also say that the Channel Tunnel is a sort of Loch Ness Monster which occasionally sticks its head up. If only that was true at least the monster would be there in the water, but unfortunately that is not even the case.

In view of the short speaking time available to me, I shall spare you the details of what led to a halt being called to the previous project by the United Kingdom

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in 1975. This story, which incidentally has its beginnings as far back as the last century, is told in detail in my report.

The Committee on Transport felt it would be useful to discuss the state of affairs in this field in the light of the developments of the last few years and months when this question has become topical once more. As you probably know, British Rail and the SNCF, the French railway company, recently set up a technical study into the feasibility of a Channel Tunnel and our Committee looked into this question on the basis of the resolutions by Mr Berkhouwer and Mr Boyes which both drew attention to this matter although for totally different reasons. The Committee's study led to the following results. Firstly, the technical and financial feasibility of a Channel Tunnel was confirmed and on the basis of the results of the studies devoted to this question at the request of the Commission itself and carried out by two wellknown study bureaux, one British and one French. Thus, the technical and financial problems have either already been solved or can be solved. As regards the financial problems I should just like to point out this project would only cost the same amount as a nuclear power station and is therefore from the financial point of view not the monster project that some claim it to be. It must be viewed in the correct context from the financial point of view too. The problems which have not so far been solved are the requisite political decisions and the question of the extent to which the European Community should be involved in the project. For the rest, as regards the technical problems, the Committee on Transport has ascertained that certain projects were taken quite a long way — almost to the final phase. We also found that a railway tunnel would be preferable. Some people maintain that it could only be a one-way tunnel since otherwise it would never be possible to reach an agreement with the United Kingdom on the question of whether one should drive on the left or the right, but surely no one can take this point seriously. Be that as it may, it is not for the Committee and Parliament to comment on the technical aspects. We will restrict ourselves, for clearly defined reasons, to urging that priority be given to rail transport.

Secondly, this study has shown that a fixed link between the two sides of the English Channel would be of capital importance for the entire European Community. Not only from the point of view of transport infrastructure — and there can be no doubt about the importance of transport infrastructure for economic development, certainly in the case of the English Channel which occupies such a crucial position in the transport links between such an important Member State and the continent — but also for simple economic and technical reasons it is clear that a Channel Tunnel would do far more than merely serve the interests of the United Kingdom and France. Three quarters of cross-Channel transport comes from countries other than the United Kingdom or France. A

fixed link is also essential in view of anticipated transport requirements. At present, approximately 16 million tonnes of freight is transported over the Channel every year, but this figure is expected to rise to 30 million tonnes by the year 2000 and an increase of 33 to 50% is expected in passenger transport over the same period. From the time point of view too, there would only be advantages. The distance between the north of England and Basel, for example, would in effect be halved. It is also a unique opportunity for us to finally get round to working at European level on the coordination of railways policy in general. I would draw your attention to the energy saving which is possible with rail transport. The costs per tonne per kilometer of rail transport compared with other forms of transport stand in a ratio of 15 to 47, which is clearly in favour of the railways and by a factor of at least 2 to 1. Finally, I would stress the importance of this project for employment and would point out once more that a fixed link across the Channel would fulfil the criteria fixed by the Commission for projects which can be regarded as of Community interest, since the Channel is a transport bottleneck and the link would be in the interests of coordination and standardization of transport.

I will not go into the very important regional implications of the Channel link as the Committee on Regional Policy have already made a positive pronouncement on this matter. I might just remind you that at the end of the debate on transport infrastructure the Commissioner said that this policy was of vital and decisive significance for the Community. Is it not then remarkable that only 0.06% of the budget is earmarked for a policy for which the Treaty contains explicit provision and which thus comes within the competency of the European Community. Finally, the Committee on Transport felt — and this is perhaps the most important aspect but it is not a measurable quantity — that this visible link between the United Kingdom and the continent would be of great political and psychological significance.

In view of all this, the Committee on Transport came to the following conclusions. It is wholeheartedly in favour of constructing this fixed cross-Channel link as soon as possible and draws particular attention to the regional implications. It also calls for Community involvement in the planning and realization of this project, preferably along the lines described by the Commission in 1976 in a proposal for a regulation which has still not been adopted by the Council. We should therefore like to ask the Council and the Commission what progress has been made in this respect and we call on all the bodies and governments concerned as well as the Commission and Council to get things moving in this respect since at the next general elections we will undoubtedly be asked, among other things, what has been done as regards transport infrastructure, which is something which appeals to the imagination of the public. Could there

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be a better symbol of the existence of the Community than the realization of this visible link between the United Kingdom and the continent? If we as Member States and European Community do not fail to grasp this opportunity and see to it jointly that this project can start before 1985, we can name this tunnel, I think, not the Channel Tunnel but, as proposed by Mr Diligent, the Europa Tunnel.

(Applause)

President. — I call the Committee on Regional Policy and Regional Planning.

Mr von der Vring, deputy draughtsman of an opinion. — *(DE)* Mr President, the Committee on Regional Policy and Regional Planning has concerned itself exclusively with the implications of a Channel Tunnel as regards the economic situations in the regions and has not considered the question of the appropriateness of an investment of this kind or Community involvement in the financing of such a project. The Committee has come to the conclusion that it would be very difficult to quantify the short-, medium- or long-term implication of a fixed link between the United Kingdom and France for the less-favoured regions of the Community.

First of all, it is clear that the possible end points of the tunnel — i.e. the area of Kent — cannot or, as in the case of the Pas-de-Calais-Nord region, can only to a limited extent be regarded as less-favoured regions within the meaning of the European Regional Fund. It is also a fact that the distance between Dover, the possible end point of the tunnel on the British side, and the nearest less-favoured regions in the United Kingdom is 200 km, that the effects of the tunnel on the economic and social situation of the regions will be greatest at the two ends of the tunnel and will gradually become less pronounced with increasing distance and that, finally, the use of a road and rail tunnel or a bridge rather than the traditional passenger or road freight ferry would mean a saving of 100 minutes or, to put it graphically, the less-favoured regions too would be brought 100 minutes closer to the production, consumption and decision-making centres of the European Community. Naturally, the saving in terms of time and costs and the consequent improvement in the competitive position would be of steadily decreasing significance as the distance from Calais or Dover increased.

The Committee on Regional Policy and Regional Planning feels it would be sensible, indeed vital, to investigate in detail the implications of this relative reduction in distances for the less-favoured hinterland before the Channel Tunnel project actually gets under way. This investigation should not, however, lead to delays in any preparatory measures. The Committee realizes the Commission has already made certain

efforts to investigate the effects of a fixed Channel link. A study has been produced on this question which comes to the following conclusion as regards the implications of the project for regional policy. It states that there is no logical reason why a fixed link should lead to a change in the geographical distribution of comparable advantages. This, I think, is the primary concern of the motion for a resolution by Mr Boyes and we must therefore point out that as far as we can see at this stage, there are no indications that it would lead to disadvantages as regards regional policy.

However, the Committee would be very pleased if the Commission could arrange for a more detailed study to be carried out in which the implications for the less-favoured regions would be indicated from the geographical and temporal viewpoints. We should like to stress that this should under no circumstances lead to a delay in the project. Quite apart from the results of a more detailed study of this kind, it must not be forgotten that regional objectives should only represent one aspect of the overall considerations so that particular attention should be taken to the general advantages of an efficient transport link between the United Kingdom and the continent and this is an advantage which we should acknowledge even if we are not in favour of continued British membership of the Common Market.

President. — I call the Socialist Group.

Mr Klinkenborg. — *(DE)* Mr President, I must first congratulate Mr De Keersmaecker on his report and add that yesterday evening the great majority of my group voted in favour of it.

We feel it is very significant that this morning's discussion of the problems of transport infrastructure is followed by a debate on a matter closely connected with that report, since the link between the United Kingdom and the Continent is a classic infrastructure project. We are convinced that the process of integrating the United Kingdom into the Community will be aided by such a change whatever form it may take.

Only a good link will permit optimum use of carriers, which brings me immediately to my first critical comment. We must concern ourselves with the design, since it should permit piggy-back transport between the United Kingdom and other countries and eliminate the need for complicated reloading operations in the Netherlands. We are aware — and to this extent we fully agree with the Committee on Regional Policy and Regional Planning — that the tunnel cannot be a substitute for regional policy. Nor do I believe it is intended to be one. Nevertheless, we do think that an infrastructure project of this type — like all other infrastructure projects — should basically serve to strengthen structurally weak areas and not in any way hinder the process. We cannot of course put an end to

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those problems of peripheral areas which are geographical in origin and cannot be eliminated, but we will be improving their access to markets, and this in itself constitutes a structural improvement.

It is our opinion, and this is my second critical comment, that the Commission should again try to persuade the United Kingdom Government that London should make a direct financial contribution, since we are firmly convinced that such measures are the task of government and should not be left solely to the private sector. The benefit to be gained from the tunnel depends ultimately on the contribution of the public authorities. The Commission should therefore ask London once again to make a direct contribution, and the Community should not make any contribution until the United Kingdom has done as.

Thirdly, the Commission should now start to examine the possible effects of the tunnel on employment levels in ferry transport. I think that a study of this type is urgently needed for structural policy purposes since it could indicate what measures should be taken to compensate the loss of jobs caused by such restructuring. In the coastal regions there is a great deal of qualified manpower with experience in tourism and the transport of goods which should not be lost. We therefore recommend that the Community should now start to investigate the long-term fate of these jobs.

The most positive effect of a Channel Tunnel for us is that cross-channel ferry traffic will be greatly reduced. This would substantially improve safety in the Channel. You are all aware of the great pressure on shipping in the Channel and I don't think I need to go into details of the attendant nautical problems.

We are, all in all, satisfied with the report and feel that we should try to carry out this project without delay. It is true that many crucial problems are not settled, but that should not prevent us from making a start and avoiding any further postponement. I certainly have not yet heard any sensible reasons for delay.

(Applause)

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

Mr Diligent. — *(FR)* Mr President, ladies and gentlemen, you may think it strange, but for the first time since I have been in the House I feel moved; for many years I have fought in the French National Assembly and the Senate for the construction of this tunnel, and a year and a half ago I even formed an all-party group together with my friend Mr Prag, which immediately attracted more than 70 Members of all political inclinations and nationalities. I feel that if the Community could show that it had carried through this project which has been shelved so many times, it would really prove its effectiveness.

I think it is really time to get down to business. After congratulating Mr Seefeld, the rapporteur Mr De Keersmaecker and Mr Berkhouwer, who have rendered signal service in this battle, I would like to say that several centuries of thinking about it are enough!

A number of plans have been drawn up during the past 200 years. Favier, the engineer, submitted plans for a paved tunnel for coaches to Napoleon Bonaparte, and the Duke of Wellington was apparently afraid that England would be invaded by the French cavalry.

But a lot of water has flowed under the bridge since then. As the years have passed, the reasons for this project have become more and more pressing, and future generations will wonder how and why what seemed so obvious took so long, when all the technical conditions had long been fulfilled.

In 1876, HMS Ajax made 7 600 soundings, and a route was established which has been studied again in recent years. I will make only three points, on the political importance, the financial importance and the economic importance of this project.

Politically, as Mr De Keersmaecker said, it would be the symbol of a constructive Europe, and I think that earlier attempts failed because they were the subject of purely bilateral negotiations. By its involvement the Community will bring to bear more political will and ambition and will give the matter a European dimension, all of which were formerly lacking. Thanks to the will of the Europeans, Europe, up to now cut in two, will finally be physically united.

Financially speaking, assessments made at the request of the Commission confirm that the cost of the tunnel will be much less than the cost of developing present methods of crossing the Channel. And if I were to make a comparison with another Franco-British project, Concorde — and I do not mean this unkindly — I would say that the tunnel will be considerably cheaper, last twenty times as long and, instead of making a permanent loss, will be indisputably profitable.

From the economic point of view it is clear that, as the tunnel will link the United Kingdom with the large commercial and industrial centres of the Community, it will put an end to bottlenecks and stimulate trade and economic activity.

Ten years ago at a symposium in Lille, academics and experts of all nationalities explained that, even if certain regions and nations would be particularly favoured, all would benefit. I will not even mention the environment, for we should not forget that we would thus clear an arm of the sea where shipping density is making transport more and more difficult and sometimes almost dangerous.

Diligent

Finally this, the project of the century, could be the first of a series of European projects; during the last debate we mentioned the bridge over the Straits of Messina which would stand out as a landmark in Community history. As Robert Schuman often said, Europe will not be built in a day but by a series of practical measures. This is why I hope that, when the final decision is taken, we will stop calling it the Channel Tunnel, since that name will still be linked with so many unfulfilled hopes and vague ideas; when, I am sure, due to your determination, due to our determination, this great dream becomes reality, we can call it the Europa Tunnel.

(Applause)

President. — I call the European Democratic Group.

Mr Moorhouse. — Mr President, we congratulate the rapporteur most sincerely on the skill with which he has both drafted this report and steered it through the committee. I think it will come as no surprise to the House that we will support the resolution before us, but it is particularly gratifying to us that the initiative has come from one of our distinguished continental colleagues, and naturally we are most pleased also to have the support of other colleagues such as Mr Diligent.

Now the Channel Tunnel is a magnificent concept. It is a project which would bring a great many socio-economic benefits and is far more than merely a link between two city centres, London and Paris, valuable as that would be. Here we have a project which would link physically the whole railway system of the United Kingdom, including the most northerly points of Scotland, with the heart of Europe, and the southernmost part of Italy. Furthermore, the Channel Tunnel is a striking example of a project that is in line with European transport, regional and energy policies. It is one that would provide a shot-in-the-arm for all the railway systems of Europe.

Furthermore, it is a transport project that would lessen, as Mr De Keersmaecker has said, a considerable European traffic bottleneck. It would promote, as another Member said, less developed regions by offering the possibility of economically viable rail traffic between them and it would provide electrically-driven transport paths that could be fuelled from indigenous nuclear, coal and hydro electric sources.

And not least, it would create useful employment — new job opportunities, both in the construction of the tunnel itself, in the construction of the rolling stock and locomotives, and in both the construction and the operation of additional railheads. And again not least, it would help to take some of the traffic off our badly congested road system. It is a project which should be

seen alongside the discussion we have been having this morning on the subject of heavier lorries.

There would be substantial environmental benefits from bringing into being the Channel Tunnel and technically, as we have heard from the rapporteur, there should be no problem with the technology as this is well-proven, whereas other forms of Channel link, which may be tempting, would entail, if not further development, then more careful scrutiny before the green light can be given. And there are many of us who believe that the time has now come to press ahead.

Now what of finance? This is the really critical factor and I think the one that concerns us particularly here in the European Parliament and in the Community as a whole. Now, I should say that from the outset we in this group are going on the assumption that such a project would have to be funded wholly from private-risk capital. It has been established that the bankers are prepared to put up the funds required. However, as the rapporteur has said, it is generally agreed that those bankers would require some form of guarantee, and the precise form this should take, I think, is something which still calls for further study. One would very much like to hear what the Commissioner has to say on the subject. It would seem to us that at least undertakings would be required from the British and French railways on usage, but should there not be some kind of Community guarantee financed from, perhaps, the transport infrastructure which many of us still dearly wish should be set up, or from some other source?

So let us, Mr President, as a Parliament, give our wholehearted support to this resolution and salute the vision of men like Mr Berkhouwer, on my left, and Mr Richard Burke, the predecessor of the present Commissioner, who have kept the idea alive by their work and their initiative. Let this project be the touchstone of the Community: a Euro-project that is long overdue, part of the effort to launch a common transport policy for the Community; the backbone for our future social and economic prosperity.

(Applause)

President. — I call the Liberal and Democratic Group

Mr Berkhouwer. — *(NL)* Mr President, in the old Parliament I spoke countless times in favour of linking the United Kingdom with the continent by constructing a Channel Tunnel. And naturally I think that this matter should be pursued by the new Parliament. A good year ago I therefore took the initiative of drafting a motion for a resolution with which I assume you are acquainted and on which Mr De Keersmaecker's report is based. We are now considering the resolution put to us by the Committee on

Berkhouwer

Transport through its rapporteur, a resolution accompanied by a very clear explanatory statement.

Mr President, after many years in which I have been an ardent advocate of a Channel Tunnel project, in the European Parliament, today — as Mr Diligent has already said — is an occasion for some emotion and also a time for rejoicing. All the arguments for constructing a tunnel which I listed in my motion for a resolution are included in the Committee on Transport's resolution plus a number of additional arguments. I do not therefore need Mr President, in view of the overwhelming consensus on the matter, to go into detailed arguments, since almost everyone is pro-tunnel, and I think one usually needs more arguments to speak against a matter than to speak in favour of it.

But I must mention two points as I look back on the moves which this Parliament, the old and the new, has been making for some years now. I share Mr Diligent's view that we have been elected to devote ourselves to European projects on behalf of Europe and its citizens. I find the same tone in Mr Diligent's letter on behalf of the all-party group and in his quotation of Robert Schuman. May I quote another great Frenchman, Antoine de Saint-Exupéry: 'Le plus beau métier c'est d'unir les hommes'. It has been asked whether the moment is politically opportune since there is some friction with our British partners. They always used to say in Britain, when we were blanketed in fog and cut off from Britain, that the continent was isolated! But I would say to the people of the British Isles that it is now our job to 'unir les hommes' as Antoine de Saint-Exupéry says. It is just at a time of friction that we should try to come closer and create a link, in the physical sense of the word, between people on the two sides of the Channel.

The point is, Mr President, that now we must actually do what has been incontestably proved to be technically and financially possible. In my country we have a saying 'Where there's a will there's a way'. Changing this slightly we must say, and I hope we will now be as unanimous as the Committee on Transport, 'where there's a will there'll be a tunnel'. Mr President, if in the past there were still sound ecological arguments or fears of increasing congestion from traffic coming from the UK, they no longer hold good, or on the contrary, they now speak in favour of the tunnel. The project which started in 1973 was halted in 1975 by the then British Government for financial reasons. Mr President, it has since been shown that if a moderate toll were levied, the tunnel would show a surplus within a few years.

And now I will remind the Commission of an old idea of mine which I have already put forward several times — that the Commission should examine the possibility of issuing a large number of low-denomination shares, so that the man in the street could be involved with the tunnel project in two ways. Low-denomination shares

of 100 EUA could be issued, and then people would also learn how much that was, i.e. about 300 Dutch guilders. I urge the Commission to look into this possibility.

To sum up, Mr President, construction of the 'Tunnel de l'Europe' could as we have now seen, give a great stimulus to industry in the whole megalopolis of North-West Europe. It is of such great importance for employment in the construction industry and other sectors, for the regions, for the environment, for quicker and cheaper passenger and goods transport and for so much more that all I can do is appeal to the House to vote as unanimously as possible in favour of the soonest possible start to construction of this tunnel

(Applause)

President. — I call the Group of European Progressive Democrats.

Mr Doublet. — *(FR)* Mr President, ladies and gentlemen, at the end of this gala day for transport, we come to a project which my friend Mr Diligent has referred to as the European tunnel.

Here we find in fact an idea taking shape which emerged in France and in Great Britain more than two centuries ago. In 1964 the French and British governments reached agreement in principle on the construction of a rail tunnel under the Channel, subject of course to further discussion of the legal and financial problems. Need I say that this project almost took concrete shape a few years ago. Above all 1979 appears to mark the commencement of a remarkable resurgence of interest in the project of a fixed cross-Channel link. And I would not forgive myself if I omitted to mention the outstanding report presented in the interim by the chairman of the Committee on Transport, Mr Seefeld.

There is no need to point out the political significance and economic and trade advantages of such an undertaking. However, it should be stated emphatically that the impact and said advantages will not be to the benefit of Franco-British relations solely. The author of this excellent report, Mr de Keersmaecker, made this very clear when he said that it represented an unequivocal act of faith in the fundamental objectives of the Community. What would be the practical consequences of such an act of faith? Would the Community be called on to make a financial contribution to the project? All this is open to debate now that the British have said that strictly private financing would suffice. In any event the Community must feel involved, and why not take advantage of this opportunity to set up the fund for transport infrastructure which we are continuously calling for in other connections and which would play a decisive role in shaping a

Doublet

Community transport policy. As suggested in this report, we could also try to make regional and transport policies complementary at Community level. However, all this presupposes a decision which we are constantly calling on the Council to take, namely to adopt finally the 1976 proposal for a regulation on aid to transport infrastructure projects of interest to the Community.

If priority is given to this project in preference to others — and I do not at all wish to disregard the importance of, for example, the projected link across Austria which is so dear to our Greek friends — it should be pointed out that in-depth studies carried out in both Great Britain and France have shown that the rail tunnel is the best of the options put forward to date.

Apart from recognizing the major importance of the project, it is also necessary to examine the practical consequences, particularly the financial aspects, and it must be made clear that of the modes of transport proposed, the rail tunnel as defined by the French and British railways is the best and most economical manner of carrying out this immense project.

To sum up, let me say that we must adopt a positive approach to this problem as a matter of some urgency.

(Applause)

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — *(IT)* Mr President, ladies and gentlemen, I shall be very brief, as I just want to say that we are in wholehearted agreement with Mr De Keersmaecker's report on the construction of a Channel tunnel. We are particularly happy to support this idea, as it focuses the interest of the Committee on Transport on projects and infrastructures which are a crucial element in any modern concept of a common transport policy.

The Channel tunnel will provide new and greater opportunities for firms and businesses to convey their products to and from all the different regions of the Community. It is projects like this one — and it cheers me to say so — which transform the ideal of Europe into reality. I hope that what I have just said will be echoed by other speakers when we come to discuss — soon, I hope — the bridge over the Straits of Messina, another project of immense interest to the Community.

We have just one small reservation, and that concerns the Community contribution to the proposed project in the form of a loan. Once again we must insist, as we have always done before and as we shall continue to do under any circumstances, on the absolute necessity of adopting an ad hoc financial regulation. Without

such a regulation, we will never be able to devise a complete and coordinated Community transport policy. Having stated this sole reservation, I am happy to say that my colleagues and I will be voting for the motion for a resolution drawn up by Mr De Keersmaecker, because the project deserves to be greeted with enthusiasm as it will help to bring the peoples of Europe closer together, joining them in an ever stronger bond of friendship.

President. — I call Mr Key.

Mr Key. — Mr President, the idea of a fixed link between Great Britain and the continent, as many people have said, is not a new one, and people have been discussing it since the days of Napoleon. Even now, although there is a great consensus within this Chamber today, it still provokes a certain amount of emotion and unusual debate in certain parts of the Community; but I think the important thing to recognize is that the advantages of a fixed link are not now seriously challenged, and in his excellent report the rapporteur says that the practicality of constructing a tunnel between the United Kingdom and France is no longer in doubt. It has always been political considerations, mainly in my own country, that have prevented its realization. For too long, passengers and goods between Britain and the continent of Europe have had to suffer the inconvenience of that gap of 22 miles or 35 kilometres between the two road and rail networks with all the resulting problems of trans-shipment between the different modes of transport.

Trade between Great Britain and the Continent continues to increase — indeed, passenger and freight traffic has doubled over the last ten years; and despite the present economic difficulties, the underlying trend is still upwards. Indeed, over 40% of Britain's trade is with the countries of the Community — this without the goods that are passing through the Community from other countries. The need is there, and there is evidence now of a willingness both in the United Kingdom and France, to look favourably on the project for a fixed link across the Channel.

Nevertheless, there is likely to be some reluctance on the part of certain governments, especially the Conservative government, to undertake this project as a public investment. I think the Community has to have a part in it, and it is ideally placed to do so. This could be by way of a grant under the proposed transport infrastructure fund or one of the existing instruments or by some form of underwriting of the risks during the construction period.

In the view of the undoubted benefits of this scheme for the Member States and for the regions of the Community, including some of the peripheral regions which concern many of us, it is high time we adopted a united stand in this Parliament. We can do so by

Key

endorsing this report and putting pressure on the Council, the Commission and our own national governments to get on with this valuable and essential link.

(Applause)

President. — I call Mr Jackson.

Mr C. Jackson. — Mr President, I have a special interest in Mr De Keersmaecker's Europa tunnel or bridge, because it would have its British entrance near Dover or Folkestone, in the area which I have the honour to represent. I fully support the idea of a fixed link to unite Europe more closely; but I must say frankly that I shall fight against any too grandiose scheme that does not take full account of the special problems raised for Kent and the Pas de Calais.

What would these problems be? First, employment. Dover harbour is one of Europe's busiest ports. Last year, passengers going through it exceeded in number the total population of Belgium or Greece. It carried 6 million tonnes of freight, and on it depends the employment of more than 12 000 people. It is vital that the effect of any scheme on employment be taken fully into account, as advocated in my amendment to the report.

The second problem is transport infrastructure, the concern of Mr Patterson's amendment. A large bridge with motorways may grasp the imagination, but would act as a magnet for massive road traffic. Kent has been called the Garden of England. I do not want it to become a garden full of lorries travelling on inadequate roads through our towns and villages. The cost of any scheme must include adequate roads and motorways to London and the West.

Mr President, I welcome this report. In principle, I fully support the modest British-French rail tunnel scheme, but I insist that the interests of those in Kent and France most immediately affected by the tunnel should be fully respected.

President. — I call Mr Markozanis.

Mr Markozanis. — *(GR)* Mr President, ladies and gentlemen, we agree with the effort which is being made — and which must be continued since it is a longterm project — with regard to the Channel Tunnel. The main reason for this is that we consider that if Community responsibility is actually acknowledged in such an important transport infrastructure project, it will open the way for the systematic financing of other projects which are considered to have the same degree of priority. No-one should forget that common policy in land transport cannot be

fully realized in all its aspects without attention being paid to transport infrastructure.

Mr De Keersmaecker's report deals in detail with the specific options for a Channel link and the specific advantages which have been studied in detail. With regard to the proposed project, I should like to draw Parliament's attention to paragraph 13, which is particularly important for us and which states that the European Parliament stresses that the less-favoured regions of the Community have most to gain from a properly conceived transport infrastructure policy implemented alongside an effective regional policy. In view of this, we agree and shall naturally expect that, when other transport infrastructure projects of vital interest for other regions are being studied, everyone will show the same spirit of understanding and serious assessment of the project's importance.

President. — I call Mr Prag.

Mr Prag. — Mr President, I should like to deal very briefly with the fears which have been expressed in various quarters, by those who would delay the project concerning the economic and political consequences of a Channel Tunnel for the poorer regions of the Community. Essentially, they make three points: first they say that capital, especially public funds, would be diverted from the assisted areas, the poorer regions of the United Kingdom, to the rich south-east. In France the tunnel portal area, Nord Pas-de-Calais, is itself an assisted region, so for France this problem does not arise, but nor, indeed, in reality could it occur in the United Kingdom. Public funds could not be diverted away from the poorer regions, firstly because the government has said that public funds will not be used for a tunnel and, secondly the portal area, Kent, is not an assisted area and therefore is not eligible for Community Regional Fund aid.

Secondly, fears have been expressed that sea traffic would be diverted to rail, thus disadvantaging, for example, the north-eastern ports of the United Kingdom. But this is indeed very unlikely to happen because of the very substantial price advantage of sea transport. Indeed British Rail has calculated that the diversion of traffic will amount to some ¾ million tonnes of freight a year, and this compares with 30 million tonnes passing through the north-eastern ports of the United Kingdom.

But now we come to the main question which is the impact on traffic and trade and therefore indirectly on the economic activity of the poorer regions. The critics have said that a Channel Tunnel will bring a further displacement of economic activity towards the rich south-east United Kingdom. This fear is in fact both illogical and misplaced. The Channel Tunnel will enable goods for the very first time to be transported direct from anywhere in the United Kingdom to

Prag

anywhere in Continental Europe without on and off-loading at the ports. This will give a very substantial stimulus to long-haul traffic by rail and the development of fast and competitive rail freight services between the main United Kingdom regional centres, such as Glasgow, Newcastle, Leeds, Liverpool, Manchester, Cardiff — all in regions which require assistance — and the main continental centres, would bring additional revenue and substantial economic benefits to the regions. I have no doubt whatsoever, Mr President, that if the right transport policies are implemented, particularly in the United Kingdom, the regions of the Community farther away from the tunnel portals will also, like the portal areas, derive large economic and social benefits. That is indeed the main reason why my group is firmly in favour of the de Keersmaeker report.

President. — I call the Committee on Transport.

Mr Seefeld, Chairman of the Committee. — (DE) Mr President, ladies and gentlemen, I should like to thank all those who have taken part in this debate for their valuable contributions. My particular thanks are of course due to my deputy as Committee Chairman, Mr De Keersmaeker, for the enormous amount of work he has done in producing this report.

When the history of the Channel Tunnel comes to be written, it will probably begin, as we have heard today, with Napoleon, but the names 'Berkhouwer' and, of course, 'De Keersmaeker' will also be mentioned.

I should like to give Mr Diligent a few additional arguments in the form of historical references. I have read that in the Times, that venerable publication, there was mention over a hundred years ago of 'the silver strip of our security', which was a reference to the Channel Tunnel. Again in this century and not all that long ago the same newspaper wrote that all Britain possessed — its character, language, freedom, institutions, religion and undaunted spirit — it possessed because it is an island. However, — and I am very proud of this — the De Keersmaeker report was adopted unanimously in my Committee which means that those people who have come to us from the island which for years believed in the concept of 'splendid isolation', also voted in favour of the report. I might mention a few more nice incidents in the history of the Channel Tunnel. In 1808 — this is something everyone should know — a Frenchman planned a Channel Tunnel which, he said, would have to be lit by candles and permit horsedrawn carriages to drive through it. Later, when the French engineer Gourmant developed his plan for the Channel Tunnel, Queen Victoria said 'tell the French engineer that I give my blessing to his project on my own behalf and on behalf of all the ladies of England'. Perhaps the Queen of England might be there when the Channel Tunnel has become a reality and is opened.

Mr President, we started this morning with the Klinckenborg report on transport infrastructure and said that European politicians must demonstrate their wish to make an infrastructure of this kind a reality by visible signs. It is very appropriate that the last of the four transport topics on today's agenda is another report which links up directly with what emerged from this morning's speeches as the correct course of action.

This major project is no longer merely a question of improving the transport links between the United Kingdom and France — indeed it is no longer merely a question of the United Kingdom and France. When the Channel Tunnel is built — and this is something we advocate — it will, in my view, undoubtedly be of major importance for the transport situation as a whole throughout Europe, and together with my colleagues from the Committee of Transport, I should like to urge that we explore and make use of all the possible ways open to us with a view to establishing this link.

If the time available permitted, I would like to draw your attention to a series of problems which have only been touched upon today. In a time of increasing international commitments, it will not only be the goods transport sector which is affected, but all of us, i.e. tourists and businessmen, to say nothing of the railways — since it is going to be a railway tunnel — can profit from it. However, this in turn brings new problems which I will merely mention here today. For example, attention will have to be paid to the internal cross-section of the tunnel and the entrance and exit in the United Kingdom and on the Continent which will affect things as far afield as the Belgian railway network or transport in the Ruhr area. All these things give rise to further questions but I am convinced that we have the necessary spirit and strength to cope with them.

Mr President, I should like to make just one final remark. We in the European Community need symbols. Transport routes of international significance such as, for example, the Channel Tunnel could be symbols of this kind if we give them our backing — if necessary in financial terms. This Channel Tunnel could be and could continue to be the clearest symbol of our unity and our close cooperation within the European Community.

I urge you to adopt the report. Thank you.

(Applause)

President. — I call the Commission.

Mr Kontogeorgis, Member of the Commission. — (GR) Mr President, the main aim of the common transport policy is to ensure an effective and well functioning network of transport infrastructure projects.

Kontogeorgis

An advanced technological transport link between two major Member States of the Community such as the United Kingdom and France is typical of the sort of problems the Community has to tackle in this area.

The motion for a resolution before Parliament is an important and timely contribution to the investigation of the matter in question in that it pledges full political support and puts forward proposals on how the Community might lend its support. I note the large number of problems raised and the useful proposals made in the resolution and assure the Members of the House that the Commission of the European Communities will take full account of all of these when it discusses its proposals on infrastructure projects.

As you know, the Commission attaches special importance to the creation of a Community mechanism for financing programmes for infrastructure construction projects of Community interest with regard to transport. The Commission's proposals for a special regulation have been before the Council since 1976. These proposals have not yet been accepted, but neither have they been rejected. This proves their value, and we feel that the matter has simply not yet reached the stage in the Council for decisions to be taken. We hope that this will happen soon. The support and encouragement which Parliament has given us in this area has been both constant and strong. The Commission recognizes with gratitude and satisfaction the work which has been done in this connection by Parliament's Committee on Transport, and particularly by its Chairman, Mr Seefeld. It noted with particular gratitude that your report on the link between Great Britain and France is very similar to the study compiled by the Commission on the scheme in question. This is further evidence of the usefulness of our research programme, which it was possible to carry out largely as a result of the relevant budget items which Parliament approved. As for the comment by Mr Moorhouse on a Community guarantee for the financing of the project, I should like to remind you that the main point in the 1976 Commission proposal is that a Community guarantee may be given for carrying out major infrastructure projects, which of course include the Channel Tunnel.

In conclusion, Mr President, I should like to state that the draft report by Mr De Keersmaecker is proof of the beneficial effects which the activities of the Community institutions can have when they concentrate their attention productively on subjects which concern them all.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

5. Announcement regarding voting procedure

President. — I would like to ask Members to make sure even now that they have their voting cards with them, in case electronic voting is requested.

6. Decision on scientific and technical information and documentation

President. — The next item on the agenda is the report (Doc. 1-182/81), drawn up by Mr Beazley on behalf of the Committee on Energy and Research, on the proposal from the Commission of the European Communities to the Council (Doc. 1-512/80) for a decision adopting a third plan of action (1981-1983) in the field of scientific and technical information and documentation.

I call the rapporteur.

Mr Beazley, rapporteur. — Mr President, it is a happy situation indeed for me to introduce my report on the third plan of action on information and documentation in a week when this House has been discussing many important technological areas where the European Community has fallen very badly behind the world leaders, the USA and Japan, and when fears were expressed that the Community might find it difficult, not only to catch up, but perhaps even to play a significant part in certain of these new vital technological industries.

The Euronet/Diane position at the end of its second action plan — that is at the end of 1980 — was undoubtedly a success on which all who have participated on the action should be congratulated. The proposals for the third plan, which was due to start on 1 January 1981, have been very favourably considered by the Committee on Energy and Research, which is the responsible committee on this matter, as well as both the Committee on Economic and Monetary Affairs and the Committee on Budgets whose opinions were asked. In fact, it is almost a unique situation that, in a matter where there has been some limited preoccupation of the three Member States in regard to one section of the Commission's proposals, that all three committees passed their views with unanimity and with one single abstention and no contrary voice. I would especially like to thank Mr Hermann for the very helpful opinion he prepared for the Committee on Economic and Monetary Affairs whose conclusions I have attempted to include in my proposal.

The only amendments to my motion for a resolution are my own two which it was necessary to table in order to simplify the title, removing the three words in English and the one hyphenated word in German, scientific and technical, in relation to the type of infor-

Beazley

mation and documentation concerned, as we move into a stage when we wish that the scope of the present proposal should be widened to include economic and other types of information relevant to the users. I believe that these small amendments will be readily accepted.

Mr President, the resolution is very short and it has to date received such unanimous support that I do not wish to go into very great detail. I think however, that it is sufficient to say that the third of a series of three plans of three years' duration starting in 1975 was arrived at after the first two stages which set up the Euronet telecommunications network and provided it with an information source called Diane, with more than 25 computers and some 20 or more ready to be linked at a later date and some 2 000 terminals. Diane has already 175 data bases in addition to some 2 000 subscribing organizations.

The third plan, due to start 1 January last, has the following objectives. The first is the setting up of Euronet as a public network to be handed over to the consortium of international PTTs by 1983. This section of the proposal would cost approximately 4 million units of account. The second is the development of high-quality services in Europe with new information projects under the call-for-proposals scheme, which we, incidentally, strongly support and which will ensure that national policies are duly considered whilst the new proposals will complement the already existing national programmes. This section will cost 6 million units of account with an estimated 2.5 million additionally for sectoral information activities.

It is in this total of 8.5 million units of account that three Member States have suggested some reduction, or, in one case, the holding back of 5 million units of account until the working mechanisms of the first portion of 2.5 million are fully evaluated.

The third element of 3 million is for user support and marketing, while the final element of 1 million units is estimated as being required for new technologies and methodologies.

This total of 16.5 million units of account is needed for a period of 3 years, whilst approximately 5 to 5.5 million units are required for this year 1981.

Now herein lies the snag. There is no money under line No 3620 of the 1981 budget to meet this requirement. As I understand the position, a small balance from the second stage has been carried forward into 1981 to complete the 1978/1980 second stage amounting to perhaps 1.5 million units of account for payments.

There is a token entry in the 1981 budget. But it is not for me to suggest how the monies from the budget can be provided to meet the 5 to 5.5 million requirements

of stage 3. However, as the Committee on Budgets on 24 April unanimously voted in favour of the 1981/1983 programme, noting that no additional staff was required, no doubt they considered and will support the means of supplying the first 5 to 5.5 million units of account.

Of course they may need the Budget Commissioner's well-known skills and ingenuity in achieving this, and I hope that the Commissioner present today will indicate to the House how he can help support this programme. If he fails to do so, I believe a serious danger may be faced in that some of the very highly skilled specialists who have supported stages 1 and 2 of our programme may have to consider looking for other employment, which would, of course, mean closing down the project.

I would suggest to the Commissioner that there can be very few proposals as important as this, where the proposal is actually to hand back the Euronet resource for the PTTs in 1983 and so relieve the Commissioner of a continuing commitment.

This House, I believe, will strongly support this proposal and will offer its further support to the Commissioner and the Council in providing the necessary funds.

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

Mr Herman. — (*FR*) Mr President, ladies and gentlemen, I would like to congratulate Mr Beazley on the excellent report which he has just presented to us and which covers three problems I would like to raise briefly.

The first concerns the network. I think we must welcome the fact that the Commission has set up this network. Perhaps we shall have to wait some time before the national authorities are in a position to accept responsibility for it themselves, since we are not yet ready to undertake the desired integration, as was stressed yesterday in the report on telecommunications. Care must be taken in this respect and we must see to it that the transition takes place smoothly.

The second problem concerns access. We must encourage the standardization of access protocols and methods which would permit much wider use of these services, thus making them profitable. Finally, the third problem I should like to stress is the need to encourage the setting-up of data banks. At present the majority of such banks are in the United States. There is thus an enormous field which we are leaving to others, whereas Europe has the resources as regards personnel and training and research facilities to set up data bases of an equally high standard as those in the United States. We have sufficient university graduates,

Herman

sufficient staff, sufficient technology available and consequently we must not allow the United States to have a virtual monopoly on the setting-up of data banks, particularly since this is an extremely profitable operation. The various data banks in the United States are very profitable indeed and each year we Europeans pay out an impressive sum in rent or 'royalties' to have access to them. It is therefore advisable that we in Europe should also have our own data banks, but I do not think that the procedure proposed here will of itself provide the necessary incentive. A temporary subsidy might be necessary, at least during the initial period.

Apart from these three observations it is clear that we fully support Mr Beazley's proposals. He took the proposals of the Committee on Economic and Monetary Affairs into account but he also added some of his own, about which I should like to make one final remark. It is a fact that at the moment, most data banks accessible to Euronet are unilingual. Obviously it is difficult to envisage multilingual data banks and indeed this is a complex problem, but what we can hope for in the longer term is that the automatic translation system which we are in fact at present financing through another Community action programme can be used to translate texts automatically. To conclude, perhaps we can draw the Commission's attention to the need to ensure that progress made in the field of automatic translation is integrated as rapidly as possible into the Euronet network so that the obstacle of the data banks' unilingualism can eventually be eliminated.

President. — I call the Group of European Progressive Democrats.

Mr Turcat. — (*FR*) Ladies and gentlemen, on behalf of the European Progressive Democrats I should like first of all to welcome Mr Beazley's report, supported by Mr Herman's opinion. It is remarkable for both the clarity of the analysis and the lucidity of the conclusions. If I might add one remark to what Mr Herman has just said, it is to point out to the Commission, in particular as regards point 7 of the Resolution, that the setting-up of data banks involves not only the collection and computerization of data but first of all the critical assessment and standardization of the information. The shortcoming of some existing data banks, even in the United States, is the lack of prior standardization, firstly of data inputs, secondly of currencies, and even indeed of the value of the information. Subject to this remark, which is not intended as a criticism, we give our full support to Mr Beazley's report.

President. — I call Mr Sassano.

Mr Sassano. — (*IT*) Mr President, ladies and gentlemen, the third plan of action, covering the

period from 1981 to 1983, in the field of scientific and technical information and documentation retains on the whole the merits and defects of the previous plans. In particular, it reveals the defects of the system in the earliest stage when scientific and technical information and documentation are processed. If this is what the plan means by raw data, the base on which we hope to build the European information industry, it gives no clear-cut indication as to how meaningful progress is to be made in this field.

I should therefore like to make three essential points, the first of which concerns the European product. The satisfaction expressed in the first paragraph of the motion for a resolution and the recommendation in the sixth have to be viewed in the light of market conditions which give some cause for concern. There is a vast range of data bases on offer — access to which is already easy and the aim is to make it even easier — and an increasing demand by users which it is hoped to exploit further. But we have to ask ourselves, where are the European manufacturers? To me, this is a fundamental point.

Having said that, I must point out I should have liked to submit some amendments, but unfortunately time prevented me from doing so. I should just like to mention the first paragraph, in which, in my opinion, it would have been a good idea — and I have already spoken about this with Mr Beazley — to include the following words: 'and at the same time to promote data bases set up in Europe so that they can compete on the entire world market in the field of information and documentation'. Similarly, I should also like to add some other points to paragraph 6, but I will not read these out now because it would take too much time.

