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Report of Proceedings

from 23 to 26 March 1981

Europe House, Strasbourg

Contents

Monday, 23 March 1981	1
Resumption, p 1 — Strike by staff, p 2	
Tuesday, 24 March 1981	3
Order of business, p 5 — Speaking time, p 7 — General revision of the Rules of Procedure, p 7 — Next sitting, p 11	
Wednesday, 25 March 1981	12
Minutes, p 12 — Urgency, p 13 — Fisheries, p 13 — Agricultural prices, p 22 — Next sitting, p 91	
Thursday, 26 March 1981	92
Votes, p 94 — Adjournment, p 118 — Annex, p 118	

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.

SITTING OF MONDAY, 23 MARCH 1981

Contents

1. <i>Resumption of the session:</i> <i>Procedural motions: Mr Pannella; Mr Bangemann</i>	1	2. <i>Strike by staff</i>	2
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IN THE CHAIR: MRS VEIL

President

(The sitting was opened at 6 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 13 March 1981.

I call Mr Pannella on a point of order.

Mr Pannella. — *(FR)* Madam President, I wish to point out that what you are doing is contrary to Rule 16 (2) of the Rules of Procedure since simultaneous interpretation of what you have just said is only available in two or three Community languages. In these circumstances the sitting cannot be regarded as legally open.

President. — I call Mr Bangemann to speak on a point of order.

Mr Bangemann. — *(DE)* Madam President, while Mr Pannella was speaking I tried all the channels and noted that everything is now being translated into all the languages. Mr Pannella spoke in Italian and it was not necessary to translate his speech into Italian.

If however. . .

(FR) I now change to French since there is clearly a translation or interpretation problem in the Chamber because of an event which is very serious for the future of Parliament.

Because if we don't now really make an effort, we all together, to overcome this difficulty, it won't be a social situation that has caused the difficulty, it is the parliamentary system as such and the Parliament in Europe as such which will be in danger.

(Applause)

(DE) We are not a Parliament, Madam President, which has already found its place. We are a Parliament looking for a seat and our staff should show at least a minimum of solidarity with its own Members of Parliament in order to help us in the search. I feel obliged to bring these matters to the notice of those Members who are not aware of them.

(FR) We had a meeting with the staff. The staff refused to discuss the social consequences of our

Bangemann

sitting here. They simply demanded that a decision be taken regarding the meeting-place of Parliament and, Mr Pannella, until now. . .

(IT) Recently, only soldiers have. . .

(Applause)

(FR) If we accept this decision by the staff it will be the first time that staff have decided on the place of meeting of Parliament, and this would be unacceptable, Mr Pannella!

(Applause)

2. *Strike by staff*

President. — The Bureau and myself have endeavoured on several occasions in the course of meetings and contacts which have taken place at all levels with the representatives of the staff to guarantee the essential technical facilities to ensure the running of the institution.

Unfortunately, I have to inform you to my deep regret that all our efforts have so far failed.

The Staff Committee has laid down, as an essential preliminary condition, a commitment on the part of the Bureau to organize some of the parliamentary activities of the current year in Luxembourg.

The Buréau and the political group chairmen were unable to make a commitment of this nature as they took the view that it was the responsibility of the Assembly alone to decide its places of work.

(Applause)

In these circumstances and with the agreement of all the political group chairmen, with the exception of Mr Pannella, we will decide tomorrow morning at 9 a.m. whether it will be possible to vote on the amendments to the report by Mr Luster.

As regards this evening's sitting, I am obliged, in view of the impossibility of holding debates in all the Community languages, to adjourn the plenary sitting which will be resumed at 9 a.m. tomorrow morning.

The sitting is closed.

(The sitting was closed at 6.10 p.m.)

SITTING OF TUESDAY, 24 MARCH 1981

Contents

<i>Procedural motion: Mr Pannella</i>	4	3. <i>General revision of the Rules of Procedure:</i>	
<i>Sir Peter Vanneck; Mr Forth</i>	4	<i>Explanations of vote: Mr Simmonds; Mrs</i>	
1. <i>Order of business:</i>		<i>Vayssade; Mr I. Friedrich; Mr De Pasquale;</i>	
<i>Mr Pannella; Mr De Goede; Mr Romualdi;</i>		<i>Mr Patterson; Mr Romualdi; Mr Pannella;</i>	
<i>Sir Peter Vanneck; Mr Gautier; Mr Frangos</i> .	5	<i>Mr Nord; Mr Tuckman; Mr Plaskovitis; Mr</i>	
2. <i>Speaking time:</i>		<i>Capanna; Mr Vlahoroulos; Mr Nyborg</i> . .	7
<i>Mr Pannella</i>	7	4. <i>Agenda for next sitting</i>	11

IN THE CHAIR: MRS VEIL

President

(The sitting was opened at 10.30 a.m.)

President. — The sitting is open.

Ladies and gentlemen, I wish to begin by apologizing for the delay in resuming our business; but the chairmen of the political groups who met yesterday evening after the sitting had been adjourned tried again this morning with the Bureau Delegation to discuss the possibility of a normal resumption of our work, which is something which we regard as of the highest importance.

In line with the enlarged Bureau's decision we pointed out to the staff that we were prepared to discuss all items on the memorandum presented by the staff representatives except that on the choice of place of work for this institution and its bodies.

The Bureau and the chairmen of the political groups took the view that such a choice could only be made in accordance with the Treaties and the provisions laid down in the regulations and in the last analysis by Parliament and Parliament alone.

I am therefore obliged, once again, to make a public and formal appeal to the staff and other servants of Parliament and to remind them of their responsibilities at a difficult time both for the Community as a whole and for Parliament.

At the same time I would also point out that, in line with the requests of the Staff Committee and in view of the difficult working conditions some political group chairmen and myself have undertaken, where decisions regarding certain activities connected with the place of work depend on us, to consider the possibility of carrying out certain activities in Luxembourg. Let me give you an example: I am to chair a meeting of the presidents of the national parliaments at which no Member of this House will be present. In line with the wishes of the staff, this meeting will be held in Luxembourg. In the same way certain political group chairmen have undertaken, with the agreement of their political groups, that the groups should continue to meet in Luxembourg as has hitherto been the case. On the other hand we have made it perfectly clear that no undertaking is being made with regard to Members who do not wish to come to Luxembourg.

As to the other items, negotiations are to continue on working conditions.

The Bureau and the chairmen of the political groups have shown the greatest possible openness *vis-à-vis* the

President

Staff Committee's requests; however, the basic rights of Parliament have in no way been called into question.

Negotiations with the staff representatives are continuing. However, I wish to add that negotiations have been suspended for one hour as the Staff Committee is informing staff here in Strasbourg of the terms under which we are prepared to negotiate.

It should be possible to resume business at 11.30 a.m. which time the staff should be informed of the resumption of work. A General Assembly of staff will have to take place in Luxembourg as most of the staff, in particular the translators, are there. Staff will have to be informed of the course of the negotiations and of the agreements reached between the Staff Committee and the political chairmen. This General Assembly of staff will be take place either this evening or tomorrow, after which we hope that it will be possible to resume normal work.

Therefore we hope that work will, in principle, be resumed at 11.30 a.m. when we should know at what time the General Assembly can take place.

(Applause)

I therefore propose that the deadline for tabling amendments to the Ligios report should be fixed at 6 p.m. this evening in the hope that the debate on the report can proceed normally.

I call Mr Pannella on a point of order.

Mr Pannella. — *(FR)* Madam President, I must remind you that, according to the terms of Rule 15, we are working under totally unconstitutional and unacceptable conditions.

We have been forced, Madam President, to listen to you speaking in a language which, according to the Treaties and rules of this Parliament, we should not have been obliged to hear.

Madam President, I think we can gather that you have made a statement. It is quite obvious that we cannot possibly move to any vote, because in doing so, Madam President, you would be violating the Members' rights, since they should be able to follow the debates in all the official languages.

Therefore, Madam President, I do not think that any motions should be put to the vote because we are not in a position to debate them. I myself, Madam President, am now being forced to speak in a language which I normally choose of my own free will, and I find this completely unacceptable.

President. — Mr Pannella, unfortunately I can see no other place to inform all the Members that business will be resumed at 11.30 a.m. rather than at 10.30 a.m. I have done so out of courtesy to the House. I am also suggesting that the deadline for tabling amendments be fixed at 6 p.m. The tabling of amendments can be dealt with formally at 11.30 when I hope it will be possible to resume normal work with the interpreters present.

I call Sir Peter Vanneck.

Sir Peter Vanneck. — Madam President, after Mr Pannella's usual attempt each morning to sabotage our business, I rise on a point of clarification. Your statement, Madam President, didn't make any mention of the place of meeting of committees, and I wondered whether the Bureau have said anything to the staff about committee meetings. I hope that there is no implicit promise that committee meetings will be held in Luxembourg unless the relevant committees so decide. Perhaps that could be clarified.

President. — Sir Peter, neither I, nor the Bureau, nor the enlarged Bureau made any commitment regarding committee meetings. I simply undertook — and I repeat here what I said to the Bureau and the enlarged Bureau — to ask the committee chairmen to take up the matter with their members; but the decision lies with them. The only commitments I entered into concern a possible Bureau meeting, with the agreement of the Bureau members who were present, as well as a meeting which I alone will hold with members outside of Parliament. In other words the only commitment I made concerning committee meetings was to call the attention of committee chairmen to the matter.

I wish everyone — Members and staff alike — to understand clearly the commitments made.

I call Mr Forth.

Mr Forth. — Could I ask please if you and the Bureau would give consideration to the possibility that, if we are not able to resume our normal work as per our agenda at 11.30, that another possibility would be that this House proceeds to the vote on the Luster amendment which does not require speeches and could be conducted in a simple and straightforward manner. It is important that this House shows the will to proceed with a major portion of its business and we would serve our future business by disposing of the amendments on the Luster report in this sitting. I would propose that this be brought to the House at 11.30 if we cannot conduct our normal business.

President. — We shall fix our agenda at 11.30, when, I expect, we shall be able to begin the vote on the Luster report since we shall then have all we need to take a vote.

I wish to say to Mr Pannella who is protesting because there have been other speeches, that he himself did not refrain from speaking. I extended the same right to other Members who wished to speak.

We shall suspend our business until 11.30 a.m.

(The sitting was suspended at 10.45 a.m. and resumed at 11.30 a.m.)

IN THE CHAIR: MRS VEIL

President

President. — The sitting is resumed.

I am happy that Parliament can continue its work under normal conditions and I hope that we shall be able to deal with almost all the items scheduled for this part-session.

Before resuming our work I wish to thank the staff who, while negotiations were under way, agreed to make it possible to resume our work immediately. I also wish to thank in particular those who made it possible at least to provide information and to enable the meetings held since yesterday to take place.

(Applause)

1. *Order of business*

President. — The next item is the order of business.

At its meeting of 10 March 1980 the enlarged Bureau drew up the draft agenda which has been distributed (PE 71.918/rev.).

I have received from Mr Pannella, on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members, a motion to amend the agenda, pursuant to Rule 12 of the Rules of Procedure, by deleting the first item on today's sitting, namely the vote on the resolution contained in the Luster report.

I call Mr Pannella.

Mr Pannella. — *(F)* Madame President, on a point of order, I should first of all like to move that this item

is inadmissible. Rule 13 of the Rules of Procedure requires that, excepting in cases of urgency, all resolutions be submitted and tabled twelve days before the sitting. Well, Madam President, the Kirk motion is dated 23 March and the Ligios motion 19 March. Therefore, in terms of the Rules of Procedure, you are once again asking us to adopt a forbidden course. If I tabled a motion for a resolution only 11 days before instead of 12, you would reject it. So even if, as I can well imagine, my colleagues are weary of these points of order, they must realize that there must be someone here ever prepared to protest, and justifiably so, against violations of the Rules of Procedure.

Madam President, when you have acquainted me with your views on this, I shall take the floor to explain my amendment.

President. — Mr Pannella, you are anticipating the course of our work. I intend to consult the House on the request from the Council for urgent debate on two items.

You may now speak on your motion to amend the agenda.

Mr Pannella. — *(F)* Madam President, our reason for moving this amendment has already been explained many times, but at this stage of the debate we ought to go through it once again. We believe that a parliament adopting a new constitution should try to give it as much calm and serious thought as possible. Madam President, we submitted our amendments along with an official declaration after a large number of Members had complained that the deadline for the submission of amendments had passed before they had even received the report itself, and we undertook to confine ourselves to some thirty amendments, in other words one hour's work, provided that these Members were given time to read and consider the report until the April part-session.

Our aim in tabling a larger number of amendments — and why should this be so scandalous there are only five per rule, and you are preparing to table 300 amendments on the 30 paragraphs of the Ligios report! — was to enable those Members who, through this disregard for the Rules of Procedure, might not have been able to table amendments, to make a technical record of whatever views they might hold. But he who laughs last will laugh loudest when we recognize those who are trying to keep the Parliament's flag flying here today, under these conditions, and those who in fact are merely acting like lemmings.

President. — I simply wish to point out that your amendments have been translated and distributed.

(Parliament rejected Mr Pannella's motion to amend the agenda)

President

In view of the delay which has occurred I propose the following alterations to the draft agenda.

We shall vote at once on the motion for a resolution contained in the Luster report on the revision of the Rules of Procedure.

As the night sitting will probably enable us to finish the Luster report this evening, tomorrow, possibly from 9 a.m. onwards, we shall debate the report on fisheries policy and agricultural prices. The votes on these reports could be held on Thursday, beginning at 11 a.m.

Finally, reports tabled outside these deadlines provided for under Rule 13 will be entered on the agenda in accordance with the procedure provided for under Rule 14.

I call Mr De Goede.

Mr De Goede. — (*NL*) Madam President, you have just proposed that we proceed with the consideration of the Luster report. I am pleased that the sitting can proceed normally but I must protest most strongly against this part of your proposal — not just to cause an obstruction but because basic democratic rules are being trampled underfoot here.

What are the facts of the matter? Not one of the non-attached Members is a member of the Committee on the Rules of Procedure and not one of the non-attached Members — and I hope Mr Scott-Hopkins is listening carefully — received a copy of the Luster report in their pigeon-holes before 4 p.m. on 9 March, although the officials deny it. This meant that we had only two hours to table amendments, which was clearly impossible for such an important report running to 160 pages and affecting the interests of us all. We asked for an extension of the deadline for tabling amendments but the request was refused, although it could have been arranged quite easily. And today — fourteen days later — we are voting on the amendments. I really must protest at the fact that the non-attached Members were not in a position to exercise their most basic rights. It is hardly surprising that there was not a single amendment from the non-attached Members amongst the six hundred amendments tabled: not because we were not interested but because we were placed in an impossible situation! Two weeks ago, Mr Scott-Hopkins said, 'ask your colleagues'. I did just that, Mr Scott-Hopkins, but did you? The political groups received a copy of the report a week earlier in Brussels, but we do not take part in your political group meetings. We do not travel to Brussels. Our copy has to be sent by post. What I find so shameful about the Socialists for example — who are always claiming that they stand up for human rights and the rights of minority groups — is that they have not said a word about it. I also find it shameful that none of the Liberals — who claim

that they protect freedom and that they are so tolerant — stood up for our rights, and I find it very bad that the Christian Democrats — who are always talking about tolerance — did not stand up for us. I think this calls for a strong protest. I would like to say to the British Conservatives — who claim to be the representatives of the mother of democracy — 'Mr Scott-Hopkins, you are no true son of the mother of democracy — you are trampling our rights underfoot'. We will not be taking part in today's vote as a protest.

President. — Mr De Goede, your objections will be noted in the minutes.

The report was distributed on 29 February, although you say that you did not receive it until 9 March. In any event the deadline for tabling amendments did not expire until 14 March. I sincerely regret that you received the report so late and shall try to find out why. It is my wish that political groups which are not represented on committees should receive reports as soon as possible and I shall endeavour to ensure that this is the case.

I call Mr Romualdi.

Mr Romualdi. — (*IT*) Madam President, I would like to confirm what our colleague Mr De Goede has just said regarding the distribution of the Luster report. It has been said that this report was distributed on 29 February: it was obviously distributed to the other political groups but not to the group of non-attached Members.

We must therefore protest against the Bureau's practice of not distributing documents to the non-attached Members. There are quite a few of us just now and, unless there is any evidence to the contrary, we form a delegation of Members representing the will of the people just like all the other groups. I would like to extend this protest to all the work carried out by Parliament in the past few months. It is absolutely essential that the non-attached Members should have the same rights as the representatives of the political groups.

President. — The question of the distribution of reports to non-inscribed Members will be studied.

I call Sir Peter Vanneck.

Sir Peter Vanneck. — Madam President, it seems to me that the most important thing in this session is to achieve 218 votes for the Luster report, and therefore I would like to be quite clear in my own mind and while the Chamber is full make sure that other Members also appreciate that the actual vote on the Luster report will be — am I right? — at 11 o'clock on the Thursday morning.

President. — No, Sir Peter, the vote on the Luster report will begin this morning and will continue until it is completed since we have a night sitting tonight.

Sir Peter Vanneck. — Yes, Madam President, it's the 218 votes on the final Luster report as amended that I think is important to the whole of this House, and I would like to know — and I would like all Members to know — when that final vote, that important vote on the Luster report as amended today, will be coming up.

President. — The final vote will be taken when a sufficient number of Members are present which, in the normal course of events, should be on Thursday, in view of the vote on agricultural prices scheduled for that time. If we do not obtain a quorum we shall have to hold over the vote on the resolution as a whole until the April part-session. However I hope that on Thursday we shall have the required qualified majority.

I call Mr Gautier.

Mr Gautier. — (DE) Madam President, do I gather that the reports on the agenda for yesterday have now been postponed until the April part-session?

President. — No, they will be considered tomorrow morning.

Mr Gautier. — (DE) Does this also mean that this evening is the deadline for motions for amendments to the additional reports on tomorrow's agenda?

President. — Precisely.

I call Mr Frangos.

Mr Frangos. — (FR) Madam President, when are we to continue the debate on the position of the wine-growing industry, in other words the Colleselli report, which we were to have begun with?

President. — At the April part-session since it is impossible to continue the debate during the present part-session.

(Parliament agreed to the changes proposed by the President)¹

¹ For Order of Business and Deadline for Tabling Amendments, see minutes.

2. Speaking time

President. — Speaking time for tomorrow will be allocated among the political groups and the non-inscribed Members according to the provisions laid down in the Rules of Procedure. The allocation of speaking time is set out in the minutes.

I call Mr Pannella.

Mr Pannella. — (FR) Madam President, the Rules of Procedure indicate both method and criteria, but not the amount of time. The Parliament should know what it is adopting, after all!

(The President read out the speaking times)¹

3. General revision of the Rules of Procedure

President. — The next item is the vote on the motion for a resolution contained in the Luster report on the general revision of the Rules of Procedure of the European Parliament (Doc. 1-926/80).²

(...)

