

AGRICULTURAL PRICES 1983/84

DEBATE IN THE EUROPEAN PARLIAMENT 8.3.1983

INTERVENTION OF POUL DALSGER
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Mr. President,

In the debate yesterday it was said that the price proposal put forward by the Commission last year was a Thatcher proposal and that the proposal this year is a Reagan proposal.

I wish to underline as strongly as possible that the price proposal which you are now considering is neither a Thatcher proposal nor a Reagan proposal. It is the proposal of the Commission of the European Communities.

And it is a proposal which has been put forward in the aim of protecting, conserving and improving the common agricultural policy.

It is a proposal which is simple, consistent and reasonable.

It is a proposal which considers all the relevant factors, and not only one of them. The proposal of the Commission considers the agricultural incomes, the market situation, the EEC budget, and the general economic situation in the Community.

One of the fundamental elements in the Commission proposal is the application of the guarantee threshold.

The question which Parliament must address this year is this: are you, or are you not, prepared to accept that the price guarantees should be limited? It is a difficult question, because so much depends on the reply which you give: in fact, what depends on it is nothing less than the future of the common agricultural policy.

Let me demonstrate this with an example. In 1982 we produced in the Community 23% more milk than in 1973. But we consumed only 6% more milk products. Just reflect on these figures: 23% more production, 6% more consumption. Those are the trends.

What does this mean? For me it means that two things are impossible. The first thing which is impossible is that we should be able to reduce milk production: that is out of the question, technically, politically and socially. But the second thing which is impossible is that we should continue in this way. We must have long-term measures to bring supply and demand into better balance.

The Commission has proposed that this should be done on the one hand by controlling the rate at which production is increasing and on the other hand by seeking to improve the limited possibilities of disposal.

I said yesterday, the Commission is ready to explore additional possibilities of disposal, inside and outside the Community. We want to encourage the subsidies for school milk. We intend to improve the system of exports, so that restitutions for butter to the Soviet Union are available on the same conditions as for other destinations. We will explore all the possibilities.

But Parliament must have no illusions. These measures alone will not suffice. Unless action is taken promptly to reduce the increases in production, or to ensure that the cost of disposing of the extra production is borne by the producers, then the Community budget will come under increasing strain.

During the debate, Mr. Pranchère said that the Commission rejects the idea of a supplementary budget for agriculture. Let me correct that impression. Both I and Vice-President Tugendhat have said to you that it is certain that there will be a supplementary budget for agriculture this year. The question is not: "whether or not". The question is: "how much?". And the answer to that question depends very much on whether the Parliament and the Council accept our proposals for applying the guarantee threshold for milk.

Several speakers, such as Mr. Provan, referred to the situation on world markets, and the tension between the Community and the USA. Let me make two very simple points in this context.

The first is that the Community in its annual price decisions must consult the Community's own interests. For the Commission there has never been any doubt about that: the decisions which we take must respond to our own priorities, not to those of our competitors. When we advocate a smaller increase in cereals prices, that is because we believe profoundly that such a policy is for the Community's benefit. We do not, and we shall not, subordinate the annual price decisions to external pressures.

The second point is that we do not want a trade war with the USA. We do not want it for the very simple reason that in such a war both we and the Americans, as well as all other trading nations, would be losers. But at the same time, we shall be very firm with our American friends: We shall defend our share of the world market with all the means at our disposal. I am confident that we can do so. On this matter too I fully agree with those who say that the Americans cannot expect

us to continue importing their animal feed if they refuse to accept our exports of the animal products derived from that feed.

I wish to correct a statement made by Mr. Fuchs in his report. The Community is not responsible for the very poor situation in the sugar world market. Last year we alone increased our stocks by 2 million tons. And last, but not least, Mr. Fuchs must understand that all costs in relation to exports are today borne by the Community sugar producers themselves.

Finally, Mr. President, many speakers referred to the problems of countries with high inflation. I regret that Mr. Maher's report on this problem was not included in the debate. It is certainly relevant to the price decisions.

The priority, as we said last year, is to reduce inflation and the divergence of inflation. That is not an easy task. It is a task for the member states and the Community together. It is the only way in which we can get a lasting improvement in the economic conditions, not only for agriculture but for all other sectors.

Meanwhile, the way in which the agricultural policy can help is three-fold:

- First, we can modulate the annual price decisions by adapting the green rates. In this context I mention that Italy and France still have a margin for green devaluation; and the same is true for Greece.

- Second, we can apply special measures of a temporary nature for the benefit of the countries in question. In this context I remind you that there exist many special grants or aids available to farmers in Ireland, ranging from the suckler cow and calf premiums which are financed 100% by the Community, to the interest rate subsidies which are financed partly by the Community and partly by the government.

- Thirdly, and above all, we can reinforce our structural measures so as to help farms in the disadvantaged areas. In this context I must mention the integrated programmes for development in the Mediterranean, which the Commission has recently announced. They represent an ambitious effort to lift the whole infrastructure of our Mediterranean regions to a better level. I am convinced that this is the best way to help agriculture in the long term in those regions.

Mr. President, in concluding I wish to say that your Parliament will be expected to put forward opinions that are coherent and consistent.

There must be coherence between the opinions given by Parliament in budgetary matters and the opinions given by it in regard to the actual policies covered by the budget.

I am aware that it is a difficult decision. Price proposals are always difficult, and this is true both for the Commission, the Council and Parliament.

I hope that your Parliament will be able to overcome these difficulties and reach an opinion which is reasonable and well judged.