My second point concerns the type of product on offer. Paragraph 12 of the motion for a resolution laments the regrettable lack of action in catering to the needs of small and medium-sized enterprises. Actually, it would have been better to admit that what action was taken did not have the desired results because the type of documentation offered was rarely suitable and the firms themselves were not sufficiently aware of the advantages of documentation as a useful investment for the organization of their businesses and production cycles. It is my belief, therefore, that after the words 'statistical, commercial and economic information' in paragraph 7, it would have been useful to add 'of immediate relevance to meet the specific requirements of users', etc.

My third point deals with on-line services and document delivery. Paragraph 11 almost implies that these are two different things by talking of on-line services and 'other aspects of the information market such as a document delivery'. I have two comments here: firstly, no mention is made of preliminary study requirements, and secondly, given that these two things are regarded as separate elements, little reference is made to the

Sassano

modern technology which simultaneously permits on-line requests for information, requests for documents and their transmission by telematic means. While the technological problems may now be considered merely secondary, we can no longer put off drawing up legislation in this field, which ought to be the subject of a specific study.

However, as the preliminary research has been inadequate and in view of the very real competition for and dominance of the European market by the Americans — as Mr Herman also pointed out — how can we possibly envisage a competition policy based only on the proposals of third parties? How can we entrust them with such a task and risk so much? We must first of all critically examine the limited results obtained from the previous plans for scientific and technical documentation and then define a clear strategy to promote our system which will demonstrate its worth in the economic context of the information industry. In order to do this, we must give priority to a study outlining such a strategy and laying down individual parameters of technical and economic assessment on the basis of which we may successfully choose what steps are to be taken.

I should like to conclude with a suggestion. We need precise guidelines to direct our thinking and our actions so that we can design a good system and market it. Without this, we cannot even talk about a genuine and worthwhile information policy and industry for Europe, let alone achieve these aims.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, the Commission can be extremely brief on this question, not because it does not attach importance to it — our interest in this matter is known to all — but because firstly, Mr Beazley's report is extremely clear and comprehensive, as the other speakers have said, and, secondly, we agree entirely with the additional remarks which have been made — either during the discussions in committee or here at the plenary session. However, when I say that we agree with them I am referring for example to the question of extending Euronet to Greece or communications with the Americans because, of course, we do not have an entirely free hand in this sphere, in that we will have to discuss the question of pricing with the telecommunications authorities.

What I should like to say here is that the Commission accepts the task assigned to it under this proposal and in so doing expresses its support for the two amendments mentioned by Mr Beazley just now.

To conclude, let me make one last point which concerns the question asked regarding the budget. As you know, the situation is that there is no entry in the

1981 budget because the Council decision is overdue, thus giving rise to a budgetary dilemma. Both your interest in this problem and our own provide an incentive to seek a solution. On this particular point let me say that when the Commission has concluded its internal discussion on the 1982 budget against the background of 1981, we will enter into consultation on the question of the amendments to the budgets with the two competent committees, namely that on Energy and Research and that on Budgets, so as to ensure that a solution is found.

My reply is therefore firstly we have not overlooked this problem, and secondly that, in view of our present situation, it can only be dealt with as part of the procedure for amending the 1981 budget. I will therefore speak to my fellow members of the Commission to see that it is included in this procedure. Then I will discuss the problem with the two committees responsible, so that the amendments which we make have Parliament's support: this is important for the sake of consistency because in my opinion Parliament will also be supporting this report and these recommendations.

IN THE CHAIR: MR KATZER

Vice-President

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

7. Decision adopting a research programme in the field of controlled thermonuclear fusion

President. — The next item on the agenda is the report (Doc. 1-833/80) drawn up by Mr Fuchs on behalf of the Committee on Energy and Research on

the proposal from the Commission to the Council (Doc. 1-361/80) for a decision amending Decision 80/318/EURATOM of 13 March 1980 adopting a research and training programme (1979-1983) for the European Atomic Energy Community in the field of controlled thermonuclear fusion.

I call the rapporteur.

Mr Fuchs, rapporteur. — (DE) Mr President, ladies and gentlemen, I will begin with the perhaps surprising observation that the Commission proposal for a decision amending the Decision of 13 March 1980 adopting a research and training programme in the

Fuchs

field of controlled thermonuclear fusion, otherwise known as JET, would in fact be superfluous if the now simply unavoidable adjustment for inflation were made in the framework of the annual budgetary discussions. The Council has to date refused to do this. I hope, however, that it will reconsider its position because in so doing considerable work would be spared. For this reason the Committee has amended the proposal for a decision and adopted a proposal for an amendment — at present the only one. The Committee on Budgets had already put forward a proposal, from which the Committee on Energy and Research merely deleted four words, which in our opinion were dispensable.

The decision should now read as follows: 'These figures are of an indicative nature only and may be adjusted in the annual budgetary procedure.' In our view this is necessary because the original estimate provides for an increase in programme appropriations for unforeseen expenditure of 20%.

We are convinced that the size of the project, its new and complex nature and also the extreme safety requirements warrant this. We believe, however, that Parliament must be informed immediately of any additional expenditure so that an effective check can be carried out.

A word about the financial effects: 80% of the cost of this research project is paid by the Community. Between 1979 and 1983 the Community contributions will increase from 145 million ECU to 195 million ECU. The total cost of the project now stands at 263.1 million ECU, including funds from other sources. However, this also includes expenditure undertaken before 1979. The Committee on Budgets has checked the basis for the calculation and we can therefore, in my opinion, approve it with a clear conscience.

The European Parliament and the Committee demand emphatically that the deadline for carrying out the project be observed, because otherwise additional price rises will be necessary. Because of the delay in the Council decision we are already two years behind and are waiting for the operational phase of JET 1983 to actually begin. In its memorandum the Commission referred to other problems, to the acquisition of diagnostic equipment — here also quite a substantial increase is expected — the extended performance of the JET programme and requests for substantial additional staff. We expect the Commission to monitor these requests strictly and to inform Parliament of the outcome in good time.

There are some who are critical of thermonuclear fusion, and we should take their views seriously and enter into an intensive discussion with them. However, those who believe that such projects guarantee success are not aware of what is involved, of the demands being made on science. What is needed above all is the

flexible attitude to new developments — for example hybrid reactors — and widespread international cooperation, because it is only by cooperating that this great project can be brought to completion.

I am convinced that thermonuclear fusion represents a long-term energy solution, because the fuel is practically unlimited and evenly distributed. Europe would then no longer be in a state of dependence representing a threat to its existence, and also such energy is undoubtedly less damaging to the environment than other forms of energy. However, such energy will not be a reality before the 21st century, and there are undoubtedly big problems involved, as for example the material requirements, to which a solution can, however, be found.

To reject fusion research, leaving it to others, would mean, however, that Europe might possibly again find itself in a position of dependence, for which it would have to pay dearly. This must be prevented at all costs. What is needed is a frank, scientifically-based discussion, free of prejudice, so that it cannot be said that something was concealed, and so that there is no new talk of miracles. On behalf of the Group of the European People's Party I approve this Commission proposal and call on the House as a whole to approve the proposal for the JET programme.

(Applause)

President. — I call the European Democratic Group.

Mr Seligman. — Mr President, I would just like to support Mr Fuchs in his motion. We in this Group are obviously very interested in the fusion experiments that are going on or which are going to go on in Culham. I spent some time last week with Dr Pease, who is the head of the JET project, and he sees major advances being made, including the possibility of reaching criticality, i.e. of reaching 100 000 000 degrees centigrade, in the near future and he is already considering, as we know, various extensions to the programme which were always envisaged right from the start. So my Group enthusiastically supports the proposal to raise the sum of money available to 263 million units of account.

President. — I call the Group of European Progressive Democrats.

Mr Turcat. — *(FR)* Ladies and gentlemen, for twenty years we have been hearing that thermonuclear fusion would be operational in twenty or thirty years and the same said today. It is true that our energy situation makes it necessary for us to make the most of every opportunity, of every heavy or light atom, and for this reason we support Mr Fuchs's conclusions about

Turcat

actively continuing the project, and about the increase in proposed expenditure. However, we must be aware that this project is and will continue to be costly for many years and to believe in a rapid outcome is to delude oneself. Since individuals are responsible for managing projects, it is normal that they should do so in a sound business-like manner, with the objectives, types of machinery and manpower requirements clearly defined and with a fixed budget which is more than merely of an 'indicative nature'.

This is why we agree with the rapporteur on these various points, with the exception of paragraph 3 of this resolution, which we find rather ambiguous on this subject. However we thank him for his excellent study of this immense project and support him on all the other points.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, once again I can be extremely brief because Mr Fuchs's report and related remarks on it outlined the situation very well. I will therefore confine myself to three observations.

Firstly, I believe that we will have to look into the possibility of organizing a system for working with the Committee on Energy and Research — and I am glad to see that Mrs Walz, its Chairman is here — so that it can supervise all our programmes as they develop, so that information is available and a discussion can take place whenever necessary and so that any proposed adjustment — there may be others — can be examined in good time. I believe that this is a good suggestion and that at one of our future meetings we might return to it and examine the various points which fall within the committee's field of competence. Secondly, we must of course take care to continue this project, but in accordance with its economic logic, while retaining control in a manner which is acceptable to all parties and making sure that the best use is made of the funds allocated to it

My third observation concerns the proposed amendment to our proposal stating that the figures are of an indicative nature only. This is already the case, and we agree on it. I greatly regret, however, that I cannot support Parliament's proposal to adjust the figures annually in the budget procedure, not because I do not agree with Parliament but because that would reopen a discussion within the Council. It is absolutely necessary that the Council approve this increase in expenditure at its meeting on 18 May, otherwise it will be difficult to carry out the programme since it is already May

I understand and share Parliament's views. However, the Commission cannot formally introduce an amendment to its legislation because it would not then have

the Council's agreement on 18 May, and this agreement is needed for the management of the programme

It is therefore for a practical reason and not as a matter of principle that the Commission will not do as Parliament proposes

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

8. Recommendation on electricity tariff structures in the Community

President. — The next item of the agenda is the report (Doc. 1-895/80), drawn up by Mr Adam on behalf of the Committee on Energy and Research, on

the proposal from the Commission to the Council (Doc. 1-337/80) for a draft recommendation on electricity tariff structures in the Community

I call the rapporteur.

Mr Adam, rapporteur. — Mr President, the Commission recommendations were published on 26 June 1980 and the Committee's reaction to them is now before Parliament on 6 May 1981. I therefore don't find it surprising that delays of this length, particularly on a matter where there has been little disagreement, weaken Parliament's influence on the Council.

The broad objectives of the Commission recommendations are to promote rational pricing structures which reflect costs and result in a more efficient use of electricity. I emphasize the word *structures*. The report is not about electricity price levels.

The Committee on Energy and Research is in full agreement with the objectives and thus with the broad thrust of the Commission's recommendations. The Committee supports the view that a two-part tariff is the best structure for those purposes and that multiple tariffs based on time are a useful weapon in promoting more efficient use of electricity. The Committee agrees that block tariffs which provide for lower price levels as consumption increases encourage inefficient use of electricity and should be abolished. However, the Committee does not agree with the Commission's proposal that tariffs based on use should also be abolished. This view takes no account of the broader role of electricity within an overall energy policy. For example, the use of electrically-driven heat pumps is less efficient than direct electrical heating and it might be necessary to implement a special tariff to achieve specific energy efficiency goals. Economic and political objectives may also impel special tariffs. The

Adam

Committee therefore proposes that this article be amended to allow tariffs related to specific use provided use is in line with Article 1 and is also consistent with the energy-policy objectives.

Turning to the social, or political, subsidies, the Committee believes that the Commission draft Article 6 is insensitive to the situation. There are very compelling reasons why low income groups, old people for example, should have adequate power in the home. The administrative ways of giving help can be extremely complicated and it would be unfortunate, in the view of the Committee, if Parliament accepted a recommendation which made it more difficult to give help.

Disconnections of electricity supply to private houses cause considerable hardship and can endanger health. Earlier this year, for instance, disconnections in the London area were running at the rate of 400 a day. In my own area of the north-east of England, over 6 000 people every year are disconnected for this reason. All this represents severe social and economic difficulties magnified by rising unemployment, and in such circumstances a more sympathetic approach is needed than that which is proposed by the Commission.

Other consumers can also suffer discrimination; those in certain geographical areas, for example, the islands off the west coast of Scotland, which are not connected to the national grid. Also in remote rural areas it obviously costs more per house for connection to such a grid. Pricing structures must allow for flexibility in such cases.

A somewhat similar situation exists in Northern Ireland, where high energy costs result from undue reliance on oil as a basic fuel. Subsidized grid connections, or subsidized fuel costs, could be the answer in such circumstances with the consumer paying the normal tariff for the other part of the two-part block. There is a strong case for a more generous interpretation of the possibilities regarding tariff structures in this instance and the Committee, without in any way questioning the principle of the Commission's proposals — and I do stress and underline that we in no way differ from the principle that the Commission sets out — very strongly urges the amendment that we have agreed to Article 6.

Mr President, electricity tariffs are an immensely complex subject; there is no magic answer. The Commission proposals are only a first step towards achieving more rational systems throughout the Community. I must stress, however, that this whole subject is greatly limited by the absence of an overall energy policy and of an agreed role for electricity within such a policy.

President. — I call the European Democratic Group.

Mr Seligman. — Mr President, the decade of the eighties will be the decade of the kilowatt. After 20 years of swilling in cheap imported oil, we spent the seventies writhing under massive oil-induced inflation. Now, in the eighties, we are going to shake off our dependence on oil and use more and more electricity. Why do I say that? Because electricity can be derived from plentiful indigenous supplies of coal, hydro-electric and nuclear power; and secondly, with heat pumps and with combined heat and power, electricity can use fuel efficiently.

When Europe emerges from its recession, as it certainly will do soon, the demand for electricity will be enormous, and we must therefore get the pricing of it right. This must be fair to all users and comply with the Treaty of Rome rules on free competition. At present it does not. A recent survey by the National Development Organization of Great Britain established beyond doubt that British companies who use large quantities of electricity for producing metals, paper, chlorine, etc. pay up to 25% more than German companies and up to 35% more than French companies do for their electricity. (I am talking about the big users.) Dutch and German steel companies often have special contract prices, which are secret but which may be as much as 37% lower than British companies pay.

We are not asking for equal prices. Every nation is entitled to the price advantages of its own natural resources and its own investment policies. But French electricity prices, for instance, are low because they have ample hydroelectric and nuclear power, which produces 45% of their electricity. In four years' time this figure will be 75%. The enormous German electricity supply company, RWE, which produces 50% of Germany's electricity, does it cheaply because it owns its supplies of cheap brown coal. The fact that the British do not supply North-Sea oil and gas to their own industry at prices lower than world prices is our own affair. There are many British industrialists who think we should sell it lower to our own industry; but I believe the reason for charging world prices for North-Sea oil is that it is going to run out in thirty years' time and therefore there is no object in selling it cheaply.

What we do object to, fundamentally, is the financial help which the French Government gives to *Electricité de France* to restructure its capital with over one billion pounds' worth of reprogrammed interest payments. It is a type of subsidy. In Germany, where there are over 400 different suppliers of electricity, there is no transparency in tariff charges, and secret contracts are frequent. The German and French governments also help their electricity suppliers with substantial aid on research and development. Against this British electricity users have many handicaps: firstly, the high value of the pound, which makes price comparisons very difficult; secondly, 70% of our electricity comes from highpriced deep-mined coal, and

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thirdly, we are not able to use our electricity capacity to the full and therefore our load factor is very low.

What we need from the Community is, firstly, transparent electricity tariffs, openly published for all to see; secondly, a ban on secret contracts for coal supplies; thirdly, a ban on government subsidies and special financial aids; and finally, tariffs that reflect the global long-term cost of supply, including repair and replacement. What we do not want — and I agree with Mr Adam on this — is the elimination of different charges for different uses. We do not want the same charge, for instance, for metal melting as for street lighting. But above all, in conclusion, we want the Community to establish a greater convergence of electricity price structures and avoid artificially low prices, which conflict with our main objective, that of energy conservation. That is our first priority, and for this reason we hope that, since little attention will be paid to this recommendation — because it is a recommendation — if it is not followed by member countries it will be changed into a directive: then someone will pay attention to it and will act on it.

I would conclude by welcoming the news that the 2 000 megawatt cross-Channel cable has been authorized by the British Government. When it is in use, it will contribute greatly to the flexibility of supplies, reduce peaks and harmonize the pricing of electricity. We must have many more cross-frontier electricity links.

President. — I call the Communist and Allies Group.

Mr Kappos. — (GR) Mr President, we are against this report in principle, because, to a greater or lesser extent, it restricts the sovereign rights of each country to decide electricity tariffs, i.e. it restricts the right of the Member States to fix tariffs according to their needs — e.g. to conduct an anti-inflationary policy, to strengthen particular sectors of the economy, such as agriculture, or to meet other social needs.

Furthermore, Mr President, whereas the basic objective is the transparency, the fixing and the structuring of tariffs on the basis of costs, provision is made for private agreements to remain secret and confidential. Essentially, these agreements concern monopolistic concerns which purchase electricity at preferential terms from the State-owned electricity companies. In Greece, for example, the Pechiney company pays 0.7 drachmas per kilowatt/hour, whereas it should be paying more than 3 drachmas. This places a burden on the other consumers, on the national budget and on the Greek people as a whole. It is therefore not possible for the people to bear this burden and to remain in the dark as to the situation and the extent of the burden. For these very reasons, Mr President, we reject the report.

President. — I call Mr Sassano.

Mr Sassano. — (IT) Mr President, ladies and gentlemen, until the 1970s the tariffs charged by private electricity supply companies and public electricity boards in the various Member States were traditionally designed to increase the consumption of electricity. Every effort was made to promote the use of electrical energy, by applying different tariffs according to the type of consumer and with various rebates for differing quantities of energy supplied to consumers. But in the last few years, a restriction on supply and, to an even greater extent, increases in the cost of energy have resulted in an overall change of attitude in producers which has in turn resulted in changes in energy tariffs and in that of electricity in particular.

The fact that energy has become scarce has made it necessary to introduce without delay — and this has already been done by several Member States — measures to control demand by means of special clauses in electricity supply contracts, and also to reduce as far as possible the incorrect use of electrical energy. The aim is to discourage the use of electricity for heating water and premises, for example, as this can be done much more efficiently with other sources of energy.

The definition of what constitutes the incorrect use of electricity varies considerably, however, from one country to another and is likely to vary even more with the years to come, being based, among other things, on generating capacity. For this reason, the amendment put forward by Mr Adam to the Commission's recommendations is of particular merit, as it allows Member States the option of imposing, in exceptional cases, differential tariffs aimed at discouraging incorrect use, for example, if this is in keeping with the long-term energy policy of the country concerned.

Still on the subject of energy shortages, I should like to mention another consequence, and that is the ever increasing feeling that in the years to come the Member States will have to step up their efforts to apply multi-period tariffs and to provide energy users with information in order to help them modify individual and industrial practices as much as possible.

Another suggestion with which I concur wholeheartedly is that which calls for the abolition of degressive tariffs. Such tariffs are quite out of the question for the 1980s, given the high cost of energy generally and of electricity in particular. My only regret is that since we are going to be faced with ever more serious problems where energy supply is concerned, an examination of the Commission's proposals could have provided us with an opportunity to extend the simple and straightforward discussion of tariffs to include other developments which have already taken place and which are

Sassano

likely to become of even greater interest in the near future. I mean, for example, such developments as reductions in tariffs for users in areas where large-scale energy production units have been installed and reductions in tariffs for those using electrical energy sources. This practice should be more widespread. Apart from that, it should be borne in mind that prices must be in line with costs for each category of use and that the structure of tariffs must be designed in a simple and comprehensible manner, should be easy to use in practice and should stimulate the rational use of plant. Secondly, the two-part structure — which meets the requirements of the previous point ideally — should be more widespread. Thirdly, promotional tariffs which encourage wasteful consumption should be outlawed, and multi-period tariffs should be introduced on a more general basis, as I said earlier.

I do feel, however, that it would be extremely useful if a motion for a resolution could be drawn up and studied by the Committee on Energy and Research, in which our general views on prices and rates of energy consumption in the medium and long terms could be given.

President. — I call Mr Moreland.

Mr Moreland. — Mr President, I welcome the Commission's proposal and Mr Adam's report. Yesterday the President of the Council agreed that discrepancies in energy pricing structures between Member States was a serious impediment to fair competition and that a common approach to energy pricing structures was urgent. I think many of us would welcome such a statement from a Dutch Minister at this time. In this connection therefore, the Commission proposal is welcome. Indeed, I particularly welcome the basic philosophy that underlies it, that electricity pricing must reflect the scarcity value of energy resources.

Indeed, in this context we believe that point 6 of the proposal should be clear in order to indicate that any artificially low price, albeit for good reasons, must be definitely an exception because we know what happens — you give one concession and that concession soon becomes the rule and you give further concessions.

This proposal is only a recommendation. It has no force of law and I suggest its effect will hardly be dramatic. It is a mouse. Is it a mouse that is going to roar?

Consequently, I would suggest that it will not take us very far. Indeed I would be interested to know from the Commission what effect it really believes this recommendation will have, and indeed if the Commission would suggest at a later date a directive on this particular subject. Because we do believe that energy-

pricing structures, given that energy costs are now an important part of industrial costs, are an integral element of fair competition within the Community. And indeed I would ask the Commission in these circumstances to make sure that it is using the competition rules of the Community where there are artificial energy-pricing schemes

So, although I welcome this proposal from the Commission, I think it has severe limitations. It is going at some time in the future to need teeth, and I would be interested to know from the Commission what its plans are in the future for further developments along the line of gas and other schemes because we do need a common approach on energy-pricing structures.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) I should like to say to Mr Adam that his report sets the problem out well. And I think that a step forward has been taken, since this is the first time that Community energy policy has embarked on the extremely difficult question of prices. It is something which has not been done before and everyone who has spoken has shown quite clearly the effect that prices have, and how they can lead to distortions in the economy, distortions in industry, all of which we were talking about in yesterday's session. The Commission shares this view.

I would add that the Commission is not optimistic, insofar as we do not believe that we can make everything clear overnight in this jungle of electricity generation, any more than we believe that we ought to arrive at a single uniform tariff. That would have no meaning, since the situation is not the same everywhere and we would end up with something idiotic. The system must, on the other hand, be transparent, people must know what is the reasoning behind it. What does encourage us is that Member States seem to be willing to follow us on this subject, since there was a discussion about it in the Council on 18 November and another at the beginning of this year when the conclusions of a British report, by the NEDC, were available, and when the Member States agreed that the question should be looked at in detail. At the moment comparative studies are being carried out by experts in the Member States with the agreement of their governments. That is a first step.

The reason, Mr President, why we proposed a recommendation rather than a directive is that we do not yet have enough information to make a directive. When we are giving instructions, it's better if we know what we are talking about; what we are talking about is not sufficiently transparent for us to be able to propose a directive. Things have to be done stage by stage

Davignon

Having said that, I would like to refer to the two amendments which have been put forward. The first, which relates to point 4, we can accept, and we will amend our proposal to take account of it. The amendment to point 6, as it stands, poses a problem for us. This amendment proposes that for social motives special tariffs may be applied provided that 'any social support element is clearly identified as such'. We do not disagree with that. The question which has to be asked, and which does not appear in the text, is who will bear the cost of these special tariffs. Is it to be the Member States as part of their social or regional policy — which seems equitable — or is it to be the other consumers, which may be defensible but which is part of an entirely different programme? Because if that is to be the case, no one should complain if rises in tariffs for non-privileged consumers are not applied or not the same as in other countries who have no wish to finance their special tariffs in that way.

My own view is, therefore, that we cannot accept this amendment in its present drafting: it is incomplete. Were it possible to complete it by indicating not only that any elements of social support should be clearly identified as such, so as to ensure transparency, but also by whom the cost of such support should be borne, we would be able to accept it. The amendment would then be in line with point No 1, as is the amendment to point 4. We are prepared to discuss the question, but we can only take it up if the rapporteur changes his amendment during this discussion as I have suggested. I would add straight away, Mr Adam, that if you are unable to do it, it will not be a disaster. We are not talking about a law and even if we were unable to accept the amendment we would be quite willing to offer our own views on it to the Council along the lines I have indicated. That, it seems to me, shows quite clearly that there is no basic disagreement between us.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

9. *Foundation of the Communities for international technological and scientific cooperation*

President. — The next item on the agenda is the report (Doc. 1-862/80), drawn up by Mr Purvis on behalf of the Community on Energy and Research, on the creation of a Foundation of the European Communities for International Technological and Scientific Cooperation.

I call the rapporteur.

Mr Purvis, rapporteur. — Mr President, I should like, on behalf of the Committee on Energy and Research

to thank Mr van Aerssen for bringing this subject up. The Committee, in studying his initial motion, decided to confine its attentions to the problem of transfer of technology to the Third World rather than expanding it much more broadly to exchange of technology and scientific information within the industrialized world.

This subject, of course, is one of major international interest — the United Nations, the OECD, the Brandt Commission, Lomé II, and the US Committee for Economic Development, have all devoted a lot of attention to this question. The United States' Committee for Economic Development indicates that the transfer of technology is the heart of the economic development process. So, transfer of technology to the Third World is a top priority in any development strategy, because it helps towards self-sufficiency, and so technology transfer should have, as stressed also by the Parliament's Committee on Research and Development in its opinion, an even more prominent place in the Community's development policy.

In our motion we stress the importance of improving the capability for research and development in the developing countries themselves by helping their universities and research establishments and so encouraging native researchers to work in their own countries and to discourage the brain drain to the industrialized countries. The proportion of the world's research and development carried out in the developing countries is pitifully small; only about 3% of the world's total. Our efforts should be directed towards redressing this imbalance. The United Nations' target is 20% by the end of the century. This can be achieved, as pointed out in our report, by directing financial aid to universities and research establishments in the developing countries, by encouraging exchanges of researchers and by encouraging multinationals to carry out research, where possible, in the developing countries.

They also have a responsibility to make the conditions encouraging, especially for foreign companies to locate research and development on their territory. They have to assure proprietary rights over any discoveries and they must not impede the repatriation of profits or over-extend their propensity to nationalization and confiscation. We stress in particular the problem of patents and proprietary rights. Inevitably there must be benefit to the proprietors of inventions, otherwise useful technologies will just not be made available. But this does not preclude the Community from financing the acquisition of such rights if felt appropriate and if the commercial return cannot be seen.

Some members of the committee raised the problem of the economic effect on our industries of enhancing the developing countries' competitive ability by transferring technology. I have therefore spelt out in the explanatory statement that we can hardly provide the technology and not expect competition in certain

Purvis

industrial sectors. The industrialized countries will have to accept that they must keep ahead of the game and that it will entail adjustment in our industry. But the overall economic and political benefits will outweigh the difficulties and we must have the capability to keep ahead and adjust.

Mr van Aerssen proposed the setting up of a new body, a foundation for organizing this transfer. I think he now agrees with the Committee's view that the necessary elements already exist within the Community for achieving satisfactory results, even if their performance has not always been as satisfactory as one might have wished. There are established relations with a number of developing countries, especially under the Lomé Convention. Under this agreement we have the Centre for Industrial Development, the CID. Its performance has been criticized, perhaps rightly, but this has been due largely to inadequate finance and staff. Under Lomé II the CID is being revitalized and improved and the Committee sincerely hopes that this will materialize, as its role is a potentially very useful one, concerned as it is with industrial projects, information on technology and industrial developments, the provision of technical services, the promotion of contacts between ACP and EEC industrialists and the management of projects including technology and training.

Formal cooperation agreements also exist between the Community and other groups of developing countries including ASEAN, the Mashrek and the Maghreb. In the United Nations, as part of the North-South Dialogue, the Community is fully involved in trying to achieve a viable strategy although no agreement has yet been achieved and technology transfer is one of the principal problems.

The Committee therefore feels it would be unwise to set up a new foundation which could well become another bureaucracy and divert scarce intellectual and financial resources. Rather, we ask the Commission to reformulate its aims and duties and reorganize its working methods so as to be more effective and to fit better with the requirements and capabilities of the developing countries. Just urging, we feel, is not enough, so we ask that the Commission report to the Parliament within six months on what they have done. Parliament has an obligation to keep a close watch on what happens. In committee the Commission has indicated its willingness to improve its methods and to work closely with Parliament in formulating and achieving the Community's objectives. I should particularly appreciate it if the Commissioner would agree publicly to provide us with a formal report on this matter in the second half of the year. We have also asked that this motion should be sent to the ACP/EEC Joint Assembly and I hope we shall have their observations by the time it is next considered.

I therefore ask the House to support this motion which reinforces our concern for an effective policy

and system of technology transfer and places on the Commission the responsibility for fulfilling these intentions.

President. — I call the Group of the European People's Party (CD Group).

Mr van Aerssen. — *(DE)* Mr President, ladies and gentlemen, I should like to thank Mr Purvis for featuring in his report precisely the thinking behind our motion even though he did not actually support the setting-up of a foundation. That is not a desperately important matter from our point of view because his report and the strategy proposed therein comprise all the elements we had in mind in proposing the establishment of a foundation. We can only endorse his fear of bureaucracy. He has stated his views clearly and put forward very precise and worthwhile proposals which my Group will be supporting when it comes to the vote.

Mr President, the process of stimulating research and the transfer of technology is going on at three levels: firstly, among the Member States of the European Community — in other words within our European family itself — secondly, between this European family and the industrialized nations of the West, and thirdly, between the European Community and the developing countries. The latter is precisely the weak point, a point which Mr Purvis brought out with admirable precision. That is precisely the point we intended to work on, and that is precisely what he has proposed these instruments for, which we approve of in every respect. You have only to bear in mind that the West holds 95% of the 3 500 worldwide patents to realize how important the problem of technology transfer will become over the next few years.

We support the strategy proposed by Mr Purvis, and I should like once again to spell out the elements which we particularly welcome and which we shall support in every respect. Firstly, technology transfer will be given much higher priority in this strategy; secondly, technology transfer will not be simply a one-way flow from here to the developing countries, instead, the strategy provides for the establishment in the developing countries of organizations to promote technology and research; thirdly, it is part and parcel of this strategy that we in the European Community should take a more active interest in this matter.

On this basis, we come — fourthly — to the conclusion that the aims and the instruments of technology and the transfer of technology to the developing countries will have to undergo change within the Community. That is something we wholeheartedly support. We thought it could be done by way of a foundation, but we can at any rate support Mr Purvis's ideas on the subject.

van Aerssen

I should like to underline once again on behalf of my Group the enormous importance of what Mr Purvis had to say in the context of this strategy about the need to overcome nationalistic thinking in this field and for priority to be given independent institutions in preference to government patronage and control. That is to our mind a highly important factor, and we would ask the Commission to implement this strategy with great care and to actively pursue this point.

The final element of this strategy is the permanent dialogue with the Commission and the report which is due to be submitted in six months' time. Mr Purvis was very polite in *asking* the Commission to present its report. *We demand* that the Commission should have the report ready by the end of six months.

I think that, if all these six points are put into practice, we shall have cause to be pleased, because then we shall have taken a step together along our common path. I would address a sincere word of thanks to Mr Purvis and all the Members in this House who support this common concern.

President. — I call the Liberal and Democratic Group.

Mr Calvez. — (*FR*) Mr President, the concern which led Mr van Aerssen to put his motion for a resolution is completely justified; it is essential that we give developing countries help in acquiring scientific and technological information. The author does, however, seem to have forgotten that the European Community already has suitable channels which are of proven worth. The new Lomé Convention went further than Mr van Aerssen's own wishes in proposing increased cooperation on energy matters, particularly in developing alternative sources of energy and in prospecting for oil. Lomé II also has proposals for installing and helping small and medium undertakings. These are two key sectors and should lead to the industrial development of the developing countries, precisely by using technological and scientific cooperation. One only has to read the resolution in the annual report of the ACP-EEC Council of Ministers adopted in November 1980 to realize that the ACP States are not interested in setting up a foundation with goals which, like every other body of the same kind, are too vague and have no binding value. That the ACP States have clearly understood so is clear from the fact that they are asking, under the Lomé Convention, for a business administration institute to be set up to train managers in appropriate techniques and technologies. In the same resolution they ask for a technical centre for agricultural and rural cooperation to be established and for cooperation between the JRC and the ACP research centres. Although finance from the EDF and the European Investment Bank for projects aimed at scientific and technological cooperation are not a complete answer to the ACP States' requirements they do at least exist and enable some projects to be carried out.

We are not, however, just talking about the signatories of the Lomé Convention. All developing countries need this kind of assistance. The United Nations, the World Bank, the OECD and the Secretariat of OPEC are all already participating in cooperative projects on energy. Since all Member States of the European Community are Members of one or other of these organizations a certain amount of information and a certain amount of international coordination in aiding developing countries already exists.

I would like to say in conclusion that we must, as a general rule, avoid the proliferation of such organizations, the value of whose work is rarely in proportion to the cost of their administration. On the other hand, as Mr Purvis made clear in his report, the European Parliament must ensure that the Commission fulfils its obligations towards the developing countries.

President. — I call Mr Croux.

Mr Croux. — (*NL*) Mr President, ladies and gentlemen, I should like to begin by congratulating Mr van Aerssen on taking this initiative. This may sound somewhat odd in view of the fact that his proposal was not adopted, but — as Mr Purvis explained in his excellent report — we felt that there was no need at the present moment for a new institution. However, as Mr van Aerssen himself said just now, his aims were shared by the Committee, as we have heard in this House. In that respect, we owe a lot to his initial motion. I believe he is the first person to raise in this House the question of the relationship between Europe and the developing countries in the field of scientific research and technological innovation, and for that he certainly deserves our congratulations.

Secondly, after we had completed the Purvis report, the Commission sent us a document dated 18 February 1981 on Community policy on science and technology and the effects of Community research and development on the horizontal policy. It seemed to me a good opportunity to draw attention to this matter, because, among other things, the document referred also to development cooperation in the context of the horizontal policy. It is to my mind an odd document, which seems to have been drawn up at the behest of the Council. That request dates from as long ago as 20 December 1979, and I therefore appreciate why Parliament, the Council and the Commission wish to tackle this subject with special care. As we do not have sufficient time to go into the matter in any more details, I should like to ask the Commission how much progress it has made on the intentions expressed in its report concerning a proposal to encourage the transfer of scientific research and technological innovation to the developing countries. How far has the Commission got with this work, and will it be in a position to develop

Croux

its proposal further in the short term and communicate the results to the Council? I also wonder whether it would not be possible to combine this subject with Mr Purvis's request to the Commission to tell Parliament within the next six months what progress the Commission had made in its attempts to improve the efficiency and obtain optimum coordination of the various measures. In view of the fact that the Commission is studying this question at the request of the Council and in the context of the horizontal policy, I think it would be useful if its efforts could be coordinated and integrated.

Thirdly, the Commission's report of 18 February to the Council refers to the aims of the Vienna programme. I shall not repeat the relevant passages — those who take an interest in this question will know them already — but I thought it would be worthwhile to extend them. After all, we are becoming increasingly aware of the need to integrate these relations with the Third World in the field of scientific research into our own problems, and we are becoming increasingly aware of the global character of the problems. We have only to think of the question of the international division of labour and certain recent documents — such as Professor Tinbergen's project for the world distribution of labour — to realize that we too are very much affected by this whole problem and no clear distinction can be drawn any more between the developed and the undeveloped countries. That is something which, in my opinion, deserves to be restated.

It will of course be a long road — let us be under no misapprehension about that — but it is in my opinion an extremely important matter which must involve the FAST programme currently under preparation by the Community. I would very much appreciate an answer to these questions from the Commission.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, I think that Mr Croux summed things up when he said that Mr van Aerssen's initiative in drawing attention to the need for us to do more on these questions, and improve our methods, was very timely, since the Committee has recently made proposals — referred to in Mr Purvis' report — to which we can give our approval.

What this means in real terms is that within the six-month time-limit we shall be carrying out the analysis which has been asked for, so that a clear view can be had of what works and what does not work, what is needed and how the various programmes we already have under way — this is how I interpret Mr Croux's question — fit into the general context. Whether they are individual projects forming part of our connection with the developing countries — for such projects already exist in our programmes and in the work of

the JRC — or of a more general nature as suggested by Mr Croux when he referred to the Vienna programme.

I have borrowed from him the Document of 18 February 1981; looking through it I see that it is a kind of snapshot of what we are trying to do. Under the circumstances I think that it would be best if we forwarded to the appropriate Committee of this Parliament those parts which relate to this question, and include the most important elements in the document we shall be producing within the next six months.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

10 *Suspension of work in the field of breeder reactors — Nuclear energy moratorium*

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

— the report (Doc. 1-647/80), drawn up by Mr Seligman on behalf of the Committee on Energy and Research, on the Geneva appeal and the suspension of work in the field of breeder reactors,

— and the report (Doc. 1-49/81), drawn up by Sir Peter Vanneck on behalf of the Committee on Energy and Research, on a nuclear energy moratorium.

I call the rapporteur.

Mr Seligman, rapporteur. — Mr President, the Capanna resolution of October 1979 supports the Geneva appeal of 1978 and we are now debating it in 1981. So whilst I have great respect for the motives of the people involved in the Geneva appeal; I think the whole subject is a bit stale.

The resolution calls for three things. It requests the Committee on Energy and Research to hold hearings on breeder reactors and to report on safety, economic matters and relations with non-member countries. Now the Committee on Energy and Research considered that since there was an exhaustive two-day hearing by the Council of Europe in Brussels in December 1979, in which the whole subject of fast-breeder reactors was considered, it would be a duplication of effort and a very substantial waste of money to hold yet another hearing on the same subject. Needless to say the minority opinion in my report did not agree.

Seligman

Mr President, not only was the Council of Europe hearing well attended by Members of this House — including incidentally Mrs Bonino who spoke at length — but all shades of opinion were openly expressed at that hearing and it was recorded. It considered all the aspects of fast-breeder reactors which were worried about: safety, environment, etc.

Now, in my opinion, there is very little new to be said about fast breeders which has not already been said at that hearing and in exhaustive studies carried out over 2½ years in the International Fuel Cycle Evaluation Conference in Vienna which reported last year. Now INFCE was set up by 50 nations as a means of evaluating non-proliferation techniques in the plutonium fuel cycle, and it came out strongly in favour of fast-breeder reactors as the most efficient and environmentally acceptable means of using plutonium.

Now, in view of all this detailed discussion that has been going on in other places, do Members really think that it is worth holding yet another hearing on the same subject? Are we incapable of accepting the opinions and information already available in great abundance?

The second Capanna recommendation is that Community contributions to the implementation of fast-breeder projects, like Super Phénix and Kalkhar should be suspended. Now, Mr President, the Community makes no contributions from our budget to fast-breeder projects. One fast-breeder project did receive loans from the European Investment Bank and from Euratom. But Parliament has no control over those sort of loans.

The third point made by Capanna is that governments concerned should suspend all work connected with breeder reactor projects and set in hand public and parliamentary inquiries to determine whether the Geneva appeal is well founded. The Committee on Energy and Research, subject again to the minority opinion, considers that the Community has no legal competence to encroach on what is an internal national matter. The Community could only suspend work on Community projects. The draft resolution before the House today therefore rejects the Capanna resolution on the Geneva appeal and the suspension of work on fast-breeder reactor projects.

It is not my wish — because time is getting on — to go into a profound technical debate on the merits and demerits of the fast-breeder reactor; but I would like just to make one or two important points. If we now suspended work on fast-breeder reactors this would allow the Russians and the Americans to establish a technical lead which at present is firmly in the hands of Community nations.

Secondly, it would seriously damage the French energy programme and would damage all the people who depend on the success of that programme.

Thirdly, the fast-breeder reactor, we should all realize, is the only reactor which makes full use of 100% natural uranium 238. It, therefore, is 60 to 75% more efficient than any thermal reactor in using uranium.

Another important point — fast neutron reactors can produce plutonium but they can also incinerate it, so a fast-breeder reactor can be used to get rid of plutonium, if that is what we want it to do.

Finally, as far as safety is concerned, fast-breeder reactors, unlike pressure water reactors, operate at normal atmospheric pressures. They are not pressure reactors and, unlike what someone said this morning at a news conference, they could never explode like a bomb. That is absolutely ridiculous. It is not fair to the public to delude them that a nuclear power station bears any similarity to a bomb. That is plain deceit. The core of fast-breeder reactors is so designed that, even if the coolant pump breaks down, natural circulation will still continue. This was proved at Dounreay and, if cooling failed and temperatures started to rise, the neutron activity would in fact fall under the activity of the Doppler coefficient. So the whole thing is much less dangerous than some people would have us believe.

Now the Geneva appeal demands utter absence of risk. Now that is all baloney. The question is would we rather face economic disaster, unemployment and, possibly, war due to lack of energy or do we accept reasonable risks such as we always face in industrial life, and ensure peace and growing prosperity for future generations with adequate supplies of energy?

I move acceptance of our report.

President. — I call the second rapporteur.

Sir Peter Vanneck, rapporteur. — Mr President, this debate results from a motion for a resolution tabled by Mr Coppieters, Mrs Bonino and Mr Capanna. Do I see them in this Chamber? Of course not. Their business is mischief-making and not contributing or listening to a debate. But I will bother to answer them, although I wonder whether they are worthy of it, because I suggest that their power, they think, lies more in press conferences than in debating matters with the other Members in this House. I believe not only that there is no case for a moratorium on the use of nuclear energy, but that there is indeed an imperative for all our citizens to encourage the expansion of nuclear power.

Let us look at the rationale of the opponents of nuclear power against observable facts. They say that there are strong and growing grounds to justify the non-use of nuclear power. Now, the original nuclear technology in the Community, primitive by today's standards, is British and nearly 30 years old.