President. — I shall now call speakers for explanations of vote.

I call Mr Simmonds.

Mr Simmonds. — Madam President, at the end of a long day, in explaining my vote on this report may I congratulate, thank and sympathize with the staff responsible for preparing the documentation in this debate, I hope I shall have the support of the House when I also apologize to them for the discourtesy of Mr Pannella in wasting their time and also taxpayers' money in the preparation of our papers. Every time Mr Pannella's name has been mentioned today, it has cost approximately £ 360, about FF 4 000. Mr Pannella's hypocrisy in his attacks on parliamentary expenditure is only exceeded by his own ego and by his complete disregard for the good of the Parliament.

May I also apologize to the staff who so carefully tabulated Mrs Bonino's papers; she did not even have the courtesy to attend the Parliament to witness the demise of her amendments. But happily our time is not completely wasted, since by passing this report — and

¹ See minutes for Speaking time and Decision on urgency.

² Because of the industrial action by staff the vote on the Luster report has been recorded in the minutes of the sitting.

Simmonds

I do hope that on Thursday we shall have the necessary numbers here to do just that — we shall be spared in future quite a deal of the time and money that has been wasted today by improving our system and our rules. Therefore, Madam President, I shall be voting on Thursday for this report.

(Applause)

President. — I call Mrs Vayssade.

Mrs Vayssade. — *(FR)* Madam President, on behalf of the Socialist Group, I would simply like to say that on Thursday — always hoping we have the necessary numbers — we shall be voting for this report, while nevertheless regretting that none of the other groups was prepared to carry one of the amendments which we tabled to Rule 48. I only hope that the 48 system will prove effective when put into practice. Otherwise it's back to the drawing board.

President. — I call Mr Ingo Friedrich.

Mr Ingo Friedrich. — *(DE)* Madam President, I should like it to be recorded for posterity in the reports of proceedings that Mr Pannella, who is usually forever making a lot of noise in public in his fight for greater thrift in the European Parliament, has today — as has already been pointed out — cost the European taxpayer thousands of European units of account. I am sure that the simplest calculations would show that Europe's most expensive Member is over there in seat 395 enjoying himself at the taxpayer's expense.

President. — I call Mr De Pasquale.

Mr De Pasquale. — *(IT)* Madam President, the Communist Group is in favour of the new text of the Rules of Procedure and we have taken an active part in drafting it within the competent committee.

It has rightly been said that in a new and 'difficult' Parliament such as this, it is necessary to rely on a spirit of compromise and mutual understanding. The end result is all the more positive as the desire for mutual understanding has not led to a hotch-potch of separate articles but to an ordered system of rules with its own organic unity. I hardly need to point out, Madam President, that this reform is merely the end-point of the incomplete and limited experience that we have gained in two years of collaboration within the elected Parliament.

There are still some gaps and imperfections which can only be put right by paying constant close attention to future developments in the life of the Parliament.

What is important today is that, as far as possible, this reform is moving in the right direction: firstly, in the context of current legislation, because it reinforces Parliament's powers and attempts to enforce greater respect for the opinions and deliberations of Parliament on the Council and Commission; secondly, because it establishes mechanisms giving us greater control over our debates, enabling us to select our arguments, to simplify the work of this House, to enhance the status of committees, to organize the life of the Parliament and make it more readily responsive to the real preoccupations of the people of Europe and to the potential role which our institution has been called upon to play; thirdly, because in respecting the rights of individual Members and their groups and in guaranteeing the right to free expression for all, it does not open the flood-gates to the petty and obstructive whims of the demagogues who contribute nothing to the debates but who merely weaken our parliamentary democracy, damage its prestige, debase its image and thwart its unique purpose.

President. — I call Mr Patterson.

Mr Patterson. — Madam President, may I say first of all that my Group will vote in favour of the Luster report and could I also, on behalf of the House and my Group, thank the rapporteur. I do not suppose many Members of this House know, because they are not on the Rules Committee, how much work Mr Luster has put in on this particular report. He has been at it for at least one year and a half and I think that the fact that it is being adopted almost without change is a great tribute to him as our rapporteur. This is a compromise in which nobody has got absolutely everything they wanted, as we pointed out at the very beginning of the debate; but it has produced one or two revolutionary changes in our rules and I think everyone should know it. The change on how we vote on consultation, on how we give our opinions is something that is going to change the power of this Parliament considerably and the fact that this was adopted without votes against except on one or two amendments is very significant.

My own Group is particularly happy that early-day motions have been adopted, something which is taken from the House of Commons. We hope it will work and we are also very pleased in my Group that we now have a proper procedure for ruling on disputes. We have adopted something which we hope will build up a body of precedent so that we will not waste our time on continuous wrangles on rules of procedure. These are important changes, Madam President, and my Group wishes to thank the rapporteur and all those involved. We shall support the report.

(Applause)

President. — I call Mr Romualdi.

Mr Romualdi. — *(IT)* Madam President, colleagues, the non-attached Members of the Italian national right wing will not vote in favour of these Rules of Procedure, although they contain much that is valuable and are the product of a commendable effort — a fact which we must stress once again. We would like to thank Mr Luster for his hard work.

In our opinion, Parliament has missed a fine opportunity of eliminating unacceptable disparities between Members: between Members belonging to the political groups and those who remain unaligned, not by choice as has been said by certain people, but because of the political impossibility of joining a group under the provisions of the current Rule 36, which is to become Rule 26 of the new Rules of Procedure with no changes to the present text. Some time ago, we formed a secretariat of the non-attached Members under the provisions of Rule 36(a), which becomes Rule 28 in this draft. We felt that this would be a starting point for full recognition of equal rights for attached and non-attached Members who are all political representatives, not merely in a technical sense, of the will and interests of the people of the European Community. We did it to achieve recognition and equal administrative treatment in order to be able to carry out our duties and our political, informative and cultural activities, our duty to be present at all levels and on an equal footing in committees, delegations and every other working body in the Parliament, beginning with attendance not only at the meetings of the enlarged Bureau — where, without the right to vote, we ended up not as equal partners as we should have been, but more as guests — but also at the conferences of the chairmen of the political groups, the working body and organizing force which decide virtually everything from the final agenda to the organization of business, the distribution of documents and contacts with the staff, which are extremely important for our Parliament in times of difficulty such as these. Yet we are regularly excluded from these arrangements. How can we share responsibilities under these conditions? However, the opportunity has been missed and we protest. We will not vote in favour of these Rules of Procedure but will commit ourselves to continuing the fight to defend the rights of non-attached Members, which we feel are the rights of everyone. Equal rights and duties for everyone in our Assembly must be protected at all costs, colleagues and chairmen of the political groups, if we hope — and I am sure we all do — to avoid ending up with everything inevitably subject not to your rights but to your will and your overbearing force. If we want to feel jointly responsible as a group in the service not of a centralist system disguised as democracy but of a real democracy committed to working towards a politically free and united Europe.

President. — I call Mr Pannella.

(Protests from various quarters)

Mr Pannella — *(F)* Madam President, when you cannot even get up to speak in Parliament without colleagues screaming and shouting at you, I think it proves that we have, to a certain extent, reached a point where we are trying to outscore each other with our ideas and attendance.

The intolerance shown here, Madam President, comes from ineffective people who, with their delusions of power, are trying to instil order where they are only capable, both at home in their own parliaments and here, of wreaking havoc with the business of the day and year, in people's minds and in the institutions.

Madam President, I shall be voting against this report, but I hope with all my heart that I am wrong to do so, because if you are right, Madam President and colleagues, I think it would be very good for us all. But if, as I fear, you are wrong, it will be particularly unfortunate for you, for at least we know how to use whatever rules we have to assert not only our rights, but those of others too, rights which belong to us and which we hold dear.

The Rules of Procedure which are to be adopted do not give us any reason to hope that our work will be better conducted. What we would like and what we can hope for are very different here. As the days, weeks and months go by we will see if we have been right or wrong. We will be there to uphold the rules that you will have brought upon yourselves, Madam President! I hope that the majority who have passed these new Rules of Procedure today will not treat them as they did the old, and will be able to respect them instead of abusing them every day in practice. This is how I stand in declaring, Madam President, that I shall be voting against, and on this occasion I shall ignore the few disillusioned serfs who come here to bewail their helplessness and their hatred.

President. — I call Mr Nord.

Mr Nord. — *(NL)* Madam President, my Group will also be voting for the report by Mr Luster. We would like, first of all, to offer our thanks once again to Mr Luster for all the work he has put into this report, to Mr Nyborg who chaired our committee in circumstances which were not always easy and also to you Madam President and the Vice-Presidents who have taken the chair here today and whose excellent direction has helped us to deal with 630 amendments in record time.

Naturally, our group is not 100% satisfied with the result which we have before us either. We tabled amendments which we felt to be important and which were rejected by the majority vote of this Assembly, as

Nord

were other amendments. But we feel that this is no reason to oppose the work as a whole since we believe that the parliamentary Rules of Procedure is an instrument which is developing all the time and we regard the Luster report in its present form, with today's amendments, as a better instrument than the current one as the subsequent Rules of Procedure will be once we have acquired more experience and adapted Parliament according to the demands placed on us. For all these reasons, my Group will vote in favour of this report in today's final form during the vote the day after tomorrow.

President. — I call Mr Tuckman.

Mr Tuckmann. — Madam President, like my Group I shall vote for the report and after thanking you and Mr Luster, I do want to register serious protest against the manner in which one Member has conducted himself here. It seems for me entirely wrong that, for the vanity of one man, we should have been held up for what is virtually a wasted working day at a cost that I understand to be in excess of £ ¼ m and in excess of what it cost this assembly to go and do its work in Africa. I know that it is all within the rules, but if these rules are used in a way to discredit democracy, we really will not be able to keep democracy in the way we need it here and now.

It is all very well saying that this House does not have the necessary patience. I would have said that Mr Pannella has been extended the utmost patience and courtesy well beyond what he deserved, and the things that he wishes to say could very easily have been said in some ten or fifteen amendments, and I find that if irresponsibility is carried to that extent the strongest protest is necessary and I am very sad that I have a colleague of that type in this House.

President. — I call Mr Plaskovitis.

Mr Plaskovitis. — (GR) Madam President, on behalf of my seven colleagues from Pasok in the European Parliament, I want to say that Rules 48 and 65, as changed by the amendments adopted by the House, are unacceptable as they stand. We regard these rules to be of such fundamental importance that it is with regret that we shall be obliged to vote against the new Rules of Procedure.

President. — I call Mr Capanna.

Mr Capanna. — (IT) Madam President, as this is the last time I will have three minutes to give an explanation of my vote, I will say just two things, I will vote against, because the amendments to the Rules of Procedure — which are to be adopted tomorrow —

will make this Assembly the exact opposite of what a Parliament should be. Secondly, Mr Luster will go down in the history of this Assembly as the proverbial dove among the hawks — someone who has been consciously exploited, presumably as a manoeuvre to produce a political regulation which will allow this Assembly to become a mere stage for power struggles between the political groups from now on. That is why I called Luster a dove among the hawks.

I was sorry to hear what Mr De Pasquale had to say. I must point out to him that only the malady which Lenin aptly referred to as 'parliamentary cretinism' would make someone say that this political manoeuvre will give us greater freedom and democracy.

(Interruption by Mr De Pasquale)

... you are masochists too: you label every measure that goes against groups like yours a compromise; it's ridiculous...

(Interruption by Mr De Pasquale)

... but how can anyone fail to notice — I am finishing now, I am not going to be provoked — that all day long the chairmen of the groups have been cracking the whip, giving the thumbs up or thumbs down to show the members of their respective groups how to vote; just like shepherds leading their flocks! This is the level of conscience we are showing to the people of Europe! Tomorrow, Madam President, I will be voting against, with both hands.

President. — I call Mr Vlahoroulos.

Mr Vlahoroulos. — (GR) Madam President, the new Rules of Procedure are highly commendable in that they attempt to improve the way in which Parliament operates to the point where its democratic procedures reach ideal standards. We non-attached Greek Members of New Democracy shall vote in favour of the Luster report despite our reservations as regards the speaking time and the rights of the non-attached. However, Madam President, you justified our temporary position very well and I am extremely grateful to you.

President. — I call Mr Nyborg.

Mr Nyborg. — (DA) Madam President, I should like to begin by saying how glad and happy I am that the second last speaker was not the very last speaker since it would have been a pity to finish the day on such a dreary note.

I am particularly pleased that the spirit of cooperation which characterized the work of the committee especially during the last six months has been carried over

Nyborg

into the Chamber. I was deeply impressed by the willingness to work together, to cooperate and to get things done. I cherish the hope that it will spread far and wide some day. That would be something unusual.

I shall conclude by saying that our Group will certainly vote in favour of the report which Mr Luster has presented today as the result of great efforts. I would say to the last speaker: of course all the groups have had to accept something they did not like. There is something which every group feels unhappy about. But by and large one can approve it and work on it further at a later date. After all the most essential thing is compromise!

President. — I remind the House that the final vote on the motion for a resolution as a whole will take place at 11 a.m. on Thursday 26 March as soon as the sitting begins.

I wish to thank all the staff. I wish in particular to thank our Greek colleagues for their understanding in agreeing to forego translation of the vote into their language.

(Applause)

I remind the House that, pursuant to Rule 54 of the present Rules of Procedure, proposals to amend the Rules of Procedure must be adopted by a majority of the current Members of Parliament

4. Agenda for next sitting

President. — The next sitting will take place, tomorrow, Wednesday 25 March 1981 at 9 a.m. and 3 p.m. with the following agenda:

- decision on the urgency of the second Bocklet report on sugar,
- joint debate on the Kirk, Plumb, Josselin, Brøndlund, Nielsen and Gautier reports on fisheries,
- Ligios report on agricultural prices

I wish to thank the staff who, given the small number present, had to work under difficult conditions.

The sitting is closed.

(The sitting was closed at 7.35 p.m.)

SITTING OF WEDNESDAY, 25 MARCH 1981

Contents

<p>1. <i>Approval of minutes</i> 12 <i>Mr Pannella</i> 12</p> <p>2. <i>Decision on urgency</i> 13 <i>Mr Bocklet; Mr Louwes</i> 13</p> <p>3. <i>Fisheries policy — Reports by Mr Kirk (Committee on Agriculture) (Doc. 1-831/80), Sir Henry Plumb (Committee on Agriculture) (Doc. 1-53/81), Mr Josselin (Committee on Agriculture) (Doc. 1-54/81), Mr Nielsen (Committee on Agriculture) (Doc. 1-55/81) and Mr Gautier (Committee on Agriculture) (Doc. 1-56/81)</i> 13 <i>Mr Kirk; Sir Henry Plumb; Mr Brøndlund Nielsen; Mr Gautier; Mr Josselin, rapporteurs</i> 14 <i>Mr Helms (EPP-CD); Mr Gautier (S); Mr Battersby (ED); Mrs Ewing (EPD); Mr Bourmias (NA); Mr Kirk; Mr Provan; Mr Dalsager (Commission)</i> 15</p> <p>4. <i>Agricultural prices — Sugar market — Reports by Mr Ligios (Committee on Agriculture) (Doc. 1-50/81), proposal from the Commission to the Council (Doc. 1-959/80), second report by Mr Bocklet (Committee on Agriculture) (Doc. 1-57/81)</i> 22 <i>Mr Ligios; Mr Bocklet; rapporteurs</i> 22 <i>Mr Braks (Council)</i> 25 <i>Mr Notenboom; Mr Louwes; Miss Hooper; Mr Turner, draftsmen of opinions</i> 28</p>	<p><i>Mr Woltjer (S); Mr Tolman (EPP); Mr Curry (ED); Mrs Barbarella (COM); Mr Delatte (L); Mr Fanton (EPD); Mr Capanna (TCDI); Mr Pasmazoglou; Mr Dalsager (Commission); Mr Tugendhat (Commission); Mr Wettig; Mr d'Ormesson; Mr Kirk; Mr Ansart; Mr Maher; Mr Flanagan; Mr Pannella; Mr Bourmias; Mr Sutra; Mr Bocklet; Mr Hord; Mr Kappos; Mr Rossi; Mr Papaevstratiou; Mr Charalabopoulos; Mr Langes; Mr de Courcy Ling; Mr Vitale; Mr Brøndlund Nielsen; Mr De Goede; Mr Gautier; Mr De Keersmaecker; Mr Provan; Mr Pranchère; Mr Jurgens; Mr Zigdis; Mr Vernimmen; Mr Clinton; Mrs Kellett-Bowman; Mr Chambeiron; Mr Caillavet; Mr Vizas; Mrs Gredal; Mr Diana; Mr Purvis; Mr Denis; Mr Thorn (Commission); Mr Notenboom; Mr Thorn (Commission); Mrs Martin; Mr Sousourogianis; Mr Fotilas; Mr Dalsass; Sir Frederick Warner; Mr Maffre-Baugé; Mr d'Ormesson; Mr Damseaux; Mr Frangos; Mr Josselin; Mr Colleselli; Mr J. D. Taylor; Mr Combe; Mr Romualdi; Mrs Castle; Mr Jakobsen; Mr Katsafados; Mr Helms; Mr Vlachopoulos; Mr McCartin; Mr Barbagli; Mr Ligios; Mr Dalsager (Commission); Mr Battersby; Mr Sousourogianis</i> 30</p> <p>5. <i>Agenda for next sitting</i> 91</p>
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IN THE CHAIR: MR KATZER

Vice-President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

I call Mr Pannella.

Mr Pannella. — (FR) Mr President, I would like the phrase at the foot of page 4 of the minutes — ‘these votes were postponed on a proposal from the President’ — to be amended by adding ‘and with the agreement of Mr Pannella’.

(Laughter from certain quarters)

Sometimes, Mr President, one should also record the stupid laughter which frequently breaks out in this chamber.

Next, Mr President, still referring to the same sentence, I suggest that the words ‘until these officials have returned to their posts’ be deleted. At that stage, in fact, it had merely been agreed to postpone the votes until 1 p.m.

Finally, I would like to comment on page 7. While acknowledging that the minute-takers — who deserve thanks — were drawing up yesterday’s minutes in difficult conditions, I would hope that in future the references ‘spoke several times’ and made several points of order’ may be used less frequently, for it is important that the minutes should record when and on what subject a point of order or a request is made.

President. — Agreed, Mr Pannella.

Are there any further comments?

The minutes of proceedings are approved.¹

2. Decision on urgency

President. — The next item is the decision on the urgency of Mr Bocklet’s second report on the common organization of the market in sugar (Doc. 1-57/81).

I call Mr Bocklet.

Mr Bocklet, rapporteur. — (DE) Mr President, ladies and gentlemen, this proposal has my full support. Firstly, Parliament has already conceded the urgency of this matter three times; secondly, the Council is awaiting Parliament’s decision; and thirdly, if Parliament delays its decision any longer, there is a risk that the Council could feel compelled to decide for itself regardless of the opinion of Parliament. In order to avoid this, I ask you to accept this proposal.

