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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: MR PFLIMLIN

President

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

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 18 January 1985.¹

2. Agenda

President. — At its meeting of 15 January 1985 the enlarged Bureau drew up the draft agenda which has been distributed to Members.

At this morning's meeting the chairmen of the political groups asked me to propose a number of amendments to the House.

Tuesday:

¹ Approval of Minutes — Membership of Parliament — Setting up of two committees of enquiry — Petitions — Written declarations (Rule 49) — Referral to committees — Documents received — Texts of Treaties forwarded by the Council — Membership of committees: see Minutes.

After the report (Doc. 2-1333/84) by Mr Raggio, there will be a joint debate on a statement by Mr Andriessen on agricultural prices, the oral question (Doc. 2-1456/84) by Mr Pranchère on the same subject and the oral question (Doc. 2-1455/84) by Mr Woltjer on the superlevy.

However, I have received from Mr Dalsass and 22 other signatories a request that Mr Pranchère's oral question be withdrawn from the agenda on the grounds that this question has lapsed as a result of the fact that the Commission has presented its proposals on 31 January 1985.

Mr Paisley (NI). — Mr President, I wonder if we could have some light in these back rows of the Chamber?

President. — I shall have that attended to by the administration, Mr Paisley, and I hope that they will come up quickly with some way of throwing light on everything for us.

(Laughter)

I shall put Mr Dalsass's request therefore to the vote.

(Parliament agreed to the request)

Added on to the oral question (Doc. 2-1304/84) tabled by six political groups on expenditure in the agricultural sector will be an oral question by the Group of the European Right on the same subject.

President

We have also received from the European Democratic Group a request that an oral question by Mr Elles and others to the Commission on the net cost of enlargement be included in the aforementioned joint debate.

Mr Arndt (S). — *(DE)* Mr President, under our Rules of Procedure we have a fixed rule concerning oral questions with debate, and that rule has not been adhered to. The whole thing does not hang together at all. The oral question by the Committee on Budgets concerns the 1984 supplementary budget and expected expenditure for 1985, whilst Mr Elles's oral question asks about the net cost or benefit to the European Community of accession by the two Iberian countries. The two things have nothing to do with each other. Combining the two would mean changing the proposal by the Budgets Committee on an extremely important subject. Furthermore, we in the House have not yet been provided with a translation of this oral question, and the enlarged Bureau has not had it in writing either. According to our Rules, therefore, you can only include it on the agenda if there are compelling reasons which explain why it has not previously been forthcoming. There were no such reasons!

I therefore resolutely voice my opposition to the inclusion of this oral question, in contravention of our Rules of Procedure, on today's agenda.

I also understood the Commission spokesman to say that the Commission will not be replying to the oral question until March. If this is so, then it cannot under the Rules of Procedure feature on the agenda for the February part-session! Consequently I agree with my Group that we ought to vote against including this oral question with debate on the agenda.

Mr Cottrell (ED). — Mr President, I speak in favour of having this matter dealt with. It strikes me as an extraordinary thing that Mr Arndt should suggest to this House that we should not — at what is, after all, an opportune moment — discuss what the costs of enlargement will be. Since so much of the Community's budget is consumed by agriculture, the burden of these costs will fall mainly upon the common agricultural policy. Mr Arndt may be specifically right in suggesting that the rule has not been strictly adhered to. However, Mr Arndt is always willing to see the rules in a slightly different way when it gives him an advantage.

The truth about this is that it does provide a very suitable opportunity indeed for this Parliament to discuss the costs of enlargement to include the two Iberian countries. This event — if we are to believe the fates — is no more than one year away. We have never discussed this subject so far. I am even more appalled to hear from Mr Arndt that the Commission does not propose to discuss it until March, by which time, of course, it will be extremely late in the day for Parlia-

ment to have any influence on the matter at all. I do urge Mr Arndt therefore to change his mind and see the wisdom of having a preliminary discussion at this early opportunity on one of the most important topics to face the Community in this decade.

Mrs Veil (L). — *(FR)* I too endorse the proposal. On many occasions we have considered the prospect of enlargement and each time, on behalf of my group, I have asked what the cost of enlargement would be. We have never had an answer, either from the Commission or from the Council. And yet it seems risky to me to go further without knowing what the cost is to be, especially now when everyone is talking about budgetary discipline and about limiting Community spending, particularly in the agricultural sector.

Parliament must know where we are going. Not because we want to veto enlargement, but because we need to plan for the costs it will entail. Let us not put the cart before the horse, as we are doing at present.

As regards procedure, I would point out that under our Rules the President of Parliament is perfectly at liberty to submit a resolution which has not been included on the agenda, as he has in fact done. It is then up to the plenary sitting to decide whether it shall feature on the agenda or not.

President. — It is not for me obviously to give any view on the substance of the matter. However, since Mr Arndt has taken his stand on the principle of respect for the Rules of Procedure, I must point out to him by way of reply that Rule 42(2) provides as follows:

In urgent cases, the President may propose directly to Parliament that a question which could not be placed before the enlarged Bureau under the foregoing conditions be placed on the agenda.

I felt that it was my duty to do this.

(Parliament rejected the request)

Mr de la Malène (RDE). — *(FR)* Mr President, we have just done two things. At the request of the Group of the European People's Party we have voted to withdraw Mr Pranchère's question on farm prices, and we have rejected the European Democratic Group's proposal to add a question on the cost of enlargement. Do you think the agenda proposed for Tuesday will be full enough to allow intelligent use to be made of the day?

President. — As you know, Mr de la Malène, we shall be hearing the statement by Mr Andriessen on agricultural prices, which is normally followed by questions for half an hour. The questions could even go on for a little longer.

President

After that we shall have the oral question with debate by Mr Woltjer and others on the statement by the Ministers for Agriculture of Belgium, Germany, the Netherlands and the United Kingdom on the date of collection of the superlevy.

Then we shall have the oral question with debate, tabled by virtually all the political groups and addressed to the Commission, on actual expenditure under the 1984 supplementary budget and prospects for actual expenditure in the agricultural section in 1985, and do not forget that all these matters come after the Raggio report, which keeps its place at the head of the agenda.

I feel therefore, Mr de la Malène, that you need have no fear that our agenda will turn out to be too light. Having said that, however, I do appreciate the zeal that prompted your remarks.

Mr Klepsch (PPE). — (DE) Mr President, on behalf of my Group I should like to propose a motion under Rule 40(2). We are talking here of Commissioner Andriessen's statement and the half-hour provided for any questions arising out of it. Because of it, and my Group voted in favour, we have withdrawn Mr Pranchère's question from the agenda. But with reference to Rule 40(2) we believe it would be desirable and feasible to add a further half-hour to the existing half-hour, so that the groups can have a chance of stating their positions briefly on the broad lines of Commissioner Andriessen's statement. I thus request that we add to the 30-minute question period a further half-hour for initial general reactions by the groups.

President. — Mr Klepsch, after Mr Andriessen's statement there will be a joint debate which will include the oral question with debate by Mr Woltjer and others on the superlevy. In this joint debate there is no limitation on speaking time, so that this will give the groups an opportunity to state their views.

Wednesday:

Added to the agenda would be an oral question with debate by the Committee on Regional Policy and Regional Planning to the Commission on integrated Mediterranean programmes and a report by Mr Curry and Mr Fich, on behalf of the Committee on Budgets, on provisional twelfths.

The Newman report on the ERDF, which was not adopted in committee, has been withdrawn from the agenda.

In order to enable Mr Delors, President of the Commission, to speak in the debate on integrated Mediterranean programmes, it is proposed to organize the agenda as follows:

— possibly, continuation of Tuesday's agenda,

- De Pasquale report on the ERDF (Doc. 2-1544/84),
- joint debate on three oral questions on integrated Mediterranean programmes (Docs. 2-1457/84, 2-1591/84 and 2-1458/84),
- report by Mr Curry and Mr Fich on provisional twelfths (Doc. 2-1550/84),
- oral questions on combating terrorism (Docs. 2-1451/84/rev. II and 2-1452/84/rev.).

Mr von der Vring (S). — (DE) Mr President, I have heard that the Commission President proposes to make a statement on the integrated Mediterranean programmes in connection with this oral question, but that this is scheduled for Wednesday afternoon. Has the order been changed?

President. — It will be towards the end of the morning sitting, Mr von der Vring.

Thursday:

The report by Mr Wolff on the Community loan mechanism, which was not adopted in committee, has been withdrawn from the agenda.

Added to the end of the agenda is the report (Doc. 2-1568/84) by Mr Cassidy, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on goods in travellers' personal luggage.

(The President read the list of requests for urgent procedure)¹

Mr Seal (S). — Mr President, you have just announced that the report by Mr Wolff on Community loans has been taken off the agenda. As I understand it, you are now saying that the Council is asking that this same item should be considered for urgent procedure and that we will be voting on the request tomorrow. Is that correct?

President. — Parliament will be asked to decide on this request at the beginning of tomorrow's sitting.

Mr Arndt (S). — (DE) Mr President, I would ask you at least to consider this question. The Committee on Budgets is to examine the provisional twelfths at its meeting today. We propose that the committee's report be placed on the agenda for Wednesday so that we can, if appropriate, vote on it that same evening at 6 p.m., for if I am not mistaken we need 218 votes for

¹ See Minutes.

Arndt

it to be approved, and the groups will have to see to it that we can get these 218 votes together.

President. — Mr Arndt, I shall repeat what I have already said; perhaps I did not make myself quite clear. It is proposed to add the report by Mr Curry and Mr Fich on provisional twelfths to Wednesday's agenda immediately after the oral question on integrated Mediterranean programmes.

(Parliament adopted the draft agenda thus amended)¹

3. Welcome

President. — I now have the very pleasant duty of welcoming, on behalf of Parliament, a delegation from the Irish Parliament who have just taken their seats in the Official Gallery.

(Applause)

4. Hydrocarbons

President. — The next item is the report (Doc. 2-1331/84) by Mr Ippolito, on behalf of the Committee on Energy, Research and Technology, on

the proposal from the Commission to the Council (Doc. 1-340/84 — COM(84) 273 final) for a decision adopting a research and development programme for the optimization of the production and utilization of hydrocarbons 1984-1987.

Mr Ippolito (COM), rapporteur. — *(IT)* Mr President, the research and development programme for the optimization and utilization of hydrocarbons 1984-1987 is of considerable scientific interest, even though it was not possible to include it as an urgent and priority programme because of the Community's financial circumstances which meant that adequate funds could not be earmarked for the purpose. The state-owned and private oil companies, however, are already devoting sizeable resources to this matter.

To my mind the value of the programme lies in the fact that, whilst the oil companies are all operating in their own individual interest here and keeping their findings quiet, a research programme financed even partly by the Community would enable all the companies to learn the findings of the others and thus achieve a significant improvement in the production of hydrocarbons and in research in the field.

Personally, I have indicated my own doubts in comparing this programme with the financial circumstances of our Community, which I have already alluded to. But since the Energy Committee voted by a large majority to adopt the proposal, I have, as rapporteur for the committee, accepted their vote, subject to just one or two conditions: specifically, I have pressed for sizeable cooperation by the oil companies and industries concerned to ensure that the Community's contribution should represent only a small part of the total cost of the research; I would also urge that no priority be given to that part of the programme which concerns the utilization of heavy oil fractions and the adaptation of engines, since this lies outside the scope of the research and exploitation of resources for which this programme was designed. In fact, having a programme as vast as this with very little money to back it would simply make those funds inadequate.

Nevertheless I have drawn up the report and the resolution, incorporating a number of these reservations in the explanatory statement, and in the text of the resolution we are to vote on I have called on the Commission to make use of the financial means provided by the major oil companies and to involve the national organizations in the sector. I have also asked that use should be made not only of the management committees provided for in the rules currently in force but also of the opinions of advisers who are experts on the various specific subjects of this programme. I have also asked that the approval of this programme should not lead to the cutting back of funds for other research and development programmes which should, in my view, take priority.

With these reservations, and with the proviso that no priority should be given to that part I have mentioned, I believe that the Commission's programme may be approved and that this research ought to be carried out so that, I repeat, the findings currently available only to a small number of oil companies can be shared by a wider international community. This would certainly improve research on and use of hydrocarbons throughout the sector.

A number of amendments have been tabled by members of the Socialist Group, amendments which could more usefully have been put forward at the committee stage rather than at this late stage before the Chamber. These amendments are aimed essentially at destroying the programme, and I am thus obliged to reject them *en bloc*. If there are political groups which do not wish to approve the programme, they can vote against the resolution — full stop — without trying to render it meaningless by all these amendments which waste voting time and do not help to clarify the matter.

Having said this, Mr President, I have nothing more to add. I shall, however, be happy to answer any queries anyone may wish to put to me on the matter.

Mrs Viehoff (S). — *(NL)* Mr President, in recent years the European Community has made considera-

¹ *Deadline for tabling amendments — Speaking time: see Minutes.*

Viehoff

ble progress in the field of research and development. We have managed to bring about true European programmes.

Two years ago we devoted much energy to implementing the pluriannual action programme. This was very necessary because up to that time nothing but *ad hoc* decisions had constantly been taken. This pluriannual programme specifically included criteria for the evaluation of programmes at European level. This action programme and the criteria contained in it came into being at the initiative of the Socialists and was already approved by Parliament in 1983. It will certainly make for a greater diversification of energy sources so that dependence on one specific energy provider can be reduced and, in addition, energy savings and more rational use of energy can be encouraged.

The criteria for the proposed programme are, essentially, that it must cover new topics which are large in scope, can only be covered on a Community basis and which have a European dimension. This Commission proposal is, however, the very antithesis of these criteria as set out in the pluriannual programme. The European Parliament and the Council are of one mind as regards these criteria, and the Commission is having the greatest difficulty in justifying the proposal.

Why then add this programme? One may wonder whether a research programme totalling 35 million ECU, since cut by the Council on 19 December last to 15 million ECU, can do anything useful. Especially as the research programme is superfluous in that the big companies are perfectly able to finance and carry out such programmes themselves. There is no reason at all for the Community to finance one.

If I measure the Commission's proposals against the criteria in the action programme, I have to say that they do not meet them. The research programme offers nothing new; it covers no topic which is large in scope and it has no European dimension. I must also point out that such programmes are also already being carried out at national level, and we should investigate whether it is not better for these programmes to be financed by the industry itself. The bigger companies are certainly in a position to. In the Netherlands Shell and Esso make extra profits totalling thousands of millions simply because the gas price is linked to the oil price, and I should think those companies are laughing themselves silly at a programme valued at 15 million. The Community should be able to play a purely coordinating role here, for national programmes need to be coordinated, as Mr Ippolito himself has said.

I should like to remind the House, furthermore, that this programme is to be part of the non-nuclear research programme. As I have just said, the European Parliament approved this programme in 1983. In the meantime the funds for this non-nuclear research programme have been slashed by half as a result of the

current passion for thrift. This programme concentrates on research to develop energy from biomasses, sun and wind, energy saving and new methods for the use of coal. We want to be consistent and not support research which is superfluous and already being done, at the expense of the important non-nuclear research programme which has suffered too many cutbacks.

You will find these arguments reflected in our amendments, and if you read Mr Ippolito's report you will find, in the resolution and in the explanatory statement, the same reasoning that I have just outlined. Nevertheless, we come to a different conclusion. And it is no secret that a number of Member States share the views of my Group. Whilst paragraph 5 of the motion for a resolution feels that the Commission proposal may be approved, we reject it in its present form because the whole approach is wrong. And I can say that my Group will be voting against the report unless our amendments are adopted.

Another word in reply to Mr Ippolito, who said that the Socialist Group should have tabled its amendments earlier, at the committee meeting. I find that an unfair reproach. Mr Ippolito also knows that last month it was requested that this Commission proposal should be treated as a matter of urgency, so that as a result the matter went through the committee very fast without any opportunity for amendments at the committee stage.

I trust that my arguments will also convince the other Members of the House.