Vanneck

Europe's first-generation nuclear technology, namely Britain's nine Magnox nuclear reactors, have proved reliable and safe. They are also operating efficiently and safely beyond their original design life. There has never been loss of life or diseases attributable to nuclear power in Britain, in Europe or in the USA. Perhaps Mr Capanna can tell us about Russian experience! Today our nuclear industry is building new reactors designed and developed on the basis of experience gained with the first generation. Even allowing for higher capital costs and reprocessing charges, nuclear generators produce electricity considerably more cheaply than oil and coal-fired plant. A comparison of production costs in America, France and Britain proves this statement. Further, in those Member States which have nuclear power stations, they are built and operated to standards of safety superior to any required in other industries.

The nuclear industry is less pollutant than the major industries in which millions of our fellow citizens obtain their livelihood without complaint. To our fellow citizens who might be attracted to support parliamentary candidates of Green Parties I say this: the allegations that Mr Coppieters and others like him make about nuclear power are false and, more, they are dishonest. They are dishonest because it requires at least good knowledge of physics, engineering and medicine to understand that they wish to bring about fright or frightening uncertainty among you. To the people of Ireland, Denmark, Holland, Italy, Greece and Luxembourg, this Parliament should send the message that they can and should invest in nuclear power with confidence.

Mr President, opponents of nuclear power frighten us with claims of cancer and leukaemia resulting from the radiation emitted spasmodically or accidentally by nuclear generators. But these diseases much more usually have other causes. Since the beginning of time our ancestors have been exposed to the natural radiation of the universe. We, and our fellow citizens, are all a product of genetic effects which natural radiation has caused, a radiation which is measurable. Looking at ourselves, the genetic effects of radiation are obviously less serious than its capacity to cause cancer. In the Community, natural radiation is approximately 100 millirems a year. The average level of radiation to the French and British public resulting from their nuclear power programmes is about 1/700 of the natural background radiation to which man has been subject since creation. It is accepted by professional medical opinion that the majority of cancers result from the environment in which we live; what we eat, breathe and even think. Radiation effects are now so well researched and understood that the public need not worry about nuclear power.

I want to speak now of nuclear power in the total political and energy context. As the Commission has reported, the governments of Member States want an annual rate of economic growth of 3.1%. This rate of

growth is unlikely to create additional jobs. Greater economic growth is needed to solve unemployment and it calls for additional electricity of 4.3% annually. The governments of Member States would like to have a total of 125 gigawatts of nuclear capacity, an additional coal-fired capacity of 156 gigawatts in operation by 1990, but the actual rate of ordering of nuclear plant is so reduced that a *de facto* moratorium exists today in all Member States except France and the United Kingdom. How many of the Community's friends among the Gulf States will still be counted as friends in 1990? The Community seeks stability in that region, but the Soviet Union might have another view and the oil-indebtedness of Member States is already clipping their political wings. For instance, at what price can the foreign policy of the Federal Republic of Germany or of the Netherlands be changed when a customer must necessarily respect the views of the oil supplier irrespective of the sincerity of that relationship? And it is noteworthy that the Soviet Union's handling of raw material supplies to its client States requires their political obedience.

I would like to quote because I feel that not only is a moratorium on nuclear power a course for political and economic catastrophe, but is a very important factor in the ideological conflict with the Soviet Union, I would like to quote the Nobel Prize winning physicist, André Sakharov. He has written that there exists a political interest on the part of the USSR in exploiting shortages in the West. And he added, policy-makers always assume, not without reason, that one of the many factors in determining the political independence of a country, its military and diplomatic strength and its international influence, is the level of economic development of a country and its economic independence. This assumption is doubly valid in the case of two world systems opposing each other. But the level of a country's economy is determined by its energy technology. Therefore he said, I assert that the development of nuclear technology is one of the necessary conditions for the preservation of the economic and political independence of every country, which means both those that have already reached a high development stage and those that are just developing. For the countries of Western Europe and Japan, the importance of nuclear technology is particularly great. If the economy of these countries continues to be in any important way dependent on the supply of chemical fuels from the USSR, or from countries which are under her influence, the West will find itself under the constant threat of seeing such supply channels cut off. This will result in humiliating, political dependence. In politics, one concession always leads to another and where it will finally lead is hard to foresee.

Mr President, let this debate be a watershed in the democratic debate on nuclear power. Let this European Parliament give the go-ahead to nuclear power so that nuclear power can continue to be harnessed for peaceful uses. The time for debate is running short.

Vanneck

The Community needs economic strength to sustain democracy and the freedoms and the responsibilities which flow from it. Nuclear power, I suggest, is the technological gift-horse of the age. Let us not unthinkingly look it in the mouth and turn it away.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, it will not be my privilege to be here during the resumed debate tomorrow — I have to be present at the ECSC Consultative Committee which will be dealing with other matters — and so I should like to outline the Commission's view on this question very briefly now. Very briefly because the question arises from a report on a topic which Parliament decided to look into on its own initiative, and which does not, therefore, involve the Commission directly.

The Commission did express its view on these questions — nuclear waste and fast-breeder reactors — when it set out what it considered to be the way forward in a document dated 18 February 1980. It is on the basis of those views that the Commission will be continuing discussion with the Council, aimed at achieving — with all the necessary care — the guarantees which are needed, and the economic constraints we all face — following up the programmes which are considered essential to Europe's independence in energy, together with a European strategy on energy.

President. — I call the Socialist Group.

Mr Linkohr. — *(DE)* Mr President, ladies and gentlemen, my Group did not comment on the foregoing reports by Messrs Beazley, Fuchs, Adam and Purvis — not because we do not have a high opinion of them, but because we shall be voting for them. I should like instead to concentrate on the dual questions of a moratorium on nuclear energy and fast-breeder reactors.

To begin with, I should like to say to Mr Vanneck that nuclear energy cannot be used as an ideological weapon in our confrontation with the Soviet Union. Our source of strength is our credible system of social order and democratic government, which makes it incumbent on us to debate all these matters in this house and not dodge the issue.

In our view, the report on a nuclear-energy moratorium merely scratches the surface of the problem and leaves a number of questions unanswered. You cannot simply measure all ten Member States of the Community by the same yardstick when it comes to the question of nuclear energy. Some of our countries have built no nuclear reactors at all — and in their context it may make sense not to build any; perhaps

they have other means of meeting their energy requirements. Other countries, however, simply cannot do without nuclear energy — at least not in my opinion. That point should have been made crystal-clear. The question we should have asked is what will happen in the question of the disposal of nuclear waste if no further nuclear power stations are built, or what effect will a moratorium have on our nuclear industry — in other words, would it not re-gear itself to exports, with the effect that we should simply have dodged the issue?

Because of all these unanswered questions, we are duty-bound to abstain when it comes to the vote. I should also like to add that most of the social-democratic and socialist parties in the Community have come out against a moratorium, and have discussed the real issues in much greater detail than has been the case here.

Moving on to the question of fast-breeder reactors, the point at issue here is not to come down for or against. What we have to decide here is whether or not we want to clear up the outstanding issues in a hearing.

I should like briefly to explain why my Group is in favour of a hearing along these lines. The fact is that energy consumption in the Community is a lot lower than predicted by the Commission and the Member States. The figures for this year are way below the forecasts. These are new facts which we shall have to come to terms with. That is precisely what the Federal German Government is doing, and in the third phase of the energy programme, the figures will be still lower than in the second programme.

It is possible — indeed, it occasionally happens when groups of visitors come to the European Parliament — to confuse the Council of Europe with the European Parliament. The Council of Europe has indeed already held a hearing on this question, but no Member of Parliament should confuse the two. The European Parliament has its own tasks to perform, its own responsibilities, and must ask itself the vital questions.

Nor can we ignore the fact that there is growing opposition to the commercial use of fast-breeder reactors. The present French Government wants to put the fast breeder into commercial operation, but the other Member States' governments have come out against such a move.

The German Members will be aware that there are mounting financial problems in the Federal Republic of Germany regarding the construction of the prototype SNR 300. These are new facts that need some thinking about. In my opinion, a hearing would help us to find the answers.

The European Parliament also has a responsibility in this matter in view of the fact that loans have been

Linkohr

granted by Euratom and the European Investment Bank. It is true that — as Mr Seligman said just now — this does not fall within our field of responsibility, but has the European Parliament not always called for lending policy to be integrated into our budget? Why are we now contradicting ourselves and all of a sudden finding that something we have all called for in the past is no longer important?

There are a number of research programmes on questions relating to the fast breeder, as I pointed out in my amendment. There are indeed still questions to be answered and I would draw your attention here to the reports produced by the German Bundestag's committee of enquiry which, for instance, has called for a risk-orientated analysis comparing the fast-breeder reactor with light-water reactors of the Biblis type or supplementary investigations regarding the upper limits of energy release in the case of certain operating faults. These are recommendations issued by the German Bundestag's committee of enquiry. Why should we be content with less than that? I for one do not see why we should.

I should like to say in conclusion that the European Parliament — or rather, the Community, by way of the Community budget — makes a contribution to the development of fast-breeder technology, but has no watchdog powers whatsoever. It behoves this House and its sense of self-respect to deal with this question at a hearing at least. If we are in favour of a European energy policy, we must not dodge the issues brought up by the fast breeder.

President. — The debate is suspended and will be resumed tomorrow. The list of speakers is closed.

11. *Votes*

IN THE CHAIR: MR DANKERT

Vice-President

President. — The next item is the votes.¹

We begin with the report (Doc. 1-173/81) by the chairman of the Committee on Budgets on estimates of revenue and expenditure of Parliament for 1982.

I call the rapporteur.

Mr Lange, Chairman of the Committee on Budgets. — (DE) Mr President, following the decisions we took on 23 April, the Committee on Budgets last night once again discussed the amendments tabled, starting at 6 p.m. — or, to be more precise, 6.16 p.m. — and I say that for a very specific reason which those concerned will appreciate.

(Protests)

We were faced with 58 amendments. You will recall that I pointed out in my introduction to the preliminary draft proposal on the European Parliament's income and expenditure for 1982 that the Committee felt that no changes whatsoever should be made to the preliminary draft. And that was essentially the upshot of the votes.

Amendment No 36 to the motion for a resolution amounts to the total replacement of the motion for a resolution and would, to all intents and purposes, result in the rejection of the preliminary draft. That would mean in turn that Parliament was not doing its job properly, and for that reason the Committee on Budgets has rejected the amendment.

The Committee also discussed the amendment tabled by Members of the European Democratic Group for a decision to be taken on a definitive total of 199 million and a few hundred thousand EUA — in other words, virtually the same total as for 1981. This amendment was incomplete insofar as it would have resulted in a final total but not a budget as such, because there was no mention of what amounts should be set aside for the various headings, chapters and items in the budget. Because of its incomplete state, the Chairman of the Committee on Budgets was simply unable to put this amendment to the vote.

We then discussed the European Democratic Group's amendment calling for the setting-up of a working party for the investigations to be undertaken according to point 3 of the motion for a resolution. The Committee takes the view that a rapporteur cannot be replaced by a working party when the job at hand is really that of a rapporteur. We also agreed yesterday that the rapporteurs for the draft budgets for 1980 and 1981 had similar tasks and that we had already combined the jobs of the two rapporteurs on a previous occasion. The same thing can be done in the case of the rapporteur for the 1982 draft budget. We should not, however, try to replace a rapporteur by a working party on the grounds that this would falsify the whole procedure. For that reason, the Committee decided to reject this amendment.

Amendment No 173-6 tabled by the Communist and Allies Group was withdrawn yesterday, and I hope that the same will happen today.

Moving on to the amendments tabled by the political groups, I have to say that the committee was unable

¹ The verbatim report contains only the stages of the votes which gave rise to speeches, for a detailed report on the votes please refer to the Minutes.

Lange

and unwilling to deal with the matter, because organization and posts are a matter for the Bureau and because we had agreed to stick to the number of posts provided for in the 1981 budget rather than increasing the number. We have therefore recommended that these three amendments be withdrawn and the necessary staff drawn from the reserve available to Parliament in its organization and posts plan. The result would be to avoid any increase in the number of posts, and I think it should be possible for the Bureau to reach agreement on this.

All the other amendments tabled by Messrs de la Malène, Pannella and Fich — which I shall not go into in detail now — were rejected by the Committee on Budgets in a single vote to comply with the principle recommended to Parliament by the committee that the compromise be accepted and that agreement be reached on covering all the necessary questions by the first reading. In principle therefore, *all* the amendments were rejected by the Committee on Budgets — with the exception of the special treatment we have recommended for the political group's amendments.

That is all I felt obliged to add on this matter, so that Members are aware what decision the Committee on Budgets is recommending to them. I would ask you to accept the committee's proposals and reject all the amendments.

(...)

Resolution as a whole. After the vote on Amendment No 36

Mr Bonde. — (DA) Mr President, I would like the last vote to be taken again. You ought to take into account that the explanation went on for rather a long time after you had put the matter to the vote.

President. — (NL) Mr Bonde, the result of the vote was absolutely clear. I cannot therefore consider taking the vote again.

(...)

Amendment by Mr de la Malène

Mr Ansquer. — (FR) Mr President, Mr de la Malène made a brief statement in the plenary sitting to explain our Group's view on the procedure adopted since the debate on the European Parliament's provisional draft budget. Following this statement in plenary sitting, Mr de la Malène tabled a number of amendments to stress our opposition to the procedure adopted since the beginning of the debate on the provisional budget.

I hope that Parliament will take account of this view. We cannot carry on a running battle with the Bureau

of Parliament. On the contrary, I hope — and I think that it is also Mr Lange's hope — that there will be permanent consultation between the Committee on Budgets and the Bureau of Parliament. That is what we are asking Parliament to undertake and organize. That said, I withdraw all the amendments tabled by Mr de la Malène, with his agreement.

(Applause from various quarters)

(...)

Amendments by Mr Gouthier and others

Mr Gouthier. — (IT) Mr President, we hereby withdraw our amendments, while committing ourselves to raising the same points when we return to the matter before the autumn.

(...)

Article 202. After the rejection of Amendment No 16

Mr von der Vring. — (DE) Mr President, could you please establish that these votes are taking place with no votes being cast in favour.

President. — Mr von der Vring, I must only establish how the majority votes.

(...)

Item 2231. After the rejection of Amendment No 23

Mr Herman. — (FR) Mr President, since no-one has so far spoken in defense of an amendment by Mr Pannella, could you not save us all a bit of time by regarding these amendments — since they are neither defended nor supported — as being all withdrawn?

(Mixed reactions)

President. — Mr Herman, your observation is incorrect. Some of Mr Pannella's amendments received votes in favour and there have also been abstentions from time to time. But in any case the Rules of Procedure do not allow me to follow the procedure you suggest.

(...)

Paragraph 1. Amendment No 4

Mr Kirk. — (DA) Mr President, I would like to know whether you can also confirm that the figure which has been voted on up to now is the same figure which was found in the motion for a resolution, namely 209 million units of account?

President. — Mr Kirk, I believe there is still a slight misunderstanding. We fixed on a preliminary figure of slightly more than 209 million. Your Group is now asking through an amendment that a preliminary figure of slightly more than 199 million be fixed. That is a difference of 10 million and this amount therefore departs from what we have just decided. And this amendment must therefore lapse, since a completely different decision has been taken.

(...)

President. — Explanations of vote may now be given.

Mr Forth. — Mr President, I would like to make the position of the European Democratic Group quite clear in the vote on the final document.

This Group shall abstain, and the reason we will abstain is that we wished, as the House should know, to maintain a figure of 199 million units of account for the budget of the European Parliament because we are not convinced that we have yet had sufficient explanation or reason for any increase beyond that figure. Therefore we do not find ourselves able to support the figure which is in this resolution, namely 209 million units of account. We maintain our position and reserve our position and this is quite consistent with what the chairman of the Committee on Budgets has said, and in this we are at one with him and with the committee that we wish opportunities to be taken as the budget procedure goes on through the rest of the year to re-examine the budget of this Parliament to see whether or not we can sustain the proposed figure, reduce it or change it in any way. It is for that reason, Mr President, that the European Democratic Group shall abstain in the final vote on this proposal.

Mr Colla. — (NL) Mr President, I shall vote in favour of this draft budget, but it is very much a conditional vote in favour. A vote in favour because progress has indeed been made in the procedure, a vote in favour because efforts have been made, a vote in favour in spite of the fact that it is not yet a definitive budget but only a draft estimate. Conditional because, in my opinion, the draft estimate in its present form is still completely unclear and opaque. Conditional also because I expect particularly the Bureau of Parliament to show more readiness in future to give to the Committee on Budgets further and more precise information on the grounds for a number of expenditure items. Conditional also because my conviction is that in relation to a number of items careful examination will show that on the basis of the concrete information a great deal of effort can still be made and further savings achieved. A conditional vote in favour, therefore, both in formal and practical terms it can certainly not mark the end of our duties in connection with the 1982 budget.

Mrs Scrivener. — (FR) Mr President, we shall vote in favour of this resolution because we think it is the result of good consultation — certainly difficult, but even so very useful — between the Committee on Budgets and the Bureau. Since we are strongly attached to such consultation, because we think it is the only proper way to work, the Liberal and Democratic Group will vote in favour of the resolution.

Mr Nyborg. — (DA) Mr President, I am in the amusing situation that I can tell you that I really ought not to have had the floor, after I had first expressed my view, and after the first explanation of vote had begun, but let me now thank you, and also explain why I intend to vote against this provisional motion on the budget. The reason is that we did not have the opportunity to vote on the Amendment No 4 tabled by our Conservative colleagues. This does not mean that I think you did something wrong, Mr President, since you followed the rules under which a vote takes place, but I think that it would have been correct for us to have taken 1981 as the base year for calculation.

(Parliament adopted the resolution)

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* *

President. — We now move on to the *Dankert report* (Doc. 1-188/81) on the carryover of appropriations from the financial year 1980 to 1981.

(...)

(Parliament adopted the resolution)

President. — We now move on to the *Delorozoy report* (Doc. 1-157/81): *Industrial cooperation between the Member States.*

(...)

Paragraph 1. — Amendment No 5.

Mr Delorozoy, rapporteur. — (FR) I am in favour, Mr President, since this amendment only provides further details on an established fact.

(...)

Paragraph 4. — Amendment No 6.

Mr Delorozoy, rapporteur. — (FR) Mr President, I cannot support this amendment, since it stresses the

Delorozoy

inadequacy of existing mechanisms, whereas throughout the report I stressed the existence of the necessary institutional powers.

(...)

Paragraph 5. — Amendment No 1.

Mr Delorozoy, rapporteur. — (FR) This is an interpretation of the term 'adequate'. After all, there is no harm in deleting it, and therefore I am in favour.

(...)

Paragraph 6. — Amendment No 7.

Mr Delorozoy, rapporteur. — (FR) I am against, for this amendment comes under the heading of prospects of institutional reform — something which our Committee did not study at all.

(...)

Paragraph 8 — Amendment No 15.

Mr Delorozoy, rapporteur. — (FR) I am in favour. This amendment clarifies and compliments the text.

(...)

After paragraph 9. — Amendment No 9.

Mr Delorozoy, rapporteur. — (FR) Once again, this addition brings in a number of points on planning of working time and ways of organizing work which are really not within the province of our committee and are not relevant to the subject in question. I am against.

(...)

Paragraph 10. — Amendment No 10.

Mr Delorozoy, rapporteur. — (FR) I am against this Amendment, for it constitutes a constraint imposed in advance on the Commission without waiting for suggestions which it will put to us.

(. .)

After paragraph 11. — Amendments Nos 3 and 4.

Mr Delorozoy, rapporteur. — (FR) I am obliged to oppose both amendments, first because they were rejected by the Committee on Economic and Monetary Affairs during our discussions, and also because Mr Davignon stated clearly yesterday morning that it

would still be essential for problems of industrial cooperation to be discussed within the Committee on Economic and Monetary Affairs.

(...)

Paragraph 12. — Amendment No 2.

Mr Delorozoy, rapporteur. — (FR) This amendment is very interesting, but it would nullify a proposal by the committee which is the *raison d'être* for paragraph 12. That is why I cannot accept it, given that one cannot amend an amendment nor adapt a new text which would take both suggestions into account. I am therefore against

(...)

Paragraph 13 — Amendment No 11.

Mr Delorozoy, rapporteur. — (FR) I am against. The Committee refuse to encourage the creation of a new institute and preferred initially to propose cooperation among the existing national institutes.

(...)

After the first indent of paragraph 16 — Amendment No 12.

Mr Delorozoy, rapporteur. — (FR) The suggestion contained in this amendment, namely that the Council should take these decisions by a majority is interesting. Opinions vary a great deal on this in Parliament. At all events, our Committee has never discussed it. As rapporteur, I cannot therefore take this amendment into account.

(...)

Paragraph 16, after the fourth indent — Amendment No 13.

Mr Delorozoy, rapporteur. — (FR) I am against, for this amendment introduces an addition relating to the health regulations.

(...)

Paragraph 20. — Amendment No 16.

Mr Delorozoy, rapporteur. — (FR) I am in favour, for this amendment introduces useful clarification.

(...)

After paragraph 21. — Amendment No 14.

Mr Delorozoy, rapporteur. — (FR) I would be in favour of this amendment, but I would like the tablers to allow its insertion after paragraph 15 as paragraph 15 A, otherwise it would not be in the right section of the report.¹

President. — What does Mr Spinelli think about that?

Mr Spinelli. — (FR) I agree. The position is not important!

(...)

President. — Explanations of vote can now be made.

Mr Kappos. — (GR) Mr President, the report and the measures it proposes have as their aim a major extension of the powers of the EEC. It must be clear that such an extension in the prevailing conditions of crisis and serious economic instability is to a considerable extent unrealistic. Apart from this, to the extent that it is carried out, it will provoke a new sharpening of conflicts, new problems, worsening unemployment, and the closure of small and medium-sized undertakings. These effects, Mr President, of the major extension will be particularly painful for Greek industry. In our opinion, the answer is not an extension of the EEC but measures at national level to guarantee employment, to guarantee work, the survival and development of small undertakings and craft industries. Apart from that, Mr President, there is a vital need to guarantee markets, and this can be done only by smoothing out international relations, encouraging *détente* and peace and by building international economic relations on a democratic basis according to the principles of real equality and mutual benefit. This is the way to guarantee markets and to avoid transforming the EEC into an adjunct of the United States and their cold war plans, as recently demonstrated by the embargo. For precisely these reasons, Mr President, we shall vote against the report.

Sir David Nicolson. — I spoke in the debate on this report yesterday and, as I said then, I think it is a good report on an extremely urgent subject. But it is not quite positive enough in some ways, particularly as regards the constitution of the industrial policy committee which is referred to. I greatly regret that Miss Forster's two amendments on this subject were lost, despite the views of the Commission, because I believe that if we are to fulfil our role in this Parliament of thoroughly debating the problems of industry in the Community and generating the political will necessary to get results, then for psychological reasons

alone, quite apart from the time and effort necessary for study, we must have a proper industry committee in this Parliament. Unemployment and the decline in industrial competitiveness are the greatest challenges which we face in the Community today; so why do we treat them as of secondary importance?

Nevertheless, Mr President, I will vote in support of the report, because I think at least it points in the right direction.

(Parliament adopted the resolution)

*

* *

President. — We now move on to the *Friedrich report* (Doc. 1-167/81): *Restructuring the iron and steel industry.*

(...)

Paragraph 5 — Amendment No 15 — After the announcement of electronic voting.

Lord Harmar-Nicholls. — Is it an interpretation or a rule that people cannot come up without their card and give their name? Is this your interpretation or is it a strict rule that must be adhered to?

President. — It is a strict rule adopted by the Bureau as far as I know, and the Assembly has been informed on three occasions of this decision. We have the problem that in a non-roll-call vote Members might vote twice by having a card and saying they had no card; in order to cope with that problem, it is better that when they do not have a card they do not vote.

Lord Harmar-Nicholls. — Further to that point of order, how long has that rule been in operation? Names were submitted when we voted on the question of urgency yesterday. How long has that rule been a rule that has to be adhered to?

President. — It has been in operation since today.

(Laughter)

I call Mr Forth.

Mr Forth. — I wonder if you could clarify whether or not you feel that the Bureau has the power under the Rules to impose on the House a method of voting without referring to the House at any stage. I would have thought that the House should be given the chance to endorse or not a proposal by the Bureau to

¹ The rapporteur also supported Amendment No 8

Forth

alter radically the voting rights of Members in the House. I would suggest to you that what you have said is not valid until the House has voted on it.

President. — Mr Forth, I have to point out first of all what is said in Article 78 of the new Rules on the electronic voting 'the technical instructions for the use of the electronic voting system shall be laid down by the enlarged Bureau'.

I gave you the instructions of the Enlarged Bureau.

I call Mr Seal.

Mr Seal. — Mr President, now that you are only going to count votes that are registered electronically, I can see no reason at all for not using the boards up there for indicating the vote.

President. — I think that is a good suggestion.

We shall pass it on through the back door.

I call Mr Nord.

Mr Nord. — (*NL*) I have always maintained that the Bureau acted in conflict with the Rules of Procedure when, at the start of operation of this system, it allowed Members to announce that they had forgotten their card and to vote in spite of that. I therefore particularly welcome the decision of the Bureau. Moreover, I do not regard it as a new rule which has been established by the Bureau but as a return of the Bureau to the right path of proper application of our Rules of Procedure.

(*Applause from various quarters*)

President. — I call Mr Rogers.

Mr Rogers. — Mr President, speaking as a member of the Bureau and Enlarged Bureau, I don't know when this decision was taken.

(*Cries*)

President. — Mr Rogers, if you have problems with the Bureau, you should get your information from the Bureau, of which you are a member. You are not in the position of an ordinary Member.

(*Applause*)

Mr Rogers. — All I am saying, Mr President, is that, I do not know of a decision that altered the voting

procedure yesterday or today. What I was going to suggest, which would have been reasonable, I think, in view of the fact there has not been a meeting since yesterday and today — so how the decision took place I don't know — is that it would have been courteous at this time to allow those Members who do not have their voting cards to walk the 20 yards to where they can obtain one and then use it in a vote. I agree with Mr Nord that Members should be in possession of their cards at all times. But on this first occasion it would be a courtesy to delay the vote so as to enable people to get their cards and thus exercise their rights.

President. — Mr Rogers, you know as well as I that you were in the chair this morning when there was a Bureau meeting on the Rules and how to apply them. I have to check what the decision of the Bureau was concerning the procedure. I do not think we should argue about what happened or what did not happen. It is absolutely useless. You should after all have enough confidence in the President chairing the sitting to accept that when he says that the Bureau took a particular decision the Bureau did in fact so decide. Otherwise we cannot work.

(*Applause*)

I call Miss Forster.

Miss Forster. — Mr President, I can understand the reasons for avoiding double counting, but if there is a roll-call vote and somebody does not have his or her card, surely that person should be allowed to give his or her name in to you.

President. — That is another matter. We are holding a normal vote where only the numbers count and not the names.

I call Mr Harris.

Mr Harris. — First of all I wish to protest at the fact that Members were not at least told about this in advance and as we are now hearing very important rulings about which we have not been informed could you please tell us what happens when we have an electronic fault? What happens if my machine is not working? Do you accept my vote or not?

President. — Mr Harris, if a machine fails to work it is not a Member's fault. As for being informed, I must point out that when in the Chair this afternoon, Mr Møller informed the Assembly three times. If you were not in the Chamber, that is your responsibility. But the House was informed very clearly.

(*Applause from various quarters*)

President

I call Mr Møller.

Mr Møller. — (DA) Mr President, when I was in the chair at 3.30 p.m., I asked Members with reference to the many votes to be held at 6 p.m. today, to make sure that they had their voting cards, or to get them. There were not many Members in the Chamber at the time, that is certainly not the fault of the Presidency.

(Applause from various quarters)

(...)

Paragraph 9 — Amendment No 1.

Mr Friedrich, rapporteur. — (DE) I must unfortunately oppose this, since it would not fit in with the rest of the report.

(...)

Paragraph 10 — Amendment No 8.

Mr Friedrich, rapporteur. — (DE) I am also opposed to this; since the formulation chosen by the rapporteur is more precise than the proposed new formulation.

(...)

Paragraph 11 — Amendment No 9.

Mr Friedrich, rapporteur. — (DE) I am against, since the existing report is more precise.

(...)

Paragraph 11 — Amendment No 2.

Mr Friedrich, rapporteur. — (DE) I am opposed to this, for if we made the implementation of the European Community's aid regulations depend on a Council decision, as Parliament wants, that means indefinite postponement.

(...)

Paragraph 24 — Compromise amendment.

President. — After the expiry of the deadline Mr Friedrich, rapporteur, has introduced a compromise amendment in accordance with Rule No 74, paragraph 4 — I assume on the basis of both the originally introduced and now withdrawn Amendments No 4 and 16.

I call Mr Friedrich.

Mr Friedrich, rapporteur. — (DE) In my original text there was a very precise formulation on the expiry of compulsory production quotas. Mrs Lizin, Mr Glinne and Mr Bonaccini raised objections to this formulation. So as not to put the entire report at risk and so as to enable the Parliament to reach a decision, we then compromise on a slightly weaker formulation, which should therefore be accepted even after the expiry of the official deadline, namely 'is due to expire'.

I appeal to Parliament to accept this compromise proposal ¹

President. — I call Mr Bonaccini.

Mr Bonaccini. — (IT) Mr President, I would not want a misunderstanding due solely to translation difficulties to arise here. What we in fact asked was that this sentence should use the conditional and that therefore instead of the formula 'dovrà scadere' it should read 'dovrebbe scadere'.

I now find — at least in Italian — the same formulation 'dovrà scadere', and I wonder if there has not been a misunderstanding. For if that is the case we cannot vote for it, if on the other hand the conditional is used — as we had said — we shall vote for it.

President. — The Italian version will be amended accordingly.

(...)

Explanations of vote may now be given.

Mr Deleau. — (FR) We spoke at length, Mr President, during the general debate on Mr Friedrich's report on the steel industry. My Group is still rather in a state of waiting and seeing, since we feel that some of the information given to us by the Commission is rather vague. We would have liked to know whether or not any companies have greatly exceeded their quotas, and, if so, whether the Commission proposes to enforce any real sanctions. It is here that one realizes — and it has only just become apparent — that the argument about the Friedrich report revolves around Article 24.

I can only express my regret that the two amendments proposed by the Socialist Group have been withdrawn, since in our view we shall have to continue the state of manifest crisis and Article 58 unless there is a voluntary agreement, failing which we shall see the joint

¹ The rapporteur also supported Amendments Nos 6, 10 and 17, and opposed Amendments Nos 3, 5, 7, 11, 12, 13, 14 and 15

Deleau

efforts of Member States of businesses and of the European institutions come to naught. However, with Mr Friedrich's agreement to amend his text following the withdrawal of our amendments, and whilst wishing to support his report — which, indeed, we shall do — we can only regret that better information was not available. We shall therefore be voting for the report, with the wish that a firm undertaking be given, now, by all the sides involved.

Mr Gautier. — (DE) Mr President, I should like to place on record that, despite the fact that I frequently agree with the contents of my colleague Mrs Lizin's amendments, I have decided to abstain on the vote on all of them for a reason which may surprise many of you, but which derives from an exchange which took place in this House yesterday morning. Mrs Lizin complained about the fact that only Mr Davignon was attending the debate on behalf of the Commission, and criticized the absence of Messrs Andriessen, Richard and Ortoli. Mr Davignon replied that the Commission was a collegiate body, and that as such he was entitled to represent the Commission. I should like to remind you that the European Parliament is not a collegiate body, and that there are such things as majorities and minorities, and when someone tables amendments, I expect her to be here in person, as she is not present, I have not voted for her amendments.

Mr Peters. — (DE) Ladies and gentlemen, Mr Friedrich's report paints a general picture of the situation in the steel industry which one can only agree with. However, the report is of such a general nature that this House's express approval is not really justified, especially in view of the fact that, in three places, no solutions are proposed. Firstly, the rapporteur refers to the coordination of national policies — that is something people have been trying to achieve all the time, and which has totally failed. What we need is a European structural plan. Secondly, the social measures — such as shorter working time — are only hinted at rather than being named outright. Thirdly, the Socialists' motion recommending the non-acceptance of closure premiums was rejected, which is why I too felt unable to vote for the report. In view of the other general statements, we can do no more than abstain.

(Parliament adopted the resolution)

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* *

President. — We now move on to *the Leonardi report (Doc. 1-137/81): Microelectronic technology.*

Mr Leonardi, rapporteur. — (IT) Mr President, I am in favour of Amendment No 1 tabled by Mr Ruckman on behalf of the Committee on Budgets, relating to my

motion for a resolution. It is a request by the Committee on Budgets to which I am not opposed.

With regard to Amendments Nos 2 and 3, I would point out that they concern a change in the Commission's draft regulation. I see no objection to these either, and would therefore be in favour of accepting them.

(...)

Written explanation of vote

Mrs Hammerich. — (DA) The People's Movement against the EEC is opposed to the Commission's proposal for a regulation, not out of distaste for the development of microelectronic technology but because

- the proposal means greater EEC integration . . .
- the proposal favours the big multinational companies but it will not improve the Danish employment and balance-of-payments situation . . .
- the obligation on Member States to earmark funds for EEC action in their individual budgets represents an unacceptable interference in the rights of our Parliament
- the extent of the obligation to provide information to the Commission has not been defined . . .
- the proposal implies EEC involvement in vocational training . . .
- the presentation of the problem, namely that the EEC is lagging behind the USA and Japan, is not correct because European production is intertwined with that of the USA
- a further elaboration of these viewpoints is contained in the pamphlet 'EEC and microelectronics I' from our documentation centre

Since the Commission proposal being dealt with by the EEC Parliament is not identical to the proposal as it now stands after discussion in committee, we are not voting on the individual articles but are opposed to the proposal as a whole just as we are opposed to Parliament's report since it proposes even greater EEC integration

(Parliament adopted the resolution)

President. — We now move on to *the Herman report (Doc. 1-138/81): Telecommunications.*¹

(. . .)

I call Mr Leonardi to give an explanation of vote.

¹ The rapporteur supported Amendment No 1

Mr Leonardi. — (IT) Mr President, we shall vote in favour of this motion for a resolution, although we think that some aspects of it are not entirely satisfactory. We, too, would have preferred to have a directive in this field, but we acknowledge that the recommendation procedure is much more flexible and makes it possible to achieve a coordination and consensus which is essential in this field.

I take the opportunity provided by this explanation of vote to draw the attention of the Commission to the point made by the rapporteur in Paragraph 6 of his motion for a resolution. He stress the extraordinary diversity of administrative structures in the field of telecommunications, and expresses surprise and disapproval at the fact that this diversity — which in the final analysis is the basis on which one must operate — was underestimated by the Commission, which makes no mention of it and makes no recommendation for overcoming it.

I fully agree with what the rapporteur Mr Herman says in his paragraph 6, and I would like to ask the Commission to remedy this lacuna by drawing up a report on the structures which administer the switching and distribution network in the various countries. Otherwise the desire to harmonization will be very difficult to achieve.

I wanted to point this out while expressing my support for the motion for a resolution.

(Parliament adopted the resolution)

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* *

President. — We now move on to the *the Schinzel report* (Doc. 1-67/81): *Goods contained in travellers' luggage*

(Parliament adopted the various texts).

*

* *

President. — We now move on to the *Klingenberg report* (Doc. 1-601/80): *Development of transport infrastructure*.

(...)

Paragraph 3 — Amendments Nos 1 and 3

Mr Klinkenborg, rapporteur. — (DE) I am against Amendment No 1 to paragraph 3. I fully understand the concern of the tabler of the amendment, but the Committee on Transport will concern itself with this problem in a separate discussion. We cannot make

declarations. If we say that something must be based on reciprocity, then we must also say what we shall do if this is not the case. This must be dealt with separately.

On Amendment No 3 to paragraph 3 tabled by Dame Sheila Roberts I would point out this question is explained unequivocally in paragraph 9 of the report. Paragraph 9 was introduced specially at the request of the Committee on Transport, so it cannot be deleted. I am therefore opposed to both amendments.

(...)

Paragraph 6 — Amendment No 2

Mr Klinkenborg, rapporteur. — (DE) I can agree to the addition provided that it is combined with a single change in the present text — instead of 'the only possibility' it should read 'a possibility'.

President. — Mr Klinkenborg, I cannot accept that proposal. That is an oral change to an amendment. If necessary, you can add it to the paragraph.

Mr Klinkenborg, rapporteur. — (DE) Mr President, in this Parliament we cannot regard this as the only possibility. We are not cleverer than everyone else outside Parliament. This must still be changed. It is simply a linguistic question. And after all I said that I am in favour of this addition, and this amendment has no other purpose.¹

President. — If you add this amendment to the paragraph, the problem is solved. Then we can vote first on paragraph 6 and afterwards on the amendment.

(...)

(Parliament adopted the resolution)

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* *

President. — We now move on to the *Moreland report* (Doc. 1-950/80): *Carriage of goods by road between Member States*.

(Parliament adopted the various texts.)

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¹ The rapporteur also supported Amendments Nos 4 and 5

President. — We now move on to *the Carossino report (Doc. 1-865/80): Weights of road vehicles.*

Motion for a resolution — Amendments Nos 3 and 1.

I call Mr Johnson.

Mr Johnson. — My point relates to Rule 32(4) and as I understand it, Mr President — and you will forgive me if I have not got the right interpretation of the new Rules — the new Rules provide now for the Parliament to vote first on amendments to the proposal with which the report of the appropriate committee is concerned — that is to say, on amendments which have been put down to the Commission text. Now we have put down Amendments Nos 23 and 22 on behalf of the Committee on Transport, and I submit, Mr President, that these are amendments relating directly to the Commission proposal which we ought to be taking first; then, in the light of our vote on these proposals, you as President under Rules 35 and 36 are going to ask the Commission to state its position. So I beg you, Mr President, not to proceed now to the vote on the motion for a resolution or to any of the amendments to it, whether to replace the whole or parts of it, until you have dealt first, as our new Rules provide, with the amendments to the Commission proposal. It is terribly important that we initiate this dialogue with the Commission.

(Applause from certain quarters of the European Democratic Group)

President. — What you are saying is quite reasonable, but there is also the point that there are two or three amendments which have clearly the character of reaching more or less the same result as you want to reach by first voting on the Commission's proposal. If we adopt at least Amendment No 3, I think we have the same kind of situation as when we refer the matter to committee. So from that point of view, my order is as logical as yours; and I think it is better to proceed with mine.

Mr Johnson. — My problem, Mr President, is a sort of institutional one. Once we get into the business of voting on the resolution in any form, then we cannot engage the procedure which is laid down in Rules 35 and 36. Amendments Nos 23 and 22 are amendments to the Commission's proposal itself, and we should take those first for that very reason and because that is what Rule 32(4) says we ought to do. We should not enter into any of the other amendments until we have taken the main amendments on the Commission's text itself.

President. — The Key amendment and probably also the Cottrell amendment seek to replace the whole motion for a resolution. That is a preliminary question. We can now vote on that.

Mr Patterson. — May I support Mr Johnson and put one more factor to you? Although it is true that the Key amendment does in fact have the effect that you state, the mere fact that it refers to the resolution and could be construed as constituting a vote on the resolution — whether rejecting it or amending it — might prejudice the whole purpose of Rule 32, which is that we should not deliver our opinion until we have heard what the Commission thinks. That was the purpose of the change in the rules. It may be that you are right, but if there is any element of doubt which could be construed by the Council or anybody else as meaning that we delivered our opinion — and an unfavourable opinion is still an opinion — we should avoid it. So might I humbly suggest that Mr Johnson's procedure, which you said is just as good as yours, be followed in order to be absolutely safe?

President. — I have no objections. It would be still easier if Mr Key and Mr Cottrell would withdraw their, what I would call, preliminary amendments, then we could proceed automatically. I see that Mr Cottrell withdraws his amendment and that Mr Key agrees that we take his amendment later. We shall accordingly.

(...)

After the adoption of the proposal for a directive

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, I should like to assure Parliament that today's debate on the Carossino report, which has been extremely interesting, important and serious, will be studied by the Commission in conjunction with the resolution which Parliament finally adopts. In this context, I should like to repeat what I said this morning — that I cannot change the Commission's proposal and that I stand by it.

I assure you, however, that when the Commission — which is a collegiate body — comes to take its decision, I shall report to it on this entire debate and on the spirit which prevailed today in this House on the subject in question. As I said, the Commission will reach its decisions after studying all the views which have been expressed here and the contents of the resolution adopted by Parliament.

President. — I call Mr Seefeld.

Mr Seefeld, Chairman of the Committee on Transport. — (DE) Ladies and gentlemen, I think what the Member of the Commission said was quite correct, in that he has been confronted with a new situation here. He said that the Commission was a collegiate body and he himself was not empowered to withdraw a far-reaching decision taken by the Commission. It is

Seefeld

therefore only logical that he cannot give his immediate support to Parliament's decision. I fully accept his statement that he will accept this decision, report back to the Commission and make a statement in favour of our view. We shall then have to wait and see what decision the Commission takes. Mr President, as everyone knows, the Commission will have to say on the Monday of the next part-session what attitude it has adopted to Parliament's decisions. I am in favour of Parliament not making its decision contingent on the Commission's response. It is up to us to decide what we want and it is up to the Commission to decide whether or not to take our line. If it decides not to, we have a new situation, and it will then be up to us to express our opinion on the next occasion on the Commission's proposal. Today, though, Parliament must decide what its own view is and not what it can expect in the way of a response from the Commission. I would ask you to adopt the motion for a resolution.

(Applause from various quarters)

President. — I call Mr Johnson.