President. — I call Mr Louwes.

Mr Louwes. — (NL) Mr President, my Group will be supporting this request for urgent procedure. For a variety of reasons, the statement of Parliament’s opinion on this matter has already been seriously delayed. The Council has rightly asked for it to be dealt with as a matter of urgency on the grounds that it has already gone quite a long way towards reaching its own decision, and it is up to this House to ensure that this process is not delayed further because of us.

I should also like to point out that sugarbeet farmers are now about to sow their crop, and I think they have a right to know what system will be in force when they come to harvest that crop. We are therefore in favour of urgent procedure, Mr President.

(Parliament decided on urgent procedure, included the item on the agenda for that sitting, to be debated jointly with the Ligios report on agricultural prices (Doc. 1-50/81) and set the deadline for tabling amendments at 12 noon on 25 March.)

3. Fisheries policy

President. — The next item is the joint debate on five reports on fisheries drawn up on behalf of the Committee on Agriculture:

- report by Mr Kirk (Doc. 1-831/80) on the proposal from the Commission of the European Communities to the Council (Doc. 1-677/80) for a regulation concerning allocation and control of certain catch quotas in 1981 for vessels flying the flag of a Member State and fishing in the Regulatory Area defined in the NAFO Convention;
- report by Sir Henry Plumb (Doc. 1-53/81) on the proposal from the Commission to the Council (Doc. 1-855/80) for a regulation concerning, for certain fish stocks occurring in the Community fishing zone, the fixing of the total allowable catches for 1981 and the conditions for taking these catches together with the shares available to the Community;
- report by Mr Josselin (Doc. 1-54/81) on the proposal from the Commission to the Council (Doc. 1-99/80) for a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of certain non-member countries in the 200-nautical-mile zone off the coast of the French department of Guyana;
- report by Mr Nielsen (Doc. 1-55/81) on the proposals from the Commission to the Council for.

¹ Documents received — Texts of treaties forwarded by the Council: see minutes.

I. a decision on the conclusion of the agreement, in the form of an exchange of letters, establishing

President

fishing arrangements between the European Economic Community and the Kingdom of Norway for 1981 (Doc. 1-961/80)

- II. a regulation laying down for 1981 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway (Doc. 1-29/81);

— report by Mr Gautier (Doc. 1-56/81) on the proposal from the Commission to the Council (Doc. 1-627/80) for a decision on the conclusion of the Convention on Future Multilateral Cooperation in the North-East Atlantic Fisheries.

I call Mr Kirk.

Mr Kirk, rapporteur. — (DA) Mr President, the report I am presenting is on the Commission's proposal that the Communities should adopt a regulation concerning the fishing activities of member countries in the area covered by the NAFO Convention, and we have very few comments to make on the Commission's proposal. But I should like to make the general comment that we are not happy that the Commission is once again in reality effectively concluding binding agreements on behalf of the Communities, without consulting Parliament in advance, and without discussing with Parliament and finding out to what extent Parliament is prepared to accept the conventions which the Commission is negotiating. The other point on which we do not agree with the Commission is the obligation on Community fishermen who fish in this area to report their catches, as we think that it is a practical impossibility to observe this obligation as laid down by the Commission. We think it necessary to raise the limit for catches which these Community fishermen are allowed to make before they have to report back to the Member States on the size of their catch.

President. — I call Sir Henry Plumb.

Sir Henry Plumb, rapporteur. — Mr President, honourable Members will note in the report that Mr Kirk was appointed the rapporteur by the Agriculture Committee on this matter, which I took over at the last meeting because Mr Kirk was not happy with the amendments that had been tabled to his report. Therefore we gave an opinion on 17 March and Members will note, Mr President, that the report deals particularly with the vital component of the common fishing policy and the conservation of resources in Community waters, and it is the opinion of the Agriculture Committee and the Fisheries Working Group, which I regard as an important component of the Agriculture Committee, that the document presented by the Commission, although it provides guidelines for the future, shouldn't be accepted in its present form and the continuing debate in the Council of Ministers

and particularly the debate that presumably is going to take place now this weekend, we believe make it even more crucial that the Commission revises its proposals and presents a new document for consideration. On this basis I recommend Mr President, the report to Parliament. I have been advised that there are several amendments already tabled to this report, which tend to reinforce and specify a certain element in the report. These relate particularly to certain stocks in the Greenland and Icelandic waters, the plaice stocks in the North Sea, the herring by-catch in the North Sea, the sprat fishing and proportional compensation for losses in third country waters, etc. I will give my opinion on these amendments on Thursday as we vote, but I present this report to the House for their consideration this morning, Sir.

President. — I call Mr Brøndlund Nielsen.

Mr Brøndlund Nielsen, rapporteur. — (DA) Mr President, I am not going to speak at length, but am simply going to recommend that Parliament also adopt the report which I have drawn up on behalf of the Committee on Agriculture. Parliament's task must now be to implement as a matter of course the various things which we have to put into effect in the area of fisheries policy, in the constant hope that the Council will progress towards a framework for a common fisheries policy.

I shall therefore be quite brief in recommending that the motion for a resolution in my report be adopted.

President. — I call Mr Gautier.

Mr Gautier, rapporteur. — (DE) Mr President, ladies and gentlemen, this report is concerned with the conclusion of an international convention on the management of fish stocks in the north-east Atlantic. This was originally a very old convention which was rendered superfluous or invalid by changes to the law of the sea. The European Community has taken part in the negotiation of a new convention, as a result of which an agreement in principle has been reached which it is now up to the Community to ratify. The Committee on Agriculture welcomes this agreement in principle and has adopted this report unanimously. We have nevertheless proposed certain amendments to the Commission and Council proposal, centering essentially on the Commission's duty to inform the European Parliament and the Council immediately should it intend to propose changes to the Convention on Future Multilateral Cooperation in the North-East Atlantic Fisheries or should it receive recommendations from the North-East Atlantic Fisheries Commission under the Convention. To this end, we have tabled three formal amendments to the Council draft.

President. — I call Mr Josselin.

Mr Josselin, rapporteur. — (FR) Mr President, ladies and gentlemen, with regard to this Commission proposal on the conservation and management of fishery resources in Guiana, I should just like to point out that, in November 1980, this House called for an overall approach to be adopted to the fishing problem and for fishing policy to be integrated into development policy. We are pleased to note that, in this case, the problem of species conservation is indeed being linked with the development of Guiana in that the essential new aspect of this proposed new regulation is to grant licences to vessels from third countries only on condition that they have concluded contracts to land their catches in Guiana, although this condition will not apply to coastal countries of the region. Bearing in mind the agreements with the ACP countries and with a view to aiding the development of the countries concerned, these neighbouring coastal countries will be allowed to increase their catch potential quite substantially. Your rapporteur would like, nonetheless, to see the Commission keep a fairly close watch on the authorized catches because, although we must bear in mind that there will be a real growth in the local fishing fleet, its prospects should not be compromised by over-fishing in the region.

Allow me to conclude, Mr President, by saying how much I deplore the fact that although the Community may agree on its external relations, it is incapable — as the decisions taken at Maastricht show — of reaching agreement on its own internal problems. You will appreciate, then, why I am once again hitting the alarm button: what is at stake is the future of the Community's fishermen, and for that reason, the emergence of a 'Blue Europe' is a matter of urgency.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Helms. — (DE) Mr President, ladies and gentlemen, against the background of very important developments concerning the Community institutions — which this week affected our own institution — we are now debating the important question of fishing for the first time since our joint resolution of January, in which we called on the Council to reach its postponed decision by the end of the year. Even now, no decision has been reached, and I should like to say on behalf of my Group — and, I am sure, on behalf of many Members — that we consider this to be an intolerable state of affairs. The European Parliament has no sympathy whatsoever for a policy of blocking this decision for reasons of self-seeking national self-interest at a meeting in which the Council is trying to formulate a common policy. We have absolutely no sympathy for attempts to establish a link between this problem and other important outstanding questions to

do with the common agricultural policy, so as to achieve maximum acceptance of certain preconceived ideas in the various sectors. We must repudiate this kind of behaviour in the strongest possible terms, and we deplore the fact that the European Council meeting this week in Maastricht again failed to reach any agreement. I beg your indulgence for these few remarks before I get on to the substance of the report we are debating here today.

I should like to point out to the public at large — in view of the fact that the European institutions are slowly but surely getting themselves a bad reputation as a result of the Council's machinations — that all the important documents and problems submitted to us by the Commission for our opinion have in many cases been dealt with by this House under enormous pressure, and that we have always managed to pass them on to the Council and the Commission in good time. The main point we have to deal with today is the various reports on catch quotas and fishery resources for all fishermen in the Community and, for practical purposes, I think we can take all these reports together. I should like to say on behalf of my Group that we can support the reports drawn up by Mr Josselin on Guyana and by Mr Gautier on fish stocks off Canada — we have a number of areas to consider here today, and Canada is not one of them. However — as the Chairman of our Committee, Sir Henry Plumb, emphasized — we must reject this report on the 1981 quotas, if I may give it that abbreviated title. Like the erstwhile rapporteur, Mr Kirk, we regard this document as an ill-balanced proposal on the part of the Commission, and in the resolutions, we call on the Commission to submit a balanced alternative document. Over the last few days, I have tried — and here I should like to remind you of what Mr Kirk had to say right at the beginning — to table further joint amendments and improvements. Together with Mr Kirk, the Members of my Group, Mr Battersby and others, I shall be tabling further amendments which I would ask you to incorporate in this report when it comes to the vote tomorrow. Our main priority here is to call on the Commission to withdraw its report. Our aim is to ensure that the principles for a common fishery policy, which the specialist committee agreed on for the 1980 quotas, are at last taken into consideration in the allocation of quotas. That has not been the case so far. That point was made by the European Parliament in its debate in 1980, and it is one which we must reiterate here today. Let me point out, with all due urgency, that the Commission is endeavouring to ensure that the restrictions and lost catches caused by the delay in a Council decision are balanced out before the end of this year by acceptable quotas of equivalent value. That could happen, for instance, in the waters around Greenland.

With effect from the start of this year, we have a new Commission and a new Member of the Commission responsible for these matters. He cannot be here today, and Mr Dalsager is standing in for him. I

Helms

should like to ask Mr Dalsager to convey to his colleague that it is time he had sufficient courage to adopt these Community-orientated positions with regard to the Community's fishery policy. That is an urgent plea which is, and always has been, echoed by all the Groups in this House. That is the only way we shall make any progress, and then at last our fishermen can get down to fishing the Community waters. That is what they want to do, and it is essential and important that they should do so, so as to conserve jobs and secure reasonable supplies for the European consumer.

President. — I call the Socialist Group.

Mr Gautier. — (DE) Mr President, ladies and gentlemen, I am pleased to be able to tell the House that, for once, the Socialist Group is in full agreement on five reports.

(Laughter)

First of all, we should like to give our support in particular to Mr Josselin's report because it introduces an important principle in its support for overseas *départements* which is that the granting of licences for shrimp fishing is now linked to an obligation to land the catch in the country concerned. This will of course help the local processing industry and the people whose jobs depend on it.

The Nielsen report is an excellent basis for debate, and we shall be giving it our support. It is, after all, concerned with substantial amounts of fish which the European Community can catch either in Community waters or by reciprocal agreement with Norway. Let me remind you that the European Community alone is allowed to catch 158 000 tonnes of cod in these waters and substantial concessions are made by Norway to the European Community. This is one matter where we would say that this is in the interests of the Community, and for that reason, we support this agreement with Norway and also Mr Nielsen's report.

There is nothing I wish to say on my own report and Mr Kirk's report on NAFO, but there are a few things I should like to say on what was originally the Kirk report, and is now the Plumb report, on total allowable catches in Community waters. I think the decision on which criteria should be applied for fixing the total allowable catches is a matter of principle. Are the criteria to be of an economic and social nature, or are we to try to apply scientific criteria aimed at stock conservation and the long-term management of stocks in Community waters? We believe the only solution, in the long-term interests of the fishermen and of secure supplies, is to apply purely scientific criteria to the conservation aspect and to make economic and social factors take something of a backseat. The fact is that, if we were to apply economic and social criteria, we

would always be revising the total allowable catch upwards until we reached the situation we now have in the herring sector, where stocks have been exhausted and a total ban on fishing would have to be applied. For that reason, it is essential for scientific criteria to be applied in the interests of long-term stock management.

The Plumb report is also concerned with the contentious matter of what method should be used to work out these scientific criteria — the single species method or the multi-species approach. The Committee on Agriculture makes the point that we would of course prefer to see account taken of the interaction of fish species. Unfortunately, though, there is, as far as we are aware, no reliable scientific method at present for working out catch quotas if the multi-species approach is adopted. As the European Parliament is expected to take decisions for 1981, and not for 1990 or 2000, we take the view that the criteria worked out by the International Council for Marine Research would be applied.

A second point which no longer figures in the report — but I assume that it will make its appearance again in the form of an amendment — is the question of fixing total allowable catches of sprats, in other words, industrialized fishing, and what form the regulation on secondary catches should take. We are in favour of the introduction of quotas for industrialized fishing too, especially for sprats, not because we have it in for industrialized fishing interests, but because we give priority to the possible recommencement of herring fishing. In other words, we take the view which the Committee on Agriculture and this House have often espoused in the past, that priority must be given to fishing for human consumption. The fact is that a sprat-fishing catch can consist of up 10% herrings — especially young herrings — which would mean, given a total sprat catch of 300 or 400 000 tonnes, something like 30 to 40 000 tonnes of herring — as I said, especially young herring — at a time when there is a total ban on herring fishing in Community waters. That is why we are in favour in principle of a quota-based proposal in this field and also for more stringent restrictions on secondary catches, as set out in Mr Helm's draft report, which is not yet generally available.

President. — I call the European Democratic Group.

Mr Battersby. — Mr President, I would like to welcome the fact that we are to consider this week five reports on fisheries covering the resource, fishing in the north-west Atlantic, the important French Guiana shrimp fishery where Mr Coutogeorgis and DG XIV have done a very fine job indeed; Norway, which is so important to our distant-water fishermen, and on international cooperation in the north-east

Battersby

Atlantic. The European Democratic Group supports all these reports.

Mr President, I wish, however, today to speak for the inshore and for the middle-water fishermen who harvest the sea for an uncertain crop, sold for an uncertain price, without strong financial backing. Men who are too often far too busy fishing in order to survive in this very inhospitable environment of theirs to present their case. It's a great pity that Council can always agree on matters affecting a very small number of vessels thousands of miles away in international waters and is unable to agree on matters within our own Community waters effecting thousands of boats and tens of thousands of our inshore and middle-water fishermen who work in equally harsh inhospitable and dangerous conditions in boats far smaller than those working in the North-West Atlantic. Three weeks ago I attended a meeting of the inshore fishermen of Bridlington in my constituency. This is a small typical fishing port. They are very worried. The inshore fishing industry of Europe is very worried. This part of the industry is in crisis. Inshore men are individual operators. They are self-reliant men, but high fuel costs, high other costs, are crippling them. Withdrawal prices are too low; imports at low prices from outside the Community, often in processed form, are far too often depressing the market. These courageous men are now surviving on a day-to-day basis and are being forced, in order to survive, to go out and stay out in all weathers, to take unnecessary risks; and losses and deaths at sea are growing day by day. These men are working a hundred hours a week. They are not replacing worn gear, they do not have the money to do it. They are not overhauling their engines and the other machinery on board.

They are looking to us for help and understanding, and we must give our inshore and middle-water fleet better margins and a securer economic environment so they can get on with the job. They must have a comprehensive common fisheries policy and they must have it now for the 1981 fishery. Political will must be found in Brussels by the Council this week on Friday so that the fishing industry, that is the inshore, the middle-water and the remaining distant-water fishermen can survive, and so that we in this Parliament can do for the fishermen the job that we were elected to do.

President. — I call the Group of European Progressive Democrats.

Mrs Ewing. — Mr Chairman, could I say that this vexed problem is a heart-breaker to fishermen. The problem seems to have become too technical for politicians to solve and too political for experts to solve and I sometimes wonder if we sent all our fishermen to the table whether we might not get a quicker solution because at least I think fishermen understand fishermen, even if sometimes they seem to have different

conflicting interests. I would like to echo the remarks that were made by previous speakers about the importance of fishing for human consumption and even if we take this in the wider context of our responsibility in the world, I think it really must be given a high priority in whatever settlement is reached. The tragedy, Mr President, is that in January it did seem to me that in my last conversation with Commissioner Gundelach that we were almost at an agreement, certainly from the cheerful tone of that last conversation, he indicated to me that even I representing as I do, an area with very few people per square kilometre, almost totally dependent on fishing, he indicated to me that I would be satisfied with what he was going to say when he visited the Shetland Islands in January. Now, we can all sympathize with the problems of Commissioner Contogeorgios what a problem he has inherited and at what an awkward moment.

I think we can all really sympathize with his problem, but I would like to agree with the remarks of Mr Battersby representing as I do an area that has no alternative employment, where if we don't reach an agreement, for poor Scotland and particularly the north, where we have two-thirds of the UK pond and the UK have two-thirds of the EEC pond, there is no way out of that fact that when you've a sparse population, this means that I have a total dependence and unless you reach a just solution this community has got to face up to this, that instead of wearing a human face it is putting a death mask on to about eighty islands and to numerous communities that have a way of life and no jobs. Even if you were to say: let us pay these men money in compensation to give up their way of life, can one in conscience kill a way of life off? Is that what this Community is all about? Certainly the fishermen won't understand it if whatever agreement that is reached puts out of operation whole islands and whole towns and turns them into ghost towns. As Mr Battersby said these are brave men.

When I go back, I'll be going to yet another memorial service in my area, the fifth one in two years, where five men mostly related are leaving a town devastated with grief because these men are forced to stay at sea and take risks that they shouldn't be taking. All they want to do isn't an enormous amount of money, not profiteering, all they want to do, oddly enough, is to go on living this dangerous life and to catch fish.

I would urge that justice be done to areas of total dependence, that we go back to what Commissioner Gundelach indicated to me was an element of the January agreement, namely regional boxes for the areas totally dependent on fishing. I would urge Commissioner Contogeorgios who shook hands with me and promised his best endeavour to give justice to these types of fishermen. I hope that we do reach a just solution.

President. — I call the non-attached Members.

Mr Bournias. — (GR) Mr President, Mr Gautier's report deals with serious and urgent fishing matters. I say serious because paragraph 18 of the motion for a resolution calls on the Council to decide, in view of the urgent need to re-organize the market in fish, on the Commission's revised draft by the end of March.