Mr Sälzer (PPE). — (DE) Mr President, ladies and gentlemen. Mr Ippolito, the rapporteur, has already made clear, and Mrs Viehoff has further made clear, that this Commission proposal is one which certainly raises a variety of critical questions. I should like emphatically to endorse Mr Ippolito's position in viewing this project initially extremely critically, to the point of rejecting it, but then deciding to approve it after weighing the various pros and cons of such a programme. I would like to assure him that my Group has weighed the pros and cons with him and will vote in favour of his report.

No one would contend that the sums made available here by the Commission are in any way comparable to the considerable funds which the oil companies themselves have to spend on exploration and exploitation. I also believe — and there I disagree slightly with Mrs Viehoff — that this programme never aspired or intended to compete with them in this way. This programme can only be meaningful if it is seen as an honest broker, available to the individual national and sometimes state-owned oil companies at Community level for the purpose of better coordination. This is all that a programme of this kind can do and all this programme seeks to do.

Sälzer

I believe that an attempt of this kind to provide a little more coordination between the various companies should at all events be made, especially as the funds to be made available are in no way generous enough to threaten other projects to be funded out of our research budget. To this extent Mrs Viehoff's reservations are doubtless correct in principle, but not necessarily justified as regards the scope of this programme.

I should like to comment on two more points in Mr Ippolito's report. Firstly, we agree with him that it is a good idea to draw on the expertise of as many independent research organizations as possible. But we do not agree that it would be desirable to form a further committee at Community level.

I would remind Parliament that last year in a very wide-ranging report we managed to prune this proliferation of research and technology committees and that the Commission is now — I trust — gradually cutting them back. It will be reporting to us on its progress.

So if we now call for an additional committee, this would be counter-productive in terms of our own position of principle, because we started from the premise that the number of committees should be kept as small as possible if they were to be effective.

To sum up, I would repeat that we agree with and shall vote in support of Mr Ippolito's appraisal of the pros and cons of a programme of this kind and that we shall endorse his position by rejecting all the amendments, with the exception of Mr Turner's amendment and Amendment No 10 by Mr Adam and Mrs Viehoff on which we have no opinion. But for the reasons I have just given — of wishing to avoid the creation of further administrative committees — we shall also vote against paragraph 2 of Mr Ippolito's motion for a resolution.

(Applause)

Mr Turner (ED). — Mr President, I very largely agree with both the last speakers in only being able to raise half a cheer for this programme. It is, of course, always important to bring in industry, as is done here, with a shared cost programme. It is most important, and we must always emphasize the need, to cooperate with the experts in industry rather than to rely upon management committees which are simply the tools of the 10 Member States. Therefore, I tend to agree with what Mr Sälzer said about paragraph 2 of the resolution — I had read it slightly differently. I think he is probably right in saying that it is giving approval to the present system of management committees, and I could not agree with that. When Mr Sälzer says he does not want another layer of committees, I entirely agree. Nonetheless, we do need to have a mechanism for selecting the actual projects which uses the expertise of industry and not simply of management com-

mittees. I do not say that would result in an extra layer, it can be done without it very successfully — in ESPRIT, for instance, where you bring in industry without setting up an enormous bureaucracy.

Now as to priority for this proposal, we all agree it is of low priority in view of the great shortage of money when one compares it with ESPRIT, for instance, or with BI-ESPRIT, which is not yet off the ground. This is of low priority and the reason for it is this: the oil industry is already well geared to its problems. It is not a European industry which is lagging behind that in America and Japan, and therefore we do not have the same incentive to bring European industry together.

I am very glad that Mr Sälzer will support my amendment concerning the work on engines and oil, because it is, I think, very important. It is the one area perhaps where industry will not rise to the occasion and do the necessary research. It is not the oil companies' side of the job, but the users' side. It is they who probably need bringing together by the EEC so that they can cooperate to find ways of using the heavier fractions and the vacuum bottoms. I look forward to seeing the producers' solution to that problem. But the people who will benefit from the solution to vacuum bottoms, heavy fractions and better engines are not already at this present time working together to find a solution — and I do not believe the oil companies are doing it for them. That is where we need guidance. I very much agree with what Mr Sälzer said: in certain respects the Commission can act as the guide for industry — and this is one of them. I must confess that when one talks about looking for catalysts and geological formations and about work on them and on the mechanics of fluids and that sort of thing, which are very much the concern of the oil companies themselves, there, I think, the need is much less great.

Mr Alavanos (COM). — *(GR)* Mr President, in our country too it is felt in certain quarters that the Community should support non-nuclear energy programmes for the reason that they give better results and give them more quickly, not to mention the fact that they can be of benefit to all the Community's Member States.

Nevertheless, we cannot help feeling serious misgivings with regard to the Commission's proposal concerning a research and development programme for the optimization of the production and utilization of hydrocarbons. We share the view expressed just now by Mrs Viehoff on behalf of the Socialist Group. Programmes of this kind only subsidize the large monopolistic oil companies. We also feel that the Commission's proposal is not sufficiently clear about the kind of programmes it has in mind or the conditions under which they will be carried out. It does not provide the necessary guarantees nor does it face up to the question — an important one to our way of thinking — of how the Member States are to reap the benefits of the

Alavanos

programmes. For these reasons the Greek Communist Party Members will not support this proposal, especially if the amendments tabled by Mrs Viehoff are not adopted.

Mr Fitzsimons (RDE). — Mr President, the increased production and utilization of hydrocarbons has proved to be a highly scientific and technical matter of great interest in itself, especially for the Community which suffers from a too heavy dependency on imports of hydrocarbons.

The Commission's programme has to be comprehensive and long-term. Its efficiency cannot be measured in the short term. That is why, in my opinion, the research and development programme on hydrocarbons must be kept as such because of the special nature of the programme itself.

The idea behind this research programmes lies in the fact that hardly 30 or 40% of the sources of oil and gas in the Community and in the world are exploited. Up to now it has not been possible to extract the major part of the existing quantities of hydrocarbons.

The example of Ireland is important here. Both parts of Ireland are heavily dependent on imported fuels and particularly on oil. The provision of Kinsale gas to Northern Ireland would have ensured a future for its 13 gas undertakings and avoided the public expenditure incurred in closing down the gas industry at a cost of some 100 million pounds sterling and the loss of some 100 000 jobs. A second source of natural gas would, if discovered, create a more secure supply situation for the country as a whole. The Community could assist the development of the lignite deposits at Lough Neagh in County Antrim where there is an exploitable reserve of 100 million tonnes or the equivalent of a medium-sized oil field.

Our particular concern is the development of offshore resources, the exploitation of many fields. The Community can greatly assist our efforts at a technical level in the area of oil and gas. This is essential if we are to have a commercial proposition. We will find small pockets of oil and gas, and it is in the interests of the Community to help us exploit these finds. We cannot afford the enormous capital needed for the use of multi-million pound rigs. The Community's research programme must help us to devise inexpensive methods of extracting oil and gas. The use of computer techniques and specially designed ships equipped to be stationed over small fields is one proposal. Another is the use of a template system. We must also have Irish people who are technically qualified; otherwise the multinationals will take us to the cleaners. They will try to convince us that the costs are enormous. We must be able to monitor the multinationals and be more than capable of working with them.

The EEC is the catalyst, but the funds for non-nuclear research are paltry. There will be no optimization of

production and utilization of hydrocarbons with an increase in available funds or a rearrangement of the shares. It is plain, therefore, that something must be done. We must improve our technologies and we have to know how best to use them. The large-scale research programme proposed by the Commission responds to this demand.

Of course, the oil companies and the refining industries are constantly dealing with these problems, but in the short term only to ensure a good return for their investment. Basically the research programme and the activities of the industries are complementary. The Community programme will give a scientific and long-term basis to the programme of the industries concerned. I would like to point out too that national research programmes are scarce, insufficient and piecemeal. Some Member States of the Community carry on such programmes, others do not. A Community programme will coordinate better all these separate programmes and strengthen the European scientific potential. If we achieve the objectives of the proposed programme, there is no doubt that the Community as a whole will profit from it, leading to a more efficient exploitation and better use of hydrocarbons which will enable the Community to reduce significantly its heavy dependency on imports. The EDA Group therefore approves of the Commission's programme and will vote for the Ippolito report.

Mrs Bloch von Blottnitz (ARC). — (DE) Programmes and the implementation of programmes to improve our knowledge of hydrocarbon deposits, as well as the refining of procedures for the better exploitation of deposits, must in principle be regarded as desirable, but only if enough money is available without taking any from the already meagre funds earmarked for the non-nuclear programme. This is a most important point.

The improvement and further development of secondary and tertiary processes for better exploitation of known hydrocarbon deposits may be particularly valuable in helping the European Community to cover more of its own needs. Research into the utilization of heavy oil fractions, which will be playing a more significant role in future, would only appear to be desirable if such work were to concentrate on the reduction of pollutant emissions.

Extreme caution should also be brought to bear on efforts to use tar sands and oil shale as sources of hydrocarbons. We have as yet no comprehensive view of the environmental damage caused by the mining and processing of these substances. We should therefore insist that any industrial mining of these formations is always preceded by an estimate of the technical implications. We must also insist — especially as our funds really are low — that a breakdown of costs is drawn up which shows clearly beforehand the proposed percentage involvement of the industrial companies.

Bloch von Blottnitz

But all these programmes will remain nothing more than improvised efforts cobbled together until such time as we agree on programmes of equal value, on measures to save energy, on the more rational use of energy, for this is still — heaven knows! — the cheapest way to provide energy. At the same time we must at last make the breakthrough to developing alternative, renewable sources of energy. This is the cheapest and most important measure, the one which is kindest to the environment and impinges on it least. I shall say this again and again and repeat my calls again and again, even though they are heeded here so little. Our Group will insist on it!

Mr Romualdi (DR). — *(IT)* Mr President, ladies and gentlemen, I have asked to speak simply in order to say that I endorse most of the conclusions of Mr Ippolito's report and thus its favourable opinion, with all the reservations it contains, on the proposal by the Commission of the European Communities for the adoption of a research and development programme for the optimization of the production and utilization of hydrocarbons.

I do so on behalf of the European Right and particularly on behalf of Mr Petronio, who is again unable to be with us and who has on many occasions concerned himself with this fundamental problem of increasing research and making use of all our energy sources so that the countries of our Community can limit as far as possible our dependence on oil imports from areas which, for a variety of reasons, are always less than convenient — imports are always uncertain, unreliable and always very costly to our economy. We approve, then, an increase in research by the countries of the Community into non-nuclear sources of energy, and we agree with the call for participation by the major oil companies and the major industries which are directly concerned in research into and exploitation and utilization of hydrocarbons, principally for industrial purposes and for the development of new technologies.

The Commission's supplementary proposal is a move in this direction and aims, furthermore, to complete existing research on energy saving and alternative sources of energy. But all this must not, as has already been said, detract from the funds earmarked for the ESPRIT programme of research which must continue and which is vital to our further advancement. And for this reason it is better to limit the programme purely to research into and the exploitation of hydrocarbons in the Community, which is all that can in fact be done with the modest 35 million ECU available.

It is only too clear that all this must make use of technical assistance at the highest level, not necessarily from new committees or groups of experts; we need advisers who really are able to advise us well and who will serve the real interests of our Community.

Mr Tortora (NI). — *(IT)* Mr President, we Radicals cannot deny that we are happy to see this sudden return to an appreciation of hydrocarbons by our honourable friend, Mr Ippolito, whom we regard as a friend indeed and respect for his technical and scientific expertise. But too often in recent years we have been uncomfortably aware of Professor Ippolito as the immovable advocate of nuclear power in Italy. Our views on nuclear power are many and varied.

This 'conversion' of his on the road to Damascus, towards encouraging research methods and applications which are less hazardous to man, can only meet with our approval.

In addition to the exploitation of hydrocarbons, as our technical experts would have it, I should like to touch on the sector of mining research — which is also mentioned in the report. In our country, Italy, we have perhaps given in too quickly to the idea that certain mining areas are no longer competitive. Mines there have quite simply been closed down, and the underground workforce has either been made redundant altogether or has suffered hardship. I am thinking of Sardinia, Grossetano and other such areas in our country. Not to mention the true revitalization which this revival of research interest might entail for the mining regions of France, Belgium, Germany and the United Kingdom.

As regards new technological research, we read this morning that there may be significant uses to be made of maize, a cereal, to manufacture what has been termed 'green petrol', a substance free of lead, that ingredient which is so insidiously harmful to the health of the general public and workers and which so pollutes our cities.

Converting maize into motor fuel might be one way of putting our awesome cereal surpluses to good use, thus solving another of our world's serious energy problems.

We shall, then, vote most willingly in favour of the Ippolito report, but we shall particularly endorse and approve Amendment No 2 by Mrs Bloch von Blottnitz.

Just one plea before concluding. If a new discovery meant that it was really possible to use the rich countries' cereals surplus and transform it into fuel, we ought not then to forget those countries which still need cereals to feed their people more than they need fuel. In short, we shall want to have it both ways, to help Ethiopia and ourselves too, even if it means transforming cereals into fuel.

IN THE CHAIR: MR GRIFFITHS

Vice-President

Mr Narjes, Vice-President of the Commission. — *(DE)* Mr President, I should like first of all to thank

Narjes

the rapporteur for his careful, measured and fair reporting, the committee for its swift consideration and debate of this urgent proposal, and the speakers in today's debate for their interventions.

Even though the great efforts made in the last few decades to save energy and to replace oil, in particular, by new sources of energy have met with increasing success, thus ensuring that oil and gas can remain our principal energy sources well into the next century, albeit at increasing production costs, we nevertheless consider it vital, if only on account of the lengthy run-in times when new technologies are introduced, firstly to do everything possible to cut down even more on the use of fossil fuels and secondly to propose a programme to this end which will assist the rational exploitation and use of hydrocarbons by means of further research.

We are motivated in this by the recognition that oil will remain irreplaceable as a transport propulsion fuel for a long time yet, and that there will be a need for years to come for fossil fuels as raw materials in the chemicals industry. Finally, perhaps even more clearly in the past few months, we have seen that the current falls in the real price of oil worldwide have — sadly! — led or seduced governments and companies into cutting back their own research and development efforts, a move which is risky in the long term.

The European Community thus has an even greater duty and interest in safeguarding and assisting further the continuity of research and development work, specifically in this area of applications-oriented, precognitive research. In this way the European Community can prevent the development in the next few decades of circumstances which might trigger a third oil crisis.

Limiting our efforts to precognitive research, and I can add this on the basis of today's debate, means that we cannot make any commercial-scale or direct contributions to product development. I would also point out that we would be reducing the scale of the picture if we assumed that we are concerned only with large-scale companies here. Europe has a wealth of capable small- and medium-sized undertakings which can play a significant part in the research at issue here, without having the kind of money which the big companies perhaps have at the moment.

The proposed research work is not intended to compete with research which can be expected to be funded by high-performance industry itself. The aim is rather to plug a number of obvious gaps, to increase horizontal knowhow and expand the basis of scientific information, so that available hydrocarbon reserves can in the long term be used efficiently and to the fullest possible extent.

As a number of speakers have pointed out, with all the exploitation techniques available and actually used today, we still as a rule exploit less than half of the

world's geologically identifiable oil deposits. For this reason the proposed programme is complementary to other measures which are already under way.

In organizational terms it will form part of the research and development programme on non-nuclear energy already examined and approved by this House. We are grateful to the Committee on Energy, Research and Technology for conducting its deliberations speedily and for giving us a number of relevant recommendations regarding the priority to be accorded to the various research topics.

A word or two on the various amendments laid before us. Paragraph 1 of the committee's motion, which refers to cost-sharing by the oil companies, needs to be interpreted in line with our practice of providing a maximum of 50% in the case of shared-cost programmes like the one here. Where the companies' finances are healthy, we shall naturally do all we can to keep our contribution as small as possible. The 50% ceiling is as a rule designed for small- and medium-sized research-intensive undertakings. Paragraph 2, which has prompted a number of comments, should also be interpreted in the light of the fact that we have just one committee, the Advisory Committee for Administration and Coordination, which covers all non-nuclear energy research. Consequently there is no danger of there being a wealth of committees all working at cross purposes and impossible to monitor. We do, however, co-opt available experts to this committee to assist with individual projects.