Mr Johnson. — I am sorry to intervene yet again, Mr President, but in the light of what the Commissioner said, and indeed in the light of what the chairman of the Committee on Transport said about the importance of the Parliament waiting to hear the reaction of the Commission before giving its final opinion, I do believe that this is precisely the situation envisaged by the new rules. Having voted conclusively on the amendments to the Commission's proposal, the Commissioner having heard our views and having undertaken to go back to the Commission to put our views before the collegiate body, this is the moment for us to postpone our final vote on the resolution. I am absolutely sure this is the right procedure as provided for in the new rules, and if nobody else will, Mr President, I move under Article 85(1) of our rules that this matter be referred back to Committee.

(Applause from certain quarters of the European Democratic Group)

President. — I think that Mr Johnson's interpretation of the Rules of Procedure is correct in this case. In a situation such as this it is possible to postpone the vote on the resolution. I note that the chairman on the Committee on Transport is against that. We must vote on it.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Article 85, paragraph 1, is concerned only with referral back to Committee and not with the postponement of the vote. There has been much confusion here about that. I would ask Members to take note that it is simply not permissible.

President. — I must tell Mr von der Vring once more that Article 85, paragraph 1 is clear: 'referral back to Committee may be requested by any Member at any time'. I must interpret Mr Johnson's request to send the resolution and its explanatory statement back to Committee, and in that connection he also indicated a specific point of time — the moment when the European Commission will have submitted its views on the proposal to amend the regulation.

I call Mr De Pasquale.

Mr De Pasquale. — *(IT)* Mr President, I think the procedure invoked by my colleague is that laid down in Rule 35: 'If a Commission proposal fails to secure a majority of the votes cast, the President shall, before Parliament votes on a motion for a resolution, request the Commission to withdraw the proposal'. I think this is the point in question; I wanted to ask you if it was this one, because I do not think Article 81 can be invoked — i.e., I do not believe that after the voting procedure has begun and after the vote on the Commission document has been taken there can be any possibility of asking the Commission to withdraw it, since the voting procedure has begun and must be completed. Such a request could have been accepted before the beginning of the vote, but not in the course of the vote, particularly after the Commission proposal has been adopted, albeit with the amendments voted by Parliament. In my view, therefore, the request to the Commission to withdraw its proposal is inadmissible. That seems to me to be the basic point.

President. — Mr Johnson based his request on Rule 85, paragraph 1. I think that the request is justified on that basis. I could also have been — and in this I think Mr De Pasquale is right — on the basis of Article 35, paragraph 3. In both cases it is possible to ask for a referral back to committee until a time to be fixed later.

I call Mr Collins.

Mr Collins. — Mr President, in fact I agree with your interpretation that Rule 85(1) makes it quite clear that any Member may make a request at any time and that that request shall then be put to the vote. I think that is absolutely clear. However, before we proceed to the vote, Mr President, I think it would help a great deal if we were absolutely clear procedurally about what will result if in fact we do vote and if this is referred back, or indeed if it is not referred back to committee. If it is not referred back then we proceed — I think I am right in saying — to the vote on the rest of the motion for a resolution. I think to that extent it is quite clear. If, however, it is referred back, then I wonder if you would use your offices to ask Mr Johnson whether it is his intention that the committee should reconsider the whole matter or whether it is his intention that the

Collins

committee should simply sit on the matter and do nothing until we hear more clearly from the Commission what the result of its discussions are. Now, I think the distinction I am drawing is an important one and I think that the answer which we receive may influence the vote one way or the other. I am sure that we all agree with the chairman of the Committee on Transport that this has been lying around for far too long, and we need a decision, but the important thing is: are we really going back to the whole roundabout of discussion, or is it merely a simple deferral that Mr Johnson is asking for?

President. — I call Mr Johnson.

Mr Johnson. — Mr President, I am the last person who wants to engage in futile time-wasting referral back to committee. But I was absolutely shocked before lunch today when the Commissioner, at about 1.30 p.m., made it absolutely clear that, no matter what we voted, he was going to stick to 44 tonnes. I therefore believe it is right to give the Commission time to look at the thing again. To answer Mr Collin's point, yes, of course let the Committee on Transport take it back and hold it under consideration while waiting for a considered response from the Commission.

President. — I call Lord Harmar-Nicholls.

Lord Harmar-Nicholls. — In order to prevent confusion arising because of the ruling which you had to give and which I do not question under the Rule itself, I think it should be pointed out that Mr Johnson's interpretation of what the Commission said is certainly not true. The Commissioner made it perfectly clear only a few minutes ago that he wanted Parliament to speak with a clear voice so that the Commission could take into account what we said, and the only way that Parliament can speak with a clear voice is to vote on the resolution which is the result of months and months of examination by the Committee on Transport. That is the only way of helping the Commission come to real conclusion.

(Applause from various quarters)

President. — I call Mr Cottrell.

Mr Cottrell. — Mr President, we are really talking about something of far more constitutional significance here than just the juggernauts themselves. It is the Commission that is the juggernauts — they have told us that no matter what we decide here they are going to roll on in their own sweet way and arrive at the destination fully laden at 44 tonnes. And that is the objective of the Commission here.

I am sorry that I do not put the same interpretation as some of my colleagues on what the Commissioner said. I heard him this morning in this House and he quite clearly stated that there was nothing that we could do in this Parliament which would make the Commission change its mind. I think it needs to go back to the Committee on Transport since I think we need first to have the reaction from the Commission to see if they are going to take us seriously.

(Parliament rejected Mr Johnson's request)

(. . .)

After the ninth indent — Amendment No 10.

Mr Carossino, rapporteur. — *(IT)* Mr President, I am in favour provided that the word 'persons' is deleted, since the resolution deals only with the transport of goods.

President. — The rapporteur must say if he is for or against, and not suggest changes to the amendment. Are you for or against?

Mr Carossino, rapporteur. — *(IT)* But there is an irrelevant word, Mr President. There is a mention of persons when the subject is solely goods transport. It is an error which needs to be corrected.

President. — I ask you once more, what is your view?

Mr Carossino, rapporteur. — *(IT)* I am favour, provided this interpretation is given.

President. — There is no interpretation, there is a text, and I think you are against it!

(. . .)

After Paragraph 1 — Amendment No 8.

Mr Carossino, rapporteur. — *(IT)* I am in favour up to the words *towns and villages*, I am against the remainder.

(. . .)

After Paragraph 16 — Amendment No 20.

Mr Carossino, rapporteur. — *(IT)* I am against, because this is already contained in the earlier provisions of the resolution.¹

¹ The rapporteur was also in favour of Amendments Nos 2, 9, 14, 15, 19 and 23, and against Amendments Nos 3, 4, 5, 6, 7, 13 and 18.

President. — Explanations of vote may now be given.

Mr Adam. — I shall be voting against the proposal to introduce heavier lorries onto our roads for the following reasons. Firstly, in my Northumbrian constituency the roads are not designed or maintained to accept even lorries at their present weight of 32.5 tonnes. Secondly, the restrictions on expenditure on roadway maintenance are such that that pattern is not likely to change in the immediate future, and to support the proposals would involve an act of faith in the British Government, which I do not have. Thirdly, the two main roads in my constituency, the A 1 from Newcastle to Berwick and the A 69 from Newcastle, although recognized by the Commission as priority routes, are not receiving any additional expenditure under the special road programme that is part of the supplementary measures. Fourthly, there is no system of lorry routing to protect the environment in the narrow streets and roads in the urban rural areas. For those reasons I shall vote against the proposals.

Mr Patterson. — Mr President, I have to say to begin with that whichever way we vote on this resolution, we are now unable to establish in practice an important constitutional principle, that is the one enshrined in Rule 32. This I consider to be the greatest tragedy of this evening. We nearly did it and, paradoxically, the advice of Mr Seefeld has achieved exactly the opposite effect to what he intended. Had we done so and followed the advice from Mr Johnson, we would have reserved our opinion and put pressure on the Commission to adopt our amendments. But we did not. Our opinion will be delivered and the Council will now be able to act for or against whatever we say. I shall not be supporting this proposal, therefore, for that and for other reasons. It is not because I reject the arguments for this measure, energy saving, a reduction in the total number of vehicles, less red tape at frontiers, economics for industry and so forth and I also accept that the overall weight is not as important as the weight on any one axle. However, I do not believe that a proposal for heavy lorries is acceptable unless it is accompanied by other related measures. The Carosino report itself draws attention to some of these — axle spacing, noise levels, breaking and steering standards, damage characteristics and so forth. There is, in addition, the all-important question of where these lorries are allowed to go and I do not believe that Article 7 of the Commission proposal is enough until enforcement procedures can be developed. In sum, Mr President, common standards and 40-tonne lorries yes, but not until they are safer, quieter, pollution-free and kept out of those areas which they would otherwise destroy.

Mr Moreland. — Mr President, I shall be voting for this resolution and the directive and in voting for it I would like to congratulate the rapporteur and my

colleagues on the committee who have sweated hard on this issue through public hearings to this day, and I am voting for it because I am sick and tired of the codswallop that I have heard from people who have not troubled to actually read what it is all about. If they look at the environmental evidence, time and time again they will see that the problem is not the gross vehicle weight, it is the axle weight and our reservation on this particular directive happens to relate to axle weights. I will end by observing, Mr President, and I pass this to my Labour colleagues, that my local Transport and General Workers' Union said: 'We are against this directive because it means fewer lorries and fewer jobs for drivers'. I am in favour of fewer lorries and in favour of this directive.

Written explanations of vote:

Mr C. Jackson. — Lorries are perceived by most people as large, dangerous, smelly, noisy — in short destructive of the quality of life where they impinge upon it. The presence of lorries on narrow roads, in small towns or villages, shaking the foundations of houses, that is unacceptable. No people know this better, alas, than my constituents near the roads leading to the ports of south-east England.

Technically I largely accept the draft Directive as amended by my Group. But the many constituents who write to me say: the current situation is unacceptable and we could not bear it to get worse. We must heed this cry for help.

I cannot accept any proposal that will not reduce the nuisance and damage of the current situation. The glaring omission is a firm proposal to keep heavier lorries off unsuitable roads, especially in towns and villages.

I therefore call on the Commission to make proposals for a framework Directive providing (a) standards including signs and (b) funds for the making of lorry routes and 'no go' areas.

Mr Purvis. — I will vote for this motion.

It will benefit the Scottish economy by helping to contain transport costs.

If it is not implemented in Britain because of unreasonable pressure from south-east England, Scotland will have to be provided with an alternative route, equally cheap and equally convenient, to the continent of Europe. A tunnel under the North Sea?

Mr Seligman. — I intend to vote in favour of the Carosino resolution for the following reasons.

- (1) It states in Preamble 14 — 'whereas at the same time the protection of the environment, the adoption of effective safety measures and the heavy cost of road building, impose limitations on increase in weights and dimensions of vehicles and mean that a way must be found to reconcile such diverse and equally important demands;
- (2) Clause 7. 'Requests the Commission to undertake and coordinate further studies on:

Moreland

.. (ii) damage characteristics of vehicles especially in relation to roads, bridges and buildings and with reference to the effect of different axle spacings on these characteristics,

.. (v) lorry routing and the designation of no-go areas for lorries, and to report to Parliament on the results of these studies by 31 December 1981.

Finally,

- (3) The European Democratic Group amendment No 8 to clause 1 adds 'Recognizes public concern at the nuisance and damage caused by heavy road vehicles using unsuitable roads or travelling through towns and villages and insists that the overall effect of any measure proposed by the Commission shall be such as to reduce this nuisance and damage'.

Mr Turner. — I will vote for this measure because, with the amendments put in by the Transport Committee the European Parliament is providing full protection for villages and small towns. The most important fact is that lorries will be banned from all areas where safety, environment and amenities are at risk. This means that, where roads are unsuitable, lorries cannot go. It does not mean that any of the small bridges and narrow streets have got to be made suitable for lorries. Indeed, a small bridge or dangerous corner will, under Parliament's proposal, guarantee the banning of heavy lorries from the area.

Secondly, I am very glad that the European Parliament is supporting the provision of dynamic weigh-bridges along major routes, especially at the ports, where all lorries will be automatically weighed.

(Parliament adopted the resolution)

President. — The Staff Committee has agreed to continue the vote until 8.30 p.m. This means we can only resume at 9.30 p.m., in one hour. The Staff Committee has also agreed to work until 12.30. I want to thank everybody for this.

The other votes, not dealt with now, are postponed until tomorrow morning at the beginning of the sitting.

The House will rise.

(The sitting was suspended at 8.30 p.m. and resumed at 9.30 p.m.)

IN THE CHAIR: MRS VEIL

President

President. — The sitting is resumed.

12. *Limitation of Japanese car imports into the United States*

President. — The next item on the agenda is the topical and urgent debate. We begin with the motion for a resolution tabled by the Group of the European People's Party (Christian-Democratic Group) on the limitation of Japanese car imports into the United States (Doc. 1-201/81/rev.).

I call Mr Beumer.

Mr Beumer. — *(NL)* Madam President, the reason why my Group has tabled this motion for a resolution is that discussions on the penetration of the Japanese car industry into the American and European markets has led to a voluntary limitation agreement between the United States and Japan but not — at least, not yet — between Europe and Japan, and that between March 1980 and March 1981, Japanese imports into the United States fell by 25%, compared with a drop of only 9% in Japanese imports into Europe. The fact that for most Member States of the Community, Japanese exports to Europe are twenty-five times European exports to Japan is having a dramatic effect, especially on the employment situation. That is why we think it essential for us to be told very soon what plans the Commission has to come to terms with this situation, and in this respect, I should like to draw your attention briefly to a number of points. Is there not cause for concern — as you yourself said recently in Japan — that pressure on the European market may increase as a result of the agreement between the United States and Japan? And if the Commission has no such fears, does it base its opinion on unofficial verbal assurances like that mentioned in point 3 of our motion for a resolution or on some other consideration, or perhaps on something in the US-Japanese agreement itself — although that seems to me unlikely? But if the Commission is afraid of the pressure intensifying, what possible action has it considered and what does it have in mind to tackle this problem with vigour? Should the agreement between the United States and Japan be regarded as a purely bilateral agreement, and has the Community been informed or not, or has it been involved in any other way? I should like to point out, Madam President, that you yourself said at the time that the agreement was in the offing, and I should now like to know whether any attempts were made by the Community to influence the agreement. Will the Commission be in a position in the near future to give us more details about the nature and the content of the agreement? And should we not perhaps give some consideration to extending the terms of the agreement between the United States and Japan to include the Community? Is that being considered, and what chance of success does the Commission see in all this? At any rate — and this is an extremely important matter — are the chances of reaching a bilateral agreement being examined? I have

Beumer

read that Mr Narjes said during Question Time that the agreement between the United States and Japan offers the Community certain possible starting points. What precisely does he have in mind here? To what extent does the Commission feel that the current situation in Europe — whereby some of the Member States are adversely affected by Japanese penetration into their markets and others are not — may make it difficult to reach an agreement, and is this not a matter for consultation between the Member States at this moment in time . . .

My principal concern in tabling this motion for a resolution, Madam President, is to encourage the Commission to state in the near future what its aims are as regards relations between Japan and the Community, what steps it has taken so far and what it intends to do in the future, and to give this House more information on the question.

President. — I call the Socialist Group.

Mrs Wiczorek-Zeul. — (DE) Ladies and gentlemen, my Group supports in principle the motion for a resolution tabled by the Christian-Democratic Group, and I should like to take this opportunity to comment briefly on the present situation.

I should like to say quite clearly and categorically on behalf of my Group that we regard this self-imposed limitation agreement between the USA and Japan — in form, substance and method — as a hostile act on the part of the two signatories against the European Community. The blame rests with the Americans as well as the Japanese; after all, far from being a voluntary limitation agreement, it was squeezed out of the Japanese by the Americans. That being so, we are critical of the fact that the USA has evidently taken no account whatsoever of the interests of the Europeans and the European Community, and has not even consulted us — a fact which is all the more remarkable when you bear in mind that the Europeans are always consulted when we are needed elsewhere to give political support. We want such consultation to extend to those cases in which our own economic and commercial interests are affected.

Another question following on from this is why this matter was not postponed until the Ottawa Conference in July, where these things could have been discussed by the industrialized countries around the table. As it is, though, the meeting is clearly going to be more a display of patriarchal dominance than of true partnership.

What I should like to know is what will become of the 140 000 Japanese cars which will now no longer be dumped on the American market? And what will be the repercussions of similar agreements, advance news of which has already emerged from Canada and

Sweden? If the said cars are perhaps not dumped on the European market — with a view to the situation in the Benelux countries — there is still a danger that they will be dispatched to South-East Asia and other countries whose markets will then in turn be lost to Europe's industry.

In view of the fact that demand will reach saturation-point worldwide in the foreseeable future, this self-imposed agreement will do no more than intensify the cut-throat competition which will be even more to the disadvantage of Community car-makers. The Europeans Democrats — the European Conservatives — have brought out the figures very clearly in their own motion for a resolution. However, there is one highly critical point which must be made, and that is that the emergence of this agreement between the USA and Japan is due in part to political pressure and in part to the fact that the American car-makers have got so much into the red that they have called *with one voice* for measures to be taken. The European Community as such cannot exert any political pressure — and would not wish to do so — but we can at least take common action, and at least formulate and develop a *common* trade policy *vis-à-vis* Japan. I would therefore address this appeal in particular to the government of my own country to abandon at long last its reservations about a Community approach. After all, it testifies to a lack of solidarity on the part of the Federal Republic of Germany *vis-à-vis* the smaller Member States, which are less well protected and are in a worse economic situation, if the German Government continues to pursue its policy of open markets. If we in Europe continue to apply such widely differing arrangements with very low quotas — as in Italy and France — and the open market policy in the Federal Republic of Germany, we are in effect inviting outsiders to drive a wedge between these countries and between their industries. I should like to make the point, though, that the European car industry has failed to pursue a harmonized policy in this matter, and anyone who opts out of a coordinated European mutual support system should not be surprised if the Japanese apply the precept of divide and rule against him too.

I think we must therefore commit the Community — both the Commission and the Council — to follow a common line and ensure that the national quotas which have been applied so far are abolished. That can be the only logical conclusion in view of the fact that these national quotas do not even benefit the countries they are supposed to be protecting. We demand that a self-imposed limitation agreement be negotiated with the Japanese, giving due consideration to our industries in the European Community. I should like to point out to the Japanese that we can always, if necessary, protect our markets by non-tariff measures, and it would be unfortunate if other trading partners were to be forced to adopt such measures.

I would therefore call on you to give your support to this motion for a resolution, which could perhaps have

Wieczorek-Zeul

been given more teeth, and I should like in particular to ask the Commission to continue to fly the flag in this matter and the Member States' governments to abandon their national restrictions.

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

Mr Müller-Hermann. — (*DE*) Madam President, part of the thinking behind this initiative taken by my Group is to get the Commission to make a statement which will clear the air and prevent the spread of a kind of panic atmosphere throughout Europe. I think it important to make the point that all parts of the European car industry achieved record sales in the years up to the beginning of 1980, and that the increasing competition from Japan had been foreseeable for a long time by all of us, including the European car industry, whose managers perhaps thought that things would continue to go as well as they had in the past without any special efforts on their part. The first thing therefore must be to address an urgent appeal to the car industry in Europe to rethink its own attitude. Another important point seems to me to be that the United Kingdom, France and Italy are, in contravention of the Treaty, applying quotas which date from a time when there was as yet no common trade policy. It is odd that the call for a market organization — as in the motion tabled by my Conservative friends — comes from precisely those countries, whereas the countries which are particularly exposed to Japanese pressure as a result of the quota systems applying in the other countries — I am thinking here of the Benelux countries and the Federal Republic of Germany — are quite prepared to make an effort themselves to meet the Japanese challenge. I am also of the opinion that artificial barriers will do nothing at all to help, because if the Japanese fail to sell their cars on the American or European markets, they will divert them to other unprotected markets, which will mean in turn that the direct competition will simply be shifted elsewhere. Despite all this, I believe that we must do something by way of discussions with the Japanese. As the arrangement between the Japanese Government and the Americans is the catalyst in this issue, I should like to make the point that during the visit paid by our European delegation to Japan in February, everyone was aware that an arrangement of this kind would be made before the Japanese Prime Minister Mr Suzuki met President Reagan. In other words, this did not come as a surprise. At the time, the Japanese Foreign Trade Minister Mr Tanaka told our delegation in reply to a specific question that the conclusion of an agreement between Japan and the United States would under no circumstances result in the vehicles not sold on the American market being added to sales on the European market. I should like to remind Mr Haferkamp of this statement of Mr Tanaka's, as Mr Haferkamp is here today and I am sure will be in charge of the discussions with the

Japanese. It is a point we should bear in mind. Of course, the European car industry is experiencing certain problems in this transitional phase, and for that reason — I have almost finished, Madam President — I am sure it would be a good idea for Mr Haferkamp to endeavour on behalf of the Commission to get the Japanese to give an assurance that the level of sales in 1980 will not be further increased and thus present an additional challenge to us. If that much could be achieved, I think the Community could regard it as a success, and we hope that the Commission will work towards that end.

President. — I call the European Democratic Group.

Sir Frederick Warner. — Madam President, we in the European Democratic Group agree with this resolution and we shall vote for it. But looking round this House I do not know how many votes there are going to be. Not very many! We want to see a unanimous resolution, an overwhelming resolution, and for that reason, under Rule 49, we have put down a rather similar resolution, No 203. It is on the register in Room 1130, so will you please, all of you, tell your friends and go and write your names on it tomorrow or the first day of the next session so that we have an overwhelming majority for the policy we want.

I want to say one thing more. We need a unanimous resolution. For I was astonished on Monday to hear a Commissioner in this House say that there is no European policy, that there are four or five European policies and that we are in a state of total muddle. If that is so, may I ask on what basis Sir Roy Denman has been negotiating for the last eight months. On what basis, for goodness sake, has the Council of Ministers produced two strong statements. Madam President, if I may ask you, on what basis did you just now go to Japan and deliver a very convincing account of a very convincing European view? That view exists, we want to put it on record, so please make your friends go to Room 1130.

President. — I call Mr Mihr.

Mr Mihr. — (*DE*) Madam President, I have no doubt whatsoever that the agreement reached between the United States and Japan will have an adverse effect on the employment situation in one of Europe's most important industries, the car industry. Experience hitherto would indicate that the products which are not exported to the United States as a result of this agreement — press reports put the number concerned at some 170 000 vehicles per year — will find their way onto markets by some other route. Everything would seem to indicate that a substantial part of the European market will be thus affected, especially that part where the principle of free world trade still

Mihr

applies. The additional import of such a substantial number of Japanese cars will, it is estimated, affect some 5 000 jobs in the car industry as well as — and I do not think we should forget this aspect — in the supplying industries, and will probably mean the loss of some of those jobs.

This agreement is a threat to the European car industry. It will intensify competition within Europe, because even those Member States which have so far tried to protect themselves by introducing restrictions on their Japanese competitors will very soon realize that European car-makers will try to make inroads into these countries' markets so as to keep up their sales levels in the face of the increased flow of Japanese imports. This will affect first and foremost those parts of the car industry and those companies which are already engaged in a struggle for survival. As a result, the prospects for improved cooperation — especially in the field of research and development in the Community's car industry — will be jeopardized. Nor am I mollified by the assurance given by the Japanese Foreign Trade Minister that the vehicles not sold on the US market will not be diverted to the European market. I am not at all reassured by such a statement. Our experience so far with statements like these has been that they are more akin to a tranquilizer than a trustworthy assurance.

My colleague, Mrs Wiczorek-Zeul, has already spoken about the foreign trade repercussions of this agreement, and I should like to say a few words about the risks to our employment policy.

The European trade unions have come out in theory and in practice against protectionism, but no one should be surprised if a call for protectionism within even these organizations gets louder and louder as a result of this kind of policy. It is only possible to effect the necessary changes in the car industry — which has always been a technological key industry — in anything like acceptable social conditions if protectionist measures are abolished. This has been difficult enough in the past, and will become even more so in the future. Moreover, the agreements reached between the United States and Japan are bound to act as a kind of signal. They set a dangerous precedent which may have a profound and adverse effect on world trade. It is up to the Commission, the European Council and the governments of each and every Member State to make the United States and Japan aware in no mean terms of the consequences of the policy they are pursuing, a policy which is contrary to the spirit of a reasonable international trade policy, and which above all will have a serious effect on the employment situation.

The French newspaper *Le Monde* reports today that the Commission decided at its meeting yesterday here in Strasbourg to recommend that the Council of Foreign Ministers meeting in the 2nd half of May should examine carefully the agreement between the

USA and Japan and conclude a similar agreement with Tokyo. The fact that we obtained this information during a part-session from the press does not exactly testify to a great deal of respect on the part of the Commission for this House. Perhaps Mr Haferkamp could say a few words about this. I should prefer not to say yet whether this approach is the right one, but I share the view expressed by the previous speaker that the least we can expect is for those countries which have so far pursued a restrictive policy to publish the figures which we have so far not received from the Japanese.

President. — I call Mr Wedekind.

Mr Wedekind. — (*DE*) Madam President, ladies and gentlemen, in discussing this highly important motion for a resolution, there is a danger of our completing here in Europe the protectionist process which Japan and the United States have already embarked on, and that will do us no good at all in the long run. Over the long term, protectionism will harm all of us, here in Europe and in all the other countries concerned. I must say that I cannot really understand the justification put forward by the Americans for their move. If one particular industry misses its cue, misses the bus, you cannot expect all the other trading partners and all the other producers to down tools for a while to allow the straggler to make good its mistake. Let us therefore be on our guard to ensure that this motion for a resolution does not point us along the road to greater protectionism, a road which would of course not end at the car industry, but would affect all other industries. What we need is an efficient car industry capable of competing on the international markets. That is the only thing that can protect us here in Europe against the Japanese.

To strike a critical note, though, allow me to say that, if the Japanese think they can reach agreements of this kind with the United States and need give no consideration whatsoever to Europe in any sphere of activity, if the Japanese really think they can export 40% more to Europe than they themselves import with the sole justification that we had simply failed to control the Japanese market — a very simplistic justification which can easily be refuted in view of the coordinated power of Japanese trading companies, banks, distributive organizations and producers, all of which are in the same boat and simply erect a barrier against anyone they do not want to allow into their market — we must make it clear to them — in reasonable terms — that a balance-of-trade deficit of these dimensions is intolerable in the long term. Of course, there can be no free trade to the exclusive benefit of one of the parties. That too should be borne in mind when we reflect on this motion for a resolution, and I would warn the House against viewing this as the first step along the road to protectionism.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Madam President, the Tokyo agreement we are talking about here is, to our mind, a grave occurrence in terms of our efforts to keep world trade free, open and fair. The agreement affects a particularly important industry and has been concluded for a period of three years. Previous speakers have already mentioned the disquieting aspect of the procedure used.

Over the last few years, we have often had occasion in this House to debate trade matters, and the Commission has, in its capacity as a negotiator for trade questions in the Tokyo Round, always received the full backing of the House. The reason why I mention this major series of world trade negotiations is because the Tokyo Round was for years characterized by a very close and highly responsible cooperation between the Community, the United States and Japan. We wish to see this cooperation continue, and we hope that by our cooperation, we shall keep world trade as open as it has been in the past. We must restore the balance which once existed between the various sides, otherwise we shall run a risk — as has already been said — of severely upsetting the pattern of world trade.

In the interests of world trade, the agreements reached in Tokyo must not constitute any deviation from positions adopted so far. Should there be signs of a change here, and should we fail to restore the state of cooperation which existed earlier, we shall be in danger of getting into the kind of difficulties we went through in the 1930s. That kind of development can be in no-one's interests. On the contrary, we must all have a vested interest in avoiding any such development.

In view of the special questions affecting the car industry, we have for a long time made it clear that, in discussions between two parties, the interests of a third party must always be borne in mind. Most recently, we have made appropriate representations to the diplomatic representatives of the two countries in the course of the negotiations themselves. We have made it clear that we cannot accept any diversion to the Community of any exports which would have gone from Japan to the USA and which will not now be going there over the coming years. We have also demanded that Japan should adopt the same attitude *vis-à-vis* the Community.

To answer certain questions which have come up in the course of this debate: of course we were aware that discussions were in progress. We also received detailed information on the fact that discussions were being prepared. On 2 May, we received full information from the Japanese Government as to the content and the results of the discussions, and at the same time we received notification that the Japanese Government had called on the Japanese car industry to exercise restraint in its deliveries to the Community.

As a consequence, we are in a position to keep a check on the flow of imports from Japan. As you are aware, we introduced a few months ago a statistical check on the car industry. We are able to keep in touch with developments, and, as you know, we have very specific agreements with certain Member States of the Community, some of which have been in existence for a number of years.

At its meeting yesterday, the Commission decided to forward a communication to the Council calling for the conclusion of an arrangement with Japan which would amount to a limitation on the export of Japanese cars to the Community along the same lines as the agreement between Japan and the United States. This information has been passed to the Council, and the Commission will be passing on further details to the Council in the course of the coming week. It will then be up to the Council to discuss this matter on 18 May, and in this respect, the Commission can only express the hope that the Council will adopt an overall view for the whole Community which will enable us to implement the same kind of arrangement I referred to just now.

At the same time, I should like to draw your attention to the need for us to make an effort ourselves. As a previous speaker said, our car industry has shown in the past what heights it is capable of scaling. That is something we should not forget. In a situation like the present, we should keep calm. After all, our industry is perfectly capable of showing that it has confidence in its own ability. That is what we need now — self-confidence and solidarity at European level.

Ladies and gentlemen, reference was made earlier to the importance of the world economic summit in Ottawa. We take the view that our aim in Ottawa in discussing questions of world trade should be to keep world trade open in the interests of all parties — not to put any one party in the dock, so to speak. In that respect, we have a great responsibility for world economic trends over the coming period.

President. — I call Sir Peter Vanneck.

Sir Peter Vanneck. — This is purely a technical point. As a well-disciplined officer, when I heard the cogent appeal of my colleague, Sir Fred Warner, I went running out to sign the motion that he suggested we should all of us sign. And I find that neither is the noticeboard up that is going to be arranged where one can sign, and neither is Room 1130 where one can also sign manned. And although I appreciate that these late-night sittings must interfere desperately with the social life of our staff, it does equally interfere with our own arrangements, and I would like, without further sarcasm, to suggest that while we are here, they should be here, and somebody should man that room.

President. — The debate is closed.

(Parliament adopted the resolution)

13. Community intervention in favour of certain areas

President. — The next item on the agenda is the joint debate on two motions for resolutions:

- tabled by Mr Papapietro and others on Community intervention in favour of the Naples metropolitan area (Doc. 1-140/81);
- tabled by Mr Costanzo and others on the extension to all the communes affected by the earthquake in Southern Italy of the aid provided for in directive 268/75 (Doc. 1-197/81).

I call Mr Papapietro.

Mr Papapietro. — *(IT)* Madam President, ladies and gentlemen, the reason we asked for urgent discussion of this motion for resolution is that, after last November's earthquake, the situation in and around Naples has been getting progressively nearer and nearer a critical point beyond which we cannot allow it to go. The figures were given to us this morning by the Mayor of Naples, who is, with other members of the municipal council, following our debate in the public gallery, and to whom we offer our warmest greetings.

(Applause)

In the City of Naples alone there are 100 000 unemployed and approximately 140 000 with no roof over their head; these people are still occupying almost 200 schools and preventing classes from carrying on. Municipal work is at a standstill, industrial output is cut back. What does it benefit Europe for Naples to remain in this state? Can Europe remain indifferent to such a tragedy?

We feel that the answer to both questions is 'no', and for two reasons. The first is that a situation such as this does not remain for very long within the simple confines of economic and social difficulties and, indeed, the spectre of terrorism is now beginning to appear in Naples.

The second reason is that Naples and the surrounding area are not in their present state just because of natural destiny and because of an earthquake, but for historical reasons too: because of this Naples and its region can become a source of material wealth for Europe just as they have always been a source of culture and of civilization. Europe owes a debt to regions such as this: the high output of such places as Hamburg, Brussels and Cologne results from the work and the wit of southern immigrants. This is why we

are calling for more speed in the structure plan for Naples, which is losing momentum, and I call on the Committee on Regional Policy and the regional authorities to come to some agreement on intervention measures with the national and local authorities for Naples City and the Naples region, and to refer them to Parliament.

There is one other thing which we are calling for, because Europe's resources are not only economic and financial.

Naples, Campania and Basilicata also need Europe's cultural and technical support in order to tackle their tragic problems, new and old. It is for this reason that we are adopting the appeal made by the Mayor and local authority of Naples and other similar regions in the south of Italy to the most influential political figures in Europe and to intellectuals, an appeal to found a European committee to preserve and restore this city and country which have been and remain, even in times of disaster, one of the glories of Europe. We have learned that Mrs Veil responded favourably to this morning's appeal; for this, Madam President, we feel gratitude and some pride:

(Applause)

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

Mr Travaglini. — *(IT)* Madam President, ladies and gentlemen, it is no bad thing that we are taking together the two motions for resolutions relating to Community intervention in favour of the Naples metropolitan area and that on the extension to all the communes affected by the earthquake in Southern Italy of the aid provided for in Directive 268/75.

The problems in Naples and in the area devastated by the disaster on the 23rd November 1980 have now reached catastrophic levels of both complexity and urgency. Something tangible must be done urgently — and here I would remind this House of its duties — using all the measures which are available and using exceptional procedures, so that we can ensure that the gashes in the fabric of society and the disorder in what was already a precarious productive system do not make recovery impossible. The integrated action planned for the Naples metropolitan area — for the management of which the Community had already assumed a large part of the responsibility even before the earthquake — must be put into action urgently, but must also be integrated, and quickly, with funds from the European Regional Development Fund and with the use of every other Community measure, including the European Investment Bank, with the use of all our common policies, each of which should be aimed at revitalizing these areas.

Travaglini

In calling for this we are following the lines clearly laid down by this House in the resolution on development policy for less-favoured regions of the Community, a resolution which restored meaning to one of the basic principles of the Community institutions, namely reducing regional imbalance. We should put that into practice, and start straight away with Naples and the area of Campania and Basilicata, where the need is overwhelming. At the same time as implementing a system of support for industrial activity we should implement an urgent and comprehensive system for Community support for development in agricultural and associated activities, and reactivate the country life which is one of the great traditions of the people of this area. The earthquake has had serious effects on the whole of rural life and even on agricultural resources. Unless exceptional socio-economic aid is given to the agricultural sector too, there is a risk that later there will be an irresistible exodus which would make any resumption of development impossible.

This is the justification for the motion for a resolution which we have tabled on extending to all communes affected by the earthquake in Southern Italy of the aid provided for in Directive 268/75, as the Community did for the communes of Friuli-Venezia Giulia which were devastated by the 1976 earthquake, in a decision which the Commission is today asking to be extended.

The Community's ability to sustain the development of less-favoured areas is being tried out today, Madam President, ladies and gentlemen, in a test of extraordinary significance. Let us not disappoint a people; who are at their wits end and who are calling on us to help them in their struggle to survive and to advance in times of great adversity!

President. — I call the Socialist Group.

Mr Gatto. — *(IT)* Madam President, I would like to speak briefly on behalf of my Group in order to express my agreement both with the texts of the two resolutions we have before us and with what has been said by the speakers on those resolutions. For this reason I will restrict myself to expressing the hope that cooperation between the Community institutions, between Europe and the local institutions, the economic organizations and the technical, scientific and cultural associations which are there can, under the present tragic circumstances, prove to be the forerunner of a real change for Naples and the surrounding area.

European solidarity cannot and must not remain simply an economic factor, it should be a real, democratic support. I, like some other Members and like Mr Pascale, am a witness to two catastrophic earthquakes, one of which is now history, the other still news. My home town was destroyed some 73 years

ago in a gigantic cataclysm which left 100 000 dead; it was rebuilt with no attention paid to people, but only to material things, and years later although the shanty towns still exist the community spirit has been lost. More recently, in Belice, there was a reconstruction plan in which local organizations, people, citizens and their history and their culture were ignored. This gigantic plan has given rise to speculation and corruption which are there for everyone to see. This must not happen in Naples. In Naples the planning and the reconstruction must be carried out principally by the national democratic organizations so that the future which is being built will be a future with a human dimension, tailored to fit the people.

I have learned today, Madam President, that you have accepted the invitation to preside over the Committee for the Preservation of Naples and for that, Madam President, I am profoundly happy, and would like to express to you my deep personal gratitude, and I hope that I do so in the name of every Italian Member of this House, because of the great political significance implicit in such an act, because of the encouragement it will give to the people, and because of the great significance which it will have for the citizens of Naples.

(Applause)

President. — I call Mr Barbi.

Mr Barbi. — *(IT)* Madam President, the time available to me is less than the earthquake took in the night of 23rd November, and so I shall use the little there is to make a single point to the representative of the Commission.

The Community did a great deal to come immediately to the aid of the people affected by the earthquake, as did individual countries, individual cities, individual communities and individual people from the Community. What is important now, though, is what the European Community can do for the two affected areas, in addition to the immediate emergency aid, which is to give assistance to the economic development organizations of the two regions. And, even though work has already begun on an integrated plan for the Naples metropolitan area we are proposing with this resolution that more decisive progress should be made and that the Community does the work of overcoming the difficulties which are at present holding progress up. They are local administrative difficulties which reflect the deplorable bureaucratic habit of passing responsibility back and forth between local and national authorities.

However, apart from this Community intervention to mediate and collaborate, the Community can also undertake very important work to develop the economic initiative which can be born from the

Barbi

disaster of the earthquake itself. Building reconstruction and the reconstruction of public works which will be needed will give impetus to many kinds of dependent economic activity which only financial aid and a lead from the Community can bring to fruition. It is our hope that the Commission will be able to lead such an initiative and, to be honest, we regret that the Commissioner responsible for regional problems is not here tonight: we hope none the less that Commissioner Haferkamp will report back to Mr Giolitti all that Parliament is now asking of the Commission for the economic development of Naples, of Campania and of Lucania.

(Applause)

President. — I call Mr Ippolito.

Mr Ippolito. — *(IT)* Madam President, ladies and gentlemen, it is as a Neapolitan and as an elected member of the city's council that I ask you, on behalf of the Italian members of the Communist and Allies Group, to give your full support to the motion for a resolution tabled by Mr Papapietro and many other Italian members of this House from each of the democratic groups.

The city of Naples and the surrounding area which shares the city's glorious name was, as you all know, hard hit by last November's earthquake; alas, though, this natural disaster had a profound effect on a situation which was already extremely difficult both from the economic and the social point of view, as a result of an earlier decline which had its origins in the city's own history: at one time Naples was the second largest city in Europe and the flourishing capital of a kingdom, and its decline began at the start of the 19th century with the bloody establishment of the Neapolitan Republic. This decline became worse after unification and has already been a subject of long and close investigations by a number of famous economists and politicians amongst which I draw your attention to one in particular, the work of the economist and politician Francesco Saverio Nitti, who pointed to the causes of Naples's decline and indicated the remedies more than 70 years ago. However, two world wars in the first half of this century, the mindless rhetoric of a fascist dictatorship which tried even to remove the expression 'the problem of the south' from official documents, and the events since the second world war mean that the problem of Naples is still burning and cannot be left any longer. Even the erroneous policy of exceptional interventions in the Mezzogiorno, which were so severely criticized by Giorgio Amendola in the Italian Parliament, have only worsened the decline in the social and material conditions of a city which remains a source of a significant production potential, which only needs interventions such as restoration of the production apparatus and civilian structures — as our resolution says — so as to direct

the city towards balanced development and to integrate the city itself into the economy and the production apparatus of the whole of the Mezzogiorno.

However, ladies and gentlemen, this great task is necessary also from the point of view of general European policy, which must not allow potential hotbeds of revolution to remain — and we have had some significant examples of them during the last few days — and cannot be brought about without tangible, vital aid from the whole of our Community. These are the reasons why we have tabled the resolution, calling upon the Commission to implement now the requests unanimously formulated by this House on 18 December 1980.

I trust you will allow me, ladies and gentlemen, an ironic and very bitter conclusion: what Naples and the other areas affected by the November earthquake need is not unanimous agreements offered as a salve to our consciences, but real tangible action which integrates the authorities responsible for reconstruction and, if necessary, spurts them on, guides them and supports them. Getting into the enormous problems which Naples has because of its historical, social and cultural importance, integrating the solutions to those problems with those of the surrounding regions, promoting, with our Committee on Regional Policy, the bringing together of generous but dispersed forces, giving the Commission of the European Communities the job of coordinating and directing, will all mean bringing a solution to the problem which is the problem not only of Naples but of the whole of Italy and the whole of Europe.

(Applause)

President. — I call Mr Petronio.

Mr Petronio. — *(IT)* Madam President, I should like to speak on this question of Naples on behalf of all my colleagues from the Italian national right and, if you will allow me, particularly on behalf of Mr Almiranto who is, amongst other things, a member of the Naples City Council, and who is prevented from being here today by other pressing duties of a political nature in Rome.

We do quite obviously support the proposal which has been announced here today, namely that the President of the European Parliament should become the president of a committee for the preservation of Naples.

What we would like to point out is that we shall have to use all — every one — of the cultural means which are available in order to demonstrate what Naples was in the past, what it is at present and what it can continue to be with its great historical monuments, its Provençal architecture, its Angevin monuments and its *settecento* glory which was recently highlighted by the

Petronio

exhibition on 18th century Naples whose visitors included ambassadors, the Mayor of Paris and the Queen of England. We must, I think, remember that this is a great artistic city and remember above all that it is a port. Let us think of Naples not as the capital of starvation — for to do so is to set off on the wrong foot — but of Naples as a capital in the Mezzogiorno and an advance post in the Mediterranean. It is a fine example of how a regional policy can exist not only in words but (and this is the challenge we must face up to) as a real policy of great structural importance. We are always all in agreement on the general principles — as someone was saying the other day — but for the policy to be real, we must put into real action all the means we can to ensure that the imbalance between the different regions of Europe is corrected.