Before going into the matter itself, I should like to point out that on 15 December 1979 the Council, in accordance with Rule 14 of the Rules of Procedure, requested urgent procedure, but this request was not accepted by Parliament, which 13 months later, in January 1981, discussed the proposal in the Committee on Agriculture and adopted it with a very large majority. Let me point out that this amount of time is not at all satisfactory for an urgent matter concerning which a few days ago, on 21 March, the British newspaper *Daily Mail*, under the macabre heading 'You want to know the price of fish? Then go up to the cemetery', bitterly attacked the politicians and bureaucrats of the Community because a Scottish fishing boat had been wrecked with the loss of six men. According to the *Daily Mail*, the 'lunatic' rules of the common fisheries policy force Scottish fishermen to expose their boats to risk in seas and poor weather conditions which they ought to avoid. We understand, the paper continues, that there is to be a change in the common fisheries policy, but so far no agreement has been reached with our so-called associates in Brussels. I considered it necessary to refer to this article because it demonstrates both the seriousness and urgency of this matter.

As for the substance of the motion, I should like to say that paragraphs 4 to 8 deal quite rightly with the market organization of products, economic aid for setting up market organizations and price guidelines based on objective criteria. The aid provided for in paragraph 11 for the private storage of certain deep-frozen fish products, especially those of Mediterranean origin, is definitely needed. Furthermore, we agree with paragraphs 12 and 15, which concern the prevention of market disturbance by compulsory imports into the Community of outside fish products and the adoption of quotas if economic aid is granted.

Greece is mainly interested in the structural measures and more particularly the increased subsidy of 50 % for the modernization of fishing vessels and the development of aquaculture. My country is also interested in the current agreements with African countries insofar as they guarantee fishing zones for the Greek deep-sea fishing fleet.

These were the remarks I had to make, Mr President, both generally and with particular reference to my country.

President. — I call Mr Kirk.

Mr Kirk. — (DA) Mr President, I should like to comment briefly on the fixing of total allowable catches for 1981. As Sir Henry Plumb rightly said, I was originally the rapporteur for this report, but then subsequently withdrew, which had something to do with the fact that, in my opinion, the document before the House now is inadequate and bereft of substance and consists of nothing more than mere platitudes. Now we can enter into a political debate on how on earth we have got into a situation where the Committee on Agriculture cannot come up with a proper report. I shall not go into what deeper reasons there may be for this situation, but there are clearly members of the Committee on Agriculture who do not want the European Parliament to state its views on the policy regarding the utilization of the fishery resources we have at our disposal.

That is the crux of the matter. The question is how we can best exploit the resources in the Community's waters, and there are three aspects to be taken into account here. Mr Gautier was right in saying that consideration should be given to the conservation of fish stocks. But that is not the only point to be borne in mind in fixing the TACs. It is not enough to say that we can now hide behind the shield of scientific advice, because as soon as the biologists start examining their material and collecting background material for their scientific advice, we are involved in a political decision-making process.

What we have heard here and what is said in the report is correct, and we feel that we can obtain better results by ensuring that our political advice is based on the majority principle. But it is also evident that at the moment we are not in a situation where we have the basic material to enable us to agree to the majority principle. Nonetheless, we must have the political resolve to look for this material to make sure that the biological advice we have rests on the soundest possible foundation. There is no point in basing our judgment purely and simply on a theoretical knowledge of fishing and the biological advice. I hope Mr Gautier will take note of this, because I get the impression that that is what he has done.

We can see from the amount of fishing that has gone on in the Community's waters over the last ten years that we have the same biomass at our disposal. We can see that fish losses due to fishing alone amount to 3 million tonnes and of biomass to 9 million tonnes. But quite apart from this mortality rate, we now have one of 3 million tonnes which can be put down to other causes, but that is of no interest to us. I should like to urge this House to adopt some of the amendments tabled by Mr Helms and to which I too shall be giving my support. I have myself tabled other amendments, but I shall be withdrawing these tomorrow.

We have to come up with a statement showing what policy we intend to pursue in our work in the

Kirk

Community. We must make it clear to the Commission that the uninspired way in which it has tried to formulate a common fisheries policy is the wrong approach and that we must now be aware of our responsibilities and try to make available the material I mentioned just now so that we can make the best possible use of the available resources.

With regard to Mr Brøndlund Nielsen's report on the business concerning Norway, I must say that there is one thing which worries me in the Commission's arrangements with Norway, and that is its correspondence with Norway on this point. It says in the correspondence that Norway has reserved the right to control fishing for sand eels in its own waters in 1981, and has laid down rules for what form this fishing should take. I do not think we can put up with any such move on Norway's part. Norway can negotiate with the Community on the extent to which it can lay down such rules during the life of the Community's arrangements with Norway, but I do not think we can give Norway the right to make such a decision off its own bat. I have seen examples of how the Faroese have shut out the Community's fishermen from Faroese waters by way of regulations of a technical rather than a conservationist nature, and which have interfered with Community fishermen's activities in those waters. We must make sure that we too have the chance to fish for the quotas we have been allocated in third countries' waters. There is no point in laying down rules which make it impossible for us to catch the quotas for which we have made arrangements with a third country.

President. — I call Mr Provan.

Mr Provan. — Mr President, we as a parliament are meeting together again to discuss fisheries matters when there has been in the North Sea another tragedy to which Mrs Ewing has already referred. This is happening of course because of the pressure on fishermen to try to maintain an income — not their original income — but to maintain an income at all is extremely severe on them and the pressures that they are under are considerable.

What we have got to achieve as a parliament and what the Council of Ministers have got to achieve as a council is a common fisheries policy that is fair and just to all the fishermen within all the Community. We had a hearing as a fisheries' working group which, I think, was very successful and the fishermen that were there together of course all desire peace and tranquility so that they can get on with their job in fair and just circumstances.

As far as the Canada Agreement is concerned, that is being viewed in the United Kingdom especially as part of the overall package of a common fisheries policy because in the United Kingdom we will be receiving

most of the fish that has been agreed under that agreement in exchange for fishing in the Canadian waters and we know full well in the United Kingdom that when we get these massive imports coming in tariff-free from Canada, this is disrupting our market considerably, and that is one of the major reasons why we cannot get a decent fish price on the quay head. Every fisherman is aware of that and that is why we are standing by our fishermen to make certain that if we are going to get a common fisheries policy it has got to be a total policy including proper marketing of fish.

These losses at sea are caused by fishermen having to go out to try to maintain their income. This Canadian deal — while it is acceptable, of course, provided we get proper marketing structure — has got to be viewed as an overall package and I hope that our German colleagues here realize that. We certainly want to see a common fisheries policy, we were very close to a common fisheries policy last December when the date-line of the 31st came up. It was going to go on into January and I do not think it has anything to do with the United Kingdom's position that that was not seen to be achieved at that time, because agreement was going to be reached two hours before the final vote came and then something interfered that we all understand to be to do with an election within the Community.

Now, Mr President let us hope that this weekend we can see some major advance towards what we all wish to see — a new common fisheries agreement.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I should like to convey to you Mr Contogeorgis's apologies for not being able to be here today, but he has asked me to say a few words on these reports. I think we have every reason to be grateful to the rapporteurs and to the Committee on Agriculture and its working parties — including that on fisheries — for the report before us now on the internal and external aspects of the Community's fishery policy.

As regards the internal aspects, I should like first of all to draw your attention to the fact that the report refers to the Commission's original proposal for total allowable catches for 1981, which was referred to the Council in November last year, since when a large number of changes have been made to the original draft.

The original proposal on total allowable catches and the various changes have now been collated into a new proposal which was referred to the Council at the beginning of this month in the Commission's Document No COM(81)78.

Dalsager

I should like to mention two basic changes. The Commission is now proposing that permission be granted for a limited allowable catch of North Sea herring amounting to 40 000 tonnes in 1981 in the Community's own sector of the North Sea in the light of social and economic needs and in view of the fact that there is now no longer such a serious risk of stocks of herring in the North Sea being exhausted altogether.

The other major change I should like to mention is that the Commission — in line with the decision taken by the Council on 11 February this year — has proposed a separate total allowable catch of 30 000 tonnes of West Greenland shrimps in 1981, exclusively in the Community's own waters. 27 000 tonnes or these will be reserved for fishermen in Greenland.

On this point, I should also like to mention that the Commission has deleted from its proposal on total allowable catches certain footnotes setting out provisions of a rather technical nature for fishermen in the Community's waters and has brought them together in a new, separate proposal. This new proposal now contains such things as provisions relating to by-catches of herring as a result of sprat-fishing, for which the Commission had earlier proposed an increase in by-catches from 3% to 7%.

I should now like to move on to comment on some of the points which were brought up in the report. The proposals on total allowable catches for 1981 were based on the management strategy defined by the Commission in its communication to the Council of 21 November 1979, the main point of which was the introduction of provisions relating, firstly, to the continuance of each fish stock as a commercially viable resource; secondly, to a reduction in fishing activity in over-fished stocks so as to avoid widely fluctuating yields from year to year; and thirdly, to move the degree of exploitation of individual stocks towards the level giving the maximum average long-term catch.

I should like to emphasize that, in drafting this proposal, the Commission took into account first and foremost the social and economic needs of the fishing industry. The real interests of the Community's fishermen lie in the stabilization of fishing patterns as quickly as possible and in the need to ensure that yields — and hence profitability — rise in the face of the rising costs of fishing, a point which has also been mentioned in this debate. The only way this can be done is by reducing catches in the short term by the introduction of a maximum allowable catch figure. This would of course cover all species, including plaice. That is the target the Commission has set itself — namely, that the need to work towards a maximum average catch over the long term is, in the main, an economic problem. That will be the level at which fishermen will get the maximum possible return for the

work they put in, and fish stocks will at the same time maintain the maximum possible reproduction rate.

It has been said that the Commission should take account of the biological interaction of fish species. On this point, I would stress that the present state of scientific knowledge as to the interaction between various fish species' food chains is still far too patchy for either scientists or the Commission to base their recommendations regarding total allowable catches on it.

As regards changes on what point 4 a in the report has to say about total catches of Greenland cod, the Commission cannot accept the proposal to increase the Community's share in Greenland's waters against the background of cod fishing in Iceland's waters. Although cod migrate between Iceland and Greenland, it is unrealistic to expect that a sizable proportion of stocks from Iceland's waters could be caught in Greenland's waters. The reason why industrial fishing has been included in the report on total allowable catches is mainly because we want to be able to keep an eye on the industrial fishing sector's by-catches of quality fish for human consumption. That does not necessarily mean that there will be a quota distribution between Member States of total allowable catches of the species in question.

The Commission has gone a long way towards the introduction of a system of technical provisions which, generally speaking, are based on protecting fish fry spawning grounds for the benefit of fishing for full-grown fish for human consumption. The Council adopted a regulation on technical provisions last September, but as is the case with the regulations concerning total allowable catches, these can only yield results in the long term.

The Commission's management policy can only yield satisfactory results if the member States have sufficient patience and foresight to sanction and introduce the total allowable catches for 1981 along with the ancillary provisions.

With regard to the changes to point 8 in the report on total allowable catches for 1981, the Commission has taken note of the principles in Parliament's report on TACs and catch quotas for 1980. In the light of discussions which have taken place since then, the Commission does not feel bound to apply the same criteria for the 1981 quotas as it applied in 1980. At any rate, the mathematical computation the Commission has produced as one of the criteria for distributing quotas among the Member States means that a shortfall in one zone will be balanced out, within certain appropriate limits, by alternative facilities in other zones.

As regards the external aspects and the special fishing arrangements with Norway for 1981, I am pleased to

Dalsager

be able to say that the Commission agrees fully on the substantive aspects. The agreement we have reached with Norway will establish a reasonable balance between fishing interests from various parts of the Community, bearing in mind the terms of The Hague Convention. And let us not forget that the agreement will mean a net benefit to the Community of some 20 000 tonnes cod equivalent.

I should also like to comment briefly on a few points mentioned by the rapporteurs.

As you will know, arrangements for fishing in the Skagerrak can only be made by agreement between the Community, Norway and Sweden. An agreement was concluded with Sweden last Friday for 1981, so I am sure that we shall be in a position very shortly to conclude a trilateral agreement on fishing in the Skagerrak.

I share the rapporteurs' views on the question of access for the Norwegian fisherman to Greenland waters.

As regards the newly created fishing zone of Jan Mayen, I can give Parliament an assurance that the Commission has, in the course of the negotiations, done whatever was necessary to protect Community fishing interests in these waters. We have obtained a quota of 2 000 tonnes of blue whiting, and once Norway brings its licensing arrangements into force, the Community will receive 20 such licences.

As the point about control measures has been raised, I should like to draw your attention to the fact that Norwegian vessels of over 200 gross registered tonnes are only allowed to fish if they are in possession of a licence issued by the Commission on behalf of the Community.

As regards fishing vessels flying the flag of a non-member country in the 200 nautical-mile zone off the coast of the French department of Guiana, I should like to thank the rapporteur for the work he has put in, which reveals a deep understanding of the thinking behind the Commission's proposal.

The new proposal covering a twelve-month period from April this year to the end of March 1982 incorporates a number of current provisions for the implementation of a common fishery policy in the French department of Guiana.

Finally, Mr President, I should like to make a few comments on the multilateral cooperation between the North-East Atlantic Fisheries Commission (NEAFC) and the North-West Atlantic Fisheries Organization (NAFO).

The introduction of extended fishing limits has reduced the importance of multilateral cooperation to

protect fishery resources, but there is still a need for cooperation along these lines.

The North-East Atlantic Fisheries Convention represents a suitable framework for this cooperation aimed at conserving fishery resources in these waters in the north-east Atlantic, which come within the coastal States' jurisdiction. The convention also constitutes a forum for discussion among the coastal States concerned, within which they can discuss their respective policies on the management of resources.

The Commission is therefore pleased about Parliament's approval of its proposal that the Community should accede to the new convention.

Perhaps I may also be allowed to make a few comments on the detailed proposal in Mr Gautier's report.

What he proposes is the introduction of a provision by which the Commission would be required to inform the European Parliament and the Council of any recommendations formulated by the North-East Atlantic Fisheries Commission in good time so that the European Parliament can state its opinion on them before the time-limit expires, i.e. before they become binding on the Community.

As long as the only means of implementing these recommendations is a Council regulation pursuant to Article 43 of the Treaty, the Commission will do its best to submit proposals of this kind within the time-limit mentioned in Article 3 of the draft proposal reproduced in the report. Commission officials are currently engaged in drawing up a draft regulation providing for the introduction of a number of procedures for implementation in the Community of recommendations from the international fishery organizations the Community is a member of. The point brought up in the Gautier report's draft Article 3 will be taken up in conjunction with this work, and for this reason, I cannot agree here today to the introduction of an article in the proposed form.

The report also proposes the application of an Article 4 whereby the Commission would be required to submit to the European Parliament and to the Council the amendment it intends to propose to the new convention. I must draw your attention to the fact that, in accordance with convention, Parliament is consulted on the result of negotiations and not on the negotiator's intentions. The Commission appreciates that Parliament is trying to find a way of conveying its views to the Commission before consultations or negotiations get under way. This matter has been discussed on previous occasions, and the Commission has stated its views on the subject.

In my opinion, the addition of a clause like the proposed Article 4 in the report is neither necessary nor appropriate.

Dalsager

Finally, the report proposes the introduction of an Article 5 into the regulation, by which all proposed amendments would have to be approved by the Council, acting by a qualified majority, after consultation of the European Parliament, before they could be adopted by European Community. This proposal is contrary to the Convention, Article 19 of which states that any amendment proposed to the Convention as such by a contracting party is binding on all parties so long as it receives the approval of three-quarters of all the contracting parties.

The Commission is prepared to inform Parliament and the Council about any amendments proposed by the other contracting parties and by the Commission itself as regards the approval or rejection of any proposed amendment.

As regards the technical aspects in the NAFO report, I can say that the requirement that reports on catches be made in increments of 10 tonnes was proposed partly because some of these quotas are very small — for instance, 50 tonnes — and partly because there is a risk of overfishing if the increments are larger.

On the late submission of this and other proposals to the Council and Parliament, I should like to ask you on behalf of the Commission to appreciate that, as is the case at the moment with regard to the common fishing policy and many other problems we have had in this transitional period, the workload on the staff available has been so great that the Commission has not always been able to keep things moving at the pace we would have liked. Let us now hope that this intolerable situation will soon be over with the adoption of the common fishing policy, which has been under discussion for so long now.

Mention was made here of accidents at sea. I am well aware from my previous job and the fact that I used to live in a fishing area of the unfortunate occurrences members have referred to. I do not think there is much sense in using these unfortunate occurrences as a means of attacking the Community or its fishery policy because accidents like these occurred for many years before the Community was ever set up, and will unfortunately happen in the future many years after we have adopted a common fishery policy. I do not think we should make use of these tragic events in our arguments.

President. — The joint debate is closed.

The motions for resolutions will be put to the vote during the next voting time.

4. *Agricultural prices — Sugar market*

President. — The next item is the joint debate on the

— report (Doc. 1-50/81) drawn up by Mr Ligios on behalf of the Committee on Agriculture on the

proposals from the Commission to the Council (Doc. 1-959/80) on the fixing of the price of certain agricultural products and certain related measures (1981-1982);

— second report (Doc. 1-57/81) drawn up by Mr Bocklet on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council (Doc. 1-471/80) for a regulation on the common organization of the market in sugar.

I call Mr Ligios.

Mr Ligios, rapporteur. — (IT) Mr President, the time allocated to me for presenting my report is thirty minutes. I would therefore like to ask the Bureau to allow me to use now only a part of that time, since I would like to use the remaining time to reply to the various speeches, after taking account of the many amendments tabled, the nature of which is still partly unknown to me.

I deduce from your sign of consent, Mr President, that this possibility is now allowed to me.

Mr President, ladies and gentlemen, the fixing of agricultural prices for the 1981-1982 year is taking place at a time when the institutions are involved in solving a series of difficult problems which have arisen simultaneously in Community affairs.

It is enough to mention a few of them:

(a) the economic crisis, which now affects all the Member States, albeit in varying degrees;

(b) increasing divergences and the difficulty of making progress towards European integration, as shown by the disappointing results of the last European Council;

(c) the discussions already begun by the Community institutions and the Member States on the guidelines to follow for modernizing and strengthening the agricultural policy so as to meet effectively the requirements and difficulties of years to come;

(d) the constraints imposed by the imminent exhaustion of the currently available financial resources.

The seriousness of the present situation is shown on the one hand by the profound crisis in various industrial sectors of our economies which in the last 20 years had even played the role of a driving force. One need only think of the iron and steel industry, the textile sector, the chemical sector and so on. By contrast, we now have unemployment approaching the very high level of 8 million.

The agricultural sector has so far resisted this crisis, on the one hand ensuring the supply of essential food

Ligios

products to the more than 260 million inhabitants of the Community at relatively stable prices in comparison with the very serious fluctuations on the world market, and on the other continuing to provide direct employment for more than 8 million inhabitants — employment which has not decreased recently but which has indeed shown a slight increase in some countries. Today we must all take account of the serious crisis facing Community agriculture itself. It needs changes, aids and improvements, if we want it to continue to perform the basic tasks entrusted to it by the Treaty of Rome.