As for paragraph 3, I would say that the boot is on the other foot. If this programme is not adopted, it is unlikely that there will be a majority in favour of the non-nuclear research programme as a whole.

As regards paragraph 4, which considers that priority should not be given to the adaptation of engines and problems concerning heavy oil fractions, we are aware that to the extent that these are problems facing the oil companies, it is these which primarily dictate the amount of money spent on research. But there is also an applications-oriented side, and in many cases there are undertakings which have applied for and ought to receive research funding in line with the overall objectives. To this extent we have no objections to Mr Turner's amendment.

In reply to Mrs Bloch von Blottnitz I would say that we would have no objections to subjecting the mining of tar sands and tar and oil shale to a very extensive system of environmental monitoring. But these kinds of deposits are hardly found in Europe, and outside Europe it is the sovereign right of the producer country to decide whether and to what extent it wishes to subject its mining operations to previous environmental tolerability testing of the kind envisaged.

As regards Mrs Bloch von Blottnitz's amendment to paragraph 1, the breakdown of costs cannot be drawn

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up *ex ante*, but is the product of how the projects are shared out and how much money we can agree to give for each individual project — as I said, a maximum of 50%. As I stated in my introductory remarks, we do not of course propose to make any contributions on a commercial scale. I can thus agree with the spirit of Mrs Bloch von Blotnitz's three amendments, though not necessarily with the letter of them.

The amendments by Mrs Viehoff of the Socialist Group are aimed at invalidating the entire programme. But if this programme were rejected, the Community's entire body of non-nuclear research would be in doubt. I believe our approach has taken account of the substance of the various amendments.

Mrs Viehoff (S). — (NL) I should like, if I may, to ask the Commissioner a question concerning his last remark that if Parliament does not approve this programme, then the entire non-nuclear programme will be at risk. I would point out that this Parliament has already approved it in 1983. I wonder if it is not an attack on Parliament's decision-making powers to say quite simply, if you don't do what we want, you won't get the rest either. That seems to me amazing. Parliament is asked to give its opinion on each subprogramme. It gave its opinion on the other programmes in 1983. This programme is an addition to these, and if Parliament does not accept it, then you can forget about the rest. I should be glad of clarification on this, because I have the feeling that it is not admissible.

Mr Narjes, Vice-President of the Commission. — (DE) Mr President, I would point out once again that the entire programme could be at risk, because there are a number of governments in the Council of Ministers which maintain that it is an integral requirement for any overall programme promoting non-nuclear energy to include a part-programme, a subprogramme of the kind we have here today. So if this part is removed from the overall package, the financing for it, which was obtained only with great difficulty, is put at risk.

Mrs Viehoff (S). — (NL) Mr President, this is not an answer to my question. I asked whether we were not seeing an attack on Parliament's decision-making

powers. Parliament is asked for its opinion, and it is well known that it cannot give that opinion freely but that its pronouncements are tied to other matters. I repeat that I find this an amazing state of affairs.

President. — If I could intervene here, Vice-President Narjes. You have given your reply. Mrs Viehoff has given her opinion. I think the best thing we can do is to take the vote and then just let us see what happens afterwards.

The debate is closed.

Explanation of vote

Mr Kuijpers (ARC), in writing. — (NL) The programme is part of an action programme for research on non-nuclear energy, and that is a good sign. I fully endorse the objectives of the programme. New technologies must indeed be developed, for Europe cannot afford to rely on one energy source alone.

The rational use of energy is also part of this option, for energy sources are not inexhaustible and energy must be used rationally. Proper attention must also be given to environmental protection and pollution questions.

Nevertheless, it pains me greatly that the infinite sources of power, such as wind, sun and water, are treated as marginal when it comes to money.

A programme on hydrocarbons should also take account of the risks entailed in these substances.

These risks are the carcinogenicity of hydrocarbons (cf. International Agency for Research on Cancer) and the catastrophic effects of dumping hydrocarbons at sea.

I find no mention of all this in the report, and shall consequently abstain.

(Parliament adopted the resolution)¹

(The sitting was closed at 6.25 p.m.)²

¹ The rapporteur was:
— IN FAVOUR OF Amendment No 1
— AGAINST Amendments Nos 2 to 8, 10, 11.

² Agenda for the next sitting: see Minutes.

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an integral part of the management guidelines, and will therefore help to ensure that the Fund is used fairly and transparently, in accordance with the principles on which the Fund was founded, the lines of the new rules, and the principle of concentrating the use of the Fund's resources. It is, therefore, an important instrument. It is not, however, conceivable that it could, in itself, resolve all the problems of managing the Fund, starting with the problem of its financial resources; they are problems, furthermore, that serious and growing unemployment has made increasingly acute and complex.

We do not have available all the information necessary in order to form a considered opinion on the use of the Fund in 1984, the first year after the reform. Such information as we have, however, gives grounds for concern: it appears clear that there are difficulties in translating the new features introduced by the new rules into action, and it also appears clear that there is a growing tendency, encouraged by the difficulties of the social situation, to turn the Fund into a cash dispenser pure and simple, a supplier of resources that are not always clearly destined to benefit employment, nor always fairly shared out. We must therefore step up our efforts to protect and reinforce the structural characteristics of the Fund, and to guarantee its efficiency, so that it may make an efficient contribution to the fight against unemployment.

I should like to emphasize that it is indispensable, in the first place, for the two instruments of management of the Fund — the guidelines and the statistical machinery — to be really complementary and based on the same logic, so that, operating jointly, they may ensure that, both qualitatively and territorially, the aid is effectively concentrated.

The guidelines at present in force cover a very vast range of types of operation, all of which are classified at the same single level of priority. They do not, therefore, provide that 'sieve' of selective criteria that is essential to enable the Fund to operate on qualitative lines. Under these conditions, the adoption of statistical machinery, however reliable, will not produce satisfactory results, since it will not be sufficient to enable the Fund to operate satisfactorily from the qualitative standpoint.

Is the machinery proposed by the Commission reliable? On this point the Committee on Social Affairs and Employment has shown doubts and reservations, and has even made severe criticisms. I will try very briefly to explain them.

First of all, statistical machinery can be considered reliable when it is based on incontrovertible, comparable, up-to-date data. This condition is not satisfied. The Commission itself recognizes that the statistical data at the Level in question — that is to say, Level III, the sub-regional level — is in some cases inadequate, hardly reliable and not comparable; in some cases it is

unavailable, and it is not up to date. — So much so that the Commission, when giving details of the machinery, was not able to provide a list of zones in descending order of priority.

Reliable, comparable up-to-date data ought to have been available in the autumn of 1984. To date these data are still not available, nor — I presume — will they be in the near future. This difficulty is partly bound up with the choice of Level III, a choice which, moreover, also raises other snags owing to the fact that the size of sub-regions varies appreciably from one Member State to another.

Secondly, for the very reason that it is intended to facilitate the correct and accurate use of the Social Fund, the statistical machinery must be able to represent the true situation as faithfully as possible — a situation that is made up of circumstances that are not static but are continually — and very often rapidly — changing. Above all, it must be able to capture the phenomenon of unemployment in all its scope and complexity. The Commission's proposal, on the other hand, tends to represent it reductively and incompletely. Why, for example, exclude the indicators relating to long-term unemployment and unemployment in areas undergoing industrial and sectoral restructuring? The argument used — that the available data are not reliable — is weak. The Commission considered these data reliable, as least as far as long-term unemployment is concerned, when including them in the geographical selection proposal attached to the decision on the new rules governing the Fund.

And then again: why not take into account 'temporary' unemployment, precarious job situations, and 'hidden' unemployment, which affects wide sectors of the population — especially women — which are considered inactive but are in reality discouraged and pushed into passivity by structural causes, special conditions and sexual discrimination? I realize that, at present, there are insufficient data regarding these situations. That ought to spur us on to up-date our instruments and harmonize our methods of statistical measurement.

It is surprising that the Commission does not limit itself to recording a contingent difficulty, but takes a decision that is not without political significance, accepting and defending, in its Communication, the method of estimation at present used for calculating unemployment; that is to say, to avoid any misunderstanding, the method based on the definition of the so-called 'active' unemployed, which is a restrictive method that does not allow the real situation to be faithfully represented.

Finally, machinery is reliable when it can bring about the concentration of aid in areas where social problems are most acute, and where the difficulties in tackling unemployment are greatest. This is so not only because of the need for fairness and solidarity,

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but also because the existence of pockets of high unemployment acts as a brake — partly because of the cost entailed in terms of social welfare and the assisted economy — on the further development of the 'strong' areas.

Naturally, the criterion of territorial concentration must be adapted to the need to take into account the needs of various Member States, in a balanced view of the management of the Fund. It is important, for purposes of concentration, that the machinery should not tend to minimize territorial dissimilarities in statistical terms, as would be the case if gross domestic product were calculated not on the basis of the rate of exchange but on a purchasing power parity basis.

Dissimilarities are, on the other hand, accurately reflected, partly because, together with traditional differences — the disadvantaged areas — new divergences are appearing within those strong areas as the result of increasingly unequal development, which causes a decline in areas that were previously strong; as the result also of the crisis of important strategic sectors, and, finally, as the result of the growth of youth unemployment, especially in the big cities and metropolitan areas.

The proposal to exclude the absolute priority regions when calculating the gross domestic product is totally unacceptable. The effect of this is to penalize, unfairly, the other regions in the individual countries concerned.

On the basis of these considerations — which I have tried to summarize faithfully, I hope — the Committee on Social Affairs, without pretending to get involved in what are strictly technical appraisals and solutions, has put forward a number of proposals and requirements for adapting the machinery to make it more reliable.

In conclusion, I think I must make it clear that the Commission, whilst emphasizing that its proposal contains the principles that would make it possible to classify priority regions, appears to show a readiness to reconsider the statistical machinery outlined in its Communication.

(Applause)

Mr Avgerinos (S), *draftsman of an opinion for the Committee on Regional Policy and Regional Planning*. — (GR) Mr President, ladies and gentlemen, the object of introducing the statistical mechanism is to provide an overall definition of the mission of the Social Fund in order to ensure the institution's effectiveness. The mechanism proposed by the Commission classifies the Level III regions in descending order of priority in accordance with the method of calculation known as the 'synthetic index'. The aim is to preserve the principle of grouping interventions on the basis of objective socio-economic criteria.

To define the socio-economic situation in each region different criteria may be used such as per capita gross domestic product and the rate of unemployment where a distinction needs to be made between general unemployment, structural unemployment, long-term unemployment and youth unemployment.

The Commission proposes a statistical method with an indicator in which per capita GDP is 30% and unemployment 70%. The latter rate, however, only takes account of youth unemployment and adult unemployment with a weighting of 80% and 20% respectively. This method leaves totally out of account long-term and structural unemployment, that is to say unemployment that affects areas undergoing industrial and sectoral restructuring, as well as underemployment. It has no regard to the European Parliament's resolution of 17 May 1983 calling for the following weightings to be assigned: index of per capita gross domestic product: 50%, index of youth unemployment: 25% and index of adult unemployment: 25%. It leaves out of account the fact that, in calculating the priority indicator, the 70% unemployment weighting represents an under-valuation of the requirements of the remoter regions. We also know that the data used in calculating an indicator, that is to say unemployment and per capita gross domestic product, are not homogeneous and therefore not too reliable, that they are sometimes non-existent, no rare occurrence, as in Belgium for instance where there is no gross domestic product indicator for Level III. Consequently, if in Belgium we use Level II indicators, these will not be very far off the gross domestic product. On the basis of information available on GDP and unemployment, both long-term and structural, the Commission cannot draw up objective and genuine tables of priorities.

We know there is a rivalry between the remoter areas of the Community, where the gross domestic product is small, and the industrial regions, where unemployment is tending to increase. Since none of these areas may be specially favoured, the indicators should be so weighted that the two elements, gross domestic product and unemployment, receive the same specific weighting i.e. should be given equal value, namely 50% in each case.

In its first and second periodic reports on the socio-economic development of Community regions, the Commission introduced the 'synthetic index' measuring the relative gravity of regional problems in the Community in respect of 131 Level II regions. This classification is based on an equal treatment of the two elements and thus meets the request made by the European Parliament. The Regional Policy Committee considers that there is little to be gained from each Fund evaluating the socio-economic situation in the Community regions on the basis of differing methods of assessment. Such a practice implies a lack of coordination between the two Funds.

We consider therefore that it is absolutely necessary to draw up priority tables for an objective utilization of

Avgerinos

appropriations. We reject the statistical method proposed since it takes insufficient account of the interests of more remote regions, and we propose a statistical method that assigns equal value to the two elements, gross domestic product and unemployment. We also feel that the synthetic index measuring the relative severity of regional problems could be improved and represents a sound basis for intervention decisions of the Social and Regional Funds.

Mrs Dury (S). — (*FR*) Mr President, maybe today we shall be doing something useful. I have heard — and the Commissioner will perhaps confirm this — that COREPER itself has asked the Commission to reviews its proposals on the statistical machinery.

My speech for the Socialist Group will of course be unreserved support for the report by Mr Raggio, who has already said why we are somewhat sceptical about the efficiency of the statistical machinery we have been offered. But I still think the Commission is right to propose a system to lay down the criteria for allocation of the Social Fund — and it is particularly necessary in that the management and activities of the Social Fund have to get results again and recover the effectiveness and the credibility it is so sadly lacking.

The question Parliament has to answer is whether the proposed statistical machinery is suitable. We know what the pitfalls of the present system are — the guidelines are badly defined, they are vague and even ambiguous and there are too many applications. We get the impression that choices are made in a more or less arbitrary manner and it is a question of the States fighting over aid from the Fund, which can be a little unhealthy and falsify the aim of the Social Fund itself.

The European Parliament's reply, it has been said, is reserved. I shall remind you of the two criticisms Mr Raggio made — first that, in fact, the statistics are drawn up differently in the different Member States and the survey of the labour force of course has results that are not always reliable. Take the example of the Belgian provinces. For a start, the breakdown of unemployment by sex is not reliable if it has been produced from a survey of the work force.

As to the criteria — if you add those for gross domestic product to those for unemployment, then a certain number of regions will be automatically excluded, although they contain groups of young people without jobs, women seeking qualifications and special groups such as migrant workers and workers wanting further training, particularly in new technology. These regions of course include the big cities. I shall plead for my region, the Brussels area. Look at the GDP and you can see that this is indeed a region that is less affected than the others, but there are still pockets of poverty and pockets of unemployment.

I shall now move on to another problem, long-term unemployment. People have already insisted on this.

The Socialist Group does too. Our statistical machinery should take account of long-term unemployment, which affects young people (who have sometimes been out of work for a long time) and older people alike.

Mr President, of course it is necessary to make choices in the allocation of the Social Fund. We know it is and we ask for the Social Fund to be increased, as it is a useful way of fighting unemployment. It is not the only way, as was said often enough when we discussed the Community budget, but it is still an important incentive for a certain number of schemes and many of the Member States would have been unable to act usefully without it.

I personally think that statistical machinery should not be exclusive or give some regions the impression that they will now be cut right out of the Social Fund system. Besides our statistical machinery — which is of course necessary — we need guidelines and guidelines that are a little more precise and in line with the targets we define. The report we shall soon be looking at on the policy of the Social Fund seems to me to complement the statistical machinery here. I hope the Commission will reassure us by telling us it intends to review this plan for statistical machinery and that it will take the European Parliament's comments into account.

Mr Ciancaglini (PPE). — (*IT*) Mr President, ladies and gentlemen, Mr Commissioner, the Group of the European People's Party supports with interest and conviction the proposal for a new form of statistical machinery to establish the order of priority to be applied when granting European Social Fund assistance to regions, which this Assembly has called for on various occasions.

The Commission's proposal is that much more remarkable if we consider that the Social Fund, which the 1983 reform made into one of the main instruments for promoting employment, has so far functioned with a great deal of uncertainty, on the basis of sometimes vague and not very reliable criteria. The aim of the proposed machinery is in fact to concentrate aid provided by the Social Fund where it appears to be most necessary, on the basis of objective data provided by the interaction of two essential factors — the level of unemployment and gross domestic product.

