

PRESSE-MEDDELELSE
MITTEILUNG AN DIE PRESSE
PRESS-RELEASE

INFORMATION A LA PRESSE
INFORMAZIONE ALLA STAMPA
MEDEDELING AAN DE PERS

Brussels, 28 May 1974

SUMMARY OF AN ADDRESS BY MR. P.J. LARDINOIS, MEMBER OF THE
COMMISSION OF THE EUROPEAN COMMUNITIES, AT THE CONGRESS
OF WEST GERMAN AGRICULTURAL AND CREDIT CO-OPERATIVES,
WIESBADEN, 28 MAY 1974

Europe is experiencing its worst crisis since the establishing of the European Communities. We no longer hear about a temporary stagnation in the process of European integration but, rather of a process of dissolution which touches on the very foundations of the Community, namely the customs union and the common agricultural policy. Europe is increasingly presenting a picture of disunion both economically and politically.

Every political leader swears by the necessity for a European policy and joint solutions to get out of the present rut but so far political boldness and inspiration have been lacking. As pointed out by Mr. Lardinois, this lack of boldness, together with political and economic instability in the various Member States, has had a paralysing effect on the functioning of the Community institutions.

In connection with the measures taken by the Italian Government to improve the country's balance-of-payments position, Mr. Lardinois reminded his audience that the Council of Ministers had given the European Commission the responsibility for seeking a joint solution to the Italian problem. Mr. Lardinois was happy to note that so far no Member State had resorted to nationalistic counter measures.

He stated his conviction that all Member States firmly believed that the common agricultural policy must not be abandoned. In this connection, he stressed the political and economic significance of the recent decisions on prices which could still be made effective within the required time-limit in spite of all difficulties (monetary developments, state of world markets, energy crisis) and in spite of the additional burden of the British request for "renegotiation".

Without a common agricultural policy European integration had no chance of survival. The European Commission, and not least Mr. Lardinois, would not allow themselves to be discouraged by the setbacks which had to be accepted for the present. On the contrary, they would put forth every effort to continue to improve and consolidate this policy. Mr. Lardinois announced proposals in respect of market structure and the implementation of the guidelines for agriculture in upland and less-favoured regions.

Turning to the free movement of goods within the Community, Mr. Lardinois said that the Community was often unjustly accused of having a mania for harmonisation. The approximation of legislation was not an end in itself, and nobody had the slightest intention of changing people's eating and drinking habits. However, the harmonisation of legislation was a prerequisite

to removing all barriers to intra-Community movement of goods. In this field the European Commission had recently taken two important initiatives: firstly, a scientific committee for foodstuffs had been set up and, secondly, a proposal had been forwarded to the Council giving a strict timetable for legal approximation within the coming year in the field of laws governing veterinary medicine, plant protection and animal feedingstuffs.

Mr. Lardinois mentioned that the greatest stumbling block to maintaining the capacity of the common agricultural policy to function was the absence of a co-ordinated monetary policy in Europe. The sums that had to be paid out as a result in the way of currency conversion compensation in the agricultural sphere were making the application of the system more and more difficult and even constituted a source of distortions of competition. But this was a problem which Ministers for Agriculture could not solve on their own. The help of the governments, particularly of their Finance Ministers, was a sine qua non in the search for a solution to this problem.

Finally, Mr. Lardinois announced that the European Commission was shortly to report to the Council of Ministers on the effects the energy crisis was having on market gardening and agriculture. In order to counteract the problem arising out of this crisis, new, energy-saving production and processing methods would have to be developed. The Commission would be submitting relevant proposals in the near future.