

AGRICULTURAL COUNCIL 17-18 OCTOBER 1983

INTERVENTION OF Mr. POUL DALSAGER IN LUXEMBOURG

Subject: Acquis Communautaire

Mr. Chairman,

In presenting this compromise from the Commission, I must make one point very clear. It is presented tonight because I believe we now have a final agreement within reach. We can reach out and grasp it tonight. It is not a proposal for you to take away and think about. It is not a new basis for an extended negotiation over several sessions. We have spent more than two years in a painfully slow negotiation. Now, with less than two months left before the Athens meeting of the European Council, is the time for a decision, and if we cannot decide tonight then it is inevitable that the matter will be referred, with so many other issues, to that European Council.

To emphasize the point, I will say that this compromise proposal remains open only for this session of the Council. If it does not succeed, the Commission will withdraw it. We will also withdraw the proposals put forward informally to the meeting of Directors General. We will fall back on our original proposals, and the matter will have to go in its present state to Athens.

A second point I must emphasize is that the document represents a most careful balance. We are at the stage of finality. Negotiation over your two compromises, Mr. Chairman, has enabled us to see very clearly the balance of forces in the Council, and the essentials of the negotiation for each Member State. We cannot accept six reservations

on this side, and half a dozen on the other. We cannot trim it, adjust it, change it this way and that through this night.

If it is unacceptable at any major point to any delegation, that delegation will need to tell the Council immediately. Then we can go home to bed early, because there will be no point in discussing the matter until the European Council.

Finally, Mr. Chairman, before taking you through the detail, I must thank you for the effort you have made with your two compromises. You will see that our own proposals are build on two bases. The first is the report of the Directors General, which has often been referred to this evening. The second is your own compromises. I think we have taken the best out of each document.

Olive oil

Let me first turn to olive oil. In the light of the comments of several Member States, we believe that the text of the Director General's report provides us with the best basis for a decision on this sector. We have thus adhered scrupulously to its guidelines on the three aspects on which we all agree that a definitive reply must be given at this juncture.

As you will see in respect of the transitional period and the adoption of the *acquis Communautaire*, we maintain that a long transitional period should be established for olive oil as well as for the other vegetable oils and oilseeds, the length of which is to be negotiated with Spain and Portugal. The only novelty, upon which the Commission insists, is that a decision should be taken as soon as possible on the restructuring and conversion of areas under olive trees to other products, in the context of integrated Mediterranean programmes, for implementation in the Community and in the applicant countries. The sooner such reconversion gets under way, the more chance we have of keeping production under control in this sector in an enlarged Community.

We have given considerable thought to the last section concerning the future organization of the market. We have come to the conclusion that it should not be so wide-reaching, Mr Chairman, as the text suggested in your latest compromise. And so we have turned to the text of the Director General's report for our basis, including, as some Ministers have requested, a specific reference to the work currently in progress in other parts of the Council following the Stuttgart summit in June.

Fruit and Vegetables

Let me now come to the more complex problem of fruit and vegetables and deal with each of the outstanding issues of this dossier one by one.

On the internal side, there are several points which in the Commission's view still require clarification and should now be decided upon.

Firstly, as far as the aids for the formation of producers' organizations are concerned, we suggest that the arrangements currently in force should apply until 1 July 1988, in parallel with the newly proposed system, after which date only the new system will apply. We have thus taken up the idea in the latest Presidency compromise in edging towards the Italian request; at the same time, we have wanted to put a specific date (as asked for by a few Member States) and have not agreed to provision being ./. .

made for total exemption for certain members from the obligation to sell all their production through the group.

Secondly, there remains the vexed question of the extension of rules to non-member producers. With regard to representativity of producer organizations, we are prepared to modify our proposal to come into line with the latest suggestion of the Presidency.

As for the Commission's power of control, we have textually taken the wording on page 4 of the Director General's report, thus permitting marketing rules to be extended only after the Commission has given its agreement. For the review of the validity of the system, we have taken the idea of the Presidency whereby the Commission will submit a report to the Council on the operation of the system after a 3 year trial period in order that a decision can be taken concerning its retention or abolition.

Finally, on the extension of rules, the Commission stands by its view that application of the withdrawal price is an essential component of the rules laid down by the producers' organizations for stabilizing the market.

The third outstanding issue of the internal dossier is the question relating to the identification of a serious crisis. We do not believe that the majority of Member States wish to install a highly sophisticated mechanism to identify when a serious crisis arises. We therefore suggest that the Council should limit the reinforcement of the provisions of the existing Article 19 a to the draft as set out in Annex II of the Director General's report, extending its application to apricots, aubergines and tomatoes. There should also be provision, in a given Member State, for the measures referred to in the Article to be decided on the basis of prices recorded at the wholesale level on the most representative markets. The main effect of this change will be that the identification of a serious crisis will no longer rest in the hands of a Member State: it is the Commission itself which will record without delay that the market in the product in question is in a state of serious crisis.

Lastly, we believe that in principle intervention should not be extended beyond the current marketing year. However, we are prepared, in exceptional circumstances, for a decision to be taken to this effect on the basis of a proposal by the Commission through the Management Committee procedure.

I now come to the external aspects of this dossier.

As far as the calculation of the reference price and the calculation of the entry price is concerned, we have simply taken the text of the Director General's report. This seems to us to be the closest the Council will come to a consensus view on both these points. We agree with the suggestion of the Presidency that the reference prices for Greek products so calculated should take account of the provisions of Article 75 of the Accession treaty. We also consider that the list of products subject to the reference price should only be extended to apply to apricots, artichokes, lettuces and endives (the four products already agreed to in the Director General's report).

We have had more difficulty, however, with the amendment of the method of calculating reference prices for citrus fruit. We recognize that the Council is severely split on this issue and a compromise will be difficult to find. On preliminary examination of the latest idea of the Presidency, this will result in a recovery in the reference price level of about 40%! The Commission cannot accept this.

We are nevertheless prepared to take a step, to obtain agreement, in the direction of the producer Member States to raise the total recovery to 15%; but this should be spread evenly over two campaign years (1984/85 and 1985/86).

Finally, the Commission, in the interests of a balanced package, agrees to the Dutch request to submit a report with appropriate measures concerning the import regime of certain flowers.

The last outstanding point relates to the date of application of the internal and external aspects. We believe that it is logical that both aspects should be decided on together and the most convenient time will be when the Community presents, to the two applicant countries, its declaration for accession negotiations on fruit and vegetables.

We have concluded our proposals for a compromise, Mr Chairman, with a declaration that we will keep this regime under close review during the transitional period in an enlarged Community, ^{and} We are also prepared to submit a report and if necessary proposals concerning the special problem of early potatoes.

Two years, Gentlemen, ~~two~~ years of hard work have led us to this point. Let us not throw that labour away.

Everyone has a few last points that they would like included, or excluded. We have to make the effort now, and concentrate on our first and our major points.

I believe they are all met in this document. Otherwise, these two years of work will go, with this document into the waste paper basket.