We support the proposed system of weighting, just as we approve the fact that greater importance is being attached to youth unemployment. For the purposes of the machinery, however, we consider it essential that the GDP should be assessed in its entirety — without, that is, disregarding the data relating to the more disadvantaged regions, which would falsify the purpose of the machinery — and that it should be calculated at current exchange rates. It is also desirable that the machinery should take account of unemployment

Ciancaglini

in regions undergoing industrial and sectoral restructuring. With regard to the geographical units chosen — Level III regions and provinces — the proposed level is acceptable because we cannot, for the time being, agree to the idea of considering, for the purposes of the proposed machinery, even smaller geographical regions, for which we have no very reliable data available.

Many of these points are put forward very clearly in the Raggio report, which thus fills in some of the gaps or omissions contained in the Commission's proposal. On the other hand, I criticize the opinion of the Committee on Regional Policy and Regional Planning, which takes the view that the proposed weighting — 70% level of unemployment and 30% GDP — does not adequately reflect the situation in peripheral areas and the more disadvantaged regions. If any shortcoming in this sense can be detected in the Commission's proposal, it has been completely eliminated by the report adopted by the Committee on Social Affairs, whose aim is to take account in depth of the complex aspects of the true situation — both economic and as regards employment — making an overall appraisal as well as a specific one.

In this connection, I consider it essential to re-affirm the need for greater coordination of the work of the various structural funds, avoiding sporadic and isolated action, which would prove unproductive. All of this should also lead us to reflect seriously on the rôle of the European Social Fund in the '90s, faced with a level of unemployment that shows no sign of decreasing, even despite a certain degree of economic recovery, and the challenge of new technology. No one, undoubtedly, deludes himself that unemployment can be fought by means of the European Social Fund alone. This Parliament has already on many occasions emphasized the need for a global strategy centered on a new stimulus to productive investment, as well as on competition. But it also called for new restructuring where work is concerned, in relation also to the growth of new technology.

If we want to prevent the Social Fund from remaining a sterile instrument of aid, it must finance training programmes that are appropriate to the new needs of the labour market; pilot schemes for the introduction of new technology, for the implementation of formulae for the reorganization of working time. The Social Fund must give priority in its operations to the more disadvantaged categories, particularly the long-term unemployed — structural unemployment, as we call it — which is today becoming permanent unemployment.

Victory in the fight against unemployment will depend on the extent to which we succeed in linking the process of technological innovation with the creation of new jobs for the young and the long-term unemployed, whilst at the same time also reducing working time. This delicate process cannot take place without

the commitment and fruitful collaboration of both sides of industry. Committing the Social Fund responsibly in this field also means improving its management, perfecting and speeding up its procedures, and preventing the already scarce resources of the Fund from being used to make good the deficits of undertakings in the Member States.

In this connection, the question by Mrs Maij-Weggen, on the serious delay in making advance payments from the Social Fund, is most appropriate. This is a problem that concerns the speed and promptness of action of the Fund, and it is one that we must solve if we want this instrument to meet the needs of the labour market.

In conclusion, Mr President, the European Parliament has long since made itself responsible where the European Social Fund is concerned. We now call upon the Commission and the Council to act in conformity with this decision, and to adopt, without delay, the new statistical machinery, on the lines put forward by this Assembly.

Mr Tuckman (ED). — Mr President, on behalf of my group I also want to welcome this report. It addresses itself correctly to the problems and Mr Raggio has done a great deal of hard work on what is an extremely complicated and not all that interesting a problem.

In this very House I once had the doubtful pleasure of having a gentleman come to see me in a committee I was chairing. He said two things. He said he was being asked to fill in too many forms and that he did not get enough information. The poor man was quite unaware that these two statements were connected and that you cannot have the one without the other. That is what we are really troubled with here.

The rapporteur is quite right to complain about the absence of information, but what is not there cannot be used. For instance, he said he would like to see included part-time workers who are unemployed. That is difficult to grasp. His next statement was that he regretted that one could not capture hidden unemployment in the statistics. I would have thought that the very word makes it almost impossible to capture.

That brings me to the real subject of this debate, namely, how can we deal with long-term unemployment? In the Committee on Social Affairs and Employment we had explanations and advice from the Commission. They made it amply clear that this year, 1985, these figures do not exist and cannot be produced. I, therefore, think that this House ought not to ask for long-term unemployment figures to be included now. If they do not exist you cannot use them. What I think might be possible is to sit down with the Commission and decide that by the time of the next review perhaps some mechanism can be created which would capture this long-term unem-

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ployment, which of course ought to be captured. Until we know how much is involved in terms of time, of imposition on citizens, both in companies and privately, how much money would be involved, and how many officials it would require. I really do not think we are in a position to talk about it meaningfully, because it is just a very vague statement.

What my group is really saying is that there is no use making the best the enemy of the good. We have a certain amount of statistical information which guides us to a very large extent. To go and distort these figures now by bringing in imperfect methods of measuring long-term unemployment would be a disservice. In consequence, while we approve of the report, we have tabled a number of amendments designed to get rid of that aspect, namely, trying to make the Commission give us long-term unemployment figures which they do not have and on which they could not give us adequate and reliable statistics.

Mrs Squarcialupi (COM). — (IT) Mr President, our group approves the Raggio report.

In the two minutes that I have available, I should like to make some observations on the need for further development of the methods of statistical survey, so that we can really have an instrument available that is capable of providing a true picture of the situation. We need, in fact, up-to-date statistical methods that will help us to tackle the problem of unemployment in a concrete manner, avoiding making the Social Fund into a 'parking area' where our crisis-embattled economy can take a breather. We need methods that are readily adaptable to the continuous changes in the labour market, not least where the weaker sections are concerned, such as women, immigrants and the whole range of legal or illegal jobs done by many of these sections of the Community.

But in our discussion today we must also urge the Commission — as other Members have already done — to make the operation of the Social Fund more effective through greater coordination with other Community funds and with the structural policies, especially the newest of these, such as those relating to the environment, which have immense job prospects.

In addition, what is called for is an increasingly close link between the Social Fund and a Community employment monitoring centre, without which we are in danger of simply going blindly on. Unfortunately, we have heard on very many occasions that the Commission still does not agree to turn its present statistical and research resources into a monitoring centre proper.

Only on these conditions can we make the Social Fund into an effective instrument for fighting unemployment, instead of just a windshield behind which to hide the regrettable inability of the European Com-

munity to tackle genuine economic recovery and occupy a very different position on the world economic and political scene.

Mrs Larive-Groenendaal (L). — (NL) Mr President, ladies and gentlemen, for several years now the Dutch Ministry of Social Affairs has published a voluminous set of instructions on how to apply for European Social Fund assistance. This is a laudable effort and essential, because, as Mr Tuckman has said, you lose heart if you try to understand all the complicated procedures and obscure criteria. But one thing becomes clear if you read the literature. After the deduction of 38% for the absolute priority regions and 5% for what are known as specific actions, only 57% of the resources remain. But what, ladies and gentlemen, are the criteria that govern the distribution of this 57% among the regions? If anyone knows, let him speak up. The manual I have just referred to says: on an *ad hoc* basis.

Let me give you a few examples from my own country. How is it that Antwerp and Copenhagen, for example, appear on this list but not the large Dutch conurbations, where there are enormous concentrations of unemployed people? Second example: how is it that the Netherlands, which, with 17% unemployment, has the doubtful honour of accounting for 6% of the total unemployment in the Community, was allocated only 2.79% of Fund resources in 1984? In my opinion, it is too easy to say that lax civil servants are to blame for this, as is suggested in this Parliament, since applications easily exceed allocations every year. No, is it not in fact a case of the Commission playing a questionable game, making rough calculations, since there is a lack of clear employment criteria and some of the data used are known only to the Commission?

My group therefore welcomes this proposal for objective statistical machinery, which will at least apply to Level III. In view of the teething troubles and deficiencies to which previous speakers have alluded and the Raggio report rightly refers, such as the absence of indicators of long-term unemployment, the failure to take account of the specific features of urban areas and the lack of satisfactory data on the gross domestic product of three Member States, we can only regard the proposed instrument as a transitional instrument, to which objective statistical data must be added as soon as possible. Once it has been perfected, however, this instrument may become an essential element in our strategy for turning the European Social Fund into a genuine Community instrument for European labour market policy, a structural, cohesive and efficient policy, not just a means of achieving redistribution at national level.

As time is short, Mr President, I shall comment only very briefly on the oral question with debate on the delay in the payment of advances, a subject that is also covered by this debate. As I understand it, most of the

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advances were paid in 1984, and the 1984 financial year will not therefore give rise to any further problems.

But I have a question to ask the Commissioner about the applications for 1985. Article 4 of the implementing regulation requires the Commission to pronounce on these applications within 30 days of the adoption of the budget. Let us say that the 1985 budget is approved in June. The Commission will not therefore be taking its decision until July at the earliest. Will not everyone then be in very serious difficulty where the payment of advances is concerned, because they cannot, of course, be paid until it is known which projects have been approved, and that will not be until July? How does the Commissioner intend to solve this problem?

Mr Flanagan (RDE). — Mr President, on behalf of my group I also wish to thank the rapporteur. I consider that the inclusion of Mrs Maij-Weggen's oral question was timely in view of the delays experienced by Member States in receiving advance payments during 1984.

At the September part-session of Parliament, we said that the greatest challenge facing the Community was unemployment, and we called on all the institutions of the Community to take positive steps to tackle it. During the intervening months, the position has worsened. In my country one in six is now unemployed, so we know to our cost how much the situation has worsened and continues to worsen. It is all the more important since the main instrument for dealing with unemployment at EEC level is the Social Fund. Where there are delays in advance payments, projects are put at risk or, if it comes to the worst, are cancelled.

I am sure that the Commissioner will look after the interests of the already designated priority areas. I do appreciate that 1984 was the first year of the operation of the new Fund and also the fact that at the moment we are operating under the provisional twelfths system. Nevertheless, the Commission can be positive even within this, in having a decision on applications for assistance taken by the spring so that a first batch of payments can be made to meet the needs of at least the priority regions where unemployment is at critical levels, especially among the young.

I fully support the view that some form of comparable statistical method is necessary to establish geographically the order of priority to be applied when granting European Social Fund assistance in areas other than those already having priority status, especially when taking into account the selection of Level III areas in their 700 regions.

The Commission is considering new guidelines for the Social Fund and is rumoured to be intent upon tight-

ening up the guidelines, so it is imperative that nothing be done to worsen the situation of special areas like Ireland.

Finally, Mr President, I look for support for our amendment, which I believe goes to the heart of this problem. The existing resources of the Community are inadequate and have failed to tackle the unemployment crisis in the six absolute priority regions. Unless the resources of the Fund are substantially increased, neither these regions nor the Level III regions of high and long-term unemployment and our industrial and sectoral restructuring will benefit from the desired concentration of aid.

Mr Ulburghs (NI). — (NL) Mr President, of all the Belgian provinces, Limburg has been hardest hit by unemployment. It has the highest rate of population growth in Belgium, and its youth unemployment is consequently among the highest in Europe. I wonder about the criteria governing the granting of Social Fund assistance.

Firstly, what statistics are used to calculate the level of unemployment? Is concealed unemployment included in the calculation? Is account taken of such provisional employment arrangements as the limited temporary scheme (BTK) and the third labour market (DAC) in my country?

Secondly, are the causes of unemployment being investigated, and in particular the structural causes that stem from the economic policy towards backward areas like Limburg? A certain kind of economic development has been encouraged in this area, through the rampant growth of multinational companies, which has been designed to stimulate Limburg's economy in recent decades. This economic policy has made us extremely vulnerable. Local economic initiatives have been destroyed by competition, and the multinational companies move out when they think it necessary and beneficial, as they are doing today.

Thirdly, is allocation governed by really objective criteria or by political criteria? I will give an example. There is an acute housing shortage in my country. This pressing social problem has prompted neighbourhood and tenants' associations to do important work in central Limburg, the mining area. This followed ten years of growing awareness and social organization, in which I was also involved. To our astonishment, we find that the European Social Fund is granting substantial assistance to a powerful socio-political organization which is setting up a rival but ineffectual association for the same tenants and the same area, with the result that this association is making no progress despite the major subsidies it receives.

Finally, what evaluations are made of the results achieved with Social Fund assistance? Can these results be checked both by the European Parliament

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and the committee responsible and by the people directly concerned?

To conclude, Mr President, I should very much like to ask a question about the social education of the areas affected.

Mr Megahy (S). — Mr President, I support the main thrust of the Raggio report, which I think is an excellent report on an extremely important and complicated subject. I think the need for the report represents the dissatisfaction over finding a method to determine the priority to be applied in granting Social Fund aid to the regions and the need to identify priority areas, because, after all, the formula that is chosen will in fact determine the allocation of roughly half the Social Fund's budget. Present priorities would cover something like 64% of the Community, so we need to be more discriminating.

I am not one of those who completely agree with the rather cynical view of statistics as expressed in the phrase that politicians use statistics as a drunken man uses a lamp-post — for support rather than for illumination. Nevertheless, I think that you cannot consider statistical machinery in complete isolation from its effects. The Commission document, in this instance, gives no clear indication as to where the cut-off point would be, and I think it is extremely vague on that point. Mr Raggio has quite rightly pointed to that deficiency.

There are other difficulties as well. There is the question of getting equivalent statistics for Level III regions, and there is, of course, a great deal of dissimilarity between many Level III regions. I think account ought to be taken of that point. For example, in some of the larger Level III regions, it is possible to find black spots which are not reflected in the regional statistics as a whole. Something needs to be done to take account of this when looking at the statistics.

Then, of course, I agree completely with what Mr Raggio says about the major omission — that is, the statistics of long-term unemployment. I realize there are difficulties in getting statistics here, but I would think that was true of the statistics for anything you wanted to measure. There have been various suggestions — for example, that one could look at the unemployed recipients of various types of statutory allowance in an attempt to arrive at comparable statistics.

We have recently had a communication on long-term unemployment, and I wonder what kind of statistics the Member States were using in trying to deal with that problem. We need to define this more closely, as, indeed, we need to consider how we define the unemployed. I think Mr Raggio was right in pointing to this, because, after all, some of the categories we seek to assist under the Social Fund are categories which are not to be found in the definitions given in the

Commission's document. They are what are called 'concealed unemployment', which Mr Raggio quite rightly looked at. These are the kind of people that we seek to give aid to, and I think we need to perfect our statistics in that kind of way.

Finally, I would like to echo the point that has been made about those areas in need of industrial and sectoral restructuring. I welcome the mention that has been made of certain of these areas, but I think it needs to be enlarged in the light of changing conditions.

Mrs Maij-Weggen (PPE). — (NL) Mr President, ladies and gentlemen, today's debate on the statistical machinery has been joined by an oral question on the delay in the payment of advances for approved projects being implemented in 1984. While our first spokesman, Mr Ciancaglini, focused primarily on the statistical machinery in his statement, I shall largely confine myself to explaining my oral question.

This oral question has been put because we Members of Parliament have received many letters and telephone calls expressing concern over the belated approval of projects and payment of funds for these projects. Mrs Larive-Groenendaal's reassuring words, I am sorry to say, are out of place here. I must say that Mr Flanagan was far more successful in putting his finger on the spot. That payments have been made does not in itself mean that everything is in order. These are the facts.

The Fund was reformed in October 1983. The guidelines and statistical machinery of the reformed Fund were adopted in December 1983, and interested parties, in the Member States then had until March 1984 to submit projects for approval. These projects — and this is where the first problem emerges — had to be implemented in the 1984 financial year. Interested parties were thus asked to submit applications in the period mid-February to March for projects which ought really to have begun on 1 January 1984.

The situation was further complicated by the fact that projects were not to be approved until mid-June. This was quite understandable, since the Commission needed the time from March to June, of course, to screen and select projects. But this made things difficult for applicants, because, while they were expected to start projects in January, they could not submit their applications until February or March and could not be certain until June that they would be receiving money from Brussels. Then in June the Commission's services in Brussels encountered difficulties which prevented the final decisions from being taken until the end of July. The applicants did not therefore know until the end of July whether or not their projects would qualify for subsidies. As the decisions were then forwarded through the national governments, most applicants were not sure until August whether or not they would be receiving any money.