I am in perfect agreement with the few words of Mr Travaglini who spoke of the integrated plan for Naples and made it clear — as it was said at a press conference this morning — that an integrated plan means financially integrated not only through the local, regional, national and European organizations, not only with non-repayable grants, but with a policy of loans which will give essential encouragement beyond the public sector, in dependant industries, that is in private enterprise and small and medium undertakings which can cooperate actively in revitalizing Naples. These sectors must not be crippled by usurious banks granting loans at quite unacceptable interest rates. We must remind our own financial institutions, the European Investment Bank and the New Community Instrument that they can and must overcome their technical banking problems, and, as a new line in development, give aid to the private enterprise and small and medium undertakings of Naples. This is my view and the view of the Italian right wing. This is so that Naples can be revitalized and so that Naples, after its misfortunes — which can only be attributed to fascism up to a certain point, since 40 years later things there are still so much the same that time appears to have stood still — so that Naples can not only start to weave again the social fabric of urban life, but can become an example of development in the Mediterranean and of a true European Regional Policy.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Madam President, as this House will know, the Commission introduced a number of aid measures immediately after the disaster. We prepared and set up an integrated operation involving all the Community's financing instruments — that is to say, the Regional Fund, the Social Fund and all the other facilities at our disposal. It goes without saying that, in a matter like this, those Members of the Commission who know best what is going on in their own country — in this case our Italian colleagues Mr Giolitti and Mr Natali

— had a special role to play and gave us the benefit of their special advice. You will also know that, in every phase, the Commission was one hundred percent behind these efforts to bring aid to the sorely tried region. Thanks to the various financing instruments at our disposal, we were able to make some 60 million EUA available. At the suggestion of the Commission, the Council of Ministers made possible a special loan of the order of a thousand million EUA which, backed up by funds by the Community budget, can be used for infrastructure measures in the region.

The fact that these measures have not yet been put into effect is because the final parliamentary decisions on the necessary Italian legislation have not yet been taken. However, we have of course started preparatory work on specific projects and ways of carrying them out so that work can start immediately the legislative groundwork has been done.

As regards motion for a resolution No 197, I should like to tell you that no such application has so far been received by the Commission from the Italian Government. In a matter like this, the Commission cannot take the initiative and implement the measures proposed because the Italian Government would have to bear 50% of the cost of any such project. Those members who tabled the motion for a resolution may rest assured that the Commission will be well disposed to any such application on the part of the Italian Government. However, I should like to draw your attention to the fact that something like 50% of the areas affected by the earthquake in November in 1980 belong to the hill areas which already receive aid under Directive No 268/75.

President. — The joint debate is closed.

(Parliament adopted both resolutions)

14. Hunger strikes at Long Kesh

President. — The next item on the agenda is the joint debate on two motions for resolutions:

- tabled by Mr Lalor, on behalf of the Group of European Progressive Democrats, on the hunger strike of Bobby Sands and others (Doc. 1-194/81/corr.);
- tabled by Mr Capanna and others, on hunger strikes at Long Kesh (Doc. 1-200/81).

I call Mr Van Minnen to speak on the Rules of Procedure.

Mr Van Minnen. — (NL) Madam President, on this subject we have two resolutions and a large number of amendments before us. Two of the amendments,

Minnen

Nos 15 and 1 seek to replace the entire text of the original resolution. I would like to ask the Bureau why it allowed these amendments to be tabled, in view of Rule 54 of the new Rules of Procedure which expressly state that an amendment is inadmissible if it is tantamount to a motion for rejection of the text to which it relates.

President. — This morning we examined, together with the Vice-Presidents and the chairman of the Committee on the Rules of Procedure and Petitions, a number of problems relating to the interpretation of the new Rules of Procedure. We studied in particular the problems of amendments which seek to replace the whole resolution.

Rule 53(2) states very precisely that 'an amendments may seek to change the whole or part of a text, and may be directed to deleting, adding or substituting words'. The chairman of the Committee on the Rules of Procedure, whom we consulted, therefore took the view that any overall replacing amendment was acceptable. That is why the amendments in question were declared acceptable.

I call Mr Rogers.

Mr Rogers. — Madam President, will we be allowed to vote separately on the amendments and the resolution?

President. — If it is requested, we have always allowed a vote by division — it is quite legitimate.

I call Mr Lalor.

Mr Lalor. — Madam President, in moving this resolution on behalf of my Group, I do so with regret and with a heavy heart. Early on Tuesday morning last, Bobby Sands died at the end of a prolonged hunger strike. There is no denying that at that moment a shroud of sadness spread itself, not only across Ireland, but across the mainland of Europe. The great majority of the Irish people disagree fundamentally and totally with the methods espoused by the IRA terrorists and their advocates.

(Applause)

And I am one of those people. But let nobody tell me that the hunger strike which resulted in the tragic death of Bobby Sands, a fate which presently faces three other prisoners, is an act of terrorism. The death of Bobby Sands was not suicide; regrettably, it was the supreme sacrifice of an Irishman in an effort to achieve simple humanitarian prison conditions being denied by the United Kingdom.

(Cries of dissent)

Sadly, a few hours before his death, Bobby Sands was described here in this House as a murderer. I do hope that that false allegation will be withdrawn before the day of his funeral has ended.

I have endeavoured in the preparation of my resolution to couch it in the most moderate terms. I am simply asking the United Kingdom authorities to modify their prison regulations to enable the hunger strikers to honourably call a halt. Feelings are running very high back home at present. The cauldron is on the verge of boiling over and too many innocent lives are in danger, too many from both traditions in Northern Ireland. Apart from addressing myself to this House in general I want to take this opportunity of addressing myself to you, the members of the Tory Party of the United Kingdom, and Mr de Courcy Ling has obligingly got all of you in here on a three-line whip.

I like to think that I have built up good relations with many of you since our election almost two years ago. So also, I know, have my Irish colleagues from all sides of the House. We, in general, have similar aims, ambitions, aspirations and 75% of the time we are collectively voting together on resolutions. Understandably, we disagree on the common agriculture policy, but I think it must be accepted that we fully appreciate each other's point of view and we understand and accept the reasons for our diversity of approach in this regard. There is no reason whatsoever, therefore, why we cannot also agree on our approaches on the Irish question. Let us agree to dialogue and discussion and proper parliamentary and democratic approaches. Let us have compromise rather than aggressive action. That is what I am asking for here.

Ladies and gentlemen, I will go a little bit further: my late mother, by your standards, was a terrorist. In her time, a little less than 60 years ago, she was in jail, on hunger strike, against an Irish Free State Government for signing a treaty with the UK. She had even more of a grudge than most. Her father in turn had died from ill health shortly after being released from jail, having spent four years in prison for Land League activities against absentee English landlordism. However, within a very short few years of her imprisonment my mother, like very many other Irish people of the time, followed the leadership of Eamonn De Valera and rededicated herself with the others to forming a national movement aimed at achieving their aspirations by peaceful, parliamentary, legitimate and constitutional means. This is now the Fianna Fail Party that I inherited and that all of us Irish here in this group follow. The leaders that came after De Valera, the late Sean Lemass, Jack Lynch and now Charlie Haughey had exactly the same aspirations.

But we need your cooperation. You must stop insisting that you will never give way, even against your better

Lalor

judgement. The Irish political parties in the Republic represented in this House and in the Irish Parliament back home all condemn violence as a means of achieving our aspirations but our population is young; death as a result of hunger strike has a horrific effect on our people, quite apart from its sadness. Please, colleagues, I ask, do not add fuel to that fire.

I am worried, personally, and my group are worried, at the attitude of the Irish youth at this time. Young people want action to save the lives of the hunger strikers. A young Irishman who was with a group in this House today asked me why my resolution was only submitted last weekend, when it was too late. Now Bobby Sands is dead. Please, let us not have any more such deaths. Let us have dialogue, discussion, debate and a slightly open door.

The whole world has given attention to the funeral of Bobby Sands today. That is undeniable. Let nobody deny that the sympathy of that whole world, like mine, was with his mother. In looking at her, on the television screen in my country today, every Irish mother was saying, 'there but for the grace of God go I'. That is what I am afraid of. Of course my sympathy and that of my government goes out also to the mothers, the wives, the members of the family of all those people who have died, particularly over the last 11 years in this confrontation. Let nobody think for a moment that my sympathy is confined to a particular sector of people in the six counties. My sympathy is not selective, it is real and it encompasses all, but I am trying to avoid having to sympathize for the next 10 years with more and more people of both traditions. In the reasonably immediate future a general election is expected in my country. 50% of the Irish electorate for that election will be under 25 years of age, and we want that electorate to stay with law and order, to vote for the existing constitutional political parties and fully accept the democratic process. Please do not drive our restless, hopeful, expectant and idealistic youth into the arms of the terrorists. I am making this impassioned plea genuinely here in this house, Madam President, to the Parliament to accept this resolution in my name, on behalf of my party, on behalf of my group, and on behalf of my country. I am willing to accept any moderate amendment that any group wishes me to add to secure its support.

Further, may I ask the speakers supporting my motion, please to abstain from aggressiveness or vilification.

Before I finish I am conscious of the amendment which has been submitted by a man whom I look upon as a good friend of mine and a man who I think is very, very reasonable, Mr Haagerup. There are a number of very respectable names in the EPP. I have already addressed the European Democrats. I would love to see the compromise starting now and that amendment withdrawn but maybe that is asking too much — but I ask it nonetheless.

Finally, I ask you, Sir James, and your colleagues here, almost in its entirety, in the friendliest possible spirit on this sad day to accept my resolution in the moderate, sincere and honest way that I ask and to submit it to Her Majesty's Government for its sympathetic flexible and immediate attention.

(Applause)

President. — I call Mrs Castellina.

Mrs Castellina. — *(IT)* Madam President, ladies and gentlemen, it is awkward for me to speak after Mr Lalor because, not being Irish myself, I am obviously unable to speak with the same degree of feeling.

While I know that the history of Ireland has been terrible and bloody, as it is a country which has been subjected to centuries of colonization and is even nowadays arbitrarily split in two, it is still not my homeland that we are discussing.

However, I do believe that it is up to us in this Parliament to make it known that the matter which we are discussing here today is something which incites feelings of sorrow and anger in democrats in all the Community countries, even those who are not Irish. What is more, we would only discredit ourselves if, having so often loudly condemned violations of human rights in countries so far from the Community, we did not have the courage to face up to what was happening in one of our very own countries in the Community. I realize that the problem is highly complex and that this is not the right occasion to discuss it, but I do believe there will come a time when we in this Parliament will have to discuss the question of Northern Ireland, as it is an issue of tremendous importance for Europe as a whole. Even though this is not the time to go into this question, the least we in this Parliament can do is to grasp the fact that in this particular case we are not observing acts of wanton terrorism but are following events which, whether we sympathize with the participants or not, — and many do not — have been dictated by reasons which are the outcome of decades of struggles, the struggle to free Ireland, history with which we are all familiar. It is therefore impossible for us not to recognize that the demands of these prisoners for political status, for which they are even ready to sacrifice their lives, is a right which must be acknowledged. This issue is bound up with humanitarian and democratic principles as much as with our ability to understand European history and the tremendous problems which remain unresolved. That is why we have tabled this motion for a resolution which, as you can see, has been signed by Members in different groups and from different countries, because we feel that this problem is the concern of democrats everywhere in Europe.

President. — I call the Socialist Group.

Mr Glinne. — Madam President, dear colleagues, we in the Socialist Group are deeply concerned at the situation in Northern Ireland. We regret the needless death of hunger striker, Bobby Sands, as we regret all lives lost and injuries suffered as a result of the tragic situation in Northern Ireland.

It will solve little to try to apportion blame. There are centuries of history and mistakes involved. Even so, it must be said that Sands' death could have been avoided had it not been for the intransigence of the IRA and the insensitivity of the British Government.

Madam President, the people for whom we have deepest concern are the ordinary people of Northern Ireland. They are the ones who suffer from violence and its consequences and some have already suffered in the violence succeeding Bobby Sands' death. And there are, as everybody knows, three other IRA prisoners still on hunger strike.

In the interests of the people of Northern Ireland, the utmost must be done to find a way out of the present situation. We believe and hope that a solution could be found through a humanitarian approach to prison life within the framework of the decision of the European Commission on Human Rights. I repeat that we believe and hope that a solution could be found through a humanitarian approach to prison life within the framework of the decision of the European Commission on Human Rights.

We share the view that there are no grounds for any claim for political status and we call for no sacrifice of principle on the part of the British Government, but a sensitive approach to a critical problem, the solution of which could prevent further tragedy and violence.

The consequences of such violence serve only to deepen divisions in Northern Ireland — property is destroyed, the people suffer fear and tension and sectarian feeling does intensify, delaying even further the development of a peaceful, united community and increasing the likelihood of support for the men of violence on both sides of the community.

Our immediate concern, as I have said, is the situation of the ordinary people of Northern Ireland at this critical point of time and the possible consequences for the rest of the United Kingdom and for the Republic of Ireland. We must, however, look for ways leading towards a solution to the underlying problems in Northern Ireland of which the present situation is a symptom.

We believe that political initiatives must be undertaken to bring the people of Northern Ireland together and to allow them together to work out their own destiny, accepting, however, the considerable responsibility

that the British and Irish Governments would have to ensure the development of a just and open society.

Madam President, we have tabled several amendments to the Lalor and Capanna texts. We call for the support of the House on these amendments. We believe that the Lalor resolution with our amendments offers a coherent and constructive position in the present situation. The European Community should express its willingness to support and facilitate all measures — economic, social and political — towards bringing about the economic improvements in Northern Ireland essential for any long-term solution.

(Applause)

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

Mr Ryan. — Madam President, the killing in Northern Ireland has to stop sooner or later. Better to stop it now. It is difficult to appreciate at this late stage that the violence of the last decade in Northern Ireland sprang out of illegal violent reaction by state forces and paramilitary groups against legitimate peaceful protest by an underprivileged minority. Failure to observe decent standards in political processes has given undue influence to verbal and physical terrorists. There will be no solution to the problems of Northern Ireland without the re-establishment of fundamental decencies. The indecency of violence obstructs the decency of justice. This is the moment when the killing has to stop.

I would like to make my contribution, Madam President, to better understanding by giving credit where credit is due. British Members of Parliament are today willing to support a resolution which calls upon the Council and the Commission of the EEC to join with Parliament in expressing their readiness to work for any assistance that may ease the tensions and thereby help to solve the problems in ways compatible with the governments and people concerned. Our Community of Europe is rooted in the Treaty of Rome which respects the sovereignty of Member States. That is proper. That respect however must not, indeed cannot, exclude the European dimension of many of our problems, particularly one which the world sees as a European disgrace.

The European Community was created to erase old sectarian and nationalist antagonisms. That Community cannot be indifferent to the sufferings of the people of Northern Ireland, the one remaining corner of Europe where the worst aspects of our common European heritage appear to exclude all too often forgiveness, tolerance and cooperation.

While welcoming the direction of the common amendment of the Liberal, European Democratic and

Ryan

Christian-Democratic Groups resolution, my Irish Christian-Democratic colleagues and I will be unable for technical reason to vote for it, because I was necessarily presiding at a meeting yesterday afternoon of the College of Quaestors I was unable to participate in the tripartite negotiations which produced the common resolution. As a result some aspects of the draft do not correspond with what we would have recommended. For instance, we cannot accept the assertion that the European Communities have no competence to make proposals for changes in the Northern Ireland situation. We would point out for instance that this Parliament the Council and the Commission have made innumerable proposals affecting over 50 countries outside Europe, including the Middle East, Afghanistan, El Salvador, etc. therefore, they cannot say they are unable to lend a helping hand to some part of Europe.

We are particularly concerned that the resolution does not take on board the recommendation of the European Commission of Human Rights for flexibility in the application of prison regulations. We Irish Members will therefore abstain on that amendment. We Christian Democrats have tabled 8 amendments to the Lalor resolution. We agree with the main thrust of the Lalor resolution, but feel that it should be broadened to cover the whole Northern Ireland tragedy and that it should avoid making judgments as to where the blame may lie. We also want to emphasize that while certainly death is the ultimate tragedy, suffering as a consequence of violence can take many forms. Above all, we want to express our conviction that the Northern Ireland situation can be solved only by peaceful, political means.

Having regard to the complexity of the situation in Northern Ireland and to the overwhelming anxiety of true Europeans to see an end to the conflicts there, we believe there would be merit in establishing an *ad hoc* committee of this Parliament to study the situation in detail on a continuing basis. I sow the seed of that idea tonight and hope it will bear fruit. There can be no victor in Northern Ireland except justice. The institutions of the European Community have a function to play in this regard. Whatever, may be the outcome of this debate and vote, we hope and pray that it may express our common passionate concern for a peaceful, just solution to the tragedy of the tensions in Europe's most westerly and most deprived region.

President. — I call the European Democratic Group.

Mr Møller. — (DA) Madam President, I believe that Mr Lalor's speech this afternoon made a deep impression on us because of the quiet manner in which it was presented. It is an impression which events have only served to underline, because events speak louder than words. What has been happening in Northern Ireland for a number of years now has left a deep impression

on all of us who believe in Europe. We consider it a tragedy that there is such deep animosity and such hatred between two European peoples, members of this Community, that they resort to violence to settle their mutual differences. There are many of us who cannot understand how conflicts regarding religious and social issues and political differences can lead to what has been happening in Northern Ireland for a generation. We do not understand it at all and for this reason we must do everything we can not only to learn to understand it but also to prevail on the Communities to ease the differences between the two peoples of Ireland, the Northern Irish and the Irish people, so that they can live side by side in that peaceful co-existence which it is the European Community's duty to foster between European peoples.

It is claimed that this is a question of human rights. I would like to point out that I cannot see that any human rights have been infringed here. As we know, the Commission of Human Rights of the Council of Europe has repeatedly refused to make this the subject of a real debate, and it has refused to bring any charge against either the Irish or British governments for breach of the Convention of Human Rights which would allow the Court of Human Rights here in Strasbourg decide between them.

Great Britain is in my opinion a state governed by law otherwise I would not be a member of this group and Great Britain would not be a member of this Community. It is a state governed by law and many of our legal institutions here in Europe have been taken over from Great Britain. As an example of the legal institutions we have taken from Great Britain, allow me just to mention the Habeas Corpus Act which protects individuals against the illegal imprisonment by the state. Is it our concern under the Treaty of Rome to become involved in the exercise of law in a society which is governed by law? Is it our concern to pass judgment on the British authorities, British judges, whose integrity we have never had reason to doubt? The British jury system is also a concept which originated up in the Anglo-Saxon world and which we have taken over in Europe. What we must do — if we can — is to try to help where we can help, to make a useful contribution towards eliminating the differences and abolishing the instinct towards violence between individuals and between peoples in our Member States which cherish the principles of law. For this reason I would like to recommend that the members of this Assembly vote in favour of the proposal which my group has moved together with the European People's Party and with the Liberal and Democratic Group. I believe that this proposal shows a way, namely it calls on the Commission and the Council to do what they possibly can to reconcile these incomprehensible differences between the Irish people and I ask you to take note of the fact that this proposal is an attempt to get the Community to do something to prevent violence, to halt violence and not to reach out a hand to

Møller

violence. For this reason I recommend the proposal to you for your approval.

(Applause)

President. — I call the Communist and Allies Group.

Mr Galluzzi. — *(IT)* Madam President, above all else I want to voice the deep distress of the Italian Communist and Allies at the terrible death of Bobby Sands. I agree with Mr Glinne that this debate could and should have been avoided. It casts an ominous shadow over the other three prisoners who are on hunger strike and the other 70 in the Long Kesh prison who have decided to starve themselves to death in turn.

We realize that the problem is not just one of recognizing the legitimate claims of prisoners who are only asking for their human rights to be respected. We realize this, even though we are convinced that the problem of the humanitarian treatment of prisoners in Northern Ireland is one which must be tackled before a way can be found of avoiding the spiral of violence and counter-reaction.

We, the Italian Communists, have always condemned terrorism as a method of political struggle and we still condemn it. We have always rejected and we still reject any argument used to justify these methods. But there is a genuine political problem, ladies and gentlemen, behind the bloody violence sweeping Belfast and Northern Ireland. It is the problem of a people's independence and freedom, and the need to recognize that they are all one people. A solution to this problem has been awaited for hundreds of years, but it is certainly no solution to turn an entire region into a military occupied zone.

Confronted with this tragedy — which is not just the personal tragedy of Bobby Sands, terrible though that is, but it is also a daily toll of murders, firebombings and destruction in a country being torn apart by bloody strife — and with no seeming end to the troubles in sight, we can only hope that reason will ultimately triumph over hatred, oppression and intolerance and that Bobby Sands' dreadful fate will make all those involved think very hard about the causes for it and make them do all they can to find a positive solution to these problems.

It is with these hopes in mind, ladies and gentlemen, that we will be voting for the motion for a resolution which has also been signed by many members of our group. Having heard Mr Lalor's impassioned speech, we hope that Parliament will vote unanimously on this question.

President. — I call the Liberal and Democratic Group.

Mr Haagerup. — *(DA)* Madam President, Parliament decided yesterday by a small majority that the situation in Northern Ireland can and should be discussed here, and whatever such a decision may indicate, there are in any event undoubtedly many here in Parliament who think that it would be inappropriate to ignore that situation when on various occasions we have devoted a lot of time to events in Latin America, Africa or Asia.

Even if my group clearly holds the view that the Community has no competence whatsoever to intervene in the situation in Northern Ireland, it is nonetheless useful to demonstrate with this debate that we as Members of the European Parliament are greatly preoccupied by events in Northern Ireland.

In connection with what Mr Ryan said, let me point out that as some but by no means all Members of this Parliament know, I directed for some time a small discussion group on Northern Ireland in which representatives from almost all political groups participated. I expressly used the term 'discussion group' because we discussed matters from the fundamental viewpoint that the Community's institutions cannot interfere directly in the political, social and religious disparities which lie behind the bloody events in Northern Ireland. On the other hand, as Members of Parliament and as individuals we cannot of course be precluded from discussing and being concerned with a situation within our Community, a situation which has claimed over 2 000 lives over a number of years. In this little discussion group we are not seeking to shape a specific policy, still less even to reach total agreement, but we are concerned to see if there is not a way for the Community to render some form of assistance which can relieve the tensions or their underlying causes and thereby perhaps contribute to a peaceful solution or in any event reduce and perhaps also even prevent acts of violence. A precondition for all this is of course that the competent authorities and the people concerned themselves want such assistance.

As an example of such assistance let me mention the report on regional policy in Northern Ireland which has just been drawn up on behalf of the Committee on Regional Policy and Regional Planning by Mrs Simone Martin of my group.

And now, Madam President, before I conclude I would, exceptionally, like to follow Mr Glinne's example and switch over to English, one reason being that the amendment of which I was one of the principal authors, was originally drafted in English.

(The speaker continued in English)

Madam President, let me say that of course we are all concerned about the situation in Northern Ireland. Above all, we sincerely wish and hope that violence will cease. The fact that this Parliament is now discussing the situation in Northern Ireland on the

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basis of the dramatic events of the last few weeks and days can in no way be interpreted as an encouragement to those who commit terrorist acts or any other form of unlawful violence.

(Applause)

On the contrary, this debate is our opportunity to make it abundantly clear that the European Parliament is against all acts of violence and strongly condemns terrorism, wherever it is committed.

(Applause)

Even if the European Community as such cannot intervene in the substance of the conflict in Northern Ireland, it is impossible for us to remain neutral when it comes to acts of terrorism. Those groups and individuals who use violence or who encourage violence to promote their political views must be condemned without any reservation. I trust that no one Member of this Parliament, irrespective of how he or she may feel a strong personal commitment in this situation, will try to weaken this strong condemnation. And may I say to Mr Lalor, whom I also consider a good personal friend, that his dignified and moving speech fully — and I repeat, fully — met all the expectations I had in this regard, and I think it contributed to the positive spirit in which we should end this debate.

(Applause)

Let me add by way of conclusion, Madam President, that what is at stake here is not, in the views of my group, prison conditions or the use of hunger-strikes as a political weapon, nor is this debate about the juridical and legal system in a member country — and here I share the view expressed by my countryman, Mr Poul Møller; no, what this debate is about is our deep concern and anxiety at the frightening acts of violence and the loss of numerous lives caused by a highly complicated strife in one of our member countries, and we cannot remain indifferent to that. It is possible that the Community for the time being will not be able to do anything more than what is already being done by way of a constructive regional policy. Maybe the parties involved and the responsible authorities do not want the Community to do anything. But there must not, and there should not, be any doubts as to our readiness to offer any assistance that we may be asked to render. This attitude of real human concern and readiness to help is reflected in the amendment that I have tabled and which is intended to replace all other motions before us. I wish to thank all colleagues from three groups that have supported me and assisted me in drafting this text, and I urge all Members of this Parliament to give it the largest possible majority.

(Applause)

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

dination and Defence of Independent Groups and Members.

Mr Blaney. — Madam President, I have just returned from the funeral of Bobby Sands, and I can convey to you here tonight, as a Member who represents part of Ulster, the most northerly county in Ireland, not only in my national parliament but here in the European Parliament, that I have seen the grief of a nation in the matter of a few hours in Belfast city today. I have seen the extreme sorrow of a family so sadly bereaved; but above all I have seen the clear indication of the anger and determination of the thousands and the tens of thousands of people who marched in that cortège this evening. I appeal to this Assembly here tonight, as I have attempted to do on other occasions, to do what little you are being asked to do — and it is not very much — by way of either of the resolutions proposed by Mr Lalor or Mr Capanna, in the hope that, belated though it now is, it may perhaps just have that effect persuading the British Prime Minister and the British Government, to exercise compassion and reasonableness in the interests of the lives of the innocent in Ireland — not just only in Northern Ireland, so described here tonight.

Perhaps before I started I should have said, in view of the oft-repeated allegations against my own standing in this House and elsewhere, that I do not come here as a member of the IRA, as some of my colleagues would like to make others believe. I do not belong to that organization — I never have — nor to any other subversive organization. I come here with a record of activity in the most democratic manner possible surely, in that this year I am completing my thirty-third consecutive year as an elected member of my own national parliament, elected by the people of an Ulster county — the most northerly in the country, adjoining the border of the six counties wherein all this trouble has erupted as a result of the suppression that was attempted back in 1969. I was elected to this House also, almost, two years ago by the second highest percentage vote among all the 410 who were then elected, my constituency again embracing part of the historic province of Ulster, where we succeeded in bringing out the highest percentage poll of all constituencies in the entire Community.

I say that in order that those who are being misled by the slanderous allegations — not just this week but last week, last month and last year — should at least know the truth, that when I speak to you here on these matters I have no ulterior motive other than to try and save my own neighbours and their children, teenagers and those growing up today, who have never known a normal life in our country and never will while we have the régime there that operates at the moment.

I want you to realize that I talk strongly and emotionally, directly and without any tongue or tooth, in what I have got to say, whether here or elsewhere, because I

Blaney

happen to know better than most what the situation is, for I am one of the people of Northern Ireland. I am one of the people that are being talked about here tonight, talked about with a great deal of compassion by many speakers, who I only hope will soon come to Ireland and see for themselves the blight that partition has brought about in our country, not only in the northern part but along the whole southern part of that border to which I also belong as a native. I ask you here tonight, not merely as something that you might do but as a direct responsibility, representing as we do here in this Parliament almost 300 million people — and that number still growing — as a responsibility, whether within the Community or outside, but particularly within the Community, by every means at our disposal at any time to try and ensure that peace and economic well-being will reign together. Instead of this, we are perhaps avoiding facing up to the reality within the Community. Perhaps I can say it more easily, more readily than the representatives of the bigger countries here. There is not a nation under the sun that has not got a skeleton in the cupboard, and so when there is any suggestion of a finger being pointed, then there is a huddle together of those who most fear that their own skeletons will tumble out, and that if they should disturb their friend's skeleton he might not support them in the future in hiding theirs. Is that not really the honest truth of the situation? Instead of doing that, let us grow up in this Parliament, in this Community that promises so much, and let us assume our responsibility; let us take one or other or both of those two motions put down as motions and not as amendments and pass them here tonight!

I make a special plea to my British colleagues, both in the Labour Party and in the Conservative Party. The Labour Party has on many occasions shown its concern in a deep, knowledgeable way over the peculiar problems that we have had for 800 years in Ireland, and to them I make this appeal tonight. Your Labour spokesman did you an ill turn when he came to Belfast and to the prison only a week ago. You can erase that to some degree and restore the confidence of the ethnic Irish voters in Britain, the majority of whom have traditionally supported you and who at this moment are in extreme pain as a result of that unnecessary, unchristian, bigoted, ignorant visitation to a dying man to say, 'I came over to tell you there isn't a hope, you must have no doubt that the Labour Party will have no part of you, won't support you. We in the Labour Party support Mrs Thatcher in her stand.' I know that is not your view, and I hope that will be made clear to my compatriots and my friends — of whom I have thousands in Great Britain — before this night is out.

To the Conservative Party may I say: my particular plea to you is that, feeling perhaps, as you naturally will — and I know all about belonging to parties — the natural concern of any party which is the ruling party not in any way to appear to reflect in its

outpourings any divergence of opinion in regard to its leader or its government. You would in fact — and I say this honestly to you here tonight — be doing a great good turn to your leader particularly, who has achieved as a woman the highest office in your land and in your government, perhaps you could make her even greater, which I am sure would be your ambition by getting either or both of these motions tonight through to her and persuading her to exercise her compassion, because greatness cannot exist and never has existed in any leader at any level without there being compassion, mercy and justice. So far that is absent, and I appeal to you on those grounds.

Here is a sheet which many of you will have received. I have only just received it for the first time, but my European mainland colleagues have been getting it for quite a while. It is a list of the convictions of the four hunger-strikers. Let me ask those who have issued this sheet to add to it that the courts that tried these men are special courts, non-jury courts, and applicable only to Northern Ireland and not to the rest of the UK and that the evidence accepted there in 80% of the cases of the 1 300 prisoners in Long Kesh represents forced confessions obtained at the notorious Castlereagh barracks. That is a fact that you cannot get away from: I merely say it in reply to what is there, which is in itself a scandal to have circulated under the heading of your particular ambassador . . .

(The President pressed the speaker to conclude)

Madam President, I challenge the government that has put the prisoners in Long Kesh to bring the cases of any or all of these 1 300 before any democratic court in the world with normal evidence obtaining, including your own courts on the mainland, and I will abide by their decision, but not by that sheet, which was issued in order to try and influence a vote here tonight

President. — Mr Blaney, as you have used up all the speaking time available to your group, I am afraid I cannot call Mr Vandemeulebroucke.

I call Mr Habsburg.

Mr Habsburg. — *(DE)* Madam President, the most fundamental duty this House has is the preservation of peace, both within and without. Within the Community, the *sine qua non* must be the elimination of existing tensions, rather than a policy which can only aggravate these tensions. Admittedly, Northern Ireland is an extremely difficult question, not only because it bears the heritage of a long and often tragic history. As with serious illnesses, problems of this kind can only be solved with a lot of patience and calm. It is important to have plenty of time, but time is precisely what is not available to the governments concerned in these days of the media explosion and constant pres-

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sure from radio and television. Anyone prepared to take an objective view of things is bound to admit that both the British and the Irish governments have done their best to reduce the tension as an essential precondition for any sensible solution. It should also be stressed — because it happens to be true — that widely-held claims regarding allegedly deplorable conditions in the prisons of Northern Ireland are wide of the mark. Prisons are by definition always unpleasant places from the inmates' point of view, but conditions in the prisons of Northern Ireland are on a par with the average standard in Europe.

What the terrorists have been demanding are the kind of privileges which no state can possibly concede. The fact that London and Dublin have so far been denied ultimate success is not only the result of the factors I have just mentioned, because there are elements which do not want peace, and it is these we are talking about in connection with the events which led to the tragedy of Long Kesh.

History teaches us that there is only one effective weapon against terrorism, which is under no circumstances to give in, and once the terrorist situation has been diffused, to solve the political and social problems which the terrorists are exploiting. Allow me, as a convinced Catholic, to say that it is up to the churches — all the churches — to do their utmost to avoid anything which might aggravate the existing tensions or create the impression of a religious war.

(Applause)

The churches on both sides have an obligation here which they must accept. Europe too has an important role to play in eradicating the scourge of terrorism. More than ever before, we need a European legal space so that we can use the same weapons everywhere to combat trans-frontier terrorism. After all, terrorism is a threat to all of us, including those who hope to be able to exploit the terrorists' aims. That is something which should be borne in mind by those who have so far prevented the implementation of this long-overdue measure. And we in the European Parliament should do everything in our power to put an end to the conflicts and to bring discussions back to an objective level by concentrating on the facts rather than on propagandist distortions of the truth and by avoiding anything which might aggravate the opposing views.

I therefore call on this House most urgently — and perhaps not least under the impression of the moving words spoken by Mr Lalor — to adopt Mr Haagerup's amendment to the motions for a resolution before us, because by so doing we shall be making a contribution to the peace our fellow Europeans rightly expect from us — not least the tormented people of Ireland.

(Applause)

President. — I call Mr Taylor.

Mr J. D. Taylor. — Madam President, I speak tonight as one of those who lives in Ireland and represents Northern Ireland in this Assembly. I belong to the largest political party in Ulster but my views tonight would also be supported by 80% of the Ulster people, including both the Alliance Party and the Northern Ireland Labour Party to which most trade unions in my country are affiliated. I want to commence my speech by doing something unusual as an Ulster Unionist. I want to congratulate a Southern Irish politician — Mr Lalor for the tone and delivery of his moving speech this evening.

(Applause)

I cannot, of course, agree with some of the content of his speech. And I want to also refer to the speech you have just heard from Mr Blaney. It was the more authentic voice of Southern Irish Republicanism and is the reason why in Ulster they want nothing to do with a united Ireland. He is living proof of what we reject. I regret this debate, not simply because the Assembly should not interfere in the matter of prison conditions within Member States of the Community, but because already this debate is being welcomed by the IRA as a propaganda victory. This can still be corrected this evening if every speaker condemns the IRA and shows that it has no responsible political support in Europe.

I am deeply troubled by the violence and regret the deaths no matter whose life it is. As a practising Christian, my attitude could not be otherwise. But I am concerned that those who cannot wait to table motions about human rights of the murderous criminals of the Provisional IRA have stood idly by — some of them have even acted as fellow travellers of the IRA — as over 2 000 of my people have been killed by terrorists in Ulster during the past 10 years. There have been no motions from these same politicians about the human rights of the victims of IRA terrorism.

(Applause from the European Democratic Group)

Some were shot through the head in front of their children; women have lost limbs due to IRA bombs; some have actually been fried into black cinders by fire bombs in restaurants. The cruelty of the IRA has been unimaginable. The ordinary people of Northern Ireland also have human rights and the widows and orphans of IRA violence have little respect for a Europe which appears to show more concern in its press and media for the terrorist than for the ordinary citizen.

(Applause from the European Democratic Group)

In the two motions there is reference to prison conditions at the Maze Prison in Belfast. It was built only 8 years ago. In 1979, Mr Justice Mey, requested by the

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then Labour Government to report upon the prison service in the United Kingdom, said: 'Prison accommodation in Northern Ireland is relatively the best in the whole of the United Kingdom'. Prison regulations at the Maze were created by the Labour Government in 1976. They were then challenged by criminal terrorists, but the European Commission of Human Rights dismissed the IRA claim for political prisoner status and suggested some further flexibility in prison rules. This did not satisfy the IRA who, as they started their hunger strike on 5 February this year, stated 'we are demanding to be treated as political prisoners'. Whilst there has been government flexibility there has also been inflexibility and that has come from IRA. Just as earlier in France with the Corsican hunger striker and more recently in Germany, no self-respecting United Kingdom government, Conservative or Labour, can surrender to criminal terrorist blackmail. The government has the full support of the British Liberal and Labour Parties as well as most Irish people living throughout Northern Ireland. Why do the IRA want to select their own clothes, their association with each other in prison, etc.? It is because they want to wear IRA uniforms, form themselves into army units and command structures and train as soldiers so that when they leave prison they will be better equipped to pursue their political objectives by murder and destruction.

That is not the purpose of a prison; but that is what they did previously in the prison and that is what we want to avoid happening again. All the excellent facilities and opportunities for a new life when they leave prison have been rejected by the IRA, who have inflicted upon their own selves horrible conditions of filth and damage, but it is the IRA, and not the prison authorities, who create these unacceptable conditions.

The two urgency motions call for further flexibility by the government, but not by the IRA. They suggest that hunger strikers are decent people who simply want basic human rights. In the circumstances these motions are unrealistic. Flexibility there has already been shown by the government, but the IRA still demand full political status and nothing less. The hunger striker has the choice to live or die. A basic human right which they deny to their victims.

On behalf of Northern Ireland I reject these two motions, but I go further. Europe can help people of Ulster. They are a kindly people. They need reassurance. They need to be convinced that Europe still has concern for law-abiding citizens. Constitutionally Europe may have no role within Ulster — that is strictly a matter for the United Kingdom Government and the people of Northern Ireland. Personally I hope for political progress towards devolved government for Ulster which will give a new opportunity to both Protestants and Roman Catholics to rebuild a caring and progressive pluralist society. Europe can reassure Ulster that it will not interfere in constitutional and

political affairs, but that, where possible, as Mr Glinne said, it will assist with economic and social help.

Finally, Madam President, I therefore ask you and the Members of this honourable House to support the amendment in the name of the Liberal, People's Party and European Democratic groups, and to reject all other amendments which would only cause greater division and political resentment within a community which is already over-politicized and strained by the savagery of the IRA. I say that as the one Member here who actually has to live in Northern Ireland and see the suffering around me daily.

(Applause)

President. — I call Mr Wurtz.

Mr Wurtz. — *(FR)* Madam President, ladies and gentlemen, there is, in the heart of Europe, one section of society which has been suffering under vicious colonial repression for decades. It is the population of Northern Ireland and its oppressor is Great Britain. Regardless of which government is in power — be it Labour or Conservative — the British policy in Northern Ireland has been built on discrimination, on the consistent refusal to enter any negotiation, and on the blind refusal to accept the fact of Irish nationhood. That policy is based on military occupation, brutal repression, indiscriminate arrests, inhuman prison conditions and a permanent state of siege.

I, like Mr Blaney, returned from Belfast barely two hours ago. As a representative of the French Communist and Allies in this House, as a representative of my party and of the Committee for the Defence of Human Rights and Freedoms in France and throughout the world which is presided over by Georges Marchais, I shared in the grief of Bobby Sands's mother.

(Mixed reactions)

It is easy to see who is laughing when we talk of Bobby Sands's death . . . I shared in the grief of Bobby Sands's mother, of his family and of his friends. I shared in the emotion which weighed on the hearts of the thousands of Irish Catholics who followed the funeral procession of their murdered MP. I saw with my own eyes a city where the omnipresent forces of British repression impose a permanent climate of tension. And, in the impressive dignity of the funeral, I saw the grave faces of the men, women and the many young people who came to bear witness to their calm determination to carry on with Bobby Sands's fight for liberty.

And now, as three other Irishmen, Francis Hughes, Patsy O'Hara and Raymond Mac Creesh carry on with their hunger strike to obtain the status of political

Wurtz

prisoner, for which Bobby Sands sacrificed his life, who amongst us can remain unmoved by the torture inflicted on young patriots only a few hundred kilometers from here?

It is intolerable that men in this Assembly who so often have such fine words to say about human rights should this time be saying nothing or, even worse, be giving noisy support to British colonial violence. Worst of all are the Conservative and Labour Members who are shameless enough to defend Mrs Thatcher's criminal attitudes. Your hands are stained with the blood of Bobby Sands, and should you ever again use the word 'liberty' in this Chamber we will remind you of this cheerful young man of 27 who has just added his name to many others who have given their lives in martyrdom in the great struggle of the people against oppression.

We Communists can be proud that we have always fought against colonialism, including the colonialism of French governments. We have, by the same token, never failed in our support for the cause of the people of Northern Ireland, either before the representatives of the United Nations or, with Georges Marchais, before the highest authorities of the International Red Cross, be it in Strasbourg, in Belfast or anywhere in our own country. Our presence at Bobby Sands's funeral was the logical consequence of our principles; principles from which, you may rest assured, we shall never waver.

Madam President, I should like to address formally to you our suggestion that you propose that the Assembly observe one minute's silence as a tribute to Bobby Sands.

President. — I call Miss De Valera.

Miss De Valera. — Madam President, in the limited time I have available to me I can make but a few points, I was with Bobby Sands, who as you know was elected Member of the British Parliament two weeks before he died, and I spoke to him for over one hour. At the end of that one hour's conversation he pointed out that he had not once mentioned the term political status. All he and his fellow prisoners wanted and still want are the five simple demands which are already enjoyed by fellow prisoners, both Republican and Loyalist in the same prison and which are also enjoyed by Irish prisoners in English jails.

These rights are there as a matter of course for prisoners in the part of Ireland which I represent. While speaking to Bobby Sands, he told me of the beatings that took place in the H Blocks on Long Kesh and that he personally heard the cries as prisoners were beaten in part of the prison adjoining his cell. It is therefore for humanitarian reasons that I appeal to all Members of this House to support the Lalor

motion, which calls on the British authorities to apply their prison regulations with the flexibility and humanity recommended by the European Commission on Human Rights. I would also echo the Commissioner's hope that the British authorities will now concentrate on finding solutions to the problems in Long Kesh rather than be more concerned with the punishment of its prisoners. Mr Lalor mentioned the deep feeling that young Irish people have with regard to this matter. I ask your support for this motion tonight both as an Irishwoman and indeed also as the youngest Member of this European Parliament.

(Applause)

President. — I call Mr Pesmazoglou.

Mr Pesmazoglou. — Madam President, I wish to emphasize that this debate and the resolution we are discussing are both a manifestation of strength and our duty. It is our duty because such a debate would have been unimaginable in a non-democratic country. We are aware of countries in which deaths by hunger take place and nobody knows about them.