Production costs have increased by a larger proportion than agricultural prices, partly as a result of the excessively restrictive agricultural price policy implemented by the Community in the past three years. Consequently, especially from 1978 onwards, the increase in agricultural income per labour unit has increasingly diverged from the general increase in incomes so that the present gap is 13% — a considerable one, which this sector can no longer tolerate.

In 1980 there was an effective reduction in agricultural incomes in all the Member States — I repeat, in all the Member States. On average it was 9%, but it varied between 4% and the figure of 20% found in Ireland. In the light of these official figures — official since they originate from the Commission — the Committee on Agriculture could not accept the proposal made to us that agricultural prices should be increased by an average of 7.8%. It proposes an average increase of 12% and asks Parliament to vote in favour of this proposal, appealing to the political sensitivity of each Member to avoid the rural community, too, being plunged into a crisis whose economic and social consequences would certainly be incalculable. Clearly this is an average increase, which would be spread in such a way as to discourage surplus production and encourage production of those foodstuffs in which the Community has a deficit or at any rate is not self-sufficient.

This figure of 12% was not chosen at random, ladies and gentlemen. It is the result of a careful analysis of the real financial and budgetary situation of the Community, and of a number of forecasts of trends in the world agricultural market during the current year, found in the official documents of the Community and other international organizations. I refer above all to the very careful and in-depth document drawn up recently by the OECD.

The Commission states in its documents that a linear increase of 1% in agricultural prices would involve an additional net cost of about 50 million ECU for 1981. We think this figure has been overestimated. Indeed, during the budget debate, in response to a precise request by the rapporteur, Mr Adonnino, the Commission stated that the additional net cost for each 1% of linear increase would be about 38 million ECU and

not 50 million ECU as stated in the price increase proposals.

Our proposal for an average price increase 4.2% higher than that of the Commission would therefore involve an additional expenditure of 160 million ECU, to which must be added about 70 million ECU of revenue lost through the non-application of the co-responsibility levy to the sectors which do not have a structural surplus, since such application has been rejected, as we shall see shortly, by the Committee on Agriculture. This therefore involves an overall expenditure increase for 1981 of about 230 to 260 million ECU.

Well, ladies and gentlemen, Mr President, Mr Commissioner, I think that this sum can be found within the budget, perhaps without resorting to supplementary budgets.

It is sufficient to analyse carefully the figures given by the Commission on page 15 of the first volume of its proposals, where it is stated that the refund rates applied in the early months of 1981, in relation to those of a year ago, have dropped by 15% for corn, 50% for barley, 33% for butter, 36% for powdered milk, while for sugar not only is there no longer a refund but there is even an export levy!

The Commission and the OECD forecast that the present favourable trend on the world market for agricultural products is likely to last. Anyone who studies these problem closely cannot agree with this assessment.

I now address myself above all to those members of the Committee on Budgets who seem to have arrogated to themselves the defence of Community finances and see the rest of us, especially the members of the Committee on Agriculture, as potential demolishers of Community resources, in pointing out that in 1980 refunds accounted for an expenditure of 1 175 million ECU for cereals, 287 million ECU for sugar and 2 745 million ECU for the dairy sector. It is therefore not difficult to make savings on this overall refund sum of 4 207 million ECU in 1980, if the forecasts and indications given by the Commission are at all reliable. A modest percentage saving would be enough to provide — and I am sure that we can obtain them — sums far higher than those which we intend to ask for or those which we need on the basis of the larger increase which we propose in relation to the Commission proposal.

The proposal for an average increase of 12% is therefore realistic, and does not even constitute a compromise between the Commission and those of us who were proposing 17 or 15%. It is a realistic figure which is entirely compatible with the present state of Community finances. However — and this too must be pointed out — the increase in agricultural prices for

Ligos

1981-1982, whatever the final figure may be, will have a different effect in the various Member States because of the different inflation rates and the impossibility of resorting to agri-monetary manoeuvres such as those which used to take place before the EMS came into force.

In this situation, the principle of unity of the market loses any practical significance. We should add that the situation has changed in the last 48 hours because of the devaluation of the lira and the revaluation of sterling, with effects on the ECU and the related creation of negative compensatory amounts in some of our countries.

Furthermore, there is a need to assess the possible consequences of these very recent monetary events. At all events, the need remains to invent a technical and financial, or monetary, mechanism which would make it possible, albeit in an exceptional and transitory way, to recover the remaining difference between the agricultural prices and production costs in countries whose currencies are more devalued in relation to the average. Perhaps this technical and financial, or monetary, mechanism is already to be found in what happened within the EMS in the last 24 hours. We must not and cannot create technical instruments to this end. However, we have the duty to raise the political question, which exists and must be tackled and solved as soon as possible.

Mr President, I would now like to examine another important aspect of the Commission proposal — co-responsibility. The Committee on Agriculture was almost unanimous in rejecting the idea of elevating co-responsibility from a mere instrument to contain agricultural expenditure — as it is, and as we have always recognized it to be in Parliament in the past — to the level of a fourth principle of the common agricultural policy. In our view, the function of co-responsibility must be to prevent the accumulation of structural surpluses which cannot be placed on the Community or world market except at the price of high export refunds. It must therefore be temporary and proportionate to the real financial commitment which the Community must meet for the export of those surpluses.

The extension of co-responsibility to deficit products, as proposed by the Commission, is unacceptable. The Committee on Agriculture has firmly rejected this idea, and I am sure that Parliament, too, will give a clear decision on this point.

The real cause of the distortions in the common agricultural policy lies, as is well known, in the total guarantee offered for limited quantities of some products. From this perverse mechanism, on which the Council particularly continues stubbornly to insist, originate the mountains of surpluses which have swallowed up the Community budget in recent years. Nor do I regard it as fair or possible to seek to guarantee

surplus production at levels which give some categories of producers a permanently privileged position in relation to others. Obviously I am referring particularly to the dairy sector.

When, in a few months, we debate the reform of the common agricultural policy, we and the other institutions will have the opportunity to go into the matter more deeply and make our contribution to eliminating this negative and damaging factor from the Community agricultural policy.

Finally, a brief mention of monetary compensatory amounts. We all acknowledge that they distort competition in trade and stand in the way of the reunification of the agricultural market.

The Committee on Agriculture thought it desirable to amend the Commission proposals, and called for the reduction of MCAs over three years, by decreasing percentages for the Federal Republic of Germany and the United Kingdom, and in a single stage for the Benelux countries, given the small size of the monetary compensatory amounts there.

Of course we are well aware of the sacrifice that this reduction involves for German and British farmers, but we think it necessary in the more general interest of Community agriculture. Moreover — I repeat — in the last few days the situation has changed as a result of the devaluation of the lire and the revaluation of sterling. The ECU — according to today's papers — has effectively been revalued by about 2.5%, thus in effect changing the level of the positive monetary compensatory amounts in the Federal Republic of Germany and Britain and introducing negative monetary compensatory amounts in other countries. The proposals made by us in the report remain valid, even if their scale is changed. We confirm them here on behalf of the Committee on Agriculture, which approved them by a majority.

At the beginning of my speech I said that the fixing of prices was made more difficult by current talk in all Community circles and in the Member States about reform of the common agricultural policy. The Committee on Agriculture is opposed to the introduction, in the context of the agricultural price proposals, of related measures which constitute real reforms, since as such they must be debated both by the European Parliament and by the Council.

It is unacceptable that the Commission, on the basis of one document, should put its ideas into practice without a debate here and, of course, consideration by the Council, which would tackle the pricing system directly.

We shall be able to assess these ideas more fully when we have the complete picture of the proposals on the development of the other Community policies as a whole, the correlations, budgetary aspects and proposals for exceeding the present limit of own resources.

Ligios

For my part, I acknowledge the correctness of the analyses made a few months ago by the Commission, both with regard to renewed faith in the basic principles of the common agricultural policy and on the significance for the Community of the creation of an agricultural policy, and finally on the distortions which the Commission identifies very clearly within the CAP and which must be extirpated if we want it to survive and be consolidated.

Mr President, this assessment can in any case be made only after 30 June, when the Commission presents the overall package of proposals on the basis of the mandate given it by the Council in May 1980.

To save time I have confined myself to elucidating the main aspects of my report, whose organic unity I defended in committee, rejecting a whole series of amendments which were not always necessary. We have largely succeeded, and I thank all the colleagues who assisted me in this.

The assessment and judgment we have made of the proposals put forward by the Commission on individual products must be seen in the more general context which I have tried to sketch out for you in this speech. I will not conceal from you that I fear that the more than 230 amendments tabled in plenary sitting may throw the report into disarray, and make it contradictory, confused and unacceptable, as has happened to other documents recently.

I hope that this will not happen, that what happened last year to the Delatte Report will remain an isolated incident and that Parliament will approve, albeit with some amendments, but respecting its organic unity, the report, approved by a significant majority of the Committee on Agriculture, which I have presented on behalf of that Committee.

(Applause)

President. — I call Mr Bocklet.

Mr Bocklet, rapporteur. — *(DE)* Mr President, ladies and gentlemen, this House has already discussed the Commission's proposal for a new sugar market organization. The points of view on the matter are therefore known and have not changed in the meantime. The main problem for Parliament was, and still is, to formulate an objectively correct and logically consistent political position from these different viewpoints. For only then can Parliament hope for the Commission and the Council to listen to its opinion. In a second attempt to adopt a position, a radically reduced draft has been drawn up which concentrates on the main point of controversy, namely the basic production levy. In addition members from different sides of the House have taken the trouble to submit in

a joint supplementary motion positions on which there is no controversy, and so we can hope that in tomorrow's vote Parliament will be able to adopt a convincing position on the amendment of the sugar market organization.

President. — I call Mr Braks.

Mr Braks, President-in-Office of the Council. — *(NL)* Mr President, ladies and gentlemen, it gives me particularly great pleasure to be here in your midst to listen to the debates which you are to devote for the whole of today and I assume tomorrow, to the agricultural price proposals and related measures for the 1981/1982 marketing year. Your views, suggestions and wishes serve us as very useful guides in the decision-making process which we hope to conclude next week. The Council is therefore very grateful — I should like to stress this point once more — for the energy with which Parliament has applied itself to the task of dealing with the Commission proposals. You were even prepared to hold an extrasession for the benefit of the decision making in the Council of Ministers of Agriculture. We very much appreciate this. Thus, the European Parliament obviously understands how important it is for the agricultural sector that price decisions for 1981/1982 should be taken as soon as possible. I must also say that now that the European Community has grown to include ten Member States, each with its own views and interests, finding common ground constantly calls for greater steersmanship and it has thus become more difficult to come to real decisions. Last Saturday, therefore, at the request of the Council of Ministers of Agriculture, I began a tour of the European capitals. I have still to visit my colleagues in Belgium and Luxembourg. The purpose of this tour is to find out precisely what the various national standpoints are, so that the Council will be able, if this is at all possible, to make a final decision.

This tour has yet again reaffirmed my conviction that the common agricultural policy is a vital cornerstone of European cooperation since it has made me realize even more than before the enormous interests which are at stake, particularly for the agricultural population. I am also convinced that the social and economic disparities within the European Community are so great that the common agricultural policy alone is insufficient to provide adequate solutions to all the problems. There is a pressing need for integration of policies in a whole series of other sectors in Europe since otherwise the degree of integration we have achieved so far will be put under such great stress that we will soon be left with a Community hanging together by threads, if I may say so. We are therefore convinced of the need for further integration.

I had an opportunity of meeting a number of Members of Parliament as far back as the meeting of the

Braks

Committee of Agriculture on 26 February when I was able to discover your preoccupations and views and the various points which are now contained in the Ligios report which represents the opinion of the Committee on Agriculture. The Council has met once more since 26 February. On this occasion it discussed in detail not only the problem of prices but also, in particular, the elements which the related measures should include.

Before going into this point further, I should like here today to say once more how much we appreciate the considerable work done by the European Commission with a view to enabling the Council to arrive at a decision. I should like to pay tribute to the inspiring leadership and great authority of the late Vice-President of the Commission, Mr Gundelach, whose work has since been taken over by Mr Dalsager who has taken charge of it with such dynamism that he managed to produce the necessary proposals with virtually no delay. The Council very much appreciates this fact. The Commission proposals are by no means trifling. On the one hand they recommend that the fundamental principles of the common agricultural policy should be maintained, while on the other hand point out that we should not lose sight of other interests, particularly of an economic, commercial, social and budgetary nature. Decisions should be taken as soon as possible on the basis of these proposals, and as always — I should like to stress this once more — the Commission will, on this occasion too, have its own indispensable part to play in the decisionmaking process.

Mr President, I should like now, if I may, to deal briefly with a number of problems in more detail. I shall concentrate chiefly on five main points which, in my view, are both of vital importance and very closely interrelated. It is absolutely vital that a solution be found to the main problems if the Council is to be able to make a complete decision. I am referring to the problems of price levels and hierarchy, i.e. the extension of the application of the co-responsibility principle, the agro-monetary situation, import and export policy and, last but not least, the budgetary problems.

As regards the price levels and hierarchy, the Commission, in its assessment of the economic situation and the high rate of inflation in the Community, also took account of various other elements. However, it came to the conclusion that on average a fairly substantial price increase would be necessary this year, even though the actual Commission proposals do not in fact go far enough for some of us. Under the Treaty of Rome those responsible for implementing and maintaining the common agricultural policy, must, in their decisions, take very clear account of the incomes of Community farmers and market gardeners. As we are all too well aware, agricultural incomes in the majority of Member States have dropped fairly substantially in recent years as a result of both the enormous increases in costs and the instability in the

monetary sector. For this reason, other aspects should also be taken into account when making our decisions. I am referring, for example, to the economic, social and fiscal problems in the various Member States. These problems too should, in our view, be looked into very thoroughly in the light of all the relevant factors.

The farmers of Europe deserve a better deal as regards incomes. In addition, and I think this is very important, the decisions we reach should be such as to give them more confidence in the future so that they can feel more at ease regarding their position in European society.

As well as this, of course, we must not lose sight of the interest of those who actually consume our products. It is therefore a good thing that the European Commission always indicates what consequences its proposals will have for the consumers. As you know, it has on this occasion estimated an increase of 2 to 2.5% in the costs of foodstuffs. However, one must realize that in recent years food prices have by no means taken the greatest toll on the pockets of Community consumers. In fact, largely thanks to the common agricultural policy, the Community has been characterized by a unique and in fact unprecedented stability in its supply of foodstuffs, as regards both reliability and the variety of the products which are sold at relatively low and, as I said, stable prices. This represents a considerable achievement by the European Community which, in our view, does not get as much of the limelight as it deserves.

(Applause from certain quarters on the right)

It is, however, an unprecedented achievement, as becomes clear if we consider the situation as regards foodstuffs within the Community with that in very large sections of the world. Nevertheless, we must see to it in our price fixing that our decisions do not aggravate the other general problems of the day, such as inflation which is a cause of considerable concern not only for the governments of the Member States but undoubtedly for the people of all the Member States of the Community too.

Mr President, I should now like to make a few comments on the proposals regarding producer co-responsibility. It is, I think, going too far to state that this constitutes a new fundamental principle in the common agricultural policy in addition to those which have hitherto formed the basis of our marketing and price policy, i.e. unity of the market, Community preference and Community financial solidarity. Co-responsibility and, more particularly, financial co-responsibility, already existed within the Community's marketing and price policy in the sugar and dairy sectors as a temporary aid for coping with surpluses. The Commission has now proposed the introduction of the principles of co-responsibility in the grains, oils

Braks

and fats, processed vegetables and fruit and tobacco sectors, although this is not in all cases a question of direct instruments for financial co-responsibility, but only elements influencing the market process. The European Commission regards these instruments as an effective means of controlling production while at the same time reducing to some extent the budgetary tensions which currently play such an important role in the Community. In our view, this is an idea which is deserving of consideration, but we should be wary of the possible general economic consequences of these instruments for the general objectives of the common agricultural policy.

And now to the agri-monetary situation. This is a permanent and delicate problem in view of the monetary instability which the Community has been experiencing recently. This is unfortunate, but that is nevertheless how things stand. The situation has led to the introduction of monetary compensatory amounts which have at least ensured that the structure of the common agricultural policy, including the fundamental principles, has been maintained. However, I would repeat that right from the outset it was made very clear that these were only intended as temporary measures, since they have all sorts of consequences for the smooth running of the common market. It is, therefore, a good thing that the European Commission has also proposed that the monetary compensatory amounts still in force should be reduced by not less than five points in the case of the United Kingdom and the Federal Republic, and totally discontinued in the case of the Benelux countries. Quite apart from the recent changes which have taken place in the monetary sector in the Community, the consequences of which we cannot yet completely assess, we must look into the Commission's proposals in this area, but I can nevertheless already intimate that these adjustments are possible and have provided a somewhat more positive basis on which we may be able to reach a balanced decision next week. I repeat, we are still not aware of what the exact consequences will be, but they will have an important part to play in the general debate on agricultural prices for the coming marketing year.

Mr President, I should now like to say a few words on the Community import and export policy, which is of enormous importance for the balance between the internal interest to the Community on the one hand and its international relations on the other.

As regards imports we must, I think, be careful that we do not take Community preference so far as to end up with a sort of protectionism. This would result in the Community being isolated and hence running the risk of being unable to achieve one of its major objectives, i.e. that of playing an international role.

As regards exports, the Community has, in my view, a task set aside for it in connection with world food supplies at this time. It should, I think, be pointed out

once more, that the world food supply situation is a cause for considerable concern, since not only the current situation but the prospects for the next ten years too are anything but rosy. For this reason, we must also take account of our responsibilities in this respect in our decisions. In addition, it is very important in this connection that we should help the developing countries to become independent as regards food supplies. However, quite apart from this, Europe can continue to play an important role by supplying these countries with appropriate foodstuffs.

An additional major problem for the next ten years is the fact that an increasing area of fertile land will be used for the production of raw materials for energy production. This is an immense problem of which we should take account immediately so that we can bear our responsibilities in this respect in the future.

And now to the budgetary problems, Mr President, which are considerable, not only in the Community but in the Member States too. I can assure you that the Ministers of Agriculture are fully aware of the budgetary plight of the Community. The Council devotes considerable time to the budgetary problems. However, these problems cannot be presented in such a way as to jeopardize the principles of the common agricultural policy since if the common agricultural policy is too much strait jacketed by budgetary restrictions, this could mean the end of it.

(Applause from various quarters)

We should exercise such caution in dealing with the budgetary resources available as to ensure that sufficient margin is left to enable the common agriculture policy to function efficiently since, as we must admit if we consider the facts, the budgetary resources currently available are limited and we would be ill-advised to disregard this fact in our decision-making, as otherwise we would run the risk of grinding to a halt. In this respect too, the Council must exercise great care in its work next week and attempt to establish a balance between the various interests when making its decisions.

