

ADDRESS OF POUL DALSAGER  
MEMBER OF THE COMMISSION  
OF THE EUROPEAN COMMUNITIES

INTERNATIONAL FEDERATION OF AGRICULTURAL JOURNALISTS  
AARHUS, 26 - 30 JUNE 1983

---

Mr. Chairman,  
Ladies and Gentlemen,

There are two reasons why I am very happy to have this chance to speak to you today in Aarhus.

The first is because this Congress has attracted so many agricultural journalists. Your task of keeping the public properly informed is crucial.

The second reason for my satisfaction is that I am speaking here in my native country, in my capacity as EEC Commissioner responsible for agriculture. You are all of you aware of the importance of agriculture in the Danish economy. I think that the choice of Aarhus as the location for your Congress was an excellent idea.

I have read in the press of the success of your last Congress. I hope that the information you obtain and the visits you make in my country will be just as profitable as they were in New Zealand.

By holding these international congresses, you remind us that agriculture is not confined within political frontiers. The problems arising - and there are many of them - can never be solved if they are tackled by individual governments, acting on their own.

We in the ten countries of the Community have realized how much is to be gained from sinking our differences and pooling our resources. Nearly twenty five years after the six original members got together to form a common market, the record and the experience of the common agricultural policy leaves no doubt that this is the right way.

For the common agricultural policy has had real successes. We could never have achieved them on the basis of separate national economies. But it goes without saying that, though we are justly proud of our achievements, we cannot rest on our laurels.

We must let the past look after the past. We must look towards the future, with a bold approach to policy-making in agriculture. "Isolationism" and "autarky" are not our objectives.

In recent months the common market has been attacked, sometimes violently, by those who say that the European Community is the reason for the difficulties besetting the world market. A demagogue would have easy answers to this. I grant that the common

agricultural policy is indeed responsible for the growing role of the Community on the world market. But I must make it clear at the same time that our role is not only as an exporter but also as an importer.

In fact, our trade balance is in deficit, even if we ignore forestry and exotic products. When the Community is accused of having become an exporter of cereals and milk products, I answer that we are now importing growing quantities of grain substitutes, like soya, corn gluten feed, and so on. I add that, though grain production has increased in the Community, it has increased much more, in terms of volume, in other countries.

Is it really fair to criticize the political leaders of Europe for having done everything in their power to ensure that the population enjoys independence in matters of basic food supplies? Is it wrong to have made the most of our natural resources?

I believe that after the two world wars which ravaged Europe in the first half of this century, it was our duty to get together and work for stability in all fields where cooperation was feasible. There is no country in the world which has no policy for its farmers and farm workers, for agriculture is not only the source of food, but is also a source of goods and income.

Again, despite the differences in the national policies

before the common agricultural policy was introduced, we had to integrate such an important economic sector into the common market.

Integration gives benefits, but also means sacrifices. Recently, when the price decisions were being taken, the compromise accepted did show clearly that the ten countries are determined to overcome their differences.

Without false modesty, let us recognise that agriculture is the only field in which integration in Europe has made such progress. I am tempted to say that it is the only field in which, at Community level, a policy has really proved itself.

In the first 20 years of the common market, crop production has grown to reach high levels of self-sufficiency. In the livestock sector, on the other hand, we have had to import feed, particularly protein-rich products.

Given the market mechanisms, the system in general worked well, as long as price guarantees could be provided for all production. But when crop production or livestock production exceed our needs, and surpluses have to be disposed of on the world market, as is now the case, a two-fold problem arises.

In the first place, exporting at prices below those within the Community requires export refunds. These bridge the price differences, which have to be paid by the consumers concerned, in one form or another.

Secondly, the arrival of a newcomer on the world market tends to upset the balance, if conditions are not flexible and importers do not have much money to spend. The result is that prices could well drop sharply for everyone; this is a source of real concern for those already established on the markets.

The Commission is aware of the two problems. It is making the most of the flexibility built into its market organization and market management, and has quickly laid the foundations for a new approach in the common agricultural policy.

The Community's desire to take part in world trade in agricultural products is unchanged, but the new approach, confirmed by the latest Council Decisions, consists in involving farmers more in the problems arising from excess production.

Thresholds must be fixed in the light of changing economic factors such as the structure of the population, incomes, eating habits, food aid programme and the scope for normal disposal of agricultural products on the world market.

The new approach makes it clear that the Community plans to intensify its efforts; and that if we fail to moderate the course of production, the price guarantees for farmers will have to be curtailed.

This policy will raise difficult questions, for agriculture is more than an economic activity concerned with production, distribution and consumption. It has a social aspect for the Community. You know how important this is. With 12 million jobless in the EEC, more than the 8.5 million farmers and farm workers, it would be absurd to force people off the land to swell the ranks of the unemployed.

But this problem is not the last on our list of difficulties. The differing currencies of the Member States make it harder and harder to agree on common prices, which are one of the fundamental principles of our common agricultural policy.

We have been forced to adopt a system of monetary compensatory amounts. Originally, the purpose of the MCAs was simply to offset differences resulting from currency changes between Member States. But there is now a tendency to use them for political purposes. This led to discussions at the last 'prices marathon' which went beyond the problems of prices and costs.

You can see that we are studying the problems of excess production and that the budget imposes severe constraints. But we refuse to ignore the social and monetary aspects of agriculture, and we are anxious to ensure that the interests of the consumer are given proper attention.

Here, too, we are shouldering our responsibilities. I would like to remind you that the Community is innovating and taking part, at all levels and in all organizations, in work to improve the quality of food and animal feed for better protection of human and animal health.

It is a paradox that, the harder we work to restrict harmful substances in food, the more our regulations are criticized in certain quarters. Some people ignore the fact that there was no control of the use of certain products in the past, at rates that were sometimes higher, although not necessarily dangerous.

Our policy here is very simple. We believe that consumers will not be satisfied with improvisation, with trial and error, with leaving things to chance.

So we have adopted very severe codes for animal feed, setting low limits for undesirable substances; we have controlled the use of pesticides; we have acted on the use of hormones.

In short, our efforts are unflagging in all areas involving food for human consumption, whether direct or indirect.

Let me end by replying to the accusations of some of our critics by quoting Montesquieu, the French writer and philosopher. He said "it is not easy to bring home to people the happiness which they enjoy, but which they don't know they enjoy".

I have run through our present problems very briefly. I am sure that in the next few days you will find ample documentation, and much more to reflect on as regards the work of the Community in the agricultural field.

I trust that you will ensure that your readers are well informed of the progress we are making.