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What effect has this situation had? Applicants with enough money in reserve to risk the rejection of their applications began their projects in the early spring. They also forwarded their accounts without delay, in mid-August. But other applicants — small municipalities, private organizations for the handicapped, migrants and women, for example — naturally waited until their projects had been approved. They could not be certain of this until August. They did not therefore begin their projects until August or September, with the result that they could not be completed by 1 January 1985. It is impossible, of course, to compress one-year projects into two or three months. The advances were paid, but only in November and December. This has become a major problem, particularly for applicants who did not begin their projects until very late in the year. I also wonder whether the Commission has acted legally, since the decision states that the money must be disbursed immediately after the decision has been taken. Taking 23 July as the date on which the decisions were taken and November as the month in which payment was made, there was in fact a delay of four to five months.

My first questions have, of course, been answered, since the advances have now been paid, but how many projects started too late or were cancelled altogether because of this situation? At all events, it will not be possible to complete these projects within the set period. Hence my urgent question to the Commissioner, whom I in no way blame since this situation arose before he took office: how are these problems to be solved? How can applicants who began their projects late be certain that they can complete them at the beginning of the next year — that is to say, the beginning of 1985?

It is very important for a solution to be found to this problem. I have heard that various projects have already been cancelled and that people responsible for overseeing projects have been dismissed. This is very poor, because the Social Fund can in fact give the European Community a very good name, and this situation is having the opposite effect. I therefore look forward to hearing the answers to my questions.

Mr Alavanos (COM). — (GR) Mr President, I should like to make the following points.

Firstly, we support the criticisms directed by Mr Ragio and particularly by Mr Avgerinos, who spoke on behalf of the Committee on Regional Policy and Regional Planning, at the fact that the Commission proposals to reduce the GDP weighting of 50%, as proposed by Parliament, to a figure of 30% and at the fact that no account was taken of underemployment, concealed unemployment, etc., which, we argue, cause most hardship in the Community's peripheral regions.

Secondly, we should like to avail ourselves of this opportunity to raise the whole general problem of the

reliability of statistics. Mrs Dury raised the matter in the Belgian context, but in my country also there is a great lack of confidence in statistics, which considerably understate unemployment levels.

Thirdly, we feel that, apart altogether from the problem of the statistical apparatus and other related problems such as, for example, the question of percentages, there is also the larger question of how far programmes financed by the Social Fund should meet the needs of all our countries and not only of the more industrialized countries. According to the figures set out in the Eighteenth General Report of the Commission, Greece, which belongs to the group of regions enjoying absolute priority, receives only 5% of Social Fund aid, while France receives 11%, Ireland 12%, Italy 22% and the United Kingdom 32%. This is an intolerable state of affairs and must be brought to an end.

Mr Chanteric (PPE). — (NL) Mr President, the debate we are having today in fact forms an integral part of a debate that was sparked off some time ago by the communication from the Commission concerning efforts to increase the efficiency of the structural funds.

To ensure that the Social Fund functions fairly and effectively, we have, on the one hand, the guidelines and, on the other, the designation of areas on which Social Fund activities must be concentrated.

It is now proposed that a list should be compiled of the regions, or sub-regions, which are defined as belonging to Level III, although no information is available on many of them. However, what the Commission says in its proposals about data on Belgium being unavailable is not entirely correct. The Commission's proposals wrongly state that data on unemployment in Belgium broken down by sub-region or *arrondissement* are not available. That is not true, and it must be corrected.

Most speakers have called for a fairer and juster approach. But in this European Community that is something that is difficult to define and difficult to achieve. On the one hand, there are the backward areas of the European Community, on the other, the more prosperous regions, many of which are undergoing industrial and sectoral restructuring. Both these categories need help in their present difficult situation.

In the European Community we have in fact two Funds for this purpose: the Regional Fund and the Social Fund. Both have recently been reformed. But we still have the impression that there is a lack of coordination and that it is still not really understood precisely what these two Funds are meant to do. Each has its own aims, but they must also be coordinated in such a way that they can be used to assist the same activities.

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The Commission proposals we are discussing today are therefore inadequate in most respects. They must be amended, and above all they must be made specific so that we can make correct assessments with the help of the new statistics.

Just one more comment to conclude. I have the impression that some Members are inclined to blame the Community for everything that local authorities have omitted to do in the past. When we, for example, hear references to the difficult situation in Brussels, we cannot help thinking that the local authorities have been completely indifferent for some considerable time and that they now want to pass the buck to the Community. We must see the Social Fund as a Community instrument, not as a safety net for situations that have got out of hand at national level.

IN THE CHAIR: MR MØLLER

Vice-President

Mr Filinis (COM). — (*GR*) Mr President, on behalf of the Greek Communist Party I should like to make the following points.

The determination of objective statistical criteria for allocating aid from the Social and Regional Funds is an important step towards a fairer and more efficient distribution of the available resources. Such a step must, however, be taken with great prudence and must meet with the general agreement of all concerned. The Commission's proposals for establishing a statistical mechanism do not seem to fill the bill in this regard. It is clear from the report and from the opinions that the statistical method proposed by the Commission for drawing up a list of priority regions does not take account of certain vital factors or gives them unequal weight. The chief defects of the Commission proposals are the fact that no account is taken of long-term unemployment and that different weightings are given to GDP per capita and unemployment. The proposed mechanism would also exclude urban regions. We in Greece are particularly affected by this omission. The cities of Athens, Piraeus and Saloniki are being ravaged by unemployment, particularly of the young, and poverty and should not simply be ignored in this way. We feel therefore that the decision to exclude these regions must be reconsidered.

We endorse the conclusions and the recommendations outlined in the report and the two opinions and would venture to say that the case of Greece is a clear illustration of the malfunctioning of the Fund's mechanisms.

As the report points out, the amount allocated to our country for dealing with structural problems bears no

relation whatsoever to the gravity of the problems. Furthermore, the fact that the amount was reduced in 1984 as against 1983 is nothing short of ridiculous.

Finally, we are wholeheartedly in agreement with the demand that guidelines be more precisely defined. We also feel that the Commission should work more closely with the national statistical offices and should coordinate the compilation of data in such a way that we can soon hope to have a clearer picture of the regional imbalances and structural problems.

Mr Sutherland, Member of the Commission. — Mr President, ladies and gentlemen, I should like to commence by expressing my gratitude for the contributions, both oral and written, which have been made to this debate, which have been helpful and which, I think, have increased an awareness and understanding of the problem which is being faced.

By way of preface to what I want to say, I should like to point out that the statistical mechanism which we are discussing today is part — though only part — of a process of improving the distribution of the available Fund. The revision of the guidelines in relation to the Social Fund is another important part of the process of improvement to which I refer.

Whilst I must agree with Mr Tuckman's comment that the subject itself is not a particularly enjoyable one, because of its complexity and difficulty, it has to be said that it is a very important subject and, as successive speakers have noted, the purpose of the statistical machinery is to try to create a sense of objectivity in the distribution of the Fund which in itself is desirable. So we are looking for a system which is coherent, equitable, which addresses the problem of unemployment and which concentrates on areas of real need. We are looking for a system which offers the greatest prospect of objectivity where administration is concerned.

When it adopted the texts on the tasks of the European Social Fund, the Council asked the Commission to continue its studies with a view to achieving reliable statistical machinery, taking into account *inter alia* the criterion of GDP per capita. The difficulty, of course, is establishing reliable statistical machinery. Successive speakers have spoken about the desirability of encompassing within the statistical mechanism other factors which cannot and have not been taken into account, but it would indeed have been quite improper and wrong to include those matters if reliable statistical mechanisms were not available to establish objectively the matters in question. The Commission continued its studies, and in close cooperation with the statistical experts of Member States has worked out a method for assessing statistical indicators which provide *reasonably* good — and I do not suggest more than *reasonably* good — comparability between the countries and regions of the Community and an updating of the

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statistical data. There are, of course, anomalies. With any statistical mechanism or in the consideration of any statistical basis in political terms there will be anomalies and difficulties, but it does at least provide an objective basis, which in itself must be considered desirable. The statistical machinery, therefore, should fix the geographical order of priority for the granting of 60% of Fund appropriations, and under Article 7 of the decision on the tasks of the Fund, these appropriations shall be concentrated on operations in respect of employment in other areas of high and long-term unemployment and/or industrial and sectoral restructuring.

The problems which the Commission has had to deal with have been identified in this debate. Its main concern was, of course, to concentrate Fund assistance on the regions most affected by the crisis, outside the super-priority regions. At present 64% — more precisely, 63.6% — of the Community's work force meet the conditions for priority Fund assistance. Eleven percent of the 63.6% are in the higher rate of intervention regions. This figure is clearly too high to allow for adequate concentration on the real pockets which require assistance. The Commission currently is obliged to operate the weighted reduction to the assistance agreed, which is a device which sets a scale for the distribution of funds to each Member State. This situation is clearly undesirable both for the operators, whose applications for assistance are prejudiced, and for the Community, whose funds are scattered over a wide area — too wide an area, having regard to the deserving cases within the Community. The main task of the statistical machinery is, therefore, to concentrate the funds within areas which need and deserve assistance.

In order to define the regions with the severest social and economic problems, it was necessary to define reliable criteria at regional level. One might have preferred a more specific definition of area than the phase 3 or the Level III that has been referred to in this debate; but it is the best available. The best compromise, therefore, between regionalization and reliability for the purposes of the Social Fund was found at regional Level III. Four criteria were established by the Council decision on the tasks of the Fund: high unemployment, long-term unemployment, areas of industrial and sectoral restructuring and gross domestic product per capita. The Commission adopted two criteria: unemployment and GDP per capita.

A number of speakers today have commented on the fact that long-term unemployment should be taken into account and that the areas of industrial and sectoral restructuring should be included in some way in the statistical machinery. The Commission accepts the importance of both of these factors. The difficulty is that integration of these data into the system is not presently possible, simply because the statistics are not available. The work, therefore, of establishing these statistics will take some time and is continuing.

Three of the criteria requested by the Council are in a sense, however, contained in the temporarily adjusted machinery. Long-term unemployment is implicitly present in the sense that the areas of high unemployment, restructuring and low GDP per capita are also the areas showing the highest intensity of endemic unemployment. In addition, long-term unemployment affects a large number of young people, and by making provision on a massive scale for youth unemployment, which, as successive speakers have pointed out, is part of the present machinery, the Commission feels that it is doing its utmost by means of the Social Fund to ease the situation which must cause the greatest concern. One out of every four young persons in the Community is unemployed, and in some Member States the percentage reaches or exceeds 40%.

These considerations lead me to the last problem the Commission had to solve, which was the weighting to be applied to the data within the machinery. The weight placed on youth unemployment is a product of justice and reason — justice because the young, who have asked nothing better than to work, must be given that opportunity, and reason because it is a question of the Community's future that we are talking about, which must at all costs be safeguarded. The young are the hope of the future, in new technologies in particular. They are the ones capable of restructuring European industry in a way to make it more competitive. I know that during the consultation procedure your Parliament requested a 50% weighting of GDP per capita in the machinery, but the Commission considers that youth unemployment must have priority, and the rules of the Social Fund state that 75% of Fund appropriations must concern operations to promote youth employment. This was taken into account by the Commission in working out the machinery by which priority is given to regions with high youth unemployment.

The Commission has thus done its best to comply with the mandate given to it by the Council after consultations with Parliament. It acknowledges that the machinery to be applied is not perfect, that there are problems with it, that matters can be improved. The Commission intends to supplement the list of priority regions, which are defined by the machinery on the basis solely of unemployment and GDP per capita, with a list of the non-quota regions of the European Regional Development Fund and the ECSC list of areas of reconversion. This supplementing will have the effect of taking into account two of the matters which have been referred to by successive speakers.

The Commission would contend, therefore, that it has done as best it can in the light of the reliable statistics available the job of providing an objective criterion for the disbursement of the Social Fund. This statistical mechanism will be married into the operation of guidelines which are currently under review and which can, we hope, supply an objective and clear demon-

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stration of the proper and best way to apply the funds available.

I should like to refer now to Mrs Maij-Weggen's question which forms part of this debate. The Commission is aware that delays in the payments of advances can create problems for certain bodies and that there have been delays. The delays in the payment of advances in 1984 can be attributed mainly to the budgetary situation. This was the main reason why, although the Commission had adopted its approval decision on 23 July 1984, commitments in respect of these approvals could not be entered into the accounts until three months later. When it became possible to enter these sums in the accounts, which was at the end of October 1984, the supplementary budget having been adopted on 25 October 1984, other changes had arisen in the meantime with respect to the amounts initially requested and approved. It became necessary to amend the approval decision of 23 July 1984, mainly in order to distribute the new resources released as a result of numerous refunds and changes recorded by the Social Fund services. Further, any measures designed to increase Social Fund assistance in respect of certain applications, as a result of an amended approval decision, cannot be carried out until the Member States have been consulted. Because of the demands of one Member State, consultation could not be completed until the end of November 1984. This did create problems, which have been properly adverted to by Mrs Maij-Weggen. However, bearing these difficulties in mind and the last-minute changes to which I have referred, the advances were finally paid in batches and entered into the accounts of the Social Fund between 20 November 1984 and 27 December 1984, which gave rise to the problem which has been referred to by both Mr Flanagan and Mrs Maij-Weggen.

In all, the amounts released following refunds and other changes since the original decision of 23 July 1984 represented 60 million ECU. Of this amount, which was divided amongst the applications for assistance, under budget items where there was a shortage of commitment of appropriations, some 55 million ECU were the product of refunds on commitments entered into in the same year. On the basis of these figures it would be foolhardy to deduce that the volume of operations postponed or cancelled as a result of the delay in the payment of advances corresponds to about 55 million ECU. This is because nearly all these refunds were attributable to a single Member State and also because no similar data are available from previous years to enable a proper comparison and analysis to be made. All that can be said with any certainty is that refunds by the Member States against commitments entered into in the same financial year have been a constant factor in the administration of the Social Fund.

Further, the relatively high level of these refunds in 1984 can be attributed partly to the consequences of

changes in the Social Fund operating rules following the revision of the rules in force in 1984. In practice the appropriations refunded were fully re-utilized, being used to increase Social Fund assistance for certain operations which had been subjected to the application of linear or weighted reductions because of a shortage of commitment appropriations.

The problem which was identified is a real one, and under the rules it has to be said that it is not possible to give assistance to projects which were not carried out in 1984. This is a regrettable consequence of the delay in the budgetary approval, and that is the essential problem which caused the difficulties adverted to in the course of this debate.

I was asked also whether advances on the Social Fund would be paid in 1985 on time. Given that we have a problem with the 1985 budget of the Community, we shall, I am afraid, be unable to avoid some difficulties with Social Fund payments. However, within the constraints of the situation, the Commission will endeavour to make the disbursements as rapidly as possible. Once the Commission has approved some of the applications for 1985 Fund assistance, probably in March, the Commission will take a partial decision to make advance payments insofar as the system of one-twelfths permits. On the assumption that the Community will have an agreed 1985 budget in June, it should be possible to arrange for further advance payments by July. Otherwise a second decision will have to be taken in July pending final resolution of the budgetary situation.

In conclusion, I would like to thank those who have contributed to this debate, which I think has been helpful. I would ask the Parliament to bear in mind that notwithstanding the fact that the system proposed has imperfections and does not provide a perfect solution to the problems of distribution in an objective, clear and reasonable way, it is the best available means having regard to imperfections in statistical machinery in respect of the areas with which we are concerned and the concentration with which one can associate disbursements with the areas in real difficulties within the Community.

President. — The debate is closed. The vote will be taken at the next voting-time.

3. *Agricultural prices 1985-86*

President. — The next item is a joint debate on

- a statement by Mr Andriessen, Vice-President of the Commission, on agricultural prices; and
- the oral question, with debate, by Mr Woltjer and others, on behalf of the Socialist Group, to the Commission (2-1455/84):

President

Subject: Statement by the Ministers for Agriculture of Belgium, Germany, the Netherlands and the United Kingdom on the date for payment of the superlevy

1. Can the Commission state whether the Ministers for Agriculture of the Member States are entitled to take autonomous decisions on the date for payment of the superlevy?
2. If the Ministers are not entitled to do this, can the Commission state what means, other than bringing a case before the Court of Justice, it will employ to compel the Member States concerned to comply at an early date with the implementing provisions to be upheld by the Commission?
3. Does the Commission share the concern that this open rebellion against the powers granted to the Commission could have serious repercussions in the future for the administration of the entire European agricultural policy?