Mr President, I have perhaps been a little long-winded and I should like to apologize for this but it is also the first time I have had the privilege of speaking in this Parliament. However, I thought it was advisable to discuss a number of the main issues with you if only in general terms. We share an enormous responsibility — not least to consolidate what has been so tenaciously built up in the European Community over the last 20 years, which is more than many people in the Community would have thought possible 20 years ago. I can assure you as President of the Council of Ministers of Agriculture that I will do all in my power to see to it that the Council soon reaches a decision since I take the view that the agricultural population of Europe, which is so particularly dependent on the

Braks

smooth running of the Community, has a right to expect this. I shall therefore take careful note of both the opinion you are to deliver today and tomorrow, and of the suggestions and wishes expressed so that the Council of Ministers of Agriculture will also be able to take them into account next week when making its decisions.

(Applause)

President. — I call the Committee on Budgets.

Mr Notenboom, draftsman of an opinion. — *(NL)* Mr President, ladies and gentlemen I should like to begin by saying in a personal capacity that it gives me great pleasure to be able to make my contribution to this debate immediately after Mr Braks, who is not only President-in-Office of the Council of Ministers of Agriculture but also a personal friend who was previously a member of the same Group as myself.

As you have already pointed out, Mr President, I am speaking on behalf of the Committee on Budgets. We in this Committee have endeavoured as far as possible to avoid going into the specific aspects of the agricultural policy, let alone the technical questions, but to restrict ourselves as far as possible to the budgetary aspects.

Firstly, I must say that I particularly regret the resignation of Mr Fich, who had originally been appointed as rapporteur on this topic and had drawn up a very lucid report. We attempted to dissuade him from resigning as rapporteur since, in my view, he could have managed to maintain all the essential points of his original report, but nevertheless, after a number of votes had been held — some of which were in his favour — he came to the conclusion that he should resign his position as rapporteur and so I, who was chairing the meeting on account of Mr Lange being ill, took over this task in accordance with the wishes of the members.

In all fairness, I should perhaps explain that I am speaking on a report — and amendments to this report — which was adopted by 10 votes to 9 with 7 abstentions. Thus I am speaking on behalf of the majority, but you should know how matters actually stand regarding this report.

Fundamentally, what the Committee on Budgets wants to do is to remind Parliament of its own decisions at the budgetary sitting last November when it adopted, by a large majority, the Adonnino resolution which stated that the total amount earmarked for agriculture should not be exceeded as a result of the price decisions for the 1981/82 marketing year and that any extra expenditure should be financed by means of savings in the total amount allocated for the Guarantee

Section of the EAGGF as the Commission itself promised. We laid down this condition and solemnly stated that Parliament would reject any proposal to increase the total amount of agricultural expenditure in the 1981 budgetary year. I should like to remind you of this declaration on behalf of the Committee on Budgets. Our central point is that the Commission's proposals — both the price proposals and the related measures — meet the demands of this Parliament and that Parliament cannot change the proposals as a whole to such an extent as to make financing within the present margin impossible. Thus, we should like to urge Parliament to be consistent and act in accordance with its own statements of last November regarding the budget. I should personally like to urge all those who are proposing higher figures — including Mr Ligios himself — to explain how this increase would be possible within the financial margin, since the Committee on Budgets would like to see everyone keeping to what Parliament has stated on this point.

Perhaps they have good reasons for their proposals — at any rate we shall soon find out.

The Commission has kept its promise that the price proposals and related measures would be as reasonable as possible within the limits of the total amounts.

Opinions differ within our committee as regards what precisely is possible within the margin provided by the 1981 budget. It was decided — as you can see from one of the amendments we have tabled to the report of the Committee on Agriculture — to state as a condition that the level of price increases proposed by the Commission was compatible with the budgetary policy objectives pursued by the European Parliament, provided that the full set of proposed measures — including savings and co-responsibility — remained unaltered. The Committee on Budgets restricted itself to this.

As regards the monetary compensatory amounts, we proposed modifying paragraph 4 b) in such a way as to state that the monetary compensatory amounts for the United Kingdom and the Federal Republic of Germany should be further reduced this year and that all monetary compensatory amounts should be abolished next year. This proposal dates from last Friday, but since then the situation has changed — perhaps more than we might think at first sight. As the President-in-Office of the Council of Ministers of Agriculture have just said, this must all have a part to play in the agricultural price decisions as a whole. I should like to ask Mr Dalsager — although I have not been instructed to do this by the Committee on Budgets since we have not met since Friday — to inform us shortly of what conclusions the Commission intends to draw from last weekend's events in the monetary sector. I think we should be informed of this at this stage. I admit that it is not yet possible to draw all the conclusions, but it would nevertheless be a good thing

Notenboom

if the Commission would tell us what approach it intends to take.

As regards the co-responsibility levies, the Committee on Budgets goes along with the Commission's proposals but with a few reservations. For example, as we state in our amendment, the costs should not simply be passed on to the consumer but the co-responsibility policy should exercise a deterrent effect on overproduction. In addition, there should not be too many exemptions from the co-responsibility levy which would permit more producers to slip through the net — which in fact would appear to be the case — and the levy should apply to surpluses sold into intervention. We also go along with the introduction of a 'super-levy' and request the Court of Auditors to pay particular attention in due course to the effects of the super-levy on the Member States.

There are two further co-spokesmen for an opinion down to speak and for this reason, I shall not go into our amendment regarding national support measures. We are strongly opposed to such measures, but if they should prove inevitable, they must be harmonized. However, we are against them. One of our amendments stresses once more that there should be no supplementary agricultural budget for 1981 and request that in the future we should be put in a better position to study the figures more thoroughly and to be informed of the bases underlying the Commission's proposals and figures — and we hope that Parliament will adopt our amendments, notwithstanding our appreciation for the solid work carried out by the Commission. We have given sympathetic consideration to the Commission's proposals, but there are nevertheless a few points on which we would be grateful for more detailed information next year. These then, ladies and gentlemen, were the views of the Committee on Budgets.

President. — I call the Committee on External Economic Relations.

Mr Louwes, draftsman of an opinion. — (NL) Mr President, this is the first time the Committee for External Economic Relations had presented an opinion on agricultural price proposals at the behest of the Committee on Agriculture. Unfortunately, time did not allow the results of my committee's deliberations to be published, which is why I have been asked to make an oral report.

I should like first of all to draw your attention to the role of the Community in world trade in food products. At the present time, 25% of total world imports of agricultural products is to the Community's account, which makes it the world's leading importer. I should also like to make the point that of this enormous amount of imported food, more than half comes from developing countries. At the same time, though,

the Community is the world's second most important exporter of agricultural products, with 10% of total exports. These figures are of no small significance, especially in the light of the frequent attacks on what is felt to be the protectionist nature of the common agricultural policy. We therefore have every reason not to overlook the fact that the Community is still a major net importer of agricultural products, and that in 1980 for instance, our exports of agricultural products paid for only 38% of our food imports. At a time when we are pushed to pay our oil import bills, we also have to pay a tidy sum for our imports of food — as much as 24 000 million units of account last year.

So much for the current situation. The Committee on External Economic Relations has of course taken a very careful look at the merits of Community exports and at the effects of the common agricultural policy — and consequently of prices. I should like to make the point here that we must first of all regard Community exports of agricultural products as part of an overall export policy, as part of the Community's export strategy on the world market and as a normal economic activity, and certainly not as a way of getting rid of structural, subsidized surpluses.

Secondly, we must view our export policy in the light of Parliament's recently published report on world hunger. My committee takes the view that these aims — i.e. food exports from the Community and the encouragement of food production in the developing countries themselves — are compatible. We must, however, make a distinction between the short and long term. In the medium and short term, the situation is that many areas are finding it harder and harder to meet the needs of their own populations. Virtually the entire Communist world appears to be incapable of getting to grips with the problem of low agricultural productivity which, despite the enormous investments made over the years, is still endemic in Communist countries. In Asia, which is facing a enormous population explosion, food needs are increasing day by day, and let us not forget the many African countries which are incapable of improving their agricultural production. In the long term, on the other hand, I think there should be a shift of emphasis. Food for 6 000 million of the Earth's people can only be produced where those people live — at least in the main. There can be no disputing that. Unfortunately, our experience since the Second World War has been that it is a long and painstaking job in many, many developing countries to establish a productive agricultural and livestock-rearing sector. In this respect, we must think more in terms of generations than years. This is a sad fact, but it is one this House cannot overlook. In its contribution to the report on world hunger, the Committee on External Economic Relations stated quite clearly that its aim was to reduce the time-lag and that it was up to us to intensify our efforts to improve production in many developing countries. The situation at the moment, though, is one of extremely scarce supplies. That point was made quite rightly and convincingly by

Louwes

the President-in-Office of the Council, and I can only go along with what he had to say. Exports of food from the Community are at the present time essential if we are to avert still greater hunger, and judging by what the President-in-Office of the Council had to say, things will stay like that for a number of years yet. We would therefore ask the House to bear this in mind when it comes to formulate its attitude to the price proposals.

(Applause)

President. — I call the Committee on the Environment, Health and Consumer Protection.

Miss Hooper, draftsman of an opinion. — Mr President, the Committee on Environment, Public Health and Consumer Affairs is here to provide a voice for the consumer, and is therefore most concerned that the Commission, in preparing the farm price proposals, and the Agricultural Committee, in preparing its report, have failed to consider adequately or to consult adequately the consumer interests.

Now we realize that this year the Commission has had special circumstances with the tragic death of Commissioner Gundelach and in the need for Commissioner Dalsager to take over and deal with the proposals at short notice. However, as a committee and as in previous years, we must insist that adequate steps are always taken to consult consumer representatives in preparing the farm price review, which has not been the case this year.

We regret also that this farm price review is taking place without the advantage of our having had a debate on the reform of the common agricultural policy, which was originally scheduled for the last session and which we feel should go hand-in-hand with adjustments to the price mechanism. Furthermore, we do not feel the price mechanism alone will cure the problems of farmers, and we wish to see the development of the interests of producers, consumers, food processors and retailers, and not just concentrate on the producers.

The Consumer Protection Committee recognizes that farmers are suffering from the consequences of inflation, but we must make the point: the consumers too are suffering from the recession and the effects of unemployment and no earned income are equally relevant in relation to food prices. It is for that reason that the committee would see the Commission proposals as an absolute maximum figure and would deplore any attempt to increase them, as has been suggested by the Agricultural Committee.

The other point which my committee felt strongly about is the suggestion that the effect of the farm price

increases on food prices is estimated by the Commission as a 2.5% increase. We feel that this figure has not been clearly proved and we insist in future that a product-by-product analysis should be undertaken to assure that the real cost to consumers and indeed the real gain to farmers is thoroughly and fairly assessed. We do concur with the need to control products in agricultural surplus. For this reason it was actually proposed in the committee that there should be a decrease in prices for products in surplus on the basis that any increase in agricultural prices will have the effect of stimulating supply and reducing demand. However, this did not get majority support and I draw attention to the opinion of the committee, which doubts the value of co-responsibility since it has been argued that it constitutes both attacks on producers and attacks on food and has not proved totally effective in relation to controlling milk surpluses.

I conclude, Mr President, by stressing again the importance of greater cooperation and consultation between farmers, consumers, the processing industry and the retail sector on all problems and proposals relating to food policy, and above all urge this Parliament to be realistic and to resist the temptation of going higher in its price proposals than the prices set out in the Commission proposals. We must not forget Article 39 (e) of the Treaty of Rome.

President. — I call the Committee on Development and Cooperation.

Mr Turner, draftsman of an opinion. — Mr President, I was deputed last time to speak on behalf of the Development Committee and move certain amendments to the Bocklet report, which I am glad to say was supported by the Parliament. Now I only wish as a courtesy between one committee and another to say that we are gratified that the Agricultural Committee in its new Bocklet report has acceded to our views.

President. — I call the Socialist Group.

Mr Woltjer. — (NL) Mr President, every year when we come to discuss the agricultural price proposals the same points come up. Firstly, there are the agricultural incomes and the disparities, in incomes secondly, the budgetary problems currently facing the Community, thirdly, Community resources and the related question of consumer incomes and fourthly, the structural and guidance problems in the agricultural sector. We must therefore turn our attention to these four problems.

Any proposal which takes account of only one of these aspects, such as agricultural incomes, to the exclusion of all the others is unrealistic and exists in a vacuum since, as Mr Notenboom has already pointed out on behalf of the Committee on Budgets, Parliament has

Woltjer

already stated its views quite emphatically. It stated that no supplementary budget for 1981 should be financed by means of price increases. In other words, price increases should go hand in hand with economy measures. However, here we come up against a stumbling block, since the Committee on Agriculture is still unclear as to what economy measures can be taken, as you will see if you consult the report on this point. Many of the Commission's proposals are rejected as unacceptable from the point of view of agriculture. However, my colleagues are, I think, still passing over the central problem in agriculture at the present time, i.e. the problem of overproduction, which affects all the aspects I have just mentioned since, as the Commission itself recognizes, agricultural incomes are threatened. However, the Commission also admits that price increases will make the surpluses more expensive which in turn will necessitate more refunds and inevitably have budgetary consequences. However, the structure of the agricultural sector and the disparities in incomes are influencing factors as regards these surpluses since if more is produced than is consumed nothing comes of the structural measures for the simple reason that there is hardly any more scope for them since what we then want is to avoid stimulating production. Community resources and consumer incomes are also under serious pressure from this overproduction. It is economically demonstrable that Community resources would increase dramatically if overproduction were adequately curbed. This would permit an increased price to be paid for the consumers out of an increase in Community resources as a whole. On a first reading of the Ligios report, I come to the conclusion, on behalf of my Group, that it is totally out of touch with reality. The report cheerfully calls for a price increase of 12% and at the same time rejects the Commission's proposed saving measures. This flies in the face of what Parliament has already itself decided and, what is more, it is unrealistic since it is also at variance with the decisions taken as regards imports and exports. Parliament has discussed clear proposals for an oils and fats policy and regarding imports from developing countries. However, this report brings these matters up again and makes suggestions of a kind which were rejected when these matters were originally discussed not so long ago. Thus we can in fact speak of a trend towards protectionism, which means that the people wish to close their borders now the problems in Europe are building up. On the other hand, there is talk of an ambiguous attempt to boost exports at the expense of other countries. I have nothing against trade in general. But I do have certain objections if people simply ask for higher refunds and say that they can only increase exports with the aid of higher refunds from the Community. This is unrealistic and smacks a little of dumping.

I think we should be rather more open in this situation and that we should amend the report accordingly.

Finally, I should like to make a number of observa-

tions regarding the Commission proposals. These proposals are reasonable — at least this is the impression we get — insofar as they at least do not require a supplementary budget. However, if we consider their merit from the point of view of agriculture, I must say that they nevertheless leave rather a lot to be desired since a super-levy of 7.7 units of account on milk which may be passed on by the dairies, either by means of a mixed price system or by means of a direct tax on producers who increase their production, means that the Commission has simply left open the possibility that a levy of the kind now proposed is nothing more than a general co-responsibility levy which thus does nothing more than act as a source of funds to finance exports.

I am not opposed to the idea of a super-levy, i.e. an extra levy on growth, since this would in fact represent a step forward in the right direction. However, it is the ineffectiveness of the system proposed which worries me and which I would like to discuss here today.

Why has the figure of 7.7 units of account been quoted? Why did the Commission not say that the levy should be so high as to cover the costs necessary to dispose of the extra production? Why was this not the case, I wonder? It is all well and good for the farmer to be at liberty to produce a little more, but it would be logical in that case that he should bear the costs of disposing of this extra production himself.

Thus a second point which presents serious problems as I see it is the fact that the dairies would be in a position to spread this levy over the total production and thus, as it were, relieve the farmer of the responsibility which he could accept as an individual producer if he know what extra he would receive for the last litres of milk delivered. In my own country, among others, the dairies and farmers are already discussing the question of whether a mixed price should now be introduced or a levy applied to growth. I am afraid that, as in the sugar sector, here too the farmer will come off worst and will be manipulated by the vast cooperatives or independent dairies and hence be forced to increase his production in spite of the aims of this measure.

To sum up, I should like to point out that we do not find Mr Ligios' report acceptable since it contains protectionist tendencies and ignores recent statements made by this Parliament. Our Group is not opposed to the idea of a higher price aimed at providing the farmers with a reasonable income, but we are opposed to a price increase if it is not accompanied with measures aimed at eliminating surpluses.

I also wonder what is the sense of quoting in this report a figure which has no basis in fact since according to the objective method the figure should be 15.3%, which cannot be found anywhere in the report. What is more, I do not think it is really necessary to quote any figure. We should rather specify

Woltjer

criteria which must be fulfilled before prices can be increased. This would encourage the Council to take those measures which were necessary and which we have been pressing for for years now in this Parliament in our budgetary and agricultural debates.

President. — I call the Group of the European People's Party (Christian-Democratic Group).

Mr Tolman. — (NL) Mr President, people like to make comparisons, and if I compare the situation last year with the present one, I see two fundamental differences. On the one hand, there is less food and more money about. This is perhaps a drastically simplified way of putting it, but I will explain what I mean.

In the past, the problem of surpluses has cast its shadow over our debates. At this present time, however, stocks are lower than ever, at least for many years, and I think that it might be said — indeed that it must be said — that we are on the eve of a serious shortage, and I go along entirely with the point just made by the President of the Council on this question. Why are we on the eve of a serious food shortage? It is clear that in the next generation the developing countries will not be able to provide their population with adequate food supplies as a result of the sharp increase in the population in recent years. It is also clear that, if the political systems in Poland and the Soviet Union do not undergo certain changes, these countries will have to import more food and thus will apply more pressure on the foodstuffs market. It is clear that the world needs more and more food as we can see already, to a limited extent, in the case of grain and sugar cane, and this has enormous indirect implications for the Community's agricultural policy. I repeat, therefore, we are on the eve of major changes.

I also said that there was more money available. As we can see, agricultural expenditure has decreased considerably over the last year. Refunds have decreased, in particular, in the case of important products such as butter and skimmed-milk powder.

The negative developments in agricultural incomes are also a cause for concern, and quite clearly something must be done about this. Quite apart from the disturbing developments which have taken place this year, it should be pointed out that, since 1968, agricultural incomes have lagged behind those of the population of Europe in general, in that agricultural incomes have increased by 21% as against 44% for the average European citizen. I was amazed at the price proposal made by Mr Dalsager on behalf of the Commission since no one, I think, is in a more difficult position than this Commissioner who until a few months ago was still Minister of Agriculture in Denmark. If I look at developments in Denmark, where I get the feeling that agriculture is heading for total bankruptcy, I

wonder how he hopes to make up this shortfall in incomes with a 7 to 8% increase. This would, in the view of my Group, call for a greater price increase, which would be possible as more money is available. We therefore go along with the rapporteur, Mr Ligios, on this point, and we intend to give our unanimous support to the rapporteur's proposals. This does not, however, mean that we can simply let certain questions pass in this debate, and I should like to go into a few of the most crucial points.