Therefore, tonight's discussion is a manifestation of strength and I wish to make it quite clear that from all the statements we have just heard it is quite clear that no one in this House supports or accepts any form of violence or terrorism. On the contrary, the texts we are discussing constitute a condemnation of violence and a condemnation of terrorism together with a recognition of legality in any form, whether it be a constitutional law. We Greeks are very sensitive about this type of legality because on an island in which the population is very close to us, legality is being violated.

I believe that the moves which have been made by the European Democratic Groups as well as by the Socialist group are indications of steps in the right direction because both proposals from these groups include positive elements which allow us to express the hope that the invitation by Mr Lalor and by Miss De Valera, which we just heard, namely an invitation to reach a joint resolution, will be acceptable both to our Irish and to our British friends. It is a possibility. I do hope that such a convergence can be worked out and, possibly, we can vote on such a more widely accepted text, on which we might, if that is possible under the rules, have a vote even tomorrow if tonight this is impossible.

President. — I call Mr Macario.

Mr Macario. — *(IT)* Madam President, ladies and gentlemen, I believe that Parliament has demonstrated great political wisdom by deciding to hold this debate, as it shows that the Community and the European Parliament are without question political institutions.

Macario

In discussing this issue, we must of course emphasize our radical opposition to those whose weapons are violence and terrorism. But given our role here and the ideals which we seek to serve, we cannot ignore the significance of non-violent struggle. That, I believe, is why members of the public throughout democratic Europe are so caught up with the events in Northern Ireland and explains why these events are followed with such avid interest.

Our discussion has been quite lengthy but I think that two basic points emerge which are quite clear and which we have incorporated in our amendments to Mr Lalor's motion for a resolution. The first of these is the need for prison regulations to be applied with greater flexibility, but I should say that it is only secondary to the other when one considers the tragedy of the situation as a whole. The second, more important point is the conclusion reached by Parliament that there are political causes behind the terrible crisis in Northern Ireland and that these causes must be thoroughly explored; political action is therefore required and fresh efforts must be made on the political front to find solutions.

I am quite convinced that it is up to both London on the one hand and Dublin on the other to find a solution to this problem; it is also up to the Northern Irish community, which — I hope Conservative members will allow me to make this point — is undergoing a crisis somewhat similar to that which we experienced on the borders of Italy. When the events to which I am referring affected our country, we had no problem in finding a solution to the Alto Adige question through the offices of the Council of Europe. In this way, we found a solution which, for a long period of time at least, helped to eliminate the acts of terrorism which had made the cohabitation of different peoples in this region of Italy fraught with tension.

What is it that our British and Irish friends are up against? It is not just a question of defending the rights of the majority in Northern Ireland, but also of finding a solution to problems of an economic and social nature which reflect serious social and political disparities. A solution to these problems needs to be found which will meet with the agreement of the minority in Northern Ireland, or at least with the agreement of most people in that minority because, whatever happens, their role will be vital. Given the circumstances, I feel I can only repeat what was said a short while ago in my own country: never give up negotiating! You must get round the table and carry on negotiating until the problems have been solved.

President. — I call Mr Kappos.

Mr Kappos. — (GR) Madam President, not only are human rights being cruelly and brutally violated in Northern Ireland, but a system has been imposed

which literally reminds one of the old days of English imperialism. In Northern Ireland, Madam President, the old principle of 'divide and rule' has been applied, just as it was applied all over the world by the British Empire — with the painful consequences which are still being felt today. In addition, Madam President, Northern Ireland is in a state of military occupation. Enormous military and police forces have been brought in. There are emergency laws and measures. Those patriots who are arrested are brutally tortured to obtain confessions, and they are subsequently judged not by ordinary courts, but by special courts — as was admitted by another Member — on the basis of these very confessions obtained from the prisoners, as I said before, by torture. Conditions in the prisons are hard and inhuman; the cells are damp, and in winter it is even impossible for the prisoners to find any sleep. Furthermore, they cannot refuse to work, they have to wear special uniforms, and there are restrictions on correspondence, on visits and on books. In other words, they are subjected to a system which can only be compared with the darkest regimes of fascist dictatorships.

The outcome of this situation is the death of Bobby Sands, an elected Member of the British Parliament, and the immediate threat of the death of three more of the political prisoners in the Maze prison. The British Government, of course, talks about terrorists, but fighters for the rights of the people are always slandered. In any case, those elected by the people cannot be terrorists — the people does not elect terrorists.

Moreover, the English used to talk about terrorists in Cyprus, and now we visit their graves to pay our respects and regard them as heroes.

(The President interrupted the speaker)

Madam President, allow me to finish. The attitude of the British Government towards the political prisoners is thus criminal — it is unacceptable and cannot be condoned by any respectable person. As a result of this stance there have been huge demonstrations in all the capitals of the world, including Athens.

Madam President, the EEC is condoning ... *(The President interrupted the speaker)* ... I repeat, is condoning the crimes ...

(Protests)

President. — I call Lady Elles.

Lady Elles. — Madam President, on 17 October 1980, — when Mr Kappos of course was not a Member of this Parliament, and therefore will not have been aware of it — this Parliament expressed its deep sense of outrage at terrorist acts committed in the Community, including the United Kingdom. The hunger strikes in

Lady Elles

Northern Ireland are one more example of the violent acts of violent men seeking violent change to the existing democratic order. This violence is deeply and bitterly resented and regretted by the vast majority of all those people living in Northern Ireland, be they Catholic or Protestant.

The hunger strikes are not about prison conditions. The prison *régime* in the Maze is one of the most modern and progressive in Europe. They are not about inflexibility. The United Kingdom has in fact made substantial modifications to the prison *régime*. The statement issued on 5 February by the provisional IRA on behalf of the protesting prisoners, revealed the truth when it stated we are demanding to be treated as political prisoners. Whatever any other Member in this House may have said, they were not about wearing civilian clothes. This was one of the modifications made with great flexibility by the United Kingdom Government to meet the prisoners' specific demands which would have led to their parading in paramilitary uniforms. In which Member State of the Community would that have been allowed and in which prisons would that have been tolerated?

(Applause from the European Democratic Group)

The United Kingdom Government has firmly stated that there is no question of granting political status to the prisoners. Madam President, the policy has been strongly supported by Mr Michael Foot, Leader of the British Labour Party, and Members of this House will know that he is no friend of the Conservative government. But he has supported very strongly Mrs Thatcher when he stated in the House of Commons on 5 May, and I quote:

Conceding political status cannot be done without giving aid to the recruitment of terrorists. If political status were conceded it would greatly increase the number who have been encouraged to join. That in turn would mean a great increase in the number of innocent people who would be killed. We believe that matters in Northern Ireland, as elsewhere in the country, should be settled democratically and not at the point of a gun.

That was Mr Michael Foot. Europeans should be aware that appeals by prisoners to the European Commission on Human Rights were found to be groundless. They had no entitlement to political status, either in national or international law. Their protest cannot derive any legitimacy or justification from the Convention, and cannot be attributed to any positive action on behalf of the United Kingdom Government.

Members of this House should be reminded that the prisoners are criminals with convictions for murder, attempted murder and causing explosions. Of course Mr Blaney is right: courts in which terrorist trials are held in Northern Ireland do not have juries, and they do not have them in the Republic of Ireland either. He knows that it is because the lives of the jurymen would

be put at risk if they were asked to serve the community.

(Applause from the European Democratic Group)

Since the beginning of the troubles, 1 500 civilians and over 600 soldiers and policemen have been killed. Our sympathies must lie with their families. Only yesterday a young policeman was killed and two soldiers injured. It is indeed the human rights of the victims of violence which have been violated and not those of the criminals involved in perpetrating them. Even the visits of the Pope's representative, Monsignor Magee, and members of the European Commission on Human Rights failed to dissuade Robert Sands from taking his own life.

I would ask Mr Wurtz, who mentioned in his speech his recent visit to Northern Ireland, whether he showed any sorrow or sympathy for the families of the 13 innocent victims killed since the start of the hunger strikes, or indeed for the widow and the two young orphans left by the ruthless killing of a young policeman, aged 29, last week. It seems to me and my colleagues on this side of the House that for Mr Wurtz and his colleagues a criminal becomes a martyr, but the innocent murdered merely becomes statistics.

(Applause from the European Democratic Group)

It is to be profoundly hoped that those still on hunger strike may be persuaded to call off their strike and save their own lives. It must be clear to all that no government can submit to blackmail by terrorists. There are no grounds for believing that submission by concession, and I repeat, submission by concession, would lead to peace and stability. The European Democratic Group sincerely hopes that the Provisional IRA will heed the words of Pope John Paul that murder is murder whatever the cause and he has appealed for all to prevent fratricidal violence. We therefore, Madam President, urge that our amended text be adopted on behalf of our Group and the Christian-Democratic Group and, Madam President, if this House contributes anything to the cause of Europe and peace it will be by condemning violence in all its forms and join together in finding a cause of peace within the European Community.

(Applause from the European Democratic Group)

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — *(DE)* The birth of our European Community more than thirty years ago was prompted by the determination to put an end once and for all to violence and war between the peoples of Europe. All those of us who today are committed to giving effect to that determi-

Haferkamp

nation want to see an end to confrontation and violence in that part of our Community we are debating here today. In the course of the debate, an appeal was addressed to all the Community institutions to help in overcoming the problems. The Commission is prepared to play its part in this process. Attention was also drawn to the limited powers available to the Community, but within those limits we must do everything in our power to improve the situation, especially in those where we can influence economic and social conditions. This could make it easier for us to set out along the path of peaceful cooperation, which is something we all want.

(Applause)

President. — The joint debate is closed.

(Parliament adopted Amendments No 15 and No 2 which replaced the two motions for resolutions)

15 *Aid for farmers affected by storm disaster*

President. — The next item on the agenda is the motion for a resolution (Doc. 1-197/81) tabled by Mr Hutton and Mr Newton Dunn, on behalf of the European Democratic Group, on aid for farmers affected by storm disaster.

I call Mr Hutton.

Mr Hutton. — Madam President, late in the afternoon, of Friday 24 April — only a fortnight ago the weekend after Easter — I drove down through the Border country of Scotland. It had begun to snow and I saw farmers gathering in newly born lambs close to their farmhouses. Late that night I drove back through a blizzard with snow falling heavily and being blown by strong winds across the roads, against walls and fences and into those small gullies where sheep and cattle try shelter in bad weather. In the headlights of my car I could see ewes and their lambs trying to find some relief from the storm for it hit the hill farms in the south of Scotland and England and Wales right in the middle of lambing time. Those sheep and cattle still out on the bare hills were caught by the full force of a storm which nobody could have reasonably expected at this time of year. As a result thousands of lambs and many calves which had been brought out after wintering indoors perished under that silent, smothering blanket of snow.

Even now the final tally of dead stock cannot be accurately assessed. It will take several more weeks before farmers know what they have lost. It has to be said that this is not an isolated blow. Hill farmers have already had seven bad years, and this has hit them while they are down. Last year the sheepmeat regime

came too late to give them the benefit of increased prices and they had looked forward to this year's lamb sales to begin the long climb back. Now, many of them have seen that chance wiped out in one night.

As the storm swept south it turned, Madam President, on a new victim, the falls of snow and heavy rain saturated the flat fields of the crop-growing country of South Humberside and Lincolnshire in eastern England. Newly-sown seed was swept away ruining the effort of weeks of preparation at the very time when farmers had spent their investment in seed and fertilizer. Some smaller farmers there now face total ruin. Spring wheat, barley, potatoes, sugar beet and vining peas worth some five million pounds were destroyed over many thousands of acres.

It was not only the United Kingdom which suffered, Madam President, many areas in other Member States suffered considerable damage and loss from this extraordinary storm. In the past the Community has shown itself compassionate and understanding when devastating weather has struck farmers. I appeal to the Commission to look generously on the distress which many Community farmers find themselves in and when the final details are known to make available to them some practical help to keep any farmer whose livelihood has been put in jeopardy on the land where we need him.

(Applause)

President. — I call Mr Adam.

Mr Adam. — Madam President, my constituency also includes a very considerable sheep farming area; as many sheep in fact as there are in the whole of France and has just been as badly affected by the unreasonable weather as the south of Scotland and Lincolnshire that are mentioned in the resolution. I really do deplore the very limited nature of the resolution. Many other areas and crops have suffered as well. There will be no support for the resolution, but rather for the amendment, from this section of the House.

But it does not say very much really for the CAP that a resolution of this type is felt to be necessary when there is an unexpected and severe fall of snow. It ought to be built into the policy that aid in such cases from the Commission can be automatic. Certainly the farmers in the north-east have been badly hit and any additional aid that the Commission can give now will be most welcome. All the farms have been hit, but I cannot give the House any specific figures because there is still snow there and the detailed reports have still to come in.

Mr Hutton mentioned the new sheep meat regime. Could I remind the Commission that in the longer term the sheep farmers in Northumbria and elsewhere

Adam

can best be helped by modifications in the exporting rules governing the clawback of the intervention aid which is lost on export. A revision of that, a calculation based on high-quality lamb, is urgently needed. Exports have been extremely disappointing since the sheep meat regime was introduced, and bad as the unreasonable weather has been, the exporting arrangements for lamb are much worse. I hope the Commission will look, not only at the immediate way in which they can help, but also very seriously at this other important aspect of the hill sheep farmers' problem.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Madam President, emergency Community aid under Section 59 can be granted to local populations afflicted by natural catastrophes the effects of which are of unusual extent and are unusually serious. We have debated such aid measures many times in this Parliament and reported on their implementation. The Commission has made contact with the Office of the Permanent Representative of the United Kingdom in order to obtain through official channels all relevant information about the events mentioned here. The Commission expects to obtain this information shortly from the British Government. It will then immediately make all necessary checks and report to Parliament.

President. — The debate is closed.

(Parliament adopted Amendment No 1 which replaced the motion for a resolution)

16. Radio K

President. — The next item on the agenda is the motion for a resolution (Doc. 1-198/81), tabled by Mr Jacquet and others, on Radio K.

I call Mr Gatto.

Mr Gatto. — (IT) Madam President, in the absence of the tablers of this resolution, Mr Pisani, Mr Jacquet and others, I would like to call for its adoption on behalf of the Socialist Group.

The case of Radio K is well known to the European public, and it could constitute a very serious precedent in relation to questions of basic freedoms, in terms of the legal question arising from the attempts to interfere in the legal system of a sovereign State, and in political terms with regard to the effective exercise of the freedom to express one's views.

This radio station is transmitting on Italian territory and is not contravening any major constitutional or legal norm nor any of the laws of our country, and therefore there is no reason why it should be subjected to coercive action on the part of an external power. It would constitute a serious precedent to allow such intervention and not to remove the present obstacles. Therefore, I agree with the spirit of the motion for a resolution and call for its adoption.

President. — I call the Liberal and Democratic Group.

Mr Calvez. — (FR) Madam President, ladies and gentlemen, the Liberal and Democratic Group asks you to reject the motion for a resolution before Parliament. For the question raised by the tablers of the motion calls for careful examination. The defenders of liberty should also bear in mind that the liberty of some ends where the liberty of others begins. And if Radio K is a private station, situated on Italian territory, subject to Italian laws, largely financed by French capital, it should also be remembered that this radio station broadcasts on a French channel without having asked authorization to do so. I think we have here the relevant committees — Legal Affairs Committee, Committee on Youth, Culture, Education, Information and Sport — to which this question must be submitted. That, ladies and gentlemen, is why we asked you to reject this motion for a resolution.

President. — The debate is closed.

(Parliament rejected the motion for a resolution)

17. Economic aid to Mount Athos

President. — We now move on to the motion for a resolution (Doc. 1-141/81), tabled by Mr Dalakouras and others on behalf of the Group of European Progressive Democrats, on economic aid to Mount Athos (monastery region).

I call Mr Dalakouras.

Mr Dalakouras. — (GR) Madam President, I do not wish to keep the House up any more after such a long sitting, so I shall restrict myself to pointing out that Mount Athos is not a museum — it is a living community, and we are asking for protection to be given to its shell, in other words to the framework in which it is developing.

The second point which I should like to emphasize is that this is not a case of 'anything is welcome', i.e. I do not think we have to offer things which the people

Dalakouras

who live there neither need nor want. Since we are talking about such a unique and delicate subject, the meaning and object of the motion is that a Parliamentary commission should immediately be set up which would then visit Mount Athos to get a true picture and idea of how monastic life is organized, what needs there are and whether and how we should provide aid. The reason for the urgency is that the ravages of time, the earthquakes which occurred two years ago in northern Greece and the lack of facilities for maintaining countless buildings, all of equal importance, are placing an enormous burden on the resources of that region.

I therefore ask the House to approve the motion and

to provide an opportunity for us to study this important matter on the spot as soon as possible.

(Applause)

(Parliament adopted the resolution)

President. — We shall now adjourn.¹

The sitting is closed.

(The sitting was closed at 12.30 a.m.)

¹ *Agenda of the next sitting: see Minutes*

FRIDAY, 8 MAY 1981

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IN THE CHAIR: MR DANKERT

Vice-President

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

President. — The sitting is open.

I call Mr Chambeiron on a point of order.

Mr Chambeiron. — (*FR*) Mr President, you will no doubt recall — as I believe you were present at the meeting — that last Tuesday the Enlarged Bureau approved the proposal from one of our Vice-Presidents, Mrs De March, that reference should be made this morning in the European Parliament, and in a meaningful way, to the anniversary of the victory of 8 May 1945, which marked not only the end of the war but also the crushing of the Fascist régimes.

The chairmen of the political groups were to agree on the form this demonstration should take, but they have not had a meeting. Does this mean, Mr President, that the Assembly is to sit without anything being said about 8 May? It seems difficult to me for an Assembly elected by the citizens of the Community countries to remain silent on the anniversary of an historical event which marked the liberation of the peoples of Europe, including, incidentally, the German people itself, and which forms an integral and inalienable part of the collective memory of all the nations who fought for freedom, justice and peace.

I therefore suggest, Mr President, that you suspend this sitting for a few moments to show that the European Parliament, if only symbolically, has demonstrated its willingness to be associated with the commemoration in many countries of one of the most important events in our recent history: the victory of liberty and democracy over oppression and Nazi terror. I ask you, Mr President, to agree to a suspension of the sitting.

President. — Mr Chambeiron, I note what you have said. By taking the floor now, you have already drawn

attention to the significance of today's date, and I think we shall have to remain satisfied with that.¹

1. *Votes*

President. — The next item is voting-time.²

We begin with the De Keersmaecker report on the construction of a Channel Tunnel (Doc. 1-93/81).

(...)

After paragraph 15: Amendments Nos 7 and 8

Mr De Keersmaecker, rapporteur. — (*NL*) I am opposed to Amendment No 7. The subject-matter of Mr Jackson's Amendment No 6 was not discussed in committee. personally, I have no objection to it.³

President. — I can now give the floor for explanations of vote.

Mr Cottrell. — Mr President, I want to explain briefly why I shall support this motion for a resolution in this excellent report with enthusiasm this morning.

For some years now, the two parties have agreed to contract a marriage. Unfortunately, the wedding and the celebrations have never taken place. In these circumstances, I believe the European Parliament will play a particularly valuable role as a match-maker at last and bring them to the altar.

(*Laughter*)

¹ For adoption of the minutes, documents received, transfers of appropriations and petitions, see the minutes of this sitting

² In its coverage of the votes, the report of proceedings only reproduces those passages which include speeches from the floor. For details of the votes, see the minutes of this sitting.

³ The rapporteur subsequently spoke *against* all the other amendments

Cottrell

My only criticism of the proposals in their many forms for what I hope will be a railway tunnel beneath the Channel is that we may think too small and we shall not have a railway tunnel beneath the Channel but a mousehole or even a branch line beneath the Channel. We ought even at this late stage in the day to think big — to be thinking of a double-track railway tunnel which will be able to take cars and other road vehicles aboard trains. We must also, I think, with respect, consider the improvements to the railway infrastructures which it will be necessary to make in both France and the United Kingdom and which are not covered in this report.

President. — I call Mr Patterson.

Mr Patterson. — Mr President, it would have been very nice indeed if it had been possible to vote for this report unanimously, and it is with great regret that I announce that I am not going to support it. The reason is that I protest at the decision taken on the amendments by myself and Mr Jackson. It is all very well to be in favour of a channel tunnel, but you must have some regard for the environmental impact on the people who live in the area where the tunnel is going to emerge or where the bridge will end.

I cannot understand why Mr De Keersmaeker did not recommend a simple amendment saying that we should have regard for the environment in Kent, part of which is my constituency. How the House could have voted against that I do not know, and in protest I am not going to support Mr De Keersmaeker's report.

(Parliament adopted the resolution)

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* *

President. — We proceed to the Beazley report on scientific and technical information and documentation (Doc. 1-182/81).

Proposal for a decision (Doc. 1-512/80): Amendments Nos 1 and 2

Mr Beazley, rapporteur. — Mr President, the effect of both these amendments, which I put forward on behalf of the committee, is merely to bring the title in line with the text. The amendment was accepted by the Commissioner yesterday, and I am sure that our committee would have supported it.

(...)

(Parliament adopted the resolution)

*

* *

President. — We proceed to the Fuchs report on controlled thermonuclear fusion (Doc. 1-833/80).

Proposal for a decision (Doc. 1-361/80): Amendment No 1

Mr Fuchs, rapporteur. — (DE) The amendment corresponds word for word to the version originally adopted by the Committee on Energy and Research. It has been tabled solely on account of the provisions of the new Rules of Procedure. I ask the House to approve it

(...)

(Parliament adopted the resolution)

*

* *

President. — We proceed to the Adam report on electricity tariff structures (Doc. 1-895/80).

Proposal for a draft recommendation (Doc. 1-337/80), point 4: Amendment No 9

Mr Adam, rapporteur. — I do not quite understand why this is down as an amendment, since it is actually included in the report, but perhaps it has something to do with the new Rules of Procedure, in which case it obviously has the support of the committee.

(Laughter)

(...)

Point 6: Amendments Nos 1 and 10

Mr Adam, rapporteur. — Mr President, this point was touched on by the Commissioner when he replied to the debate yesterday and raised the question how these social payments would be covered. As I did not get an opportunity to reply to the debate, I would say now that this point is covered by the preamble of the original draft recommendations, which the committee supported and which states on page 1:

Whereas tariff structures should not be used for the redistribution of resources among electricity consumers,

that is to say, any social subsidy would not be carried by other electricity consumers. That was the point that was of concern to the Commissioner last night, and that is how it is covered in the committee's deliberations.

Adam

The two amendments do not in any way conflict with the Commission principle. The amendment by Mr Seligman does not go as far as the committee's amendment, and it was overwhelmingly rejected in committee. I would urge the House to accept Amendment No 10.

(...)

Motion for a resolution, paragraph 2: Amendment No 2

Mr Adam, rapporteur. — It does not really add anything to the resolution and I am not in favour of it.

(...)

Paragraph 4: Amendment No 4

Mr Adam, rapporteur. — Mr President, all this adds is eleven words to the resolution. I am against it.

(...)

After paragraph 11: Amendments Nos 6 and 7

Mr Adam, rapporteur. — With regard to Amendment No 6, this work is already under way in the Commission and I do not think that the addition is necessary to the resolution. I am against it.

As for Amendment No 7, I think it contradicts the main purpose of the report and I am against it.

(...)

After paragraph 12: Amendment No 8

Mr Adam, rapporteur. — The report makes it clear that these recommendations are very much a first stage. This was emphasized by the Commissioner when he addressed the House yesterday and I do not think that this amendment talking about a directive is in keeping with the character of the recommendation. I am against it.¹

(Parliament adopted the resolution)

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President. — We proceed to the Purvis report on a Community foundation for international technological and scientific cooperation (Doc. 1-862/80).

(Parliament adopted the resolution)

¹ The rapporteur also spoke *in favour* of Amendment No 3.

2. Moratorium on nuclear energy (contd)

President. — The next item is a continuation of the joint debate on the reports by Mr Seligman (Doc. 1-647/80) and Sir Peter Vanneck (Doc. 1-49/81).²

The Group of the European People's Party (Christian-Democratic Group) has the floor.

Mrs Walz. — (DE) Mr President, ladies and gentlemen, rarely do six months pass without the European Parliament being presented with a motion for a resolution calling either for a moratorium on nuclear energy or for a stop on further development and in particular for a decision not to install advanced reactor types, for example fast breeders and, to a somewhat lesser extent, high-temperature reactors.

We are told that energy conservation and better use of energy will make nuclear power superfluous. We can only save and conserve the energy we have. Although oil consumption was reduced by 20% in my country in 1980 and this welcome trend — albeit at a lower level — is continuing in 1981, the oil bill for 1981 will still be 5% to 10% higher, amounting to DM 50 000m-55 000m, instead of DM 44 600m, and increasing the current-account deficit accordingly. The first priority is therefore conservation, while better utilization of energy, for example by the extension of long-distance heating facilities, with bivalent heat pumps, the insulation of houses and windows and solar energy, is the second priority. This does not, however, mean that we should not exploit every source of energy available to us or research and develop alternative energy sources capable of meeting the world's energy requirements, since energy represents not only the basis of world prosperity but also the basis of life itself in the developing countries.

The directly-elected Parliament adopted the Fuchs report on the Community's energy-policy objectives and the Walz report on alternative sources of energy — in which specific reference was made to fast breeders and high-temperature reactors — by a very large majority. The constant references to Harrisburg have not prevented us from approving what we consider necessary. The report on Harrisburg has now been published. I quote: 'No flames, no ruins, no floods, no deaths or injuries. No noise, no smell.' That is what the report of the American investigating commission says. Nobody has been affected by radiation as a result of the accident, because the average dose was some 1.5 millirems, one millionth of the fatal radiation dose. The cancer statistics have not changed, there was no disaster. The accident and normal operations cannot be blamed for a single malformation in the animal or plant world. After all the 'polluted information', a remarkable statement!

² See report of proceedings of 7 May 1981.

Walz

Last week, environmental experts in the Federal Republic submitted a special report which confirms the votes taken by Parliament. They warn against excessive concentration on coal-based and nuclear energy. According to this report, the normal operation of nuclear power-stations causes far less pollution than coal or oil-fired power-stations. It is extremely unlikely that a disaster will occur, but the possibility cannot be completely excluded. Coal, on the other hand, the report continues, is already causing considerable pollution despite all the improvements that have been made. The long-term effects — particularly on the climate — will be serious, and it is difficult to assess the harm that will be done, particularly if a large number of small units are built. The environmentalists' view that renewable energy sources are by nature non-polluting is not shared by the scientific experts.

What does this mean, ladies and gentlemen? It means that life in industrial society is dangerous not only because of energy supplies, and it means that the range of energy sources must be really broad to minimize the damage as far as possible. We cannot afford to drop out of this society, because there are now far too many of us, and 'back to nature' — if there is still any nature that has not been disturbed — is only possible for individuals. This is the 'plutonium society', ladies and gentlemen, and the best thing is to burn the plutonium in fast breeders and to preserve the uranium reserves.

The Christian-Democratic Group calls on the House to approve the Seligman and Vanneck reports.

President. — The Communist and Allies Group has the floor.

Mrs Poirier. — (*FR*) Mr President, my speaking time will not allow me to develop our views on the safety of nuclear power-stations and of fast breeders in particular. But I should like to make a few comments.

To begin, I would remind those who oppose nuclear energy how different their attitude is, sometimes even amounting to total indifference, on the question of the safety of nuclear arms or the safety of those working on other energy-generating systems. I would draw their attention to the following figures: the statistics on the numbers of days lost per working life show that 1 393 days are lost in seafishing, 150 days in coal-mining, 111 days in the petrochemical and coal chemistry sector, and only 7 days in the nuclear energy cycle. If we take the chain of events from extraction to utilization, we find that so far there has not been a single fatal accident caused by irradiation either in France or the USA.

As regards the ecological dangers, emissions have been checked for twenty years in my country and have never revealed a level higher than that authorized in the installations, and that is a lower level than the

maximum authorized by law; and in case of the Phénix fast breeder at Marcoule, in France, there has actually been a clear reduction in emission levels. This does not, of course, mean there is no need for the democratic control which the nationalization of nuclear energy generation we demand for our country would guarantee.

Security, considerations and the possibility of proliferation, which prompt the opposition to the construction of nuclear power-stations, are being used as an excuse by those whose logic means austerity for the people and who do not really want independence in the energy field. The nuclear industry is highly coveted as a major source of profits. Those who propose a moratorium, those who want to stop the sale of fast breeders, are no fools: they are aware of this important aspect of the question. They are therefore knowingly helping to allow uranium resources to be wasted and to perpetuate the dependence of our countries on external supplies. If the countries of Europe stopped building the nuclear power stations needed for energy production, it would mean, that American light-water reactors could dominate the whole of the Western nuclear market for the ten years Westinghouse and others need to launch their own fast breeders. — Not that 578 Pechiney UGINE Kuhlman, who have gone into the nuclear industry with a will, would have anything against that.

Non-proliferation has been used as an argument in the efforts to block the construction of fast breeders in Europe, and it is curious to note that the evaluation of the nuclear fuel cycle called for by the American Government has come out in favour of fast breeders at the very time when the American industry is capable of building its own fast breeders.

Consequently, I must point out that the Socialist amendment calling for the research to be continued but marketing stopped is just what capitalist interests want and will enable Westinghouse to dominate the market.

Independence in energy will be achieved by developing all forms of energy, particularly nuclear energy. That is why we approve the reports which reject the idea that the development of this industry should be stopped.

President. — The Liberal and Democratic Group has the floor.

Mr Calvez. — (*FR*) Mr President, I should like to say a few words to the authors of the resolutions which call for a nuclear energy moratorium and for the suspension of work on breeder reactors and, through them, to all the opponents of nuclear energy. I must point out straight away that I am not a fanatic supporter of nuclear energy, but I am opposed to any

Calvez

moratorium in this area. Nor do I reject the arguments of the nuclear opponents because, as a true democrat, I am convinced that we must take account of their anxiety even if it sometimes seems to be prompted more by political considerations than by concern for the safety of the public and the protection of the environment.

What I do not understand is why, before 1973, there was practically no opposition to the use of nuclear energy. But there were nuclear power stations and nuclear submarines at that time, and this form of energy was already being used in medicine. Can you explain to me, gentlemen, why you became so outspoken precisely at the time of the first energy crisis, which revealed the extent of our dependence, the uncertainty of our supplies, the limits to the reserves of fossil fuels, which brought us economic recession and unemployment? You will no doubt reply that we are witnessing the unbridled development of nuclear energy. That is absolutely untrue. I will quote the example of France, which I know well and which has also been your favourite target because of the advanced nature of its nuclear programme. So what do we find here? We find in fact that France produces more electricity with the aid of nuclear energy than any other Member State of the Community, but that it has also set up a solar energy commission and an energy conservation agency and that it has one of the largest budgets in the Community for research into new energy sources.

Are those who are obstructing the development of nuclear energy aware that they are paralyzing the society of the future, and do they have any right to do so? I ask them this, because all the prospects, even the most optimistic in the medium and long term, are worrying.

So what are we to do? Step up energy conservation? Yes. Develop new sources of energy? Yes. Use coal and natural gas? Yes. But if we add up the energy these different sources can provide, will Europe be able to meet all its needs? We know very well that the answer is no. Do you think I find any satisfaction in saying this? Do you think I would acknowledge this with my eyes closed? Unfortunately, I must accept the evidence: all the international experts without exception come to the same conclusion. But you, the opponents, cannot speak against nuclear energy with the same unanimity as the men of science

Let us talk about the problem of safety. Are you aware that the Community's nuclear industry is undoubtedly safer than anywhere else in the world, thanks to the Euratom Treaty, which was the first multilateral system for ensuring safe operation, and that safety has been further improved by an agreement concluded between Euratom and the International Atomic Energy Agency? Tell me how many people have been victims of nuclear energy. How many were there at

the time of the Harrisburg accident, which you regard as proof of the danger of nuclear energy?

You are also concerned, and I congratulate you on this, about the fate of the developing countries, but you should not ignore the fact that they have a particular need for fossil fuels, because it would be too costly and in many cases not enough to install nuclear power stations in those countries. Will you take the responsibility for a constant increase in oil prices, which these countries will have to face if our demand continues to grow and, if the third crisis comes, for the irreparable damage to their future?

I do not deny that radioactive waste is a problem that has not been completely solved, but I claim that present methods of storing waste can be further improved. And these improvements will come thanks to all the research efforts being made throughout the world. The technique of vitrifying the highly active waste has come a long way and is proving entirely satisfactory. I am convinced that our research workers will find other, increasingly sophisticated methods.

You are also deceiving the public by exaggerating the risks involved in the development of fast breeders, because in many ways they are better than light-water reactors: they pollute the environment less because there are virtually no gaseous or liquid emissions, and there is no chance of an accident caused by the sudden loss of refrigerant. If you succeeded in preventing Europe from having a very important source of energy, you would be seriously jeopardizing the lives of future generations and you would be held responsible for this.

You are also confusing nuclear reactors with nuclear bombs and trying to convince the public that the two are the same. And you are doing this knowingly because you are well aware that a nuclear power station cannot explode like an atomic bomb.

To conclude, I call on all those who want a moratorium to think dispassionately about this question: are you sure that there is less risk of conflict resulting from an energy crisis than from having recourse to nuclear energy? It is not so much a question of being for or against nuclear energy, but one of comparing needs and risks.

The Liberals have arrived at the conclusion that nuclear energy is indispensable if the gap in European energy supplies is to be filled and that the only source of genuine concern at present is the maintenance and improvement of safety standards. We feel that no effort must be spared in safety research, because safety must take absolute priority over profitability. But we also have a duty to ensure the future economic and social progress and well-being of our peoples. Liberals will never agree to opt for recession.

President. — The Group of European Progressive Democrats has the floor.

Mr Turcat, — (*FR*) Ladies and gentlemen, it always comes as a surprise in this kind of debate, in which we have had some practice, to find how incoherent some arguments against nuclear energy are, and we must really ask who would benefit by a general or limited moratorium on fast-breeder reactors. For sure, the oil producers: *Is fecit cui prodest*.

I do not want to do the Member who has appointed himself the spokesman of the PLO the injustice of accusing him of also being the spokesman of the fabulously rich producers, but he is undoubtedly their ally. In fact, our decisions are only ever justified if they are in the interests of the public. Safety comes first, certainly before economic interests.

I shall not go into the technical aspects of the precautions that have been taken to ensure, in particular, the safety of fast breeders. There will, of course, never be a system in industry that does not break down, but it is not reasonable to refer all the time to incidents where there have been no casualties, when any activity involves incidents of that kind. But I add to what the rapporteurs and previous speakers have said, that according to the most serious studies that have been made, the likelihood of anyone suffering as a result of an accident at a nuclear power-station, on the assumption that there are one hundred nuclear power stations in a country like France, is about the same as his chance of being hit by a meteorite.

On the other hand, there is a considerable risk of there not being enough energy, despite all the efforts being made to develop every reasonable source. It is not only our little comforts that are being threatened, but all industrial activity, employment and the production of the wealth whose distribution undoubtedly does not improve mankind spiritually, but does bring the prosperity for which elected representatives, like governments, are responsible. I mention the elected representatives, because they must do their duty after seeking out the truth. The public hearing for which Mr Linkohr has called would mean an escape from our democratic responsibility, which no pressure group must be allowed to influence.

I would add that it is not consistent sometimes to question the ability of nuclear power to solve the energy problem in view of the shortage of uranium and sometimes to question fast breeders, which are precisely the way round this shortage.

It is therefore with the utmost sincerity, because we are not nuclear militants, but interested solely in the public good, it is in the interest of the public, of the environment, for which nuclear power stations in fact show greater respect than other types, it is because of our interest in the security of our future that we

support the peaceful use of nuclear power and, therefore, the Seligman and Vanneck reports.

President. — The Group for the Technical Coordination and Defence of Independent Groups and Members has the floor.

Mr Vandemeulebroucke. — (*NL*) Mr President, ladies and gentlemen, the energy problem is not primarily a technological but a social problem. Choosing from among the various energy sources also means choosing a specific model of society for the next generation. As regards the choice of nuclear energy, I have very few illusions in this respect.

It is extremely enlightening that we should find in the reports by Mr Seligman and Sir Peter Vanneck the same attitude as we noted yesterday during the debate on Northern Ireland, because here again, as in Northern Ireland, the fundamental question is whether or not we give people the right to decide their own destiny, their own future. And when I hear Mr Turcat say that the holding of a referendum is a form of escape from our own responsibilities, my blood boils because we find the same attitude adopted towards those who speak up for the right of self-determination. They are politely scorned or regarded as irresponsible or — as the Gaullist speaker said — naïve. But the ultimate object is to avoid a debate on the essence of the matter.

The original motion for a resolution on the introduction of a nuclear energy moratorium reflects the very same attitude. But there are still many questions that worry thousands, even millions of people. There has been an accident at Harrisburg, and there has been a much worse accident at La Hague. The waste disposal problems have still not been solved, and there is a great deal of scientific evidence to which an answer has still not been given. There is also the question of whether a series of low radiation doses do not eventually lead to disease. This question has not yet been answered either. There is above all the basic challenge, as we witnessed, for example, a few weeks ago with a series of accidents in Japan. Here we find those responsible have not given answers, and I feel that the same has happened here in the European Community. Is there not then an urgent need for us to call a halt to this development, to reflect and to see whether we cannot organize a public debate. The Vanneck report also answers with the same assuredness that we hear all the time from the representatives of industry, whether it be the armaments industry, the chemical industry or the nuclear industry. There are, like it or not, a number of questions to which answers have never been given. Considering the changed economic situation and the forecasts, is there likely to be an energy shortage if real adjustments are made? What is the energy potential of the sources of renewable energy that have so far been studied or developed?

Vandemeulebroucke

What effect does nuclear energy have on employment compared with alternative energy sources? What effect does the mining of uranium have on the lives of the indigenous population, and can it be justified by the world's increased energy needs? Is it possible to continue to develop nuclear energy without the public being subject to an almost intolerable number of controls? These are all basic questions, each representing a choice where the future shape of society is concerned.

For in fact we find, ladies and gentlemen, that a number of small countries, which are consequently more closely geared to democratic procedures throughout their societies, have resisted the pressure of the nuclear lobby. You have heard what the public has to say. I am referring to Luxembourg, Denmark and Ireland, which have all introduced a moratorium. I am referring to the fact that public opinion has put a stop to nuclear development in the Netherlands and in the Federal Republic of Germany. Only Belgium, France and the United Kingdom persist.

In the Seligman report we find the same desire to avoid a debate and giving the public real information, not only the public in our own countries, but in Switzerland — the Mauville project, for example, affects the citizens both of our Community and Switzerland. But the citizens cannot express their views because a hearing is not allowed. This is an attitude which will determine our future. It is also an attitude which the Commission frequently adopts and is revealing, because we would normally have expected the Commission's representative, Mr Narjes, who is responsible for safety, to be present for this debate. But he is not, and I therefore call on you to approve our amendments concerning the consultation of the public and the introduction of a moratorium. A few days ago Mr Davignon entered a strong plea for nuclear energy and also for further scientific research. But neither Mr Narjes nor Mr Richard, who is responsible for social affairs, are here today, and that is revealing enough. As the first directly-elected Members of Parliament we must therefore propose an alternative to the bureaucracy of this Commission and of the whole Community, which has such a suffocating effect on the people who thought Europe could be different.

President. — I call Mrs Viehoff.

Mrs Viehoff. — (NL) Mr President, Mr Linkohr discussed the report by Mr Seligman at length yesterday on behalf of the Socialist Group. I shall therefore concentrate on the report and resolution by Sir Peter Vanneck. Of particular importance in the resolution on which the report is based is paragraph 2, which calls for consideration to be given to the possibility of suspending further developments of nuclear energy until the problems have been solved. The

report should have gone into this question, which is now briefly summarized in the form of a request for a moratorium. There is some confusion about the term 'moratorium', but I refer once again to the text itself. Sir Peter Vanneck has not discussed this question, but shows himself to be an uncritical, if not emotional, supporter of nuclear energy, as his presentation in Parliament yesterday once again proved. Even supporters of nuclear energy, of whom I am not one, might conclude that a responsible approach would be to discontinue further development until the problems have been solved, because no one denies that there are problems. And as politicians we are as responsible for the safety and health of the public and for guarding democracy as we are for ensuring constant and reasonably secure supplies of energy.

After the considerable criticism voiced both by the supporters and by the opponents of nuclear energy in the Committee on Energy and Research of the first version of his report, the rapporteur has tried in Chapter II (advantages of a moratorium) of the revised version to consider the situation through the eyes of the advocates of suspension. He has not been very successful, few of the arguments advanced being sound. Let us look at point 6, in which he says that breeder reactors generate more electricity but use less fissionable material and thus open new prospects of Europe possibly becoming independent of external energy supplies.