Mr Andriessen, Vice-President of the Commission. — (NL) Mr President, the Commission two weeks ago adopted its proposals for agricultural prices for the coming season.

This is one of the most important dossiers which a new Commission has to handle. We laid ourselves out to put our proposals forward before the end of January — in record time, I might say — in order to enable Parliament to give its opinion in good time and the Council to reach a decision by 1 April in accordance with its obligations.

As soon as the Commission had taken its decisions, I informed first President Pflimlin, then the Committee on Agriculture, Fisheries and Food. That was about a fortnight ago. Since, naturally, many details concerning the Commission's decisions have already reached you through the usual channels, I will confine myself today to a few general and political aspects of the problem. Let me first summarize them.

For most products, we propose price-changes of between 0 and +2%; but for certain products where the guarantee threshold has been exceeded or where the market situation is very difficult, we propose price reductions.

Of course I am aware that these proposals are difficult, particularly for those affected; but I am convinced that they are realistic. And I believe that those who have condemned them — sometimes, I must say, in somewhat exaggerated terms — are making a profound and dangerous error. They are making an error because they confuse what is desirable with what is possible, and that seems to me, in politics — and that is what we are concerned with here — an easy but dangerous course. It is easy to say that agricultural

prices should keep pace with inflation or even rise faster, but how can price increases be justified for so many products that are in surplus, products which it is extraordinarily difficult to sell on the market? How can we handle the consequences of a further deterioration in the market balance?

It is easy to say that the Commission should have invented new solutions which would have obviated the need for a restrictive price policy; but what *are* the magic solutions facing Europe's agricultural policy, not only now but in the near future? During the few weeks that I have so far borne this new responsibility, I have had talks with those concerned, and I must tell you that they have not provided any magic solutions, nor has my first meeting — perhaps I should say, confrontation — with the Committee on Agriculture, Fisheries and Food of this Parliament. That is not to say, of course, that a serious effort need not be made to find and open up new approaches: I am prepared to do so and have already taken the first preparatory measures that are required for their organization, but one cannot expect to find a solution to these extraordinarily complicated problems in a matter of three weeks.

Mr President, I take the liberty of urging Parliament, when dealing with this difficult and delicate question of prices, to take as its point of departure policy lines which have been used in the past and have already found wide support among its Members. Last year, the Council adopted new guidelines for the common agricultural policy, including the application of guarantee thresholds, and a prudent price policy. Those guidelines were based on proposals of the Commission, which, as I say, Parliament itself supported. This Commission has kept to this line consistently. Perhaps, after the reactions that have been forthcoming, I should say that we have had the courage to act in accordance with these guidelines, and I hope that those responsible for policy in the Community — Parliament as well as the Council of Ministers — will not depart from the policy that they themselves have laid down.

I offer a specific example of what I mean. The market regulation for cereals says that, if the guarantee threshold is exceeded, the price must be abated in the following season. Well now, we had a record harvest in 1984-85; a record harvest can only result in the necessity of lowering prices in a subsequent season; and that is what the Commission now proposes. It therefore cannot be maintained that such a proposal on the Commission's part comes as an error. Indeed, let me remind you that we propose a net reduction of 3.6% instead of the 5% which the regulation permits of the full 8% which, strictly, should have been applied if there had been no limit laid down in the regulation and if we had taken the actual harvest levels of last year into consideration. In this situation, Mr President, who would seriously suggest that the prices of cereals should be increased?

Andriessen

I should like, if I may, to present four points which the Commission has borne in mind when drawing up its proposals.

First, the market situation. Parliament knows how difficult this is for many products. We are more than self-sufficient in practically all sectors. In many sectors, stocks are very high. But for sectors where the Community is still deficient, we have proposed, albeit moderate, price increases. I will name a few instances: cotton, soya, some vegetables, sheepmeat and even olive-oil.

Second, agricultural incomes. Last year, according to the best information at present available to the Commission, agricultural incomes in the Community increased by about 4% in real terms, after taking account of inflation. That is not a bad result, compared with many sectors of the Community's economy. It goes without saying that that one figure conceals differences, considerable differences, ranging from a negative result in certain sectors such as milk to an extremely good result for others such as cereals. That is why we consider a price reduction for cereals to be justified while proposing a price increase of 1.5% for milk. Together with a reduction of one point in the co-responsibility levy, that means a net increase in returns of 2.5% — and this for a sector where the level of production quotas still greatly exceeds what the market can absorb at full prices.

Third, the unity of the market. We propose to eliminate the negative MCAs for France and Greece and to reduce — albeit to a very small extent — the positive MCAs for Germany and the Netherlands. The position to be taken up by the Commission with regard to the currently existing negative MCAs in the United Kingdom will be determined in the light of circumstances obtaining at the time.

Fourth, the budget — and I take the budget last because the Commission's proposals are not primarily determined by current budgetary limits. Even if there were *no* budgetary problems, the Commission would have to take the line that it is taking. That is a matter of common sense as regards, for example, those types of vegetables and fruit of which large quantities have to be taken out of the market — we discussed this earlier this year — or varieties of tobacco which can hardly find a market at any price. Here, prices must be reduced.

As regards the 1985 budget itself, I have informed the Committee on Agriculture, Fisheries and Food that we now reckon that the total needs of the Guarantee Section will come very close to 20 000 million ECU. I understand that under an item to come later on the agenda we shall be dealing further with these budgetary problems, so I will not go into the matter any deeper for the moment.

One thing is certain, and that is that the amount we now estimate for 1985 is substantially more than the

19 300 million ECU figuring in the Commission's preliminary draft budget and very much more than the 18 000 million ECU to which the Council has so far agreed. In the light of this, I think no one can well maintain that our price proposals are primarily dictated by budgetary limits.

So much, Mr President, for the presentation of agricultural prices.

This debate includes an oral question by Mr Woltjer on the implementation of the milk quotas system. Parliament is, of course, aware that we have already, on two occasions, had an exchange of views on the problems raised in Mr Woltjer's question, the first occasion being the statement I made on behalf of the Commission during the December part-session and the other the last part-session, when I made a statement which gave rise to an unusually lively debate on this subject.

For the moment, I have little to add to what I said then. The Commission's proposals to the Council designed to introduce some administrative flexibility into the implementation of the system are now being studied in the Council, but I must say that the progress I should have liked to see has not yet been achieved. I wish to take this opportunity, however, of saying that in the Commission's view this interim operation is not the proper occasion for meddling with the system and that I am therefore not prepared to take into consideration any far-reaching suggestions from Member States in connection with these proposals.

Secondly, proceedings for incorrect implementation or even complete failure to implement the system are continuing in accordance with the normal procedures. This means that the Commission is proceeding with the steps required to draw the legal consequences from the fact that a number of Member States have failed to introduce the system correctly. Now that a number of amending proposals have been submitted, it is the Commission's intention to postpone somewhat the payments due on 15 February next in order, in connection with these payments, to take account of the amendments which, we hope, will have been adopted in the meantime, and of the implications that they are designed to have for these payments. This the Commission considers a logical result of the strategy it has adopted on these problems.

That, Mr President, is how things stand. After the Council meeting of Ministers of Agriculture which is to be held towards the end of February — that is to say, though I am quoting from memory, on 24 or 25 February — it should be possible to give further information on this subject either to the next meeting of the Committee on Agriculture, Fisheries and Food or to the European Parliament at its March part-session.

(Applause)

Mr Woltjer (S). — (NL) Mr President, I will begin by saying that it seems strange to link my question on the collection of the superlevy and the price proposals presented by Commissioner Andriessen, since we discussed this subject at length last month, even if we were only considering a statement and not having a real debate. We were only allowed to ask questions, which caused something of a problem at the time. My questions were raised as long ago as December and specifically concerned the credibility which the common agricultural policy still enjoys. This was also why I felt bound to respect the Bureau's decision to have a debate on the subject after all, since I believe this question is highly important in the context of these price proposals. On behalf of my group, I, too, should like to consider the political aspects of the price proposals and refrain from expressing our views on the practical aspects at this stage. We shall have a chance to do that in March.

In our assessment of the price proposals we apply three criteria, which we regard as essential and which we shall also use to evaluate the price proposals. The first criterion is this: how far do these price proposals help to restore balance in the market and make for the more efficient use of resources? In the last five years, my group has always placed the emphasis in its discussions on the restoration of balance in the market, even when considering price proposals. In the early 1980s, we explicitly stated that the restoration of balance in the market and the price proposals were inseparable, that these two subjects must be discussed together because what we have here is a Community instrument. Prices are used both to restore balance in the market and to ensure reasonable incomes. These two goals are always linked. That is a fact, and it has come in for some criticism. We have also done our best to delink the two aspects in the milk sector for example, to introduce another instrument, the quota and after a great deal of discussion we succeeded. But, Mr President, in other sectors there has been no delinking whatsoever, and a single instrument is therefore clearly being used both to restore balance in the market and to ensure reasonable incomes, and that is consequently the subject we must consider.

If we now consider the restoration of balance in the market — and I said this in the Committee on Agriculture — I believe it is true to say that the Commission has been consistent in this respect, since it has not tried to make a mere formality of the line indicated by the Council of Ministers last year but has abided rigidly by it in the proposals now before us. In this respect the Commission has indeed had the courage to do what it had to do. It has my support in this, as it had in the Committee on Agriculture. If the intention is to use prices to restore balance in the market, then so be it.

But I must say to the Commissioner that certain doubts have arisen in my mind since the interview that was reported in yesterday's issue of the Dutch newspaper the *Volkskrant*. He is reported as saying all of a

sudden that in the longer term he may well consider using another instrument, the co-responsibility levy. All I can say is that we shall then be making the old mistake again. Take a look at the debates we have had on this in Parliament in the past. The Council said such and such, the Commission held its ground for a while, and then came an alternative, a glimmer of light. Finally the Council decided not to discuss the matter any more that year and to make use of the new ray of hope the next. I am afraid, Mr Commissioner, that, if you now start talking about the possibility of introducing a co-responsibility levy in the cereals sector, you will achieve precisely what you did not want to achieve, gathering from what you have said: the Council will this year defer the reduction in the price of cereals and decide to introduce a co-responsibility levy next year. This is what happened with the superlevy when it came to fixing prices — as you will find if you look at the records — when Commissioner Gundelach came forward with his proposals for the superlevy. In this area in particular we adopted the wrong course of action, and we are in danger of doing the same again. I say this as a warning, not as some kind of prediction. But I issue this warning nonetheless, because you in fact did the same in the interview you gave.

Mr President, I should like to refer to another factor in this connection. We have already said that what is needed is both a consistent policy and the more efficient use of resources. By this I mean not only that fraud must be prevented but also that we must stop resources being used inappropriately and in fact wrongly according to the regulations where they can be used far more efficiently. I will give an example to illustrate what I mean. In the milk sector we have proposals for special marketing campaigns, which are extremely expensive. It is said that enormous amounts of money should be spent on marketing, whereas this money could be used far more efficiently and, for the farmers, far more attractively by introducing a Community arrangement to help them to reduce quotas and so give them some support. This money will then have a direct effect, which will increase its efficiency.

The second criterion we apply — and this brings me back to my question — is the credibility of the policy and our fight against renationalization, an important aspect and one I wish to emphasize here. When Ministers openly state that they do not intend to observe rules laid down by the Commission, in areas where it has the requisite authority, there is something really wrong and the policy loses all credibility. All I can say on this point is what I see happening in practice: the debate on the credibility of the common agricultural policy is spreading. I can only urge the Commission to do precisely what is needed to bring the common agricultural policy back under control, to be tough. If the Commission says that it is not going to collect the superlevy on 15 February and so in fact takes advantage of the proposed relaxation, which, as you know, the Council is considering very carefully, I think it will

Woltjer

be calling the credibility of the agricultural policy into question more than it has done in the past.

Another factor I want to underline is the tendency towards renationalization now much in evidence. Mr President, we know — we have discussed it at length here in Parliament — what has happened in Germany, but I could equally point the finger at other Member States that are taking the same line. If you follow the debates in the national parliaments of various Member States, you will detect a growing tendency towards renationalization. If, it is said, there is no more money in Europe, we will spend our own. This means that the agricultural policy is no longer determined here but in the Member States. This tendency means that, while you nominally have an important portfolio as a Commissioner, you will very soon be prevented from giving it any substance because the Member States will themselves assume responsibility for social policy, incomes policy and structural policy and want to implement them again at national level, and it is a tendency that must be stopped. In this respect, I feel your proposals lack something.

Our last criterion is this: if a price policy is used to achieve balance in the market, it should be joined by a social policy. You may talk about a magic policy — a rather picturesque word, Mr Commissioner — but I say you would do far better to come forward with very down-to-earth proposals. We have often discussed this in Parliament in the past. My group can be proud of the fact that it has taken the lead in any action in this direction, that it has not been tempted to seek higher prices on every occasion but asked itself precisely where the common agricultural policy's problems lie. They are in fact the problems facing the south and the confrontation between north and south, they are the problems facing smaller farms, they are the problems raised by higher inflation in some areas than in others, they are the problems with which the mountain regions and backward areas have to contend. If these problems can be defined, why not formulate a policy specifically designed to tackle them, not on a global basis with price increases but with stringent and direct measures, aimed specifically at these problems?

Let me give just one example of this. As the Commission has again referred to 120m ECU for the milk sector and has again acknowledged that something must be done for small dairy farmers, I simply wonder in a very down-to-earth way — there is nothing magic about this — why this proposal, this package now before us, cannot be extended to include other sectors, why the amount cannot be increased so that the problems that have emerged in those sectors can be alleviated with direct measures. This would make your policy credible, which is what you now want, to the benefit of the farmers and areas we are discussing.

Mr President, if this is not tackled at European level, it will be done at national level, and I have already referred to the serious matter for renationalization. If

you do not manage to prevent this, Mr Commissioner, there will come a time when you no longer have a common agricultural policy because it will have been transferred to the Member States, which will again do as they please. We must prevent this, and we of the Socialist Group intend to do what we can in this respect.

(Applause)

President. — I have received from Mr de la Malène and others, on behalf of the EDA Group, with request for an early vote pursuant to Rule 42(5), a motion for a resolution to wind up the debate on the oral question.

The vote on the request for an early vote will be taken at the end of the debate.

Mr Thareau (S). — *(FR)* Mr President, Mr Commissioner, the Americans denounced the GATT milk products agreement on 13 December 1984 and over the past weeks they have been reducing aid to their farmers, bringing about bankruptcies in America and forcing down prices on the world markets. All external markets are going to go through an extremely difficult period. So if we are going to have difficulties in the year that is about to begin, what sort of agriculture should we have in Europe to cope with them? That is the real question.

The first-class report that the Commission produces on agriculture in the Community every year, and particularly pages 123 to 138, gives us the results of Community agriculture — the average incomes dropped between 1976 and 1981 and, although they have improved since, they still have not caught up. But most importantly, the disparity between the farmers has increased constantly and the gaps have widened from 1 to 20!

The average income for 1984, which in fact improved, includes decapitalization. Take the example of my country, France, where more than 18% more cows were slaughtered in the second half of 1984 as compared with the second half of 1983. And you call that an agricultural income in your European accounts, when the cows are no longer there to produce anything.

During the January part-session, Jacques Delors stressed the need for an agricultural policy in the EEC and, only this morning, Mr Andriessen came and talked to us about prices without any reference to the Commission report I have just mentioned or the Treaty of Rome or what the President of the Commission said. He proposes prices regardless of the inequalities that exist and without any specific scheme for products in difficulty. He takes no account of farm incomes or the jobs lost as a result and offers us no change in structural or social aspects.