Firstly, the co-responsibility levy and what I might refer to as the 'broad co-responsibility' proposed by the Commission. This may well look like a new doctrine which is being introduced into the agricultural policy, but it is in fact nothing new. We are already familiar with certain aspects of the co-responsibility levy, but it could not be claimed that Parliament and the Committee on Agriculture welcomed this proposal with open arms. On the contrary, it was given a very critical reception, and I think we are making a mistake in this respect. What we are discussing today is the price policy, which, after all, is a short-term affair. If new instruments for agricultural policy are proposed, these should be discussed in the context of the revision of the European agricultural policy which is soon to be debated. Sir Henry Plumb is the rapporteur on this matter and he is currently examining the many amendments which have been tabled. We do not reject broad responsibility and the Commission's proposals out of hand — we are prepared to discuss them, but we do not think this is the most suitable time to do so.

This is the point: in our view, these questions should be discussed in greater detail in the context of a debate which also deals with agricultural policy in the longer term. I might also add — and this is a not unimportant point too — that if there is a question of a broader-based co-responsibility levy one must naturally also look further afield, since under a well-balanced European agricultural policy one cannot one-sidedly place the burden on the producers, but one must look into the entire question — as the President of the Council has already pointed out this morning — of import policy. There is a close link between the volume of production in the Community and import policy as a whole. Please note that I have avoided using the word 'protectionism', but I nevertheless think that import policy must be brought into the discussion if we wish to conduct a responsible European agricultural policy.

I should just like to make one brief remark regarding the so-called super levy, i.e. the additional levy especially in the dairy sector. Our Group stated explicitly last year that growth in production must be halted, and I should like to repeat this once more on behalf of our Group. It will never be possible to accuse us of disregarding this problem but — and I must now be very explicit in what I have to say to the Commission, and I mean the old and new Commission together — the proposals they have made are useless, they will not work and will have no effect on the growth in produc-

Tolman

tion. We endorse paragraph 31 of the Ligios report and take the view that the Commission must do its sums again because it has not done a good job. Perhaps it did not have enough time? There were probably a whole series of reasons, but nevertheless, such fundamental proposals regarding the common agricultural policy must be practicable and should not be prejudicial to the principle of specialization. The production of the various crops must be concentrated in those areas where they can be produced most cheaply. As I see it, the Commission has failed to take sufficient account of these considerations. I will not go into this further, but I nevertheless think that the Commission must look into all these points once again and come up with practicable proposals.

I should like, in conclusion, to sum up our standpoint once more. I hope that both the Commission and the Council will take due note of the fact that a price increase of 12% is vital if we are to counteract the drop in agricultural incomes, avoid the national aid measures which are currently being considered in countries such as Denmark and France, oppose renationalization and, in particular — and this is an aspect which we cannot go into in more detail at this stage — to prevent a further deterioration in the employment situation in Europe where unemployment has reached catastrophic proportions.

Secondly, there is the question of future policy on co-responsibility levies and such like. This must also be discussed in greater detail in due course, and I hope that the Commission and Council will be present on that occasion. The sharp reduction in agricultural expenditure means that it is now possible from the budgetary point of view to make a price adjustment of 12% or even 15.3%. I should like to remind the President of the Council once more of a statement he made in Brussels to the effect that the financial resources of the Community were limited. This is true, but they are not so limited as to make such a price increase impossible. When we come to discuss the common agricultural policy in the future, import policy — including such questions as imports from New Zealand and relations with the United States — in a word, the entire package of related problems must also be discussed.

Finally, Mr President of the Council, I very much appreciate the fact — and my Group is extremely grateful — that you have repeatedly declared yourself to be in favour of a substantial price increase. This is, I think, a good basis for our discussions. The President of the Council can bring this point to bear in the consultation which will take place after Parliament has issued its opinion — which I hope will be favourable — and a substantial price increase begins, in our view, not at 7 or 8% as proposed by the Commission, but at 12%.

President. — I call the European Democratic Group.

Mr Curry. — Mr President, I am very much aware that up to now this morning, we have had a Dutch treat: we have had Mr Braks, Mr Louwes, Mr Notenboom, Mr Woltjer, Mr Tolman, so, if I may, I would like to take as my text for today's sermon a comment in the English version of the Commission's proposals from page two:

(Laughter)

The Commission will reconsider its proposal if there were a serious risk of this balance, the balance between reform and price proposals, being disturbed.

That sentence, Mr Chairman, is absolutely essential to my Group and we are looking at this whole package in the light of that essential and inescapable link. We wish to say straight away that we expect you to have the courage to put your money where your mouth is on those sentences and that if the Council decides to strip your proposals of the reform elements and accept the price with a little bit more on top for good luck, then we will be urging you, with great insistence, to take that package back and if you don't, we will make your life a misery thereafter.

For us, the vital element in the package is the super levy on milk. The dairy sector is the great crisis sector, the Community is producing 860 000 tonnes of butter more a year than its consumers want and 1.6 million tonnes of skimmed milk more than its consumers want. It is a key to the whole thing.

But will the Ministers accept it? Well, I'm not very sure. Of course, they accepted it in principle except for the modalities but as I pointed out, modalities can bounce. And Mr Braks says: well, it's all very interesting these co-responsibility ideas and the Commission has done a lot of very good work on it, but what we've got to do is to look at these proposals in the round and round and round. Where will we end up? We will end up with an increase on milk and we will push off the whole structural proposals, the proposals on reform to the restructuring of the budget, whereupon the Finance Minister will say that this is not a proper subject for finance ministers and it will go back next year to the farm price proposals and we will have lost the vital chance to make a crucial link between prices and reform, which any national government regards as being instinctive and necessary.

But the Commission has got to make up its mind on milk, because at the moment it is pursuing two contradictory lines of policy. On the one hand it is pursuing a linear levy, which is based on the notion of a single market in milk with all the producers in that market contributing to the surplus — therefore they must all pay the levy, but of course they don't all pay the levy. Then it is saying: no, we must have a super levy and that stems from the concept of a regional or a local market for milk and those who sin must pay the wages of sin rather than those that are innocent. That

Curry

is the only equitable conception, and it is a conception to which my Group leans.

And then of course we have your little bit of tokenism, we have your marvellous piece of nonsense about forage acreage. Tokenism, because first of all it supports this silly myth that there is a superior moral virtue in the peasant or the small farmer than there is in the farmer who is maximizing his productivity, and secondly, of course, because it is totally uncontrollable. As I have said before, you can't count olive trees and olive trees don't move. How you are going to count cattle escapes the wit of my Group in particular.

Now, there are several basic principles which I wish to enunciate on behalf of my Group, Mr President. First of all, we accept that basic truth that unlimited financial responsibility for production must end. This goes not merely for products in surplus but also for products for which the costs are mounting at an unacceptable rate, and for which the perspective of enlargement is financially horrifying whatever the political reasons which can be brought forward in its favour. We believe firmly that the rate of increase in agricultural spending must be below the rate of increase in Community revenue so that gradually the preponderance of agriculture can be made less onerous.

Now the Commission has christened this process co-responsibility. Now which ministry of truth invented this appalling piece of jargon? Can you not say what you mean, Mr Commissioner? If you mean a quantum, say it's a quantum. If it's a quota, say it's a quota, but don't dress it up in this perfectly absurd jargon of co-responsibility on the grounds that if you disguise it under heavy enough clothing nobody will recognize it for what it is and it might slip into existence by mistake. In the dairy sector your co-responsibility levy has been of course a co-responsibility levy imposed upon the consumer and not upon the producer. In fact the whole CAP is still obsessed with the notion of the producer. It still regards a consumer, not as a market, but as a sort of ill-defined destination and it's about time systematically the Commission geared its policies towards creating a buoyant market, not by clumsy calls for promotional campaigns advertising, but by direct aid to consumption and the maintenance of prices so that the producer can be assured of a market which can accept his unsubsidized output.

The next important element, Mr Commissioner, to which you must address yourself, is national aid. There is a great illusion throughout the community that the common agricultural policy will be reformed in Brussels, I do not know where this stems from; two-thirds of financing on the CAP takes place in national capitals and reform is only going to take place in the national capitals with the will of the national capitals. The situation we see at the moment, where ministers arrive in Brussels all virtue, sweetness and light, and talk reform and go home immediately to

introduce national measures which run counter to what they have just been saying in the context of Brussels is something which is ridiculous and to which the Commission has got to address itself.

Now it is possible that this year, Mr Commissioner, the agricultural budget will undershoot, that it will not take up all its allocations. May I in all modesty suggest to the Budget Commissioner who is here, that if he were to introduce the rectifying letter, desupplementing the budget, he would receive a very warm welcome at least from certain parts of this House and he would have made a revolutionary name for himself in the context of Community histories.

Let us be careful, Mr President, about the fatal allure of world prices. Of course they have helped us, of course they have bailed us out, of course the stocks are very modest — one and a half weeks for butter, very modest for skimmed-milk powder — of course the restitutions have been carved back very substantially. But let us not forget that the reason for this narrowing gap between Community prices and world prices is not just an increase in world prices, it is a steady process of restraint of Community prices. Those two elements have got to be present in order to continue that policy of bringing those two levels into some sort of coordination with each other.

Now on the monetary compensation amounts, you will realize that the proposals as outlined by the Commission are frankly impossible for the United Kingdom, thus Mr Pranchère — I assume I do not have to look because I recognize not the voice but the content — (*Laughter*) the sort of MCA reduction which you would impose on the United Kingdom in fact would mean a price decrease for certain producers. But I am happy to tell you that sheer market forces — and as you know my party is rather partial to market forces — sheer market forces have dropped 5% since you introduced this package. I hope Mr President that you tuck that under your belt and run.

A lot of my colleagues talk very often about three basic principles of the common agricultural policy. As you may know, the British are not a very philosophical nation, philosophy is not taught in our schools — we are taught useful things like latin. Therefore we do not have a very theoretical approach and I wonder whether these three principles of the CAP do as much good. I could discuss with my wife endlessly the 87 principles of a happy married life, it would not actually help us to have a happily married life! What we have to discuss is the function of marriage and what we have to discuss on the CAP are what are the functions of this policy. Its functions are to manage the market to maintain farm incomes, to sustain the rural economy and to manage the trade outside world. Well, let us discuss in terms of what we want the CAP to do, not in terms of these marvellous three principles, some of which do not exist at all, others of which exist only partially and some of which should not exist.

Curry

I would be much more sensible to talk in pragmatic terms about those functions. Any budget is a means of making political choice. Of course a budget is there to serve the policy which it finances, the policy is not there as a servant of the budget. But at the same time it is a means of making political choice, not a means of preempting political choice. The present structure of the agricultural policy preempts political choice in this Community and that is why we believe that there must be some absolutely firm decision. But there is a link between progress of the budget, the progress of agriculture and the gradual introduction of those other things which all of us in this House unanimously believe must form part of the panoply of this Community.

President. — I call the Communist and Allies Group.

Mrs Barbarella. — (*IT*) Mr President, I should first like to point out that many of us here stressed last year how difficult it was to meet the deadline for fixing farm prices — in other words the problems of agricultural spending and of re-establishing balance in European agricultural production — without having first decided upon the broad lines of a revision of the CAP.

This year we are once again faced with this very important deadline, without having clarified the stance which Parliament ought to adopt on the essentials of the reform of the CAP. We feel that it was a mistake not to have debated and approved, before turning to the report on farm prices, the own-initiative report from Parliament's Committee on Agriculture concerning the reform of the CAP. Lack of time was put forward as an explanation for this, but we are convinced that, in fact, this showed a short-sighted political outlook which has now put us, on the question of farm prices, in a very difficult situation and forced us to organize a skimpy debate and to adopt what is really a defensive stance *vis-à-vis* the proposals which have been put to us.

The fact is that we have been asked to deliver an opinion not just on prices but also on a whole range of proposals which are a foretaste of the Commission's attempts at reform. The adoption of a fourth principle, that of the producer's co-responsibility, as an instrument for the general management of agricultural markets, definitely adds a new factor which might have very dangerous results especially for some forms of agriculture without really affecting — and I should like to stress this point — either the nature or the characteristics of the Community support mechanisms. Co-responsibility in fact only means slight changes in accounting methods to suit farm holdings, and will lead to a subsequent increase in their overheads, but it also means, Mr President, that even more room for manoeuvre will be left to the most efficient holdings and that the development potential of holdings which,

on the contrary, would have difficulty in covering any increase in production costs will be further cut back. Furthermore, I hope the Commission will not mind if I say that this is the same selective development approach which has always dominated the CAP. What is more, although there may be some justification for penalizing producers in production sectors or region which produce surpluses, co-responsibility becomes an unfair burden on the development potential of regions or production sectors in which what is needed is, on the contrary, to work towards a completely opposite goal. Applying this principle in certain countries with production shortfalls would have the specific effect of stifling the incentive to produce and give new impetus to the ousting of the less sound structures.

In our opinion, the Commission's option in this case, Mr President, appears all the more unsubstantiated and contradictory because it is now an established fact, a fact which has been denounced by the same Commission, that the development imbalance, particularly in the outlying areas of the Community, has increased to a worrying extent and that this is precisely the direct result of the present way in which the CAP works. The Commission actually states — and I quote verbatim from the text — that 'the price support system, under cover of achieving economic equality, has been the source of social inequality for the less sound farm holdings and areas.' In other words, if my interpretation is correct, it has helped the rich and milked the poor. For this reason, the Commission goes on to state, and once more I am quoting verbatim 'the time has come to impart new impetus, based on firm foundations, to the CAP'. The firm foundations which the Commission puts forward are paradoxically enough to generalize the principle of co-responsibility to cover production sectors and areas which do not produce surpluses. Basically, it seems to me that we can say that the Commission, by attempting to save what it can from the existing policy, is highlighting its inability to solve the real problems of European agriculture. This also seems to me to show an undoubted determination to try to keep intact the basic foundations of the existing policy, thereby, perhaps, showing a very special understanding of the interests of certain areas and of certain farm combines.

We feel that this attempt at reform ought to be rejected for the reasons which I have briefly outlined above. But it is not our intention, and I should like to underscore this fact, Mr President, to brush aside in this way the fundamental problems, such as farm expenditure or the re-organization of European farm production which is needed. We feel that these problems must be solved as quickly as possible, but using instruments which above all are really and truly effective, and secondly which are not unfair. What possible positive construction can be put on a co-responsibility levy which, in spite of its existence, has made it possible for last year's milk production to increase on average by 2.6%? How can we assess the Commission's proposal for introducing this year — and only,

Barbarella

for this year — a super levy, whilst the Commission reserves the right for future years to give further thought to other instruments such as that of reducing intervention prices? It is my opinion that we too ought to give deeper thought to this problem.

Parliament's Committee on Agriculture rejected some of the Commission's proposals, in particular because it did not see any justification for penalizing production sectors which did not produce surpluses. However, I must say, in spite of the excellent piece of work done by Mr Ligios, that the Committee has laid itself open to criticism on some fundamental problems, and I am referring particularly to the milk question. Our Committee was not able to give voice to a single specific alternative proposal. This is why, we, the Italian Communists, tabled a draft amendment on this specific issue, taking as our point of departure precisely those remarks which need to be made with reference to the Commission price proposals, which, in sum, would lead to a reduction in the milk intervention price.

We propose, in fact, where this sector is concerned — and this is a key sector which poses what are the most complex problems at the moment — that prices should be determined at the same time as the basic volumes which are accepted for intervention for the 1981/1982 marketing year, and we propose that the intervention price should be reduced every quarter by a percentage which is fixed beforehand, if deliveries to the dairies go over these basic volumes. It is clear that this mechanism would lead to the exemption of farmers from holdings in the less-favoured mountain regions and of all the small producers. This seems to us to be a fundamental point. Basically, this draft amendment is not very far away from the ideas which, in my opinion, one can discern in some documents published by the Commission. For us, the approval of some parts — of our own draft amendment but also of any other proposal which is really effective and specific — is the *sine qua non* for approving the motion for a resolution put to us today.

Another very important fact which must be recognized is that we should not penalize Mediterranean produce. In this connection, I should like to stress that the Italian Communists do not mean by this that we should reject the need to review the support mechanism for Mediterranean produce, but we do consider that this ought to be done on a larger and more comprehensive scale, one which would get to grips with all the problems of the CAP and firstly the fundamental problems of this policy, which definitely are not represented by the difficulties of Italian horticulture or fruit growers or even by the problem of olive oil. The real problems are quite different. This is another fundamental point for us.

In conclusion, I should like, Mr President, to make a few brief remarks on prices. There is no doubt that

this year the whittling away of producer's incomes, as the situation has turned out in some countries in which the level of inflation is high, raises problems for our approval of the Commission proposals. Their proposals are definitely inadequate and, in my opinion, shy away from seeking balanced solutions which take these factors into consideration but also take into consideration — and here I am appealing to the House — the incontrovertible need to breathe new life into the sector of agricultural expenditure without forgetting market problems. Mr President, it seems clear to me that what is in jeopardy at the moment are not just the interests of one sector or the defence of one category of producers — even though this is essential and I lay heavy emphasis on the fact — but what is in jeopardy is the real feasibility of maintaining a common agricultural policy and of furthering, by making judicious corrections to this policy, a different type of process of integration in the Community.

(Applause)

President. — I call the Liberal and Democratic Group.

Mr Delatte. — (FR) Mr President, ladies and gentlemen, at this time when the European Parliament is dealing with the fixing of common agricultural prices for the coming year, I hope you will allow the spokesman for the Liberal and Democratic Group to indicate the true scale of what is at stake — indeed, this has already been done just now by the rapporteur, Mr Ligios, whom I wish to thank.

But our Group had already, a year ago, pointed out four good reasons for a substantial increase in agricultural prices. The common agricultural policy does not cost as much as is claimed, the budgetary capacity allows a reasonable contribution, farmers' incomes are lagging behind, and the development of European agricultural potential must be ensured at all costs.

With regard to the real cost of the common agricultural policy, I think that a message has got across both in Parliament and to public opinion. Many people have realized that other policies were being financed through the common agricultural policy — and this is true.

Moreover, the stability of supply and prices from which 260 million consumers have benefited for twenty years is also fully appreciated. How many countries in the world enjoy such security? One must point out the very low cost of the common agricultural policy in relation to the gross domestic product: 0.5%. Let us also remember the negligible size of the chronic agricultural surpluses. All this is now clear.

Turning to the second reason, does the budgetary capacity allow a price increase large enough to main-

Delatte

tain agricultural incomes at a proper level? I would say that it does.

Indeed, let us note first the forecast for the use of the VAT rate which is 0·89% for the current year, leaving a significant margin for increasing agricultural prices. Expenditure is being reduced, since 1981 will be the second consecutive year of net slowing of the growth in agricultural expenditure despite Greek accession to the Community and the setting up of new market organizations.

Finally, we note world price levels which mean a considerable and general reduction in refund rates in 1981. Moreover, the imposition of export levies on sugar has been providing revenue for some time now. In this connection I would point out that our Group agrees with the proposals made on the sugar regulation in the Bocklet report. But, to return to the budgetary cost of agriculture, I would add that the administrative savings can be made from this year onwards, and that savings are possible if Community preference is respected to a greater extent.