I have two comments to make on this: firstly, whether a breeder reactor generates more electricity depends on capacity and secondly, breeder reactors necessitate reprocessing plants, which do not work well, which means that breeder reactors are not a real option. Accidents regularly occur at reprocessing plants: at Windscale there have been at least eight leaks of radioactive substances, two fires, a critical incident and not least the leakage of 100 000 curies from a building, which has not been used for years, the radiation four metres below ground level being 600 rads. According to the Government, this does not represent a danger, because the ground is retaining the radiation. Recent information indicates that the incidence of cancer around Windscale is far higher than elsewhere. I will not say that this is proof, but I do find it significant and I feel that such information provides sufficient arguments in favour of a moratorium. La Hague does not measure up very well either: 1 713 cases of pollution between 1970 and 1976; on 22 September 1980, land bordering the reprocessing plant was contaminated after the water from a waste-pond overflowed on to the road and the adjacent land. The planned reprocessing of spent rods has by no means come up to expectations, and this has far-reaching implications for the Member States which send their fuel rods to La Hague because there is a good chance they will be getting their radioactive property back again. In point 15 of Chapter II, the rapporteur says that a suspension may result in a shortage of reprocessing capacity. He forgets that money

Viehoff

that is not spent on the construction of nuclear power stations can be invested, for example, in energy-conservation measures and the development of other energy sources. Money invested in conservation produces results in a very short time and also creates employment, while money invested in nuclear power stations now may not produce results for ten years. In addition, society may not be able to meet the costs of nuclear energy, which are continuing to rise. We must also take the time to consider the consequences of Harrisburg. Some people are saying that two years have now passed and we have all the information, but more information is coming in all the time. The changes being made at the nuclear power station are already costing over 50 million dollars, and the Vice-President of Wisconsin Electric Power, Mr Bernstein, feels that the wrong lessons are being learned from Harrisburg. All kinds of safety and information systems must be added, and this is simply making everything more complicated and will reduce rather than increase safety. And now there has been another accident in Japan, on which we have by no means all the information, but it will eventually filter through. Since Harrisburg the Americans have also become more careful about the issue of licences. Mr Eklund, Director-General of the International Atomic Energy Agency has said that this caution is a threat to nuclear energy. This shows that the construction of nuclear power stations is considered more important than safety, and that is unacceptable. In America, where they have been seeking a solution for over twenty years, no progress has yet been made. This should make us think before we go on to produce yet more nuclear waste.

I could mention a great many more facts, and I would emphasize that these are facts and not emotional arguments, which the opponents of nuclear energy are so often accused of advancing. And I find that the rapporteur, to put it mildly, has not taken a great deal of trouble to establish the facts, let alone the opinions of experts whom he does not like and whom I have also mentioned. And that is not just my opinion: Sir Peter Vanneck also admitted this in the Committee on Energy and Research when we were discussing his report.

I should like to explain my amendments briefly. In Amendment No 3, I refer to a book by Mr Lilienthal, the former president of the American Atomic Energy Commission and undoubtedly an expert. In his book, he writes that the nuclear power stations now in operation are so complicated that safety cannot be ensured. Research and development are needed to find a safer type of nuclear power station.

In Amendment No 4, I say that there have been over the years and will be accidents in which people are affected by his radioactive irradiation. There are two types of victim: those who will die years after an accident at a nuclear power station and those who suffer harmful effects due to uranium mining and ore waste.

By the year 2 000 uranium mining under the American nuclear programme alone is expected to result in 100 000 cases of lung cancer. At this juncture I will refer straight away to the completely false comparison that is constantly made between the victims of nuclear power station accidents and the injuries and fatalities that have occurred in coal-mining in the past. The only fair comparison we can make is between the risks involved in coal-fired power-stations and nuclear power-stations and the risks inherent in coal-mining and uranium-mining. I believe that uranium-mining is far more dangerous to the public than coal-mining.

In Amendment No 7, I say that a comparison cannot be made between the aircraft industry and the nuclear industry as the rapporteur does in his explanatory statement to give an example of empirical development. Aircraft accidents have resulted in an improvement in the safety of aircraft. But a learning process whereby a safer design is achieved after a large number of nuclear power station accidents is socially unacceptable.

Mr President, I have not referred to proliferation, to the encroachment on citizens' democratic rights, to the danger of a police state emerging, but in the short time available to me I have had to set myself certain limits. Although Members may not be able to vote for my amendments, I urge them nevertheless to vote against this report and this resolution, because it is unworthy of the representatives of the people to treat so serious a matter so superficially. At the same time, I request that the vote be taken by roll-call.

President. — I call Mr Kappos.

Mr Kappos. — (*GR*) Mr President, in general we are not opposed to the use of nuclear reactors for generating electricity, since this can only help to improve the situation by diversifying the sources and forms of energy. Under the present circumstances, however, we are definitely opposed to the construction of nuclear reactors, at least in Greece. The reason for this is that the study and construction of reactors is in the hands of various monopolies, which carry on their work without any controls, more particularly without any democratic controls, and this poses serious threats for our country and our people.

What does this mean? Firstly, the country's absolute subjection — at least in this field — to the monopolies and to imperialism; secondly, there is consequently no guarantee, no guarantee at all, that the environment and the health and lives of the population will be protected. The monopolies entrusted with the construction of reactors — as, for example, Ebasco in Greece — are interested in nothing but selling their products and supplying atomic fuel, and show no concern for protecting the health and the lives of the population.

Kappos

In order to make these views of our quite clear, Mr President, we shall be voting against Sir Peter Vanneck's report

President. — I call Mr Petersen.

Mr Petersen. — (DA) Mr President, I wish to express my disappointment over Sir Peter's report. For one thing, the rapporteur is an inveterate supporter of nuclear energy; for another, he does not look closely enough at the problems which it is his duty as rapporteur to expound to us. For instance, he does not deal adequately with the safety aspects. The Harrisburg incident is hardly mentioned, and there is no serious discussion of the fact that the development of nuclear energy within the Community is at a standstill.

The question really is whether things are not tending towards a general moratorium. Opposition to nuclear energy is on the increase in Europe, and in Denmark we do have a *de facto* moratorium — a fact that is just not mentioned in the Vanneck report — for though the Folketing, the Danish Parliament, did adopt in 1976 a decision of principle on the building of nuclear power stations, our Social-Democratic Government has in fact postponed the implementation of that programme. The reason is the unresolved problem of storage, and it is obvious after the Harrisburg incident that there is a problem with regard to safety which urgently needs examining. As long as these questions are not cleared up, nuclear energy must also be mentally contaminating. What is more, a technology which in country after country splits the population into two nearly equal parts is not a technology on which we can base our future with a clear conscience as a democratic Community.

For these reasons, we in Denmark have called a halt to give us time to reflect; the Social-Democratic Government has declared a *de facto* moratorium, and I should like to take this opportunity of recommending the other Member States to do the same. If they did, the Community could use the money thus made available to make a serious beginning on investing in the only natural alternative to oil — that is, the renewable energy sources — not with small token amounts, but with really massive sums.

For these reasons I recommend that the House vote against the Vanneck resolution and therefore also against the Seligman resolution.

President. — I call Mr Ippolito.

Mr Ippolito. — (IT) Mr President, ladies and gentlemen, on behalf of the Italian Communist and Allies Group I express my support for the Vanneck motion for a resolution, which rejects the request for a

nuclear energy moratorium, and for the Seligman motion, which rejects the so-called 'Geneva appeal' and the suspension of work on breeder reactors. I see it, moreover, as my duty to denounce the proposals of those who would like the Parliament to go on record against the development of nuclear energy for peaceful uses such as the generation of electricity; on the one hand, these proposals go against history and progress, and on the other they unwittingly promote the disruption of our society. In fact, social disruption — and the terrorism which derives from it — is fed by the scarcity of energy, which leads to unemployment and poverty. The vast majority of experts the world over agree that in the next few decades it will be absolutely necessary to rely on electronuclear energy to satisfy mankind's energy needs. That is why no country which is not energy self-sufficient has been able to opt for a decisively antinuclear policy.

We can discuss the need to improve security; we can define more precisely the norms and the means for the final disposal of radioactive waste, a task already undertaken by AEIA experts in collaboration with those of the EEC; we can investigate further the possibility of accident control in reactors, as is being done at Ispra. No one, however, not even those who are ideologically opposed to nuclear energy, dares to assert — or can demonstrate through technically and economically valid proofs — that the so-called renewable energy sources will be able to supply a considerable portion of our electricity needs in the next thirty to forty years. The experience — in my opinion, useless and very expensive — of the Aviano power plant in Sicily, which at times uses more electric power than it produces, shows beyond the shadow of a doubt the impossibility of producing electric power through solar energy today, even at relatively higher costs. Solar energy may be used only to produce low and medium-temperature heat, but there it can make an appreciable contribution and ease the burden on traditional energy sources.

The possibility of generating electricity through solar energy or nuclear fusion lies still in the distant future, even if we accept considerably higher production costs than those arising from traditional methods such as coal, nuclear fission or oil. Therefore, if we do not wish to interrupt the development of the EEC countries, whose energy production covers only 50% of their consumption, and of many Third World countries, in particular those which have no hydroelectric resources, it becomes inevitable not only to turn to nuclear power-plants, with the so-called 'proven reactors', but also to carry on a vigorous programme of research and industrial experimentation in the field of fast-breeder reactors.

On the basis of these conclusions, reached in Italy by our party after much reflection and debate, we are in favour of these resolutions. I hope that Parliament will want to approve them by a majority large enough to discourage the persistent opposition to nuclear power.

Ippolito

We have witnessed a demonstration of this opposition this morning, and I must say it is unwarranted, based on misconceptions, and incited by people who have no knowledge in the matter.

(*Applause*)

President. — I call Mr Georgiadis

Mr Georgiadis. — (*GR*) Mr President, I should like to state briefly the position of the Greek members of the Socialist Group on the Vanneck report which is being discussed. First of all, I must say that no nuclear power stations have yet been built in Greece and so it would perhaps be something of a contradiction if we were to support the nuclear energy moratorium at a time when there is no such problem in Greece. We know however, that the Greek Government is planning to build its first nuclear power station in Greece in 1990 and, from this point of view, the position of our party is, in my opinion, a matter of special interest.

I shall not refer in detail to what my colleague Mrs Viehoff said as regards the dangers and long-term possibilities of nuclear energy, but merely say that we are opposed to the Vanneck report and in favour of the nuclear energy moratorium for the following reasons.

First, there are serious dangers for the environment and the population from possible accidents in nuclear power stations, given that they are still at a stage of experimental operation based on empirical research and their operational safety has still not been finally proven.

Second, I would remind you of the example of the recent accidents in Japan and yesterday's decision by the United States Congress whereby Mr Reagan's Government decided to end support for fast-breeder reactors in the United States.

Also, there is still no effective solution to the problem of storing and disposing of nuclear waste. There is no reliable complete information about the dangers which may arise from the operation of nuclear power stations.

Fourth, there are other important alternatives — renewable sources of energy such as solar energy, wind energy, geothermal energy, etc. — in addition to the conventional sources of energy such as coal and hydroelectric power, which could do an excellent job of filling any future gaps in the energy supply.

I should like to point out to my colleague Mr Ippolito, who spoke in favour of the report, that of course there is no chance that nuclear and other forms of energy will be replaced by alternative, renewable forms of energy in the near future, but this is due to the fact

that 38% of the expenditure on energy research within the Community goes to nuclear energy and only 0.5% goes to research on renewable sources of energy.

Fifth, in areas prone to earthquakes, like the Mediterranean and Greece, the dangers of building and operating nuclear power stations are considerably increased.

In closing, Mr President, I should like to point out that the question of taking positive measures to make economies in energy consumption has been basically neglected in many areas, like industry, transport and the services sector. Moves in this direction would reduce the urgency to discover new sources of energy and would lead to a more rational use of available resources. For all these reasons, Mr President, we are opposed to the Vanneck report.

President. — I call Mr Seligman.

Mr Seligman, rapporteur. — Mr President, I just wanted to say that we have heard the usual scare-mongering from a number of people who, as Mr Ippolito said, are not fully aware of the technical details, and this scare-mongering is harming their own countries. The serious accident at La Hague referred to by Mr Vandemeulebroucke was an insignificant accident; the two unions involved at Cap La Hague both expressed themselves satisfied with the way the problem had been dealt with, and no one suffered.

As to the question of reprocessing waste, there is a perfectly satisfactory interim solution in vitrification and the American Senate last summer agreed to a semi-permanent storage of waste which would cover the next 50 to 100 years until the final solution is found.

Therefore I do say to countries like Greece and Denmark and Ireland that if they go on listening to this scare-mongering they are going to damage their own economies; they are going to be a burden on the economy of the Community; they are going to have to import 85 to 90% of their energy. They are therefore doing themselves and their populations a good deal of harm by listening to scare-mongering.

President. — The debate is closed. We proceed to the vote.

We begin with the Seligman report.¹

(...)

(*Parliament adopted the resolution*)

¹ The rapporteur spoke *against* all the amendments.

President

We proceed to the Vanneck report.

The motion for a resolution as a whole: Amendment No 1

Sir Peter Vanneck, rapporteur. — Mr President, this amendment represents the minority opinion, which is of course already contained in the report. It is a collection of agnostic assumptions and refusals to accept that nuclear power is safe, clean and, indeed, an essential energy tool in the battle against unemployment and the striving for economic growth. It is another example of the tail trying to wag the dog. It would completely upset the majority report, which was adopted by a proportion of 2 to 1 in committee, and therefore your rapporteur is against.

(. . .)

Preamble and paragraphs 1, 3, 4, 5, 6 and 7: Amendments Nos 2, 3, 4, 5, 6, 7 and 8

Sir Peter Vanneck, rapporteur. — Mr President, these amendments by Mrs Viehoff are exactly the same, practically word for word, as those that were considered in committee on a paper dated 24 October 1980. I don't want to take up the time of the House by iterating each time my objections, because they all stem from the fact that they were rejected in committee and really they have already been explained this morning in the House. I am against them all for reasons. So, to start with Amendment No 2, your rapporteur is against.

(. . .)

Written explanation of vote:

Mr Bøgh. — (DA) Without commenting on the individual paragraphs in the proposal, I wish to emphasize the fundamental belief of the Danish People's Movement that it is wrong to apply supranational solutions to problems which can be solved at the national level or by agreements between individual governments. I would also say that, in my country, the government has undertaken not to introduce nuclear energy without consulting the people. The views expressed in the report and the conclusions can, therefore, be regarded as outside interference in a matter that should only be decided by the Danish people. Our fundamental rejection of supranational solutions which restrict Danish sovereignty also applies to the ideas put forward in the reports being debated under Items 78, 79 and 80 of the agenda.

(Parliament adopted the resolution)

President. — I call Mrs Viehoff on a point of order.

Mrs Viehoff. — (NL) Mr President, I requested a vote By roll-call on Sir Peter Vanneck's report. In view of the time, I will not request that the vote be taken again, but I hope that in future you will consider requests somewhat more carefully.

President. — Mrs Viehoff, I have received no request for a vote by roll-call.

Mrs Viehoff. — (NL) I explicitly called for a vote by roll-call on Sir Peter Vanneck's report at the end of my statement this morning. I will not request that the vote be taken again, because I do not want to take up the Assembly's time. The result would be the same, but I did very clearly request a vote by roll-call.

President. — Would you next time put your request for a roll-call vote at the beginning of the voting? That would prevent the danger of misunderstandings.

3. Social security

President. — The next item is the report by Mr Ghergo (Doc. 1-150/81), on behalf of the Committee on Social Affairs and Employment, on the

proposal from the Commission to the Council (Doc. 1-562/80) for a regulation amending Regulation (EEC) No 1408/71, on the application of social security schemes to employed persons and their families moving within the Community, and Regulation (EEC) No 574/72, fixing the procedure for implementing Regulation (EEC) No 1408/71.

I call the rapporteur.

Mr Ghergo, rapporteur. — (IT) Mr President, ladies and gentlemen, the Commission's proposal concerning a modification of Regulation 1408/71 is extremely important, not only because of its content but also and especially because of its significance.

The proposal may be divided into two parts: the first deals with formal and technical problems, the second with substantial and fundamental issues. On the first part I have no comments to make, since I fully agree with the Commission's position. Much more important is the Commission's proposed modification to paragraph 2 of Article 22 of Regulation 1408. Since 1971, under the provisions of Article 22 (1) (c), a worker insured in a Member State may be authorized to go to another Member State for treatment and to receive the benefits in kind provided by the legislation of the latter State as though he were insured there.

Ghergo

In order to avoid misunderstanding, it must be said here that the cost of medical care is borne by the institution which has granted authorization. According to Article 36 of the Regulation, it must fully reimburse the costs incurred by the institution providing the medical care. According to Article 22 again, the authorization cannot be refused if the treatment cannot be provided to the person concerned in the territory of the Member State in which he resides, either because the State does not include such treatment in its insurance plan or because the treatment is not considered sufficiently effective. Authorization may be refused only if it is ascertained that the transfer of the person concerned would endanger his health or impede the application of medical treatment. Both the spirit and the letter of the provision, which is of itself extremely clear, have been reconfirmed by two decisions of the Court of Justice.

The second of these decisions, that of 31 May 1979 concerning case No 182/78, states that when a determined type of medical care is recognized as a valid course of treatment for the disease suffered by the individual in question by an autonomous decision on the part of the patient's physician or the medical officer of the institution to bear the costs of the treatment, the said institution must grant the requested authorization. Thus the Court has reaffirmed that the responsible institution has no discretionary administrative powers except for those of an exclusively medical nature for which only a doctor is responsible.

Now the Commission would like to replace the second sub-paragraph of paragraph 2 with a provision according to which authorization cannot be refused if relevant treatment is included among the benefits provided for in the legislation of the Member State on whose territory the person concerned resides, and if he cannot receive such treatment in time in that Member State. Thus, whereas before the only condition for authorization was one of a therapeutic nature, the Commission would now impose two conditions, the first of which is that the treatment must be included among the benefits provided for in the Member State. This argument is diametrically opposed to the original one, which rightly saw in the lack of a particular treatment in the country of residence the basic reason for authorizing the person concerned to receive such treatment as was deemed most effective by his doctor in another Member State. The second condition concerns the rapidity with which the treatment can be given in the country of residence. This time factor is extremely difficult to define, and it is also an open question as to who should be charged with such decisions. Imagine the legal problems this provision could provoke!

Given the serious nature of the modification proposed, one cannot help emphasizing the weaknesses intrinsic to its justification. It is said in the proposal that the application of the provision might give rise to abuses. Apart from the fact that these abuses are neither

mentioned nor demonstrated, it must be pointed out that if such abuses occur, they should be dealt with by organizing a rational system of controls, but potential abuses cannot be used as a pretext for abolishing acquired rights. I have said that the alleged abuses are not even expressly mentioned; indeed, I do not believe that what the Commission calls 'abuses' may in reality be considered as such; 'abuses' in fact refers to instances when a person has asked for and received authorization to go to another Member State for medical treatment. And that is nothing more than the rightful implementation of the existing provision.

Nor are the Commission's other motives better founded. They allege that the provision is not actually grounded in Article 48 of the Treaty, which establishes freedom of movement for workers. In fact, freedom of movement is based, as is also Regulation 1-408/71 in its entirety, on Article 51 and on Articles 2 and 7. But Article 51 states not only that the Council shall adopt such measures in the field of social security as are necessary to provide freedom of movement for workers, but also qualifies and complements Article 48 (2), which states that such freedom of movement entails the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment. There is no doubt that these conditions include social security and medical care.

The Commission's proposal states, furthermore, that the implementation of the provision under Article 22 would aggravate the financial difficulties faced by the health insurance schemes of the Member States. Medical costs are continually increasing all over the world, and it is therefore impossible to deny the existence of such difficulties. On the other hand, if it is conceivable to call a halt in the evolution of social programmes, a retreat is absolutely out of the question. The solution to economic difficulties does not lie in the reduction of social security. The solution rests rather with the coordination and harmonization of legislation and benefits, with the rationalization of administrative procedures and with the rigorous application of the solidarity principle, under which each contributes to the support of social security programmes according to his own capacity.

In any event, the proposed modification entails a reduction at Community level of the workers' social protection; it is a step backward which is prejudicial to the rights acquired in the past decade and confirmed by various Community institutions, particularly on the occasion of the accession of new Member States and of the extension of medical protection to the families of workers. (See Regulation 2595 of 1977.)

From a legal standpoint, the proposal raises a serious problem, for it is meant to modify a provision of the existing Regulation in a sense which is completely opposed to the direction taken by the Court of Justice

Ghergo

in the two cases mentioned above. The Commission, however, also refers to the same Court decisions in order to support its case (see p. 15 of the Commission's proposal, Doc. 1-562/80).

Mr President, ladies and gentlemen, I trust I have made my argument clear enough to render any further pursuit of it superfluous! I should like to conclude with a proposal and with two appeals. The proposal, which arises from the report, calls for the adoption of the modification proposed by the Commission; with the exception of those concerning Article 22; I have moved in the same direction with the two amendments I have presented on behalf of the Committee on Social Affairs.

As for the appeals, while emphasizing first of all that I speak not only as rapporteur but also on behalf of the Christian-Democratic Group, I invite the Commission to modify its proposal according to my report. I turn particularly to the new Commissioner, Mr Richard, asking him not to start his term of office with an action which would represent a step backward in the field of workers' social protection.

Above all, however, I am appealing to you, the Members of this House. We are the first directly-elected European Parliament; we know that all evolution, and especially social evolution, inevitably means progress. It would be a sad moment indeed if this Parliament should somehow endorse a regression, and this for the first time in the history of the European Community. I therefore urge all my colleagues to approve the report and the amendments — already approved unanimously by the Committee on Social Affairs — so that from this House there may emerge a clear and unequivocal political orientation for the other Community institutions, and particularly for the Council, in view of its upcoming meeting in June.

IN THE CHAIR : MR ROGERS

Vice-President

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, since 1972, when the regulations on social security first came into force, they have been repeatedly amended. These amendments had to be made because of the rapid and continuing development of national legislation and social security. The amendments on which your opinion is being sought today are either of a technical nature or an accurate reflection of the changes in national legislation.

One of the proposed amendments, in particular, which was underlined in Mr Ghergo's interesting report to the Committee on Social Affairs and Employment, is designed to bring about a fundamental change in the existing rules. This amendment refers to Article 22 of Regulation (EEC) No 1408/71, which aims at limiting the obligation of the competent institution to grant a worker authorization to go to the territory of another Member State to receive appropriate treatment. It would limit this obligation entirely to cases where such treatment is included among the benefits provided for in the legislation of the Member State on whose territory the person concerned resides and where he cannot be given such treatment in time in that Member State. At this point, I should like to make it clear that the proposal does not alter in any way the basis on which the competent institution takes its decision, as this remains a medical matter. In other words, if there are no medical grounds for allowing treatment in another Member State, then authorization is not given. This is the present situation and the Commission is not proposing any changes on this matter.

As regards the statement included in the motion on the creation of discriminatory treatment between workers with reference to their participation in social security systems of the different States, which contravenes the provisions of Articles 48 and 51 of the Treaty establishing the European Economic Community, I can state that the whole system to coordinate national social security schemes in Regulations 1408/71 and 574/72 is based on insurance in the social security system of one Member State only. It certainly cannot be maintained that a worker who is insured in Belgium, for instance, is discriminated against because he is not insured in the United Kingdom or in Italy.

Paragraph 2 of the motion for a resolution also refers to discriminatory treatment based on nationality. In this case also, the Commission does not accept that its proposal in any way introduces discrimination which is prohibited — and quite rightly so — by Article 7 of the Treaty.

The Commission's proposal is based on two arguments. The first is that experience has shown that the provisions of Article 22 have been applied in a way which is inconsistent with the aim of Article 51 of the Treaty, on which Article 22 is based. Article 51 of the Treaty provides for the coordination of social security systems with a view to the free movement of workers. Article 22 is applicable more to persons who have never left their country and who wish to go to the territory of another Member State with the sole purpose of receiving treatment which is not provided for by the regulations under which they are insured.

The second reason on which the proposed amendment is based is the fact that, in view of the development of new and much more expensive medical techniques, the Member States have established health-policy priorities since their economies and budgets cannot bear the

Contogeorgis

cost of all treatments which are technically possible. These priorities will be disrupted if, by means of the provisions of the regulations on the social security of migrant workers, insured persons can receive treatment in the territory of another Member State when that treatment has been specifically excluded from the social security system of their own country. The Treaty guarantees that migrant workers retain their right to benefits, but it does not guarantee unlimited access to any form of treatment in any part of the Community.

Finally, I should like to point out that, when the Commission's proposal is adopted, any institution in any of the Member States will be able at any time to authorize any person covered by the regulations to go to the territory of another Member State to receive appropriate medical treatment. The Commission's proposal does not place restrictions on this possibility.

The proposed amendment means that it is possible not to give authorization and — I should like to stress this point — it provides that this can only be done for the following reasons: first, when no provision is made for the treatment by the social security system of the country in which the person is insured or, second, when the treatment can be given normally and in time in the country where the person is insured.

The Commission is convinced that the proposed change is justified and that the new regulation will enable any person who needs special treatment to receive this treatment in the best possible manner.

President. — The debate is closed. We proceed to the vote.

(Parliament adopted the resolution)

4. Procedure without report

President. — The next item is the vote on the consultations dealt with under the procedure without report provided for in Rule 99.

I put to vote the proposals for:

- I. a regulation on the opening, allocation and administration of the Community Tariff quota of 38 000 head of heifers and cows, other than those intended for slaughter, of certain mountain breeds falling within subheading ex 01.02 A II (b) of the Common Customs Tariff.
- II a regulation on the opening, allocation and administration of the Community Tariff quota of 5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain alpine breeds

falling within subheading ex 01.02 A II (b) of the Common Customs Tariff.

(Doc. 1-940/80)

(Parliament approved the proposals)

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* *

President. — I now put to the vote the proposal for a Council directive amending Directives 66/402/EEC and 66/403/EEC on the marketing of cereal seed and of seed potatoes (Doc. 1-36/81).

I call Mr Kappos for an explanation of vote.

Mr Kappos. — *(GR)* Mr President, I am in favour of the proposal. However, I should like to stress that in practice there are serious problems with the health controls and that the seed potatoes which are imported are often unsuitable and cause reductions in production, with severe consequences for the crop yield.

In addition, I should like to point out that under the present system support has been given to seed production in one of the Aegean Islands, Naxos, where the population has no other form of employment or, in any case, few possibilities of employment. Ending the present arrangements and the possibility of harmonization will certainly make it very difficult for producers on this island to continue seed production.

For this reason, in particular, I should like to underline the need for measures to be taken to ensure that the Greek Government can take measures to enable the inhabitants of this island to continue with the productive employment of seed production.

(Parliament approved the proposal)

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* *

President. — I put to the vote the proposal for a Council decision amending Decision 76/557/EEC regarding the inclusion of certain disaster-stricken communes in Italy among the mountain areas within the meaning of Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas (Doc. 1-145/81).

(Parliament approved the proposal)

5. Food aid in 1981

President. — The next item is the report by Sir Frederick Warner, on behalf of the Committee on Development and Cooperation, on the proposals from the Commission to the Council (Doc. 1-963/80) for regulations concerning food aid in 1981 (Doc. 1-178/81).

I call the rapporteur.

Sir Frederick Warner, rapporteur. — Mr President, ever since this elected Parliament first met in the summer of 1979, it has been the firm view of your Committee on Development and Cooperation that we have a duty to monitor all the Community's activities in the field of aid and development. The committee believes that we should carefully watch all the activities of the Commission, that we should give guidance and make proposals for new policies, that we should review the operation of existing policies, that we should press for adequate funds to be provided in the budget and that we should carefully examine the accounts and control expenditure. These views are set out in a report by Mr Michel on behalf of the Committee for Development and Cooperation, which has been submitted to Parliament and will be considered at one of our subsequent sittings.

In particular, in view of the gigantic and appalling problem of hunger in the world, Parliament spent almost a year in producing its proposals for helping to abolish starvation and chronic malnutrition. Views on this were contained in the famous report by Mr Ferrero and were adopted by an overwhelming majority in the appropriate resolution last autumn.

Food aid constitutes one of the most important instruments in the struggle against world hunger. When reviewing the Commission's proposals for food aid in 1981, the Committee on Development and Cooperation were concerned to discover to what extent the recommendations in the resolution on world hunger and other subsequent resolutions were being carried out by the Community, and your rapporteur has read the Commission's document primarily with this in mind. I am happy to report that some of the main recommendations of Parliament — for instance the proposals for multi-annual programmes and for setting up regional buffer stocks of food have been approved by the Council and that the first steps are provided for in the Commission's plans for 1981. Other important proposals, such as that for increasing the range of foodstuffs made available, have not yet been put in hand, and Parliament will no doubt wish to see that the recommendations which were considered so carefully last year are once again brought to the attention of the other European institutions, and that they are included without fail in the programme for 1982. This really must be done. A first-class programme has been

drawn up, and we wish to see it implemented without further delay.

Mr President, the resolution covers all the principles concerning food aid which, as I have said, were covered in the resolution on world hunger. There is no need to go over them here today. They are clearly discussed in the report and are clearly set out in the resolution. I will only make one point of principle, because it is one which has been stressed again and again in your Committee on Development and Cooperation. It is that food aid is not an end in itself, that we are not a charitable institution, that we are not here to waste time in simply keeping clients fed. We aim to use food aid as part of a whole process of enabling Third World countries to build up their own capacity to feed themselves. Food aid must go hand in hand with rural development; the Commission is well aware of this and increasingly implements its schemes in this way. Nevertheless, at a recent conference in London I was surprised to hear non-governmental organizations complaining that, in their opinion, the Commission was still not sufficiently aware of this problem and that they felt that this principle was far better implemented by the Food and Agriculture Organization and even in the UN programmes than by the Commission. If this is true — and I have not the detailed knowledge to say whether it is — I hope that 1981 will be the year of the big turn-round.

I would just make one other general comment. We believe food aid can be carried out effectively and efficiently by multilateral aid programmes, and your committee has suggested that we must work towards a situation in which the members of the Community channel their food aid solely through the Community instead of pursuing ten different individual programmes. The confusion in this field can be so great if there are too many people engaged in it. We should like to see one food aid programme for Europe, but if we are to achieve this, the Commission must show itself to be the most effective administrator, that it can really do the job better than national food programmes can, and we are not yet convinced that that is the case. Indeed, one of the more distinguished members of the Committee on Development and Cooperation has pointed out that in her opinion the food aid programme carried out by the national authorities of Germany are superior to those of the Commission. The Commission really must try to see now that it is a world leader in this type of assistance.

I would just like to mention three matters briefly before concluding. The first is that cooperation between the Committee on Development and Cooperation and the Commission seems to me to be a model of what we wish to see between Parliament and the Commission. The Commissioner, or his senior representative, attends every meeting of the committee; they produce a report on their activities during the last month and every meeting opens with a discussion, full and frank, of the report on what the Commission has

Warner

been up to. This is an admirable system and one which could well be copied in other committees of the Parliament. We are very satisfied with the degree of cooperation. We wish the Commission to bring their programmes to us on a case-by-case basis so that we can continue to monitor their work, to guide and to give suggestions, as in the past. I am sorry that the Commissioner is not here today — we fully understand his other preoccupations, although I do not share his political views and cannot therefore wish him success, I do wish him an early return to the valuable work which he is doing.

The second point I wanted to make was that another aspect of the Commission's work has not been so satisfactory. We have called for a number of reports which the Commission has still not produced. In particular, last year we called for a report on the effect of European agricultural exports on the food economy of developing countries. This is an absolutely key element in the whole administration of aid, in the whole problem of world hunger. It is also of enormous importance to our agricultural people. A second report which was asked for was a report on procurement: we wish to know how the Commission goes about its procurement policies. Could we please have that report?

The third point I want to make concerns the regulation on food aid. This was sent to the Council in early 1979; we still do not have it back. Mr Barbi has introduced an amendment asking for the conciliation procedure to be entered into as quickly as possible. We had the same problem with the regulation on assistance to non-associated countries, and I must say that when the conciliation procedure took place, it produced, in my opinion, quite the wrong result. For instead of giving those who are really responsible for the administration of assistance to non-associated countries the right to get on with the job, it handed it over to a management committee, which consists of not very senior officials from member countries who have no real knowledge of the Community's problems in this respect. They may think they know about it, but they cannot approach it in the way we should like to see. I do not want to see the same happen with the food-aid regulation, and I hope that those who are charged with this will get a better result than we got on non-assisted countries.

Finally, there is Vietnam. It got tacked on to the end of this report. This is rather a pity: it introduces political considerations which are alien to the food-aid report. It was suggested that we voted here, and I think we shall have to do so, but Members may well feel they want to take this paragraph separately. You have two amendments, and I am in favour of both of them.

President. — I call Mr Notenboom to present the opinion of the Committee on budgets.

Mr Notenboom, deputy draftsman of an opinion. — (NL) Mr President, I shall only take a minute to explain the two amendments which Mr Barbi has tabled on behalf of the Committee on Budgets and which I hope will find the rapporteur's and the Assembly's approval. They do not seek to change the text but to add to it. The first amendment calls for the insertion after paragraph 18 of a new paragraph recalling Parliament's decision to request the Council to initiate the conciliation procedure in respect of the new food-aid programme. The point at issue here is the role played by the Commission and the position of the management committees, to which Sir Fred Warner has just referred. Mr Barbi wishes to recall this point, and we again call for the immediate resumption of consultations with the Council.

The second amendment tabled by Mr Barbi concerns the insertion of a new paragraph after paragraph 28, in which we call on the Council and the Commission to take account of the recommendations of the Court of Auditors regarding the food-aid programme. We will be discussing this again later, certainly in the Committee on Budgetary Control and perhaps in the Committee on Budgets too. This point will be adequately discussed, but it would be a pity if 1981 should pass without account having been taken of these important recommendations by the Court of Auditors.

President. — I call the Socialist Group.

Mr Enright. — First may I congratulate Sir Frederick on what is a very good report indeed. May I add that I am very sorry indeed that he will not be reporting any longer on behalf of the Committee on Development and Cooperation. We have very much appreciated the sensitive work that he has done in this sphere even though he is of a different political party.

I agree with him that it is very sad not to see the Commissioner responsible here today, but we well understand it, and I think I should also add that I shall be very sorry to see his departure for good when Mr Mitterand is elected on Sunday.

(Laughter)

I would, if I may, briefly underline a couple of the points that have already been made. In the Committee on Development and Cooperation we are very concerned indeed about the quality of food aid, and we shall be examining this matter in some depth over the next few meetings. We are equally concerned that the Commission has only started its homework on the resolution that we had on hunger in the world, which is quite relevant here, and frankly we condemn the Commission as a whole for not taking up this matter with much greater urgency. It is required; it should be done; it must be done and we shall be monitoring

Enright

what the Commission does in this respect. With regard to our programme for food aid, I would urge that the Commission takes a particular look at Zimbabwe. Zimbabwe has had the good fortune this year to have a bumper crop. Let us make sure that is not a disaster for them because they are not able to sell it. The Commission has a crucial role to play, and I hope it is playing that role with some urgency.

Finally, on the question of the cohesion of food aid, I agree entirely with Sir Frederick Warner that it would be totally appropriate for the Community as such to administer all food aid and do away with some of the nonsense that is going on in bilateral aid; but equally I am sure that the Commission has to prove itself competent in this respect and more competent than any other existing authority. And this again we shall be monitoring in the future. On behalf of the Socialist Group, then, I would merely add that we shall be supporting wholeheartedly this report and the two Barbi amendments.

President. — I call the European Democratic Group.

Mr C. Jackson. — Mr President, I too would like to add my congratulations to Sir Fred on an excellent and comprehensive report that was drawn up with great speed. The European Democratic Group agrees not only with the main purpose of the report — that is, approving the Commission's food-aid proposals for 1981 — but also with the principles underlying the broader comments it makes about food aid. We do, however, have one major specific reservation and at this point, Mr President, I would like to ask that we do have a separate vote on paragraph 31, relating to Vietnam. I would remind Members that in the autumn of 1979 this House passed by a substantial majority a resolution on food aid to Cambodia in which it quite specifically resolved that food aid should not go to Vietnam. The principle was that any government that has sent troops to invade another country and spends an enormous amount of money on arms can afford to buy food aid for itself; and it is for this reason that I urge the House to reject paragraph 31.

This House has on many occasions expressed in the clearest of terms its commitment to helping in a spirit of partnership the poorer and especially the poorest countries of the world, but the report before us shows yet again how far the Community has to go in making food aid the effective instrument of help we would wish it to be. I say this recalling the increasing chorus of concern from experts and field workers in non-governmental organizations who tell us that food aid of the wrong sort, or poorly administered, can do more harm than good. We only have to turn to the Court of Auditor's report, to which Sir Fred referred, to see their comment about 1979 that the management of food aid showed no improvement, not least because the draft regulation to modify policy in management,

submitted in January 1979, was still before the Council. It is still before the Council today, and I do urge the Council to give priority to this matter to follow up its resolution of November 1980 where it approved the principle of multiannual food programmes.

The European Community has been criticized — and in my view rightly criticized — for structuring its food aid policy in line with its agricultural interests. I suggest that the size of the programme in dairy products should be reduced and that the resulting budgetary savings should be transferred to programmes of financial aid, especially for the poorest non-associated countries, for whom we do too little.

Finally, Mr President, the report suggests that the Commission should gradually assume responsibility for a greater proportion of the total Community food aid: at the moment it administers only some 60%. The sting here is in the tail, because it goes on to say, 'provided that the Community's performance is satisfactory.'

I very much agree with Mr Enright's remarks in connection with this, because I am convinced that the Community should by virtue of the scale, by virtue of its contacts and its potential flexibility, be able to administer food aid better than individual Member States. But, I too, am far from convinced that it does at the moment. It is much too open to criticism.

When errors, delays and inefficiency occur because DG VI and DG VIII do not cooperate, the Commission will find us increasingly critical and unforgiving of poor performance. We expect the Commission to be flexible enough to give DG VIII the staff which we have requested and which it needs to administer aid effectively. It is just not good enough for the Community to allocate funds and food to appease its conscience and then do too little to see that that food really reaches the needy.

My Group welcomes this report, and we shall certainly be checking to ensure that its recommendations are followed up by the Commission.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, first of all I should like to thank Parliament for agreeing to deal urgently with the Commission's proposals on the food-aid programmes for 1981. I should also like to thank Sir Frederick and the draftsmen of opinions, announced that their committees had approved the programmes for 1981.

I shall just mention a few further thoughts on the matter. First, I share the belief of the Committee on Development and Cooperation that the programmes for 1981 are a progressive step for the following two

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reasons. The programmes were, in fact, drawn up with regard to the conclusions of the debate on world hunger which took place in this Chamber — I should point out that it was to this end that the Community's programme for cereal aid was increased by 29% this year — and certain decisions which were taken in the light of this debate should be implemented. There is also the Council Resolution of 18 November 1980 on multiannual food-aid programmes and the creation of buffer-stocks.

Second, the Commission also agrees with the Committee on Development and Cooperation's suggestion that there should be further steps in this direction. I shall give just two examples. The Commission's proposal on the framework regulation for administering food aid has not yet been adopted. However, the adoption of the modifications called for in the plan would lead to a definite improvement in the way the aid is administered, allowing more time and effort to be devoted to more important matters. The Commission's proposal to increase the range of foodstuffs available for food aid has also not been adopted, while recent experience has shown how valuable it can be to provide foodstuffs which correspond to the needs and the usual diets of those who receive them.

Finally, I should like to add that these programmes, which, in some respects, are an improvement over previous programmes, still have their positive points, including, in particular, the fact that they are concentrated on the poorer countries. I would point out that 95% of the resources of the cereal programme are intended for countries whose GDP does not exceed 680 US dollars *per capita* on the basis of 1979 statistics.

In closing, I thank Parliament again for adopting the Commission's proposals. I am in a position to guarantee that there will be continued efforts to make improvements in this instrument and in the way it is used in accordance with the spirit in which the document which is under discussion was drawn up.

Finally, I should like to tell Sir Frederick that I shall inform my colleague, Mr Cheysson, about the point he made that certain information and reports which had been called for have still not been produced.

President. — The debate is closed.

We proceed to the vote.

I call Lady Elles.

Lady Elles. — Mr President, one or two speakers have mentioned that there is some objection to paragraph 31. As far as I know there is no other objection, so may we have a separate vote on that particular paragraph?

President. — Yes, it has already been asked for by Mr Jackson.

(...)¹

After paragraph 31

President. — I call Mr Nielsen on a point of order.

Mr Nielsen. — (DA) Mr President, I think the vote on paragraph 31 was a little confused. Could we not take it again, perhaps with our voting-cards?

President. — I have been taking the votes fairly slowly, Mr Nielsen. There was a request that we vote on certain paragraphs individually, and we did so. I am sorry for any confusion, but it really would be setting a bad precedent if I went back on votes that had already been taken, simply because they did not go the way that some people wanted.

(...)

(Parliament adopted the resolution)

6. Guide price for unginmed cotton

President. — The next item is the report (Doc. 1-172/81) by Mr Papaefstratiou, on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-82/81) for a regulation fixing for the 1981-82 marketing year the guide-price for unginmed cotton and the quantity of cotton for which aid may be granted without reduction.

I call the rapporteur.

Mr Papaefstratiou, rapporteur. — (GR) Mr President, on behalf of the Committee on Agriculture, I have the honour — briefly — to present to Parliament the report on the proposal from the Commission to the Council for a regulation fixing for the 1981-82 marketing year the guide-price for unginmed cotton and the quantity of cotton for which aid may be granted.

I should like to remind Parliament that Protocol 4, on cotton, to the Act of Accession of Greece to the European Communities provides for assistance to support the production of cotton, given the great importance

¹ The rapporteur spoke *in favour* of Amendments Nos 1 and 2.

Papaefstratiou

that cotton represents for the Greek economy. In addition to this, a point on which particular stress needs to be laid is that the total production of cotton only meets 15% of the total needs of the Community. In other words, it is a product which is in particularly short supply as regards the Community's needs.

For these reasons and also because the cost of production, according to reliable figures, has increased by at least 24% in the last year, the Committee on Agriculture, on whose behalf I have the honour to be speaking at the moment, has made an especially detailed study of the matter and disagrees with the Commission's proposal to fix the price at 73.50 EUA per 100 kg of cotton. Instead, the committee proposes — and I hope that Parliament will adopt the proposal unanimously — that this price should be fixed at 84.85 EUA.

Since the disadvantages of agricultural surpluses that place a strain on the Community's budget have often been pointed out in this House, we have to pay some attention to the special need to support those products which are in particularly short supply. Since we have aired our ideas on the principle of co-responsibility, we must provide special protection for products which are produced in small quantities in the Community and which, therefore, have to be imported by the Community from third countries.