Thareau

A common agricultural policy should take account of the Community preference — derogations from which cost the EAGGF an average of a third of its budget every year — and we want to make the European farmers alone shoulder the burden of the problems of the world market! The common agricultural policy should control the volume of production and see that prices, assessed on a product-by-product basis, keep pace with inflation. It should pay greater attention to allied measures, to the machinery and the levels of intervention and the time taken to make payments. And it should, as of course someone has to pay, take account of the differences between the payers.

The CAP should also mean striking a fresh balance between the regions in the north and south of Europe. It should mean promoting the underprivileged regions and changing the rules to help Mediterranean productions and regions with the guidance section of the EAGGF. We are told about the need for fresh balance and the fundamental social role played by the farmers in the life of the regions, but the proposals do not follow.

The European Parliament has given its opinion on guidelines for a new structural policy on a number of occasions. Everyone seems to realize what is at stake, but as soon as the financial side of things comes up, national interests get the upper hand and block the dynamic policy we are waiting for. The gap between northern and southern Europe, between the favoured and the unfavoured regions, is getting wider all the time. The price proposals do not contain any socio-structural rules that can cope with the needs. They will worsen a situation which could well become irreversible.

The Commission proposals, through the regulation on the effectiveness of the structures, are ambitious. They include aid for small and medium-sized concerns and they introduce a ceiling rather than a threshold, thereby allowing us to hope that a disastrous policy, the exacerbated productivism of the development plans, will be abandoned. They aim to help young people set up in agriculture, thereby showing that the Community has at last recognized the need for young people to go into farming and stresses their importance. We also note that there are many other interesting measures, such as assistance for replacement services and management services.

But these agricultural programmes need more coherence. We still believe in the integrated Mediterranean programmes. All the structural programmes that we want must include price fixing, as part of an overall scheme, and we shall not be able to discuss the CAP if we are now agreeing to backtrack on the spirit of the Treaty of Rome.

Mr Bocklet (PPE). — (DE) Mr President, ladies and gentlemen. First of all I should like to thank Commis-

sioner Andriessen for coming here today and outlining his farm price proposals to the House, although I cannot altogether thank him for their content, since on a number of matters we disagree with him. We shall talk about the details in March, so for the moment I should like to concentrate on Mr Andriessen's principal remarks.

At present three things are required of Community agricultural policy: firstly the problem of surpluses must be solved, secondly farmers' incomes must be guaranteed and thirdly the cost of the agricultural policy must be drastically curtailed. Anyone who considers these three things together knows how hard it will be to find a solution. I would add that it is the failure hitherto of those with political responsibility to take any action which has brought us to this state. Consequently we are glad now to see anything at all being done. Nevertheless, in my view and in that of my Group, in many areas the wrong thing is being done. If I may be allowed a preliminary observation: those who call today for budgetary discipline must accept that the mistakes of the past must be paid for but must not be made good at the expense of the farmers.

In reply to a number of comments I would say that the most important aim of the common agricultural policy for the moment — in the interest both of farmers and consumers — is to reduce surpluses. We agree with the Commission on this and we can also say how the quantities to be secured can be defined. They are dictated by four requirements: firstly, adequate supplies for our own population; secondly, a safety reserve; thirdly, the amount we can sell on world markets and fourthly, the amount we need for food aid. But — and here we disagree with the Commission — the cutting back of surpluses must not penalize the farmers. We thus oppose any policy of putting pressure on prices, trying to reduce production by cutting prices, because this would endanger the livelihood of hundreds of thousands of farmers and would even spell the end for many of them.

We want to limit surplus production by limiting price guarantees — as in the case of milk or sugar — in all cases where we are able, because of the situation of the production process, to introduce a quota system. Where we cannot introduce a quota system we should seek a solution by switching intervention to other quality criteria or by creating incentives to switch production to other sectors. This is the case with cereals, for example.

For us Christian Democrats, prices policy remains the basis which guarantees a fair income for farmers. This means that we also say yes to an active policy on prices, albeit within the limits of the market conditions. This too I must add.

We are also quite aware that, in view of the differing structures existing within this Community, we shall

Bocklet

not make progress by prices policy alone. We are thus in favour of income supplements, like those we already have in the programme for hill farmers in disadvantaged regions. We favour income supplements for ecological reasons also and to maintain a certain management and rural structure, so that the smaller farms and holdings can survive. I say this for very specific reasons: with twelve million unemployed in this Community, every farmer we force to leave the land is one man more on the dole! This is something we cannot accept.

Two brief observations in conclusion. We want to see the Community's agricultural policy applied at European level with greater attention being paid to the protection of the environment. We want a reconciliation between environmental protection and agricultural policy and we want the system of Community preferences, to which the Commissioner has amazingly made no reference at all even though it is one of the three pillars of the CAP, to be taken more seriously. We believe that the Commission's proposals are too technocratic and too indifferent to the fate of hundreds of thousands of families. We thus reject this attempt at a solution and ask the Commission to give positive signals for the Community's agricultural policy.

IN THE CHAIR: MR PLASKOVITIS

Vice-President

Mr Provan (ED). — Mr President, I should like to thank the Commissioner for the statement he has made to the House this morning. We as a group welcome the proposals he is bringing forward in the price package for the agricultural sector this year. We believe he is being courageous in flying a flag and trying to show the industry that change has to come.

We realize, however, that the proposals he has come forward with will probably increase production for this year, and that is not really in the Community's interests. It will mean the supply of greater surpluses, and we realize, too, as he has pointed out himself, that it will have some severe budgetary consequences for the Community.

I have to say to Parliament this morning that if we as a parliament are sincere in wanting to increase our budgetary influence in the Community, we must behave responsibly, and we must behave responsibly on budgetary discipline. I hope that the Commission will use these price proposals as a flag-waving exercise and that they will go out and emphasize to the farming industry what is likely to come in the future. I believe the agricultural sector is looking for leadership and will respond to leadership, and I say to you this morn-

ing, Mr Commissioner, that we as a group believe that you have the courage to do it and we will give you the support that we believe is necessary.

As far as the Council is concerned, we believe that they are really the body that must take the ultimate decisions and that they must bite the bullet. For too long the Ministers of Agriculture have met inflated agricultural prices and brought this crisis upon the European Community. It is up to them to take the responsibility as well, and they must face reality and make certain that they carry the can. It will be difficult for them to go back and say that they have to re-trench. But that is the story they have to get across.

We see these proposals for this year, therefore, as a holding operation. It is no more than that. It is a holding operation to allow the agricultural sector to adjust itself to the changed circumstances that we now face. We know the budgetary consequences, and I believe the farmers know the budgetary consequences. Let no one say in future, therefore, that there is going to be a sudden arrival of change in the agricultural policy of the Community — as they said about the application of quotas. We know in this House that Mr Gundelach, when he was Commissioner in 1979, said there would have to be great restriction on the output of milk in the Community. Yet the industry chose to ignore it. Let us hope that the agricultural industry is big enough to realize the messages that are now conveyed in your price proposals for this year, Commissioner. Let us hope they realize that they must adjust, and let us hope they realize that you will be coming forward with other proposals in the future. It would be wrong to encourage destabilization in the agricultural industry and the rural areas, and we welcome, therefore, the proposals that you have come forward with, as I say, as a holding operation.

As far as cereals are concerned, we believe that the 3.6% cut is not great enough. We believe as a group that we shall be facing severe problems with the United States as far as cereal marketing is concerned, and that the proposals you have come forward with should, in fact, have been slightly greater. But we realize, as I say, the consequences that could have been inflicted on the sector if they had been greater. We hope that the indications you have given us this morning in your remarks about a possible 8% cut will go out and be recognized by the cereal producers. They must also recognize that with the record harvest we have had this year and with the three-year average for the threshold, that record harvest will be around for another two years as a result of these price proposals and that the likely threshold cut in future may be greater than what you have brought forward this year.

As far as milk is concerned, production still exceeds consumption by 14%, and a price-freeze, we believe, would have been more appropriate. Something should have been done regarding the removal of the co-responsibility levy, because it appears that those who have

Provan

cooperated in the application of the quota system are in fact still being inflicted with the co-responsibility levy, and that is not fair and just. Having said that, we welcome the greater flexibility that you are proposing, and here, too, we will support you.

However, there is a problem, as far as my country in particular is concerned, with the beef premium scheme, which you propose to abolish. It should be seen as a consumer subsidy, and anything you do to increase the price of beef will cut consumption and put more beef into intervention and storage. That cannot be right. We want to consume what we produce, and we should be encouraging consumption. There are figures available which show quite clearly that in the European Community the meat diet has been reduced by 6½% in the last five years. The UK story is slightly different. We have maintained consumption, and I think it is reasonable to suggest that it is the variable premium that has allowed this to happen.

There are many other aspects that we could talk about this morning, but let us not encourage destabilization of the rural areas. Let us have a smooth transition to the changed circumstances that face the industry. Let us be courageous and let the industry respond to your lead!

Mr Pranchère (COM). — (FR) On 14 January, Mr Delors, with his hand on his heart, told this House how much the farmers needed to believe in Europe. These fine words vanished when the Commission's price proposals were announced.

After the bad decisions of the European Councils of Fontainebleau and Dublin, these proposals constitute veritable provocation as far as the farmers are concerned. If they were sanctified as they stand by the Ministers, they would mean a 4-6% drop in farm incomes in all the countries of the EEC. That is quite intolerable!

All the producers are affected to varying degrees. The Commission's sights are on cereals and it wants to bring down prices once again to leave the ground clear for the USA on the world market. The milk producers, who are already heavily penalized by the quotas, are going to have another screw turned with a further authoritarian reduction of their output. Animal farmers, who saw a serious drop in their income in 1984, get no facts and no feelings from the Commission — beef and veal, sheepmeat and pigmeat all get nothing. And let us not forget the wine growers, who are in the same boat.

It is not these products that should get nothing, Mr Commissioner, it is you! Your proposals are such an insult to the farmers that you ought to get a vote of censure from this House! The drop in the prices of fruit and vegetables and citrus fruit, which may be as much as 6%, is indicative of the way Brussels is pre-

paring for enlargement — at the lowest possible price, making vast cuts in the already inadequate projections for the Mediterranean productions. A funny way of balancing north and south. The Commission makes no secret of its intentions either, as I note this justification for the 6% cut in citrus fruit prices — this will certainly encourage the producers to use the reconversion measures provided, it says. What reconversion? To oil-seeds or protein foods, while, in spite of a major shortfall in the EEC, they are penalized with a guarantee threshold and a price reduction? I shall not go into the problem any further today. When Unicef says that one child in the world dies of hunger every two seconds, is it tolerable for the Commission to work at reducing our agricultural potential? This is the kingdom of Ubu and Kafka combined.

Mr Commissioner, your statements before the Committee on Agriculture recently created a real 'bronca', as we say in southern France, an expression of the farmers' discontent, which can only get greater. In an attempt to tone down the effect and the shock of your proposals, you announce a serious discussion on the future of the CAP. If you really wanted to, you could have started certain things now. But you didn't. And worse, some of your old proposals, such as the tax on oils and fats — worth 600 million ECU, I would remind you — and the restrictions on substitute products, have been dropped.

As European Parliament *rapporteur* on agricultural prices, I cannot accept your proposals and I shall fight them in the report I shall be submitting to the Committee on Agriculture this afternoon with the dual aim of ensuring a fair income to family smallholdings and proper utilization of our agricultural potential. It is possible, when you realize that 50% of the Community's imports are products the Community itself can produce!

I am coming to an end, Mr President. Developing productions which are in short supply, getting greater respect for the CAP principles that are flouted — failure to respect the Community preference costs 2 000 — 4 000 million ECU, the Court of Auditors suggests — and setting up a proper commercial policy are the stakes for the future. It is in these conditions and in the light of this series of problems that I shall be proposing an average price increase of 5%, varied according to product, this afternoon.

In conclusion, I should say that the farmers do not need swingeing measures at the present time. They have had enough of those. What they need is a decent income and fresh prospects for the future. The farmers will certainly take action along these lines and I shall be with them.

Mr Ducarme (L). — (FR) This morning, we heard a Minister responsible for the budget, not one responsible for agriculture. You defined your policy in terms

Ducarme

of an amount, fair enough, but where are your proposals on the structural aspects, on the commercial policy, the development of agricultural research, the world agricultural problem, food and hunger in the world, the maintenance of family holdings, the penalization of factory farms, co-responsibility levies on substitute products and the restoration of the Community preference? The Commission document only contains one or two empty phrases.

Mr Commissioner, my Group wants you to present an additional document, as soon as the parliamentary committees meet again, to enable us to understand your food and agriculture strategy. If you do not, Mr Delors lied to us and, unless we are given explanations, how do you expect us Belgians to explain an agricultural price freeze or a price cut when your own information suggests that incomes in Belgium are going down by 7%? We expect concrete proposals which explain your strategy. We shall make our proposals in committee but for the time being, we shall stick to the objective method of calculation and we call, very legitimately, for the 7.8% increase.

Mr Mouchel (RDE). — (FR) Mr President, I listened to what Mr Andriessen had to say just now very attentively. But his proposals and arguments did not convince me any more than they did the first time I heard him in the Committee on Agriculture.

Mr Commissioner, you explained that it was normal for there to be a drop in cereal prices because there has been a record harvest and we have gone past the guarantee thresholds. We have had a record harvest, it is true. But, at the same time, I should also like to point out that we have had a very large drop in cereal prices — of as much as 10% in my region and my country it is all very well to talk about guidance prices not going up because of the size of the harvest — but how are we going to get the prices that have been fixed adhered to? For I personally do not accept the dissociation of guidance price and intervention price.

Although there may be a certain amount of justification for your position in the matter of cereals, how can there be for protein plants where we have an enormous deficit? For example, you suggest a more than 6% price cut for field beans. I really do not understand. How can you justify such proposals? Of course, you say that you are proposing price increases for cotton and soya. But when you propose an increase of 1% and the increase in costs is far more than that, I do not see how the proposals constitute encouragement to develop these productions that are in very short supply!

Agricultural incomes, you told us, have gone up by about 4% on average in the Community as a whole. This may well be so — although we do not have the final figures yet — but I also know that, even if this increase does turn out to be right, it will in any case

not apply to all the countries of the Community. The differences in the trends in farm incomes from one region to another are very considerable. I know, for example, that there will be a big drop in the milk producers' incomes in dairy farming regions. But the price increase you suggest is far below the cut in the volume of production attendant on the quotas. So we already know that, in constant terms and even discounting inflation, the farmers' earnings will be smaller than they were during the last agricultural year. At the same time, you are proposing to maintain the principle of the co-responsibility levy, which has long been entirely deflected from its aim. It is not possible to block the volume and the prices and to maintain the system of co-responsibility levies.

Furthermore, on the matter of the budget, you say that the 19 300 million ECU which the Commission originally provided has been exceeded by a considerable amount. That is fine, but we have to be told how and why. For why should the original estimates be wrong when we are seeing the dollar rise non-stop and refunds are declining in comparison with the predictions we made a few months ago?

I also agree with those who believe that, in these conditions, there is a risk of the common agricultural policy being renationalized. Look what happened in Germany. What you propose runs counter to what the President of the Commission told us in this very House a month ago. We are going towards the liquidation of a large number of farmers. But have we taken any account of the cost of unemployment, which is far higher than the cost of the common agricultural policy? In my region, for the first time — and I mean the first time — we are seeing a group of agricultural organizations seek ways of limiting the number of farmers who are going to be ruined and forced to stop all activity. In a word, these organizations are trying to see that those who have to die do so with the least amount of suffering . . .

Mr Commissioner, your budgetary approach to the issue is a partial approach because it fails to take account of the financial and human consequences of the farmers' ruin and the domino effect on the economy of whole regions. You are said, Mr Commissioner, to be a man of determination. Does this prevent you from listening to reasoned arguments from many members of this House who are asking you to go beyond the budgetary aspects of the matter and take account of things that have no effect on the budget? I should like to ask you the following question in particular. Why block any possibility of export when we have little or no need of refunds? That would call for two explanations. You are preventing us from realizing our legitimate hopes of winning markets, even where it costs us nothing. Why? You justify price cuts with surpluses. So why prevent the development of productions of which there is a deficit?

How, Mr Commissioner, can you reconcile your proposals with the declarations of the Commission to

Mouchel

which you belong? Can you tell us seriously what you want to do with the agricultural potential and the farmers? If you maintain your position, do not count on us to approve of an agricultural policy that our successors are bound to condemn.

(Applause)

Mr Roelants du Vivier (ARC). — (FR) Mr President, Mr Commissioner, every year, this House performs a rite that takes place in two stages. First, when the budget is discussed, a lot of voices are raised to say that too much of it goes on agriculture. Then when agricultural prices are discussed, a lot of voices (often the same ones) are raised to say that the agricultural prices granted are too small.

In connection with this rite, I think it is important to ask what is the logic of the price policy of the Commission and the Community in general. According to its own logic, of course, the common agricultural policy, and its price policy therefore, can be considered to be a great success, as agricultural productivity, Mr Commissioner, has increased by an average of 7% over the past 20 years and Europe has given itself relative security of supplies and prices as a result.

However, the miracle of the common agricultural policy has also brought social and environmental costs which are becoming considerable.

In the first place, do I need to remind you that in 25 years of common agricultural policy, the number of farmers has dropped from 20 million to eight million? The common agricultural policy goes hand in hand with a minute-by-minute disappearance of employment in agriculture. And alongside this, the *per capita* capital has increased fivefold and the debt of the majority of farmers risen constantly.

I shall not insist on the regional disparities which aggravate the social inequality either. This is all very well known.

What is perhaps more interesting, Mr Commissioner, is to see that, this year, more than in past years, I think, many of our colleagues and Commissioners and ministers have begun to see the structural policy as being more important and to think that, ultimately, the problem hinges on that structural policy. And in this structural policy, some people do not forget to point to the need for agriculture to be reconciled with the environment. I was pleased to hear Mr Bocklet talk about this. I hope that this will not stay at the level of good intentions.

In this structural policy, the funds available should be used more to help the most unfavoured regions improve the quality of products, to redirect and diversify production, to run integrated programmes and to provide direct assistance for the farmers who have an

important job to do when it comes to preserving natural sites.

And here, no new structural policy is envisaged in the declarations of the Commission, which is intending to react against some of the negative results of the past. It is highly inadequate as things stand. We must go a lot further to reconcile agriculture and the environment and consider that, before being an industrial activity, agriculture is perhaps above all a biological activity. This is something that should not be forgotten or overlooked at the present time.

Mr Paisley (NI). — Mr President, I would like to take this opportunity to thank the Commissioner for the letter which I received from him recently concerning the situation in Northern Ireland, where dairy producers are encountering severe difficulties as a result of the sudden imposition of the milk quotas last year.

I am very pleased that he intends to pursue further the way in which the United Kingdom Government allocated the 65 000 tonnes of milk out of the Community reserve, which was intended for Northern Ireland but which was misappropriated by Whitehall. All those concerned with the dairy industry in the province of Ulster also welcome the fact that the Commission has formulated proposals on equalization between regions which, if approved, might well obviate the need for Ulster producers to pay any superlevy at all this year.

Northern Ireland is heavily dependent on agricultural production and especially on milk production. At the moment, it is the only region of the UK which stands to pay this levy. Such a situation would be totally unfair and absolutely unacceptable. I would ask the Commissioner when he expects these proposals to be approved, as it is essential that farmers know exactly where they stand as they approach the end of the current farming year.

I would also ask the Commissioner to reconsider his proposal to abolish the UK variable beef premium and the CAP premium. Is it not the case that the variable premium has many advantages over intervention buying as a means of market support in the beef sector? The premium benefits both producers and consumers alike by providing supplies of beef at reasonable prices. If it were removed, I have no doubt that greater intervention would mean greater costs for the EEC taxpayer.

On a more general point. I would like to know whether the Commissioner has taken into account the severe impact that his price proposals will have on farmers' incomes right across the Community, especially in the milk and beef sectors. Is it not high time that the co-responsibility levy on milk was finally abolished? It is intolerable that small producers, especially, should have in effect double taxation.

Paisley

I believe that this is the appropriate moment to consider doing away with this levy instead of, merely tinkering with it. Support prices must be increased in line with the rise in input costs. Anything less would mean consigning more and more small farmers to greater and greater hardship, pushing many of them off their farms completely and ruining them totally.

Mr Romeos (S). — (GR) Mr President, to the general remarks made by previous speakers, particularly Mr Woltjer and Mr Thareau, I should like to add the following.

The Commission's report on the situation of Community agriculture in 1984 states that the common agricultural policy, which is primarily concerned with the organization of the markets, has failed to remove the inequalities of income in the agricultural world and even seems to have accentuated them during this last year. It also says that the differences between the regions are as big as ever and that, inevitably, the positive results of the common agricultural policy on incomes vary from one region to another. The question is, therefore, whether the Commission's price proposals will remove, or at least reduce, these differences in incomes, which, as the Commission itself admits, have so far been due to the CAP.

It is to be feared, however, that these proposals will have the very opposite result — not that of reducing these inequalities, but of increasing them to the detriment of small-scale producers and the poorer regions. This price policy may aim at limiting the surpluses — although it is doubtful whether it will succeed — but it will most certainly result in that reduction already referred to in the incomes of farmers in the poorer regions. What is worse, this proposals package does not include those relating to the new structural policy, as had been promised to us in Berlin by the Italian Minister for Agriculture. If we say, therefore, that these new prices are designed to reduce surpluses, that means that something will have to be done for the products subject to such reduction. Something will have to be done for farmers who will be obliged to leave their farms as a result of this price policy — unless, of course, the Commission's object is to create further numbers of unemployed in the agricultural sector.

I should like to point out that an earlier proposal from the Commission to the Council stressed that while a common price policy remained the principal instrument of the agricultural policy, it presupposed the harmonious functioning of the European system and in particular an appreciable approximation of the proportion of agriculture to the gross national product in each country. Does the policy presented to us today by the Commissioner correspond to this requirement? Certainly not. This same proposal laid down that in certain cases a policy of direct aid to incomes for small-scale producers was to be followed, but this pro-

posal has obviously been abandoned. It was also stressed that the problems of the Mediterranean regions must be studied with especial care because of the importance agriculture has for the economy of these regions. I make these observations because it is clear that the Commission is failing, in its present proposals, to take account of the fact that in certain Community countries agriculture accounts for 2%, 3% or 4% of the gross national product while in others it accounts for more than 25%. It is therefore impossible for a common price policy to be equitable unless accompanied by parallel measures.

There remains the question of the organization of the market. If our imports of agricultural produce are now at the level of 50 000 million ECU and include, among other things, fruit and vegetables, how can we justify to our farmers any demand to reduce their output and their income in order to import similar produce from other regions into the Community? Mr Woltjer was right in what he said, that a price policy must be accompanied by a social policy. What we are practising today is not a price policy but a bookkeeping exercise, pure and simple, which will destroy the last trace of confidence that Europe's farmers have had in the Community.

Mr Dalsass (PPE). — (DE) Mr President, if we pursue a policy of this kind for several years, then there will truly be dark days ahead for agriculture! I should like to confine my remarks to just one area, agriculture in the problem regions — if I can call them that. I mean the mountain and hill regions and other disadvantaged regions.

When the milk quotas were introduced I repeatedly indicated that better provision should be made for the hill and mountain regions, because they are weak and cannot compete with the more favourably placed areas of agriculture. This was not done, and now the competition from these better placed areas is stiffer and stiffer.

It is in our interest that these mountain regions and hill farms should continue to be farmed. At the same time we know that fewer machines can be used there and that more manpower is required, so that everything is dearer, the yield per hectare is much lower and incomes are also lower. All these disadvantages have been ignored or barely acknowledged.

You will say, but there is an EEC directive on hill farmers. Yes, Mr Commissioner, but you do not cancel out the disadvantages by giving the farmers 100 ECU per hectare per year. It is also in our interest, ecologically speaking, to continue farming these regions. Repeated references to ecology have been made here. I would say that if in protecting the mountains you are protecting the valley, then landslides in the mountains spell danger for the valley. And so the hill farmer must continue to farm.

Dalsass

The mountains are also an area for leisure and recreation which must be preserved not only for the farmers but also for those seeking to get away from the centres of urban population. Consequently something more special should be done for these regions. Today the hill farmers have the advantage of being exempt from the co-responsibility levy, but this is soon to be taken from them.

In my view the mountain and hill regions are neglected too much, and so I make the perhaps rather heretical suggestion that the co-responsibility levy should be abolished, though only for small farmers and the mountain and hill regions. For the rest they should be kept in order to make the difference between problem agriculture and problem-free sectors of agriculture. One could also perhaps keep the calves premium for the hill and mountain regions.

Something has to be done, Mr Commissioner. If we do not wish to go down this road, we must do something else which will have an immediate effect. Today there is still some differentiation, tomorrow everything is to be reduced to the same level. But this would to some degree mean the *coup de grâce* for the mountain regions, and we should think hard before administering it. And those very people who are constantly talking of ecology and preservation of the rural environment ought really to be in favour of the solution proposed.

(Applause)

Mrs Jepsen (ED). — (DA) Mr President, to begin with I should like to express my great satisfaction with Commissioner Andriessen's statements last week in the Committee on Agriculture. The Commissioner said that he was against the introduction of quotas to limit surplus production in the agricultural sector. The Danish conservatives are also opposed to quotas and think that it is absolutely essential to bring in market forces and let supply and demand determine the level of agricultural production.

We are confident that these are the principles which will form the basis for future policy. The Commission's proposals for new farm prices can thus be adopted in general, provided the Commission's policy objective over the next four years will be to release the agricultural policy from the system of centralized control we have today.

As a newcomer to office, this Commission is ideally placed to frame and apply a coherent, long-range policy. But it will undeniably impose heavy demands on the Commission's — and of course the Council's — ability to reach decisions. The restrictive price proposal will put increased pressure on the national authorities to apply measures or support arrangements on a more national basis. The Commission has a duty here to prevent such a renationalization of agricultural

policy. This will of course also affect Danish farmers. But the reason why the Danish Conservatives nevertheless support this reorganization is that we recognize that, unless the Community is to be brought to its knees economically by its own policy, there must be action to tighten it up.

It is not just a European problem: the OECD has pointed out that supply and demand must be used as a regulator if agricultural production is to be brought back to reasonable levels — not only in the EEC and in Europe but in the USA and other countries too. There is a need for a joint strategy, which will be sufficiently flexible but will prevent the problems from being simply passed on from one sector to another. Protectionism and distortions to competition through subsidies and guaranteed prices tend to give rise to serious tensions, not just in our own economy but generally across the whole spectrum of international economic relations.

One observation is prompted, however, regarding the superlevy: the Commission must administer both the assessment basis and actual collection in accordance with the agreements and decisions originally adopted.

Once these production quotas have been introduced in milk production, the least we can expect is to be assured that the rules will be followed and not constantly changed. But, generally speaking, the milk quotas demonstrate the difficulties which will arise if we introduce similar quotas for other products.

The inescapable conclusion is that we must introduce a market economy in agricultural production too. We must ensure that the producers are interested in being able to sell the goods they produce. They have all too little motivation in this respect under the present system. Many farmers produce exclusively for intervention, while the Community's taxpayers foot the bill. That cannot continue. I therefore hope that the Commission will be able to take up the challenge which it has built in to its own price proposal.

Mr Adamou (COM). — (GR) Mr President, the Commission's proposals for agricultural prices are unacceptable to all small and medium-scale farmers and particularly for Greek farmers.

For the sake of budgetary discipline, the Commission has completely failed to take account of the peculiarities and problems of the Greek agricultural economy — production costs three times as high, inflation four times as high, an excessive increase in the prices of means of production, the splitting up of agricultural land into small plots, low productivity, etc., etc. These unacceptable prices are, moreover, accompanied by production quotas, guarantee thresholds, co-responsibility levies affecting dynamic Greek crops such as cotton, sugar beet, currants, tomatoes for processing, tobacco — that is to say, products where Community output is below consumption.

Adamou

Greek farmers are already up in arms, and their trade organizations Gesase and Paseges are openly denouncing this policy. For Greece, the Greek farmers, there is no course left but to fight for the cause advocated by the Greek Communist Party — the fight for a national agricultural policy and ultimately the country's departure from the EEC.

Mr Christensen (ARC). — (DA) Mr President, the price proposals the Commission has presented do not solve the problems of agricultural surplus production, the EEC's budget problems or the farmers' income problems. The intention is, by applying a restrictive price policy, to reduce the production of surpluses, but the result will be to force the farmers into producing more units. That is what happens when market forces are circumvented. Indeed the whole idea of the Community's agricultural policy is to circumvent market forces, and never has this been pursued more intensively than at present. I cannot of course share the views of my colleague, Marie Jepsen, that it is possible to make the market forces effective. It cannot be done by accepting a quota system or by accepting a system of guaranteed prices.

The intention of using quota arrangements and co-responsibility levies to limit production therefore is to avoid using market forces. But it is a repudiation of the Community's own principles, and it will result in the blocking of the structure. Nor is it possible to contemplate the extension of the quota system to areas other than the dairy sector. Unfortunately that is what I think will happen. As long as market forces are not applied, we have to resort to quota systems, and we thus end up with a full-blown centrally planned and bureaucratically regulated agricultural system, which is completely out of touch with other sectors that live to a greater degree, or exclusively, according to the principles of the market economy. That is, I am sorry to say, how things are in reality.

Despite the price proposals, which aim at zero prices, it cannot be said that the Community is a low-price area for food. That is, it is the consumers who pay. And they also pay as taxpayers, because the expenditure under the agricultural policy will burst the Community's budget. When production surpluses are dumped on the world market, the Community slides to the brink of a trade war with one country or another. All this happens without the individual farmers gaining any special advantages for, if that were the case, we would not have a situation in which hundreds of thousands of the Community's eight million farmers are having to leave their farms. We have a right to ask: what happens to the many, many billions of kroner in the farm support budget? Who gets them? It is certainly not the thousands, tens of thousands or hundreds of thousands of farmers who are going bankrupt.

For Danish farmers the critical turning point, when the so-called EEC advantages turn into their opposite,

will soon come, if it has not already arrived. The Danish People's Movement against Membership of the European Community will devote its efforts to securing the examination and promotion of alternatives to the hopeless agricultural policy of the European Community. Danish agriculture used to enjoy freedom of production. When we insisted on market economy conditions, Danish agriculture was the most competitive and efficient farming industry in the world. Now instead we have so-called price security, and Danish agriculture is being wound up. That is what has actually happened, and that is why we need to establish different systems, different rules, an entirely different policy. We do not believe that can happen within the framework of the European Community, and that is why we want to examine what other possibilities there are for Danish agriculture.

Mr Früh (PPE). — (DE) Mr President, ladies and gentlemen, I should like to address myself to one specific sector in this debate. Clearly, Mr Commissioner, we are entering into a topical discussion prompted by Mr Woltjer's question. As you know, we are experiencing major difficulties in the milk sector and in the European agricultural policy as a whole, which is supposed, as if by magic, to reconcile its high productivity with equilibrium on the internal and external markets and with the constantly bemoaned fact of its cash shortage. Our opinion on this and on your proposal has already been outlined by our first speaker, Mr Bocklet. I should like, not least in my capacity as chairman of the committee which Parliament set up to consider the question of milk quotas, to give my views on this special matter.

All the measures which have been taken have not helped this sector much. Finally, last year, the system of quota restrictions was adopted. That was what the Council of Ministers wanted, and after a year or so we see now where it has got us.

Let me say the following. Mr Commissioner, Parliament warned at the time against introducing the superlevy immediately after the second quarter. We thought it was not possible for the necessary arrangements to be made in all countries so quickly. Sadly our warning was brushed aside. Some countries have so far been unable even to declare their reference quantities to their producers and the dairies. Perhaps the time allowed really was too short. Others — and I am thinking here particularly of my own country — have already had this superlevy imposed on them. You can imagine that this has given rise to considerable bad feeling.

But since then something has happened which has, unfortunately, destroyed the credibility of the Community's agricultural policy: the Council stated that it was unable to enforce the Commission's implementing provisions in the individual countries and to collect the levy at the appropriate times. We would now earnestly