I therefore ask Parliament to accept the Committee on Agriculture's proposal to fix the price at 84.85 EUA and reject the amendment tabled on behalf of the Committee on Budgets, which proposes a lower price.

We should not forget the need to support those farmers who often make sacrifices in continuing to cultivate crops, like cotton, which involve a lot of problems. I ask Parliament to adopt the Committee on Agriculture's proposal.

(Applause)

President. — The Committee on Budgets has the floor.

Mr Notenboom, draftsman of an opinion. — *(NL)* Mr President, I shall be very brief and take less than a minute. I have the thankless task of striking a different note on behalf of the Committee on Budgets. We quite appreciate the views of the Committee on Agriculture. There can be no doubt about our sympathy with the new Member States. But by 12 votes to 1 against we felt we must adopt an objective position and also think of the future. The Commission's proposal concerns a price increase that is higher than the average adopted by the Council in April for the new agricultural season, namely 10% as against 9.7%, and in drachmas that amounts to 13%. It is undoubtedly true that the increase in costs has been higher. I will not

deny that in any way. But the Committee on Budgets felt that we would do well to support the Commission's proposals and not to exceed the agreed rate of increase, thus adopting an objective course as with other products. I must therefore call on you on behalf of the Committee on Budgets to approve Amendment No 1, which corresponds to the Commission's proposal.

President. — The Socialist Group has the floor.

Mr Georgiadis. — *(GR)* Mr President, first of all I should like to register my agreement with everything that my colleague Mr Papaefstratiou has said on the question of providing support for the Community's southern products and, in particular, for cotton, which is a noted Greek product. As Mr Papaefstratiou said in his report, 99% of the cotton produced in the Community is produced in Greece. I should also like to underline the fact that the Community only produces 15% of its cotton requirements.

This matter, which is perhaps of little importance to you but of great importance to Greek cotton-producers, is another test of the credibility of the whole Community and of the common agricultural policy, which, over a number of years, has assisted northern products and has led to the creation of surpluses. Its credibility — I repeat — will be put to the test if in this case, which involves a product that is in particularly short supply for the Community and which is produced by the much poorer farmers of the south, assistance is not provided in such a way as to ensure that its production is continued and, above all, to ensure that it can be further developed to meet the Community's needs.

I should like to point out that the increase which the Commission is giving comes to about 13%, which means a clear profit for the Greek producer of approximately 10% (this is based on guide price in which transport and other costs have to be taken into account): this figure does not cover even half of the increased cost of production which has taken place in Greece in the last year.

In my opinion, it is the duty of Greek and other European MPs to state how they intend to revise the common agricultural policy by providing more assistance for products from the south and, in particular, for products which are in short supply.

(Applause)

President. — The Communist and Allies Group has the floor.

Mr Kappos. — *(GR)* Mr President, we are in favour of the report on the fixing of the guide-price for

Kappos

unginned cotton. I should, however, like to take this opportunity to point out that we consider the Committee on Budgets' proposal and, in particular, the Commission's proposal to be unacceptable. We consider the Commission's proposal for an increase of 10% unacceptable.

We all know — it has been repeatedly pointed out in this Chamber — that in Greece inflation in 1980 and 1981 has been above 25%. Consequently, production costs have also risen by over 25%. In addition to this, a number of aids, dozens of national aids are gradually being abolished up to 1985 and, as a result, production costs are rising even more rapidly. Given these conditions, the recent increases granted for the prices of agricultural products have created a very difficult situation for Greek farmers; consequently, a proposal to increase the price of cotton by 10% is unacceptable to Greek farmers.

I should also like to take this opportunity to point out that the cotton-producers of Greece, who have a long tradition of fighting for their rights, are fighting for their right to a price for cotton which covers the cost plus a small profit. There is no doubt that if they are not guaranteed this they will continue their struggles.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, the Commission is fully aware of the fundamental importance which cotton has for the Greek economy. A large number of farmers are employed in producing this product and, in the Community, it is produced almost exclusively in Greece. It is a classic case of a product which the European Community is interested in stimulating because existing production only meets a small amount of the Community's needs.

I myself, as a member of the Greek Government at the time, was responsible for negotiating Greece's accession to the European Communities and I also negotiated Protocol 4, which provided for the creation of a common agricultural policy on cotton as it had still not been included in the agricultural policy for the simple reason that it was not produced in the Community. For this reason, I express my satisfaction at the fact that the Committee on Agriculture accepted the implementation of Protocol 4 of the Act of Accession.

The committee's proposal to increase the price of cotton to the level of 84.85 EUA per 100 kg has been carefully examined by the Commission, and I find myself in the unpleasant and, I should add, the personally awkward position of having to tell you that, within the framework of the Community's wider economic and agricultural policy, the Commission is

not able to agree with the proposal of the Committee on Agriculture.

As you know, the Council of Agricultural Ministers, after long discussions which followed the long and detailed discussions in the Chamber on the Commission's proposals on prices for agricultural products, decided, having regard to all aspects of the problems and to the wider framework of the Community's economic policy, on an average increase of 9.7% for 1981-1982 prices. For certain staple Community products, such as cereals, the increase is only 6%. The increase which the Commission is proposing for cotton and which is being presented today separately for technical reasons — because, when the Commission's proposal on the fixing of prices for other farm products was being discussed, the regulation on cotton had not been drawn up and, consequently, there was at that time no common agricultural policy for cotton — amounts to 10%, which, if one takes into account the wider decision on the prices of agricultural produce, is better, considerably better, than the average increase in prices of farm produce. I should add that there is a further increase of 3% to this basic price in view of the readjustment of the green drachma following the devaluation of the Italian lira.

Indeed, the arguments put forward concerning the increase in the cost of production of cotton are correct. But the problem is much wider, and it does not only affect cotton. It is a problem for all the countries of the Community, who have had an increase in the cost of living higher than the average increase in agricultural prices decided on by the Community. Consequently, it is a wider issue which affects all the countries and not only Greece and an issue which also affects all their agricultural products and not only cotton.

I have taken note of everything that has been said. The Commission is aware of the problem created in those countries where the level of the green currency has not matched the rate of price increases. The problem is one that concerns the Community but, I repeat, I am not able, on behalf of the Commission, to agree to the increase proposed by the Committee on Agriculture, because this might jeopardize the Community's entire agricultural policy and the decision on prices and create wider problems whose repercussions cannot be estimated.

For these reasons, I repeat, the Commission cannot agree to the proposal of the Committee on Agriculture.

President. — The debate is closed. We proceed to the vote.

(...)¹

(Parliament adopted the resolution)

¹ The rapporteur spoke *against* Amendment No 1.

7. *Measures for the conservation and management of fishery resources*

President. — The next item is the proposal from the Commission to the Council for a regulation laying down for 1981 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Spain (Doc. 1-96/81).

I call the European Democratic Group.

Mr Battersby. — Mr President, both as a member of the European Democratic Group and as chairman of the working-party on fisheries, I am recommending that this proposal be adopted. Once again, however, we are faced with a *fait accompli*, we are faced with a *force majeure*: once again we have been treated, mainly by the Council, as a formality, as an automatic rubber stamp, and our future partners, the Spaniards, are being encouraged to believe, even before they join, that Parliament can be treated with disdain.

Our relations with Commissioner Contogeorgis are excellent. The problem is an inheritance of many years' standing and occurs in many other sectors. It is not only in fish that we have this problem. It can be resolved by planning, by routines, by consultation, and I assure Mr Contogeorgis that he will have our full cooperation in streamlining the procedures.

This agreement runs out at midnight on 31 May. Non-adoption will cause an interruption in fishing. Under Article 43, consultation is needed with Parliament. We were advised at the end of March. Mr Gouthier was appointed rapporteur in April. He is to report on 19 May. There is no hope on this earth of our submitting the report to Parliament before 15 June, and I feel that the Council could have informed us earlier — whilst recognizing, of course, that the Spanish negotiators were cliff-hanging to their last eyelash in order to get a good deal.

To prepare the Commissioner for the meeting of the working-party on fisheries on 19 and 20 May, I would just like to put two questions to him without asking him to reply in detail at this point

First of all, when is Spain going to ratify the framework agreement? Will the final result be favourable to the EEC, or will it be favourable to Spain? Shall we sign for signing's sake?

Secondly, I see no reference at all to any advantages to the Community. Where are the quotas for French, Italian and Greek boats on the Sahara Bank in the 200-mile zone of the Canaries? Are these to be included in the final agreement?

In conclusion, since I recognize the importance of this agreement to the fishermen of Vizcaya, Cantabria,

Vigo and El Ferol as also the fact that the Commission has done its job to the best of its abilities and facilities in a difficult situation, I am recommending that we vote for the Commission regulation, but I would at the same time stress that Parliament will nevertheless be prepared, the Gouthier report will go through, and we shall be insisting that due attention is paid to our recommendations and comments so that, when the next interim regulation is prepared, it will have the full support of Parliament before the event and not merely its half-hearted support after the event.

President. — I call the Liberal and Democratic Group.

Mr Nielsen. — (DA) Mr President, on behalf of my group I should quite briefly like to recommend that the House vote for this proposal for a regulation. I share Mr Battersby's feelings about the impossibility of Parliament or the Committee on Agriculture considering the matter in the proper manner, but I do think it is useful for us to be able to express our support for the integration of the Spanish fishing industry into the European system. Many of the Spanish fishing industry's problems, not least with regard to deep-sea fishing, are the same as ours; at the same time, the species of fish traditionally caught by Spanish fishermen are not the same as those caught by the Community's fishermen, so it is also easier to find a mutual accommodation. Lastly, it is a fact that the Community's fish-processing industry has the advantage of exporting substantial quantities of fish products to Spain. In view of all these considerations, the Liberal and Democratic Group believes it is right for us to support the implementation — the speedy implementation — of this regulation.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, the proposal for a regulation now before Parliament reflects the outcome of the negotiations conducted with Spain on the fishery resources arrangement for 1981. These negotiations only reached a conclusion on 17 February after Spanish vessels had been stopped, as from 1 February, from fishing in Community waters as a result of the fact that the 1980 arrangement had been applied temporarily in January 1981.

I should like to recall that in 1978 negotiations with Spain took place to establish a single fishing agreement, which was signed in 1980. This agreement, valid for five years, was adopted by the Council of Ministers in November 1980, but it is yet to be ratified by the Spanish Parliament. We discussed the matter with the Spanish representatives during the recent negotiations on the arrangements for 1980, and I want to assure Mr Battersby that we were given a clear assurance that

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the agreement would be ratified as soon as possible by the Spanish Cortes.

The five-year agreement with Spain is reciprocal in nature. It is similar to the agreements with the Scandinavian countries. In reality, however — and Mr Battersby said more or less the same thing — it gives Spain fishing rights in Community waters. The Community believes and the Commission and the Council of Ministers are agreed on this point — that Spain's position is a special one: it is a country that has applied for accession to the Community; it is a country where democracy has just recently been restored; and a country which lost its fishing rights when fishing-limits were extended to 200 miles in the whole of the Atlantic. Given these special circumstances, it should receive special attention from the Community.

It was with these particular circumstances in mind that the 1978 agreement was drawn up. As regards the agreement which will come into effect, the agreement which settles the fishing arrangement for 1981, I should like to make the following observations. On the basis of the principle which the Community has followed, that of progressively reducing the number of Spanish ships fishings in Community waters, it was agreed that the number of vessels for 1981 should be reduced from 168 to 142. I should point out that there was also a reduction last year — that is, the 1980 figure of 168 was lower than that which had applied in 1979 and the figure for 1979 was also lower than that for 1978. Also, the fishing-quota for hake was reduced by 10%.

Spain was granted an almost unlimited quota for one fish, the sea carp, which Spain, unlike the countries of the Community, has an interest in. Furthermore, permits for small fishing-boats, which last year amounted to 25, have been limited to 17. Likewise, certain technical measures for controlling the issue of fishing-permits were modified following an agreement with the Spanish authorities based on past experience. This is designed to ensure more effectually that fishing-rights granted by the agreements are in fact being adhered to and not exceeded to provide bigger catches. We are continually examining these control measures so as to ensure that they are being applied in the most effective way possible.

In closing, I should like to call on Parliament to adopt the proposal for a regulation before it today on the fishing agreement with Spain for 1981 and to call its attention to the fact that, as a result of the delay in completing the negotiations with Spain, the 1981 arrangement has been provisionally put into effect by means of a directive, based on Article 103 of the Treaty, which is valid until the end of May this year.

Finally, I should like to offer my especial thanks to Mr Battersby and to assure him that the comments he has made will be taken into consideration by the Commission.

President. — The debate is closed. We proceed to the vote.

(Parliament adopted the proposal)

8. Information in the field of technical standards and regulations

President. — The next item on the agenda is the report by Mr Leonardi (Doc. 1-874/80), on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-430/80) for a decision laying down a procedure for the provision of information in the field of technical standards and regulations.

I call the rapporteur.

Mr Bonaccini, deputy rapporteur. — *(IT)* Mr President, the motion for a resolution in question urges approval of the Commission's proposal. It is a resolution which has been unanimously endorsed, because the Commission is aiming at preventing the introduction in individual Member States of potential trade barriers in the form of rules and regulations which are later difficult to eliminate. The proposal thus tends to reverse current procedures, which allow the Commission to intervene only after damage has been done, when effective action is difficult. It would seem therefore much simpler to enact new rules capable of averting such negative consequences.

The proposed prevention strategy consists above all in an advance information procedure and in the acceptance of consultation procedures. With its decisions, the Commission proposes increased cooperation with CEN and CENELEC, a matter on which the Committee on Economic Affairs is in complete agreement.

The Commission ought, however, to provide more information on the past experience of cooperation with these bodies, and respond to the questions raised by Mr Leonardi. Additional information concerning the costs to be borne by the Community budget should be presented in a financial statement. These considerations apart, the committee and the rapporteur invite you to approve the Commission's proposal.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — The Group of the European People's Party (Christian-Democratic Group) has the floor.

Mr von Wogau. — (DE) Mr President, ladies and gentlemen, on behalf of the Group of the European People's Party I should like to congratulate the Commission on its proposal. It provides for the national authorities to inform each other of planned standards and can thus contribute to the evolution and realization of the common market. The new national standards constantly being introduced today in new areas of technology represent barriers to trade. Information at an early stage can help to prevent such obstacles from occurring.

I do, however, have some doubts about the form of the information procedure. The greatest possible importance should be attached to the quality rather than the quantity of the information provided. We should concentrate on alarm signals where there is a threat to the free movement of goods in the Community and ensure that the exchange of information does not result in the creation of gigantic compendia of useless information gathering dust on the shelves. I therefore call on the Commission to give some thought to how this exchange can actually be confined to important information.

I also very much welcome the fact that the European institute, of standards, CEN, was consulted on this procedure and that CEN and CENELEC are to be involved in the future. I believe this is first step towards a reasonable division of labour between the Commission and the European standards institutes.

This report should also prompt us to think how greater account can be taken of European and international standards in future European legislation.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — Mr President, allow me to thank the Committee on Economic and Monetary Affairs and its chairman, Mr Leonardi, for the excellent report on the proposal tabled by the Commission. As you know, the Commission has been trying for 15 years and longer to remove the technical barriers to trade and continues to be convinced of the need to do so, because it is only in this way that our aims of creating a real common market and the free movement of goods within this market can be realized.

Starting with the Commission's communication to

Parliament at the beginning of last year, you had an opportunity of acquainting yourselves with the Commission's main lines of thought and, subsequently, of improving upon them when Mr von Wogau presented his proposals in his interim report.

The proposal for a decision now under debate is the concrete result of the Commission's aims and of your own proposals on the matter. Consequently, the Commission notes with satisfaction that the main lines of its proposal are endorsed by the Leonardi report, and it only remains for me to say that I hope the report will be adopted.

Finally, the fact that the European Parliament and the Commission have adopted the same attitude on such an important question has, in my opinion, important political and practical consequences for future work on removing technical barriers to trade. The initiative taken by the Commission on the fixing of a common procedure for the provision of information on technical standards and regulations constitutes a serious attempt to develop the statutory possibilities, based on the broadest possible distribution of information, for harmonization and cooperation in the field of providing information. The Commission's aim is to relieve its services, as far as possible, from the time-consuming technical work of approximation by means of a procedure which is, as far as possible, non-bureaucratic, while attempting to achieve a greater approximation of legislation.

In accordance with the proposal, the Commission's aim is to assign these tasks on technical regulations and standards to the two European standards organizations, CEN and CENELEC. The Commission is convinced that if all the Member States concerned and their leaders, the national and European standards organizations and, in the final analysis, all manufacturers directly concerned, consumers and employees are fully aware of their responsibility and can participate and cooperate in this attempt to approximate laws on technical standards, then we shall be nearer achieving, without undue bureaucracy, a Community market which can operate without barriers. The Commission's services will then be in a much better position to deal with the legal problems of approximation — for these will certainly remain to some degree — without being overwhelmed by the flood of approximation plans.

The Commission is of the opinion that the proposed procedure is an important step towards fixing uniform technical standards, which are so badly needed by industry and which are the basis for creating, as I said, a truly uniform Community market.

In closing, allow me to refer to paragraph 9 of the motion — that is, to the problem of the expenditure entailed by adopting and enforcing the proposed procedure for providing information. The Commission has already drawn up a draft financing programme on

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this matter, but it prefers to reach an agreement with the standards organizations as regards the accuracy of the expenditure allowed for before submitting this plan to the European Parliament. This process has only just ended, and the document will be submitted as soon as we have the necessary translations.

President. — I call Mr de Ferranti.

Mr de Ferranti. — Mr President, it is the Commissioner's words that prompt me to add two last sentences to this debate. He has clearly indicated to the House how well he understands the problem and he has clearly underlined the Commission's recognition, not just of the technical importance, but of the political importance of this issue, at this particular stage in the history of forming a common market. It does not sound a very exciting issue from its title, but we cannot have a common market, we cannot have a Community, without being able to do something to make sure that standards, standards to which manufacturers comply, evolve on a Community rather than a national basis. Each of the four national standards organizations produces something like 800 standards a year, and if they are all different, the one from the other, it is impossible to achieve the sort of advantages for the peoples of the Community that we all of us believe should follow from a common market. The fact that the Commissioner himself and the Commission as a whole clearly grasp the importance of the matter will give all of us who work hard, but often unsung, in this area a great deal of heart.

President. — The debate is closed. We proceed to the vote.

(...)

(Parliament adopted the resolution)

9. Taxes on manufactured tobacco

President. — The next item is the report by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs (Doc. 1-871/80), on

the proposal from the Commission to the Council (Doc. 1-328/80) for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco.

I call the rapporteur.

Mr Herman, deputy rapporteur. — (FR) Mr President, ladies and gentlemen, as Mr Beumer is unable to be present, he has asked me to present this report on his

behalf. I thank the President for authorizing this and I apologize for Mr Beumer's absence.

The Committee on Economic and Monetary Affairs has devoted several, difficult meetings to this very tricky and very complicated question. It finally arrived at the same conclusion as the Economic and Social Committee. Having noted the slowness of the process of harmonizing excise duties, particularly on cigarettes, we found that the third stage of harmonization, the one now being proposed, is still very far from being the final stage, and the committee feels it might be premature to take a final decision on this final stage at this time.

The committee therefore calls for an immediate study of this matter. When the results of this study are known and the consultations with all the interested parties have been completed, the Commission should then put forward new proposals based on a different arrangement and a different approach.

President. — The European Democratic Group has the floor.

Mr Hopper. — Mr President, nine years ago the European Commission set out to harmonize excise duties on cigarettes. Unfortunately, the method which they chose has encountered considerable hostility in all Member States and this hostility has culminated in the excellent Beumer report, which disagrees with the Commission's draft directive for the third stage of tax harmonization. The attitude of the Beumer report has recently found support in a decision of the European Court of Justice on a question of cigarette taxation. The court has found that a high level of *ad valorem* tax is damaging to competition. I would point out that the whole thrust of the Commission's proposals is towards a high level of *ad valorem* tax.

Since the Beumer report was adopted in committee under the old Rules, there was no possibility of amending the text of the Commission's proposal. In the circumstances, the Parliament has no option but to reject the Commission's draft directive.

Mr President, as you know, we have new rules and we are not entirely familiar with them. I would, with your permission, like to read out the relevant rule, which is Rule 35:

'If a Commission proposal fails to secure a majority of the votes cast, the President shall, before Parliament votes on the motion for a resolution, request the Commission to withdraw the proposal ... If the Commission does not withdraw its proposal, Parliament may decide not to vote on the motion for a resolution and to refer the matter back to the appropriate committee.'

I would suggest to my colleagues that this is the appropriate course of action in this case. The object of

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referring the matter to the appropriate committee is not to reopen the debate, nor, indeed, to delay a decision, but to give our friends in the Commission time for further reflection — this, of course, on the assumption that they decide not to withdraw their proposal.

President. — The Committee on Agriculture has the floor.

Mrs Castle, draftsman of an opinion. — Mr President, the Committee on Agriculture appointed me draftsman of its opinion on the Beumer report, and the result is set out in this document which we have in front of us. My justification for my opinion is there in detail together with the results of the discussion in the Committee on Agriculture of my proposals, three of which were amendments to the motion for a resolution which were rejected by the Committee on Agriculture. Three other amendments, however, were accepted by the committee, although, admittedly, by the narrow margin of 9 votes to 8. These amendments to the motion for a resolution are before the House today as Amendments Nos 3, 4 and 5 standing in my name. I want to urge the House to adopt them.

Amendment No 3 seeks to delete paragraph 2 of the motion for a resolution. This paragraph deplores the slow rate of progress on harmonization; but as Mr Hopper has said, the present method of harmonization has aroused widespread discontent and is doing damage to all the different groups of cigarette manufacturers in the Community. It is an attempt to reconcile the irreconcilable. I do find it rather inconsistent, the Beumer report, which, I agree with Mr Hopper, is excellent. It should be based on a radical criticism of the method of harmonization, and yet goes on — I think, by accident — in paragraph 2, to deplore the slow rate of progress towards a system that we do not want. I suggest to the House that that is an inconsistency and we ought to vote to eradicate Paragraph 2 as not being in keeping with the whole tenor of the report. We are justified in doing so because the Commission itself admits how remote the final stage of harmonization really is and how little of the original objective has been accomplished. I believe — and I share Mr Hopper and Mr Beumer's view on this — that the reason for that slow progress is that they are trying to go in the wrong direction and it will not work. So let them think again, very quickly indeed!

My Amendment No 5 seeks to insert a new paragraph, which embodies a principle with which I am sure we would all agree. That is that it is wrong to use the tax system to try to force consumers to change to types of tobacco that they do not like. If this Community stands for anything, it ought to stand for the consumer's freedom of choice. I thought that was what the whole business was all about. The present system is designed to give preference to one type of

tobacco over others that other consumers in the Community prefer. That is a very bad principle. So my Amendment No 5 seeks to insert the following new paragraph:

Considers that the sale of cigarettes and tobacco depends as much on the taste of the various products as on the differences in price and that it is therefore wrong to penalize certain consumers by forcing them to change to brands they dislike.

Might I add that it would be equally intolerable to call, as some people have, for extra tax to be imposed on cigarettes according to the quantity of imported tobacco they use. That is to penalize certain consumer's tastes in a quite unacceptable way.

Finally, with my Amendment No 4 I wish to insert another new paragraph, but I would point out to the House that in translation a misleading word has been introduced. It calls on the Commission to step up measures designed to encourage the Community's tobacco manufacturers to produce the varieties required on the Community market. Well, that should be tobacco producers and not tobacco manufacturers, and I apologize to the House for that error, however it occurred.

What I am seeking to suggest there is this. Surely the right way to help the Community tobacco growers is to help them through the CAP to produce the sort of tobacco the consumers of the Community want. I do not think enough attention is given to this by the agricultural Commissioners, and therefore I think it would be valuable if the House would agree to add my Amendment No 4.

Apart from that, Mr President, the Committee on Agriculture does not disagree with the Beumer report. I wish personally to add my strong endorsement of it, to congratulate the Committee on Economic and Monetary Affairs on having produced such a realistic, sensible and challenging report, and to express the hope that this House will carry it unanimously.

President. — The Communist and Allies Group has the floor.

Mrs Poirier. — (*FR*) Mr President, quite recently the Commission in Brussels took the harmonization of taxes on alcohol as a pretext to grant aids amounting to several billions to whisky producers to the disadvantage of our producers of wine — and fruit-based alcohols. Here again, the Commission in Brussels is preparing to hit the tobacco growers on the pretext that it is harmonizing taxes on manufactured tobacco.

The Commission in Brussels, which includes, of course, the two French Commissioners appointed by Mr Giscard d'Estaing, is zealously continuing to apply its malthusian policy of destroying our national production sectors because the tobacco growers are

Poirier

charging prices which give them a decent return on their labours and also because the Commission has passed the death sentence on the family farms that still exist in very large numbers — in France, for example. No sector of production is spared: all family production units are threatened. Today the target is more specifically the tobacco growers. The offensive against them has been going on for some considerable time.

Since 1976, the commercial measures taken by the Community with the agreement of the French Government, under the pressure and in the interests of the multinational companies, have resulted in a substantial decrease in the use of Community tobacco and a very rapid rise in imports, without any respect, moreover, for Community preference. In 1971, only 7.7% of the total consumed was imported, and up to 1976 imports increased by about 10% each year. In May 1976 the French Government bowed to the Community directives and abolished the State monopoly. The hunt then began as the multinational companies began their offensive, at the same time as the campaign against smoking. Since then, imports have increased by 30% a year. This year they will amount to over 40% of the total consumed in the Community. At this rate the 50% mark will be passed in 1983.

In France, this offensive has unfortunately been supported by the Government and its parliamentary majority. Having abolished the monopoly, they have accelerated the breaking up of CITA by changing its statute and allowing the introduction of private capital. Today, 33% of SEITA's capital is in the hands of the South African Rothmans group, which has put its commercial director in charge, to ensure good multinational order, of course. And during this time there has not been the slightest reduction in consumption or addiction to tobacco, because that was not the aim either of the Commission or of the French Government. We Communists are now accustomed to seeing arguments about quality, the environment or the protection of health used in this Assembly to justify unjustifiable destruction that only benefits private profits and the multinationals.

The consequences of this deliberate policy of destruction, jointly pursued in Paris and Brussels, are particularly serious for our country and above all for the growers, whose numbers have been considerably reduced. The area under tobacco is shrinking at an alarming rate: 22 000 hectares in 1977, 12 000 by 1982. In terms of employment in agriculture and industry, one hectare less means one job less and the loss of 10% of the market means the loss of 1 000 jobs. The deficit in external trade, which was less than FF 500 m before 1975, will soon exceed FF 3 000 m. The entry of Greece, with its important stocks, into the common market has further aggravated the situation, but eventually the opening of the markets of our partner countries to the multinational

companies will similarly result in the destruction of the Greek market and then the Spanish market, if Spain joins the Community. Those are the consequences of an enlargement which practically everyone here is very wary of admitting. We therefore have every reason to maintain our resolute position on this enlargement, which the other French political groups continue to approve.

The application of the common agricultural policy also contributes to the same objectives: the derisory increase — 8% in the price of tobacco — adopted by the Council, the dangers inherent in the intervention system and the introduction of co-responsibility measures are helping to make the future look very gloomy. This is a real plan to sabotage our production and our tobacco economy solely in the interests of the 'Virginia gang', the four multinational companies British American Tobacco, Philip Morris, Rothmans and Reynolds. These companies, which at present control over 50% of the market, buy very little tobacco grown in the Community. They have secured far more juicy sources of supply in the developing countries, to the detriment of food production there. The people in those countries are dying of hunger alongside immense tobacco fields. At the same time, these companies have built up their branches in Community countries without monopolies . . .

(The President called on the speaker to conclude)

. . . and from them they have successfully carried on the fight against the French and Italian monopolies. In 1970, domestic cigarette production accounted for 96% of consumption in France. The figure has now dropped to 70%. The directive proposed by the Commission for a third stage in the harmonization of taxes on manufactured tobacco will speed up this trend even more. Its application, as everyone recognizes — and this is also mentioned in the Beumer report — will increase imports, intervention measures and exports involving refunds. It will also result . . .

President. — Mrs Poirier, your speaking-time is up. I call Mr Kappos.

Mr Kappos. — *(GR)* Mr President, we are opposed to the report. There is no doubt that the measures for harmonizing the tax on tobacco will be damaging to Greek tobacco producers, as harmonization will reduce the competitiveness of Greek cigarettes and will make it easier for foreign cigarettes produced with foreign tobacco to penetrate the market, with particularly bad consequences for those tobacco producers who offer traditional products. I must also mention the fact that when Greece joined the EEC no restrictions were placed on tobacco production, which means that if the traditional varieties — which are cultivated mainly on infertile plots of land unsuitable for any other crops — are reduced, then producers of

Kappos

these varieties will suffer. Furthermore, as a result of accession the concentration of tobacco in one region will be abolished. One has to add to this the fact that the prices granted for tobacco by the recent decisions were humiliating. For four varieties the increases were 10% and for six varieties just 4%, this at a time when inflation in Greece — I repeat this fact — exceeded 25% in 1980 and will do so again in 1981.

What this means in real terms is a drastic decrease in the incomes of tobacco producers, and this poses a direct threat to the cultivation of traditional varieties of tobacco. The tobacco producers are particularly worried by these measures, and there is no doubt that they will not allow themselves to be deprived of the right to continue to cultivate traditional crop varieties, nor will they allow their incomes to be reduced.

President. — The Commission has the floor.

Mr Contogeorgis, Member of the Commission. — Mr President, I am pleased to have the opportunity to comment on the committee's report and the motion for a resolution. This is a complicated issue, and I should like to make some brief reference to its background in order to throw some light on the Commission's proposal.

Work on the harmonization of taxes on the consumption of manufactured tobacco — cigarettes, cigars and other tobacco products — started at the beginning of the 1960s. In 1970, three Council resolutions on tobacco were adopted which referred to taxes on the consumption of manufactured tobacco products. The first Council directive, which set out the basis for the mixed system of taxes on consumption, fixed the provisions for the first stage. This was adopted in 1972. The other directives, which regulate the implementation of the second stage (at present in operation) and determine what tobacco products should be taxed, were adopted in 1977 and 1978. Consequently, the Commission's proposals on the third stage, which are the proposals before you today, do not represent any new departure, but are the logical conclusion of the measures adopted by the Council in 1970, 1972 and 1977, to which Parliament has given its approval.

Furthermore, we can state that our experience of implementing this policy has led to positive results, for instead of different systems of taxes on tobacco consumption within the Community, we have only one streamlined system: the mixed system.

Despite this progress, the Commission is aware that differences of opinion continue to exist as regards the ratio which should be achieved between the specific tax component and the *ad valorem* component of this mixed system. Unfortunately, there is no magic formula which anybody can point to as the one which has been shown to be the most correct or just as regards the question of competition. Although the

Commission's proposals aim to achieve a balanced solution, having regard to the interests of all parties concerned, it would not be a surprise if Parliament were to propose that the margin of fluctuation of between 10% and 35%, which was proposed for the third stage, should be altered in some way or that the ultimate aim of 20% for the specific component is either too high or too low.

The motion for a resolution now before Parliament goes even further. Paragraph 5 doubts the validity of the method which has been followed over the last 10 years. Paragraph 6 requests the Commission to investigate an alternative method for calculating the tax in relation to the effect of *ad valorem* taxation on retail prices. Paragraph 7 disagrees with the proposals for a third stage and urges the prolongation of the second stage pending the submission of proposals which take into account all aspects of the problem of harmonization. This would mean an interruption, a suspension in the progress made so far towards harmonization and the possibility of a complete change in the approximation so far supported by the Council and Parliament. Furthermore, Parliament has never expressed any doubts on the present method of harmonizing taxes on tobacco consumption, nor has it proposed that the implementation of further stages of the procedure already begun should be slowed down: on the contrary, it has often insisted on the need for progress to be as rapid as possible.

The motion makes no mention of points which require even further study. The Community is being asked to abandon a path which it has followed with a certain amount of expense and with some success for more than 10 years without being given any definite indication as to what alternative solution it can follow in its place. The Commission is not opposed in principle to a change of direction if it can be shown that such a change offers good prospects for more rapid development and better results; given the delay, however, this should not be done unless special care is taken, and I must openly confess that the Commission doubts whether a change of approach can be of any help.

The basic problem between the Member States has always been that some favour the highest possible *ad valorem* rate and, consequently, the largest possible tax-multiplier effect on the differences in production prices, while others favour the highest possible rate of the specific component and, consequently, the lowest possible multiplier effect. The motion for a resolution does not offer any easier ways of reconciling such differences of opinion than those offered by the present Community method. In fact, instead of attempting to achieve a compromise for the time being based on the ration between the specific component and the total tax charged, the motion proposes that the compromise be based on lowering the *ad valorem* component as a percentage of the retail price.

Contogeorgis

Perhaps it would help to throw some light on the problem if I were to give a few figures. According to the terms being proposed to you in the motion for a resolution, Member States are now to levy an *ad valorem* tax which fluctuates between 71% of the retail price in Italy and 32% of the retail price in Ireland. According to the Commission's proposals for the third stage, if they are adopted, Member States will have to change these percentages and fix them at a rate of between 66% and 44% of the retail price. Similarly, the Commission's ultimate aim of 20% for the specific component is essentially the same as an *ad valorem* component of 55% on the retail price. These figures show that the alternative *ad valorem* method in paragraph 6 of the motion for a resolution does not offer any magical solution to the problem. The truth is that it uses different terms to highlight what is basically the same problem. The Commission has no grounds for believing that the Council's agreement will be gained any more easily on the basis of the *ad valorem* component than the specific component which we are pushing for. Furthermore, the arguments which claim that the tax system must be more neutral in its effects on competition, and which therefore favour the *ad valorem* solution, are directly dependent upon the rate of *ad valorem* tax which is eventually adopted. Despite this, the motion for a resolution does not determine what this rate should be. Consequently, the Commission is justified in its reservations and in opposing steps towards the *ad valorem* method.

Perhaps I could mention a few of the proposals under discussion. It is implicit in what I have said so far that the Commission considers the amendments to the *ad valorem* component as positive. They should enable progress on the harmonization of taxes on consumption to continue without delay. As regards the proposal for a specific tax on manufactured products, which is to be based on the proportion of Community tobaccos, at first sight it seems that this is inconsistent with our obligations under GATT. Nevertheless, there is the more delicate point of our trying to encourage tobacco growers to change, where possible, to varieties for which there is an adequate demand.

Finally, I should like to remind Parliament of the difficult political situation in which this motion places the Commission. Our proposals for the third phase are the logical consequence of a policy which the Council has followed in stages with the directives adopted in 1972 and 1977. In view of the instructions given to the Commission by these directives, it will be difficult to justify abandoning the present method.

If the Commission were to follow to the letter the directions proposed by the motion for a resolution, the only certain result would be that a lot of precious time had been wasted and further uncertainty created as regards the future outcome, whereas the Commission has studied alternative solutions and prepared new proposals. If an alternative proposal is presented, the Council will ask, quite rightly, why the Commission

has departed from the political agreements of 1970 and the Council directives of 1972 and 1977.

Therefore, I hope that Parliament will understand that I am not able to give any assurances that the Commission will be in a position to abandon its present proposals at this stage. I should like the Council to have the chance to reach a decision on these proposals before any radical amendments are made to the whole basis of our present approach to this matter.

President. — I call Mr Remilly.

Mr Remilly. — (FR) Mr President, I should like to begin by congratulating Mr Beumer on the quality of his report.

As a good democrat, he has not failed to take account in his final text of the opinions put forward by the Committee on Budgets, the Committee on Economic and Monetary Affairs and the Committee on Agriculture. The well founded arguments advanced by these committees in their opinions make for a better understanding of a problem whose complicated technical aspects conceal the serious difficulties faced by the hard-working tobacco growers in surviving.

It is therefore hard not to be concerned at the considerable decline in Community tobacco production, which in France alone has resulted in the loss of 12 000 hectares and of 12 000 jobs. In view of these figures, which are repeated in all the statistics of the producing countries, common sense and reason indicate the need for the third stage of tax harmonization to be based on the desire to maintain a tobacco production sector of genuine importance in the Community, where unemployment is already so high.

Efforts are being made along these lines. The growers are attempting to change to varieties which will enable them to produce a blended tobacco.

But apart from the investments it involves, this change will take time, a great deal of time, whereas the imported brands, which account for almost 50% of the cigarette market, have their own sources of supply outside the Community.

To encourage this tobacco policy, we feel it should be decided to extend the present, second phase of harmonization so that the directives can be applied uniformly. Italy has not yet started on the present phase, and Greece will benefit by a transitional period. Is there not something questionable about nine Member States adopting principles regarding the structure of taxes which will soon apply to ten Member States? Furthermore, a directive which set out to reduce the excise element, now ranging from 7.5 to 42%, between 1 January 1983 and 31 December 1984 to reach the 10 and 35% limits by the end of 1986

Remilly

would result in Europe having a major deficit in agri-foodstuffs trade. France already has an appreciable deficit, which will amount to almost FF 3 000m in 1981. Would it not be unreasonable and contrary to general interests to insist on meeting the requirements of a time-table set up some considerable time ago, when an assessment of the present situation indicates the need for a change in that time-table?

The Group of European Progressive Democrats, on whose behalf I am speaking, will therefore be voting in favour of the Beumer report and supporting Mrs Castle in her efforts to have paragraph 2 deleted.

President. — I call Mr Herman.

Mr Herman, deputy rapporteur. — (FR) I should like to thank the Commissioner for his very long answer, but I would ask him for his opinion on the following: Mr Hopper has referred to Rules 35 and 36 of the new Rules of Procedure. What is the Commission's proposal?

I thought that Rule 35 referred to the inability of the Commission to agree with Parliament's point of view. But there are amendments — Nos 1 and 2 — which seek quite substantial modifications to Parliament's position. If these amendments were adopted, what would the Commission's position be under Rule 36 this time?

Could you tell us briefly whether of not the Commission is in agreement with amendments Nos 1 and 2? If not, or if you tell me you cannot state an opinion because you have to consult your colleagues, I shall call on the President to enforce Rule 36 or Rule 35 as applicable.

(Applause)

President. — Mr Herman, I am not going to ask the Commission to reply: it has a few moments' time for reflection, since we shall first wait to see the result of the vote. If the result is the one you are hoping for, the Commission will have to reply. Mr Hopper has acted well: we have the Rules on our side.

We shall now consider the proposal for a directive.

(Parliament rejected the Commission's proposal)

Pursuant to Rule 35 of the Rules of Procedure, I have to ask the Commissioner whether the Commission is prepared to withdraw its proposal, since the Parliament, for once, cannot agree to it.

Mr Contogeorgis, Member of the Commission. — Mr President, I am not able to withdraw the proposal for two reasons: first, because the proposal is a proposal

from the Commission as a whole and I am not empowered to withdraw it or to amend it in this House. The Commission will take note of Parliament's decision when taking its own decisions.

President. — I call Mr Bangemann.

Mr Bangemann. — (DE) Mr President, may I ask the Commissioner a question? We do, of course, understand that he cannot take so serious a decision on his own. But is he prepared to ask the Commission — as a matter of principle for future occasions — whether the appropriate representative of the Commission should immediately state that the Commission withdraws its proposal if Parliament decides to reject it? Can the Commission tell us at the next part-session whether it will adopt this course of action in such cases, which may well occur again?

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — Certainly, Mr Bangemann, I shall give an accurate description to the Commission of the feeling of today's discussion. The implementation of the new regulation poses certain problems and I think that today, in this sitting of Parliament, was the first time that these issues have cropped up. I shall convey this matter to the Commission.

President. — I call Mr Hopper.

Mr Hopper. — Mr President, I welcome Mr Bangemann's suggestion and the Commissioner's answer and in line with them I propose that under Rule 35 (3) the motion for a resolution be referred to the appropriate committee.

May I emphasize to those of our colleagues who are not yet familiar with this rule, that the object of this is not to re-open the debate. We on these benches strongly support the Beumer report, and the rule states: 'In this case the committee shall report back to Parliament within one month or, in exceptional cases, a shorter period'. This will provide the opportunity for the Commission to have second thoughts and to come back to us.

(Applause)

President. — If I have correctly understood Mr Bangemann, the Commission and Mr Hopper, Parliament does not insist upon considering the motion for a resolution immediately, since there is a difference of views, but is prepared to accept that the Commission and also the appropriate parliamentary

President

committee report to it within one month at the latest. I therefore propose that the House agree to refer the matter to committee and to reconsider it in a month's time, when it can hear the Commission's report.

I call Mr Herman.

Mr Herman, deputy rapporteur. — (FR) Mr President, you are making a proposal, but what we want is quite simply the application of the provisions of the new Rules of Procedure. That is not the way I interpret them. We are simply saying that we should give the Commission time to reflect and to put forward new proposals. We do not believe we can interpret Rule 35 as meaning that we should discuss this to the finish at the next part-session. I believe that this matter is far too complicated for us to be able to adopt a final position at this time. I am calling for the application of Rule 35 and nothing else.

President. — Mr Herman, Rule 35 (3) states:

In this case [that is, if you decide not to vote but to refer the matter to the appropriate committee], the committee shall report back to Parliament within one month or, in exceptional cases, any shorter period decided by Parliament.

(Parliament decided on reference to committee)

10. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.¹

The sitting is closed.

(The sitting closed at 1.10 p.m.)

Corrigendum

In *Debates of the European Parliament, No 1-268 (10-13 March 1981)*, the following corrections should be made:

Page 55, col. 1: For 'Førgenssen', read 'Jørgensen'

Page 55, col. 2: For 'Jürgens', read 'Jørgensen'.

¹ For information on the following items, see the minutes of this sitting: Membership of committees; time-limit for tabling amendments; forwarding of resolutions adopted during this part-session; motions for resolutions entered in the register pursuant to Rule 49; and dates of the next part-session

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