Ladies and gentlemen, can one go on using the argument of the 1% VAT ceiling to the peasant farmers when 400 000 tonnes of meat enter the Community duty-free or at a reduced rate of duty, and when the same applies to the substitution products for cereals, proteins and fats? The annual loss of revenue resulting from these financing measures could easily finance a significant increase in agricultural prices, and I would add that the existing co-responsibility will reduce expenditure, but one must also reject any idea of generalizing quotas and amounts related to the wholly unacceptable supertax on dairy produce.

The third reason is agricultural incomes. Do I need to remind you that the fall in agricultural incomes was 9% according to the Commission itself and that, in relation to the incomes trend in the economy as a whole, that of agricultural incomes is lagging behind in 1981 by 13%. I would remind you that there is also a significant difference between the prices fixed by the Community and the prices paid in practice to farmers. Clearly a substantial increase in the common prices is needed. It is true that, even so, one must not lose sight of the consumer interest, and I would say that it has been well defended by the farmers. The Commission itself writes that three years of a moderate price policy have contributed greatly to lowering the rate of inflation. That is the contribution of the farmers to the anti-inflationary effort. The objective method taken as a basis in the Ligios report has made it possible to assess the increase required simply to maintain agricultural incomes. This method should be followed, and that is why the Liberal and Democratic Group has tabled an amendment providing for an increase of 15·3%. This increase would be economically fair expenditure, and a basic investment for the coming years in the face of increasing costs.

The fourth and last reason is the imperative need to develop the European agricultural potential. This development is necessary to re-establish the trade balance. Moreover, Europe is gradually opting for expansion of its sales of food products, and I am glad of this because the export challenge must be met. It is also necessary for our supplies of energy and raw materials, since agriculture is a natural resource which must be exploited. Finally, this development of our agricultural potential is necessary for economic growth and proper land use in Europe. To mention only one example of this, the drop in agricultural incomes has adverse effects on the development of the agricultural machinery industries, which are in a difficult situation. Moreover, with regard to international trade and the economic and political influence of Europe, what aid could we have given to Poland — to mention only one example — if we had had strictly self-sufficient production?

To sum up, the development of our agricultural potential is an essential need, and it requires adequate incomes. There is therefore no shortage of reasons for substantial price increases. Bearing in mind the importance of what is at stake in the fixing of the prices, I stress the absolute necessity of respecting the deadline of 1 April for deciding on them. The credibility of Parliament and of Europe depends on it.

On behalf of my Group, I hope that Parliament, by voting in favour of an adequate price increase, will express its desire to face up to its responsibilities.

(Applause)

IN THE CHAIR: MR: ZAGARI

Vice-President

President. — I call the Group of European Progressive Democrats.

Mr Fanton. — *(FR)* Mr President, in submitting its price proposals to Parliament the Commission begins by saying that it is vital to halt the decline of agricultural incomes and help farmers to improve their real income, and goes on to say that the increase in costs and fall in agricultural incomes cannot be ignored. Of course, an attentive reader of this document expects figures and conclusions. Further on it is stated that inflation accelerated, reaching an average of 12% in 1980 and 13·5% in December 1980, and that production costs increased by 12% in 1980. The report states that farmers' incomes fell by 9·3% in that year — as shown by the graph on page 6 — and adds that the gap between them and average wages was 18%.

Fanton

Ladies and gentlemen, you have heard these figures — 13.5, 12, 9.3 and 18%! Yet the surprising conclusion reached by the Commission is that the prices should be increased by 7.8%. Why this figure, which has no basis and is not related to anything? No explanation is given by the Commission, which contents itself with telling us that it is the best figure.

It is said — but I do not know if it is true — that the Commission would thus like to allow the Council of Ministers to seem more generous than itself. I would like to tell the Commission that such a calculation would be an unworthy one and that the Commission would not improve its image among farmers nor among Europeans in general in that way.

For our part, we think that an increase of 15.3% in agricultural prices — which emerges from the application of the objective method — is an absolute necessity if we want European agriculture to survive and develop.

Let the Commission make no mistake. Its proposals are regarded by European farmers as a kind of provocation. The Commission, not content with provoking European farmers by proposing a derisory figure, compounds the felony, so to speak, by indulging in a rather underhand manoeuvre. It is trying to use our debate today to make Parliament adopt generalized co-responsibility as a fourth principle of the common agricultural policy.

Everyone knows, and the Commission knows better than anyone since it constitutes the mandate entrusted to it on 30 May 1980, that consideration is now being given to reform of the common agricultural policy. The Commission wants to force the hand first of Parliament and then of the Council of Ministers, when it is quite clear that the consequences of generalized co-responsibility have never been seriously analysed. The Commission, of all people, should not be unaware of this, since it writes on page 4 of its report, on the subject of the only existing experience of co-responsibility — the co-responsibility levy on milk products — that despite the co-responsibility levy and the announcement of an additional co-responsibility levy, milk production has reached a record level of 105 million tonnes and deliveries to dairies have increased by 2.6%. This is an admission that the co-responsibility levy has totally failed to achieve the aim underlying its creation — a decrease in production. Indeed, the matter is very straightforward for the Commission. Co-responsibility is a way of obtaining revenue from farmers, in the absence of the will to carry out a new and imaginative policy.

Let the Commission therefore wait for consideration of reform of the common agricultural policy to be completed before trying to invent a new principle. And let it use its time and energy — since it appears to have time and energy — to ensure respect for the three basic principles of the common agricultural policy.

I heard Mr Curry saying just now that principles had hardly any importance and that one should instead content oneself with implementing a pragmatic policy. Perhaps principles have no importance, but if one follows a policy which runs contrary to the principles which led a number of the Member States to agree to the common agricultural policy, one runs the risk of setbacks. The Commission knows these three principles, since it invokes them. It talks of unity of prices, Community preference and financial solidarity. That means, Members of the Commission, that we must first speed up the dismantling of the monetary compensatory amounts — you propose this in far too restrained a manner — we must move faster and go further. But it also means that we must put an end to certain practices which threaten the competitiveness of European farmers. How, indeed, can one propose to reduce the guarantees provided for European farmers by introducing generalized co-responsibility, when some products continue to enter the Community without restriction?

Last year more than 300 000 tonnes of beef entered the Community, when it is clear that we have no need of it since we export beef. Similarly, we have made no progress, Members of the Commission, in regulating the import of substitution products — whether manioc, soya or maize gluten — most of which, as we all know, come from the United States and certainly not from the developing countries. It is therefore necessary to take action in this field, and we expect the Commission and the Council of Ministers to do so.

If the Commission is seeking with unseemly haste to set up this system of generalized co-responsibility, by contrast it is being very cautious with regard to a necessary application of the agricultural policy — namely exports. Indeed it tells us on page 2 that the Commission will propose when the time comes — it seems that the time has not yet arrived — a new approach with regard to external trade in agricultural produce, taking account of changes in the balance between supply and demand and of world trading practices. We must hurry, since an export policy is necessary both for the equilibrium of the Community and for its economic prosperity. Much has already been done in the field of beef exports — 620 000 tonnes this year in comparison with 168 000 in 1977. 16 million tonnes of cereals have been exported, as against 10 600 000 in 1977. In both cases the prices have been very close to world prices. I shall not dwell — since the Commission has reason to be discreet about them — I shall not dwell on the sugar exports which bring in a great deal of revenue to the Commission.

Mr President, our Group therefore demands — I would like to do so very precisely and clearly — firstly that the average increase in agricultural prices be fixed at 15.3% with effect from 1 April; secondly, that the monetary compensatory amounts be dismantled over two years; thirdly, that generalized co-responsibility be

Fanton

rejected and that the Community institutions — all of them, i.e. not only the Commission but also the Council — respect and ensure respect for the three basic principles of unity of prices, Community preference and financial solidarity; fourthly, that to the extent that the co-responsibility levy exists on some products at present — and I ask the Commission to be attentive to our proposal — the management of the revenue thus obtained be participatory, involving the producers' representatives alongside those of the European institutions, for co-responsibility is shared responsibility; and, finally, the implementation of a policy on exports of agricultural produce must be begun at the time when the proposals for improving the operation of the common agricultural policy, for which it is an essential condition, are submitted.

Mr President, ladies and gentlemen, at a time when the problem of world hunger should be mobilizing our efforts, it would be unacceptable for a selfish policy to discourage European farmers from producing. At a time when, throughout the world, agricultural production is often woefully inadequate, it would be against the interests not only of farmers but of all Europeans to fail to use the natural resources of our States to improve our trade balances and increase our political influence.

Finally, at a time when European integration is threatened from outside as well as from inside, it would be political suicide to destroy, whether brutally or insidiously, the only common policy which the Europeans have implemented — the common agricultural policy. Since we want to see Europe play a role in the world, we are concerned about the need to take effective action to help those least well off, and because we are aware of the importance of the common agricultural policy for the future of European integration, we say that we shall not allow that policy to be destroyed and that we shall continue to work for the prosperity of European agriculture.

(Applause)

President. — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

Mr Capanna. — *(IT)* Mr President, the Ligios report basically supports the continuation of the existing European farm policy, and this at a time when millions of farmers have had more than enough of this CAP which continues to favour the rich holdings instead of the poor ones, and to aid the sectors with structural surpluses rather than those with deficits, and to pit the North against South. The distortions in the CAP are large and deep-rooted and this is why it is not a question of whether we will ask for a 12%, or a 15.3% or a 17% or a 20% increase in farm prices, the real problem is to totally rework the CAP. The lily-livered Government of Italy, for example, can no longer

wriggle out of asking for a renegotiation of Community agreements on this matter. In addition, Community partners ought to realize that they cannot continue to sponge off the poorer agricultures in the Community, amongst which Italian agriculture can be counted.

A common agricultural policy means, as the word common implies, that everybody's interests are taken into account and common ground is found, and it does not mean that one-way subsidies are granted to the rich dairy farmers of Bavaria, subsidies which match the income shortfall of Italian producers who produce for the open market. In this case, a fair solution to the farm prices problem might be to pursue a cautious policy of varying increases from one product to another and an increase in the number of products subjected to guarantees. The farm price proposals for the marketing year 1981 to 1982 do nothing more than to widen the rift between the North and South.

In this connection, we must abolish as soon as possible the large positive monetary compensatory amounts which, as we can now see, after the devaluation of the Italian lira and the re-valuation of sterling, serve no other purpose than to increase the imbalances which I have already denounced above. We must do away with the constant provision of funds for surpluses and the co-responsibility levy which is the structural instrument of this. In addition, abolishing the co-responsibility super-levy on milk might be one of the best ways of turning the tide. Let the producers pay for their own surpluses by seeking suitable markets and not by leaning on Community subsidies. Mediterranean produce must benefit by Community preference. It is incredible to see that within the Community, in Luxembourg for example, oranges imported from South Africa are on sale. It is quite unacceptable that the entry of Greece into the Common Market and later of other Mediterranean countries should be exploited, that such countries will be squeezed like lemons in order to finance the prosperous northern regions of Europe. What is needed, for example, is also to review the regulation which gives no support to the setting up of new olive oil presses, and what we ought to do is to impose a heavy tax on imports of soya and soya beans. With no trace of chauvinism, I am forced to note that Italy, together with Eire, is one of the countries which has been the hardest hit by the CAP. We must make patently clear our opposition to the financial support for artificially sweetened wines, especially if we think that at the moment excellent vineyards are being systematically grubbed up and recourse is being made to the inordinate use of excise duties. Why, with the new provisions suggested, is Italian sugar production strangled if it is not in the interests of some other people?

Mr President, I shall conclude by appealing to the Commission. If you truly wish to make grants to producers of horticulture and fruit so that they may process

Capanna

their produce, this ought to be granted directly to the producer. Lastly, I feel, and I take this occasion of reminding all the Members of this House, in case they have had a chance to forget it, that the Ten must recognize the Palestine Liberation Organization.

President. — I call Mr Pesmazoglou.

Mr Pesmazoglou. — (GR) Mr President, what we are dealing with today is the Commission proposal on the adjustment of farm prices to take account of the mainly monetary developments in Europe.

I wish to stress our disagreement with and opposition to the Commission's proposal, which contributes nothing at all either to the necessary restructuring of the common agricultural policy or to combating inflation, while at the same time harming Community agriculture, Greek agriculture, all the Member States of the Community and, most of all, the interests of the agricultural community.

The motion for a resolution by the Committee on Agriculture presented by Mr Ligios has very many positive points, and I hope that a large majority of the House will vote for it. The crucial point is surely the proposed farm price increase. We do not think that 12% is sufficient, and I agree with the proposals made by Mrs Barbarella, Mr Delatte and Mr Fanton for higher increases. A 15.4% rise would not be sufficient for Greek farmers, who have to contend with very high inflation. I wish, however, to stress the great importance within this amount of those arrangements which more particularly concern Mediterranean products and Mediterranean farmers.

I should like to make the following very brief comments on the proposals contained in the report by the Committee on Agriculture which Mr Ligios presented.

Firstly, farm prices policy and the restructuring of the common agricultural policy must be based on the principles contained in the Treaty of Rome, and the speakers so far, especially Mr Delatte, have argued this point very well.

Secondly, any proposal on co-responsibility in the common agricultural policy must refer to products which have structural surpluses, i.e. permanent surpluses involving a broad category of products which have hitherto received favourable treatment under the common agricultural policy. Thus co-responsibility does not concern Mediterranean products if you take account of the fact that hardly any Mediterranean products, whether oil, fruit and market garden crops, tobacco or wine — products in which our Mediterranean countries, including Greece, have a vital interest — have structural surpluses. Thus

there is no justification for applying the principle of co-responsibility to these products.

Thirdly, I should like to state that at a time of widespread and in particular monetary imbalance the common agricultural policy needs to be combined with special aid for developing regions, among which the Mediterranean countries of southern Europe, including Greece, are particularly important.

Fourthly, at a time when there are such marked differences in inflation rates, exceptional measures are called for. The common agricultural policy, like any other Community policy, cannot succeed unless we make headway in harmonizing economic and monetary policy; this goes without saying. But in the meantime account must be taken of this great difference between the inflation rates in the various Member States of the Community. On this point, I am bound to stress that Greece, the Greek farming community and the Greek people are faced with an extremely acute problem since there is a 25% inflation rate in Greece and in 1981 it is unlikely to be any lower. It is totally unacceptable that Greek farmers should have to assume this great burden. We propose, therefore, that certain procedures should be adopted, and the proposal by the Committee on Agriculture in paragraph 4 provides for procedures of this kind, both technical and monetary, in order to offset the very serious effects of the difference in inflation rates.

My final remark concerns Greece. Since this is Greece's first year as a full member of the European Community, its agricultural production and the incomes of its farming community are of enormous national and political importance. It therefore follows that the subject we are dealing with is of vital interest to all of us. We therefore propose, in addition to fixing the price increases which relate to Mediterranean products and cover the difference in inflation and an appropriate increase in incomes, a procedure should be laid down to adapt Greek prices to the highest Community prices and the highest aid for products. This can take place under the terms of the Treaty of Accession of Greece to the European Community.

To this end, I have tabled an amendment to the motion of the Committee on Agriculture presented by Mr Ligios, and I hope that the European Parliament will adopt it.

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, let me begin by thanking Parliament's Committee on Agriculture for its prompt and thorough consideration of these price proposals. First and foremost, I want to draw Parliament's attention to the fact that the Commission's proposed agricultural

Dalsager

price package has had to try to reconcile conflicting objectives:

- firstly, to ensure a certain progression in agricultural incomes;
- secondly, to take account of the budgetary problems undeniably facing the Community;
- thirdly, to take account of the market situation for the individual products;
- fourthly, to take account of the generally critical economic situation in the Member States.

As regards agricultural earnings, which were also touched on in the debate, I want to stress that, against the background of the fall in farmers' incomes in 1980, it is imperative that the Community react with an adequate increase in guaranteed prices. As has been pointed out, farmers' incomes fell in 1980 by approximately 9% at fixed prices following a smaller drop in 1979.

Up to and including 1978 agricultural incomes had risen continuously at fixed prices and were largely on a par with increases in other sectors. Today incomes remain constant at 22% above the 1967-69 reference period at fixed prices. However it must be recognized that the actual increase varies greatly between Member States, and in view of this situation the Commission has proposed a much higher price increase this year than in the past three to four years.

The Commission's proposals fall mainly within the 6 to 12% range, and in the case of the more important products they generally lie between 8 and 10%. Parliament's Committee proposes an average increase of 12%, and I understand from Mr Ligios' presentation of his report, for which I extend my thanks, that this 12% was arrived at after very thorough, almost scientifically substantiated analysis. I would like to have seen this analysis, because the proposal put forward here concurs with the Commission's on a long list of price increases of less than 12%. I would therefore like to see which products are to have such very large price increases as to attain the figure of 12% overall. If increases for cereals are kept very low and for milk at least not too high, it would appear that it is products such as tobacco and olive oil, fruit and vegetables which will have to receive very large increases to arrive at an average of 12%. I see for instance that the Committee recognizes that price rises this year should vary from product to product. Of course the question of what price increases are needed to maintain and improve agricultural incomes can always be discussed. However, the Commission still holds the view that its proposals are reasonable.

As regards the budgetary restrictions, I would like to stress that the Commission has taken the well-known

budgetary restrictions, to which Parliament has previously attached such importance, into consideration. Indeed other speakers today have also stressed that it is the Commission's duty to keep within the limits imposed on Parliament as a budget authority. The Commission believes, however, that its proposed package this year takes adequate account of the needs of agricultural earnings, without it being necessary to introduce a supplementary budget later in the year and without postponing to subsequent years the demands which other policies have on the budget. It is therefore surprising that Parliament's Committee on Agriculture obviously disregarded the budgetary consequences in its report. Its proposal in fact implies additional expenditure of not less than 1 100 million ECU over a twelve-month period compared to the Commission's proposal.

The market situation continues to be marked by imbalances in certain products. Production continues to rise, consumption is stagnating, and in most sectors it is unrealistic to expect any great rise in consumption. A steadily increasing proportion of Community production will go for export or be dealt with under special marketing schemes. The EEC is already or will probably soon be the world's biggest or second biggest exporter of wheat and flour, barley, white sugar, almost all dairy products, beef and veal, pigmeat, poultrymeat, eggs and wine. It is against this background that the Commission made the following statement in its study paper of 5 December 1980:

The main consideration underlying the planned adjustments to the market organization is that in view of the present situation in agriculture it is neither economically sound nor financially possible to guarantee fixed price or support levels for unlimited production.

This, Mr President, is the reasoning behind the fourth principle which forms an integral part of the Commission's price proposals this year. This principle of increased co-responsibility for producers is of crucial importance in upholding the basic principles of the common agricultural policy in the longer term.

This is what we in the Commission regard as the balance in our proposal and Parliament cannot simply change this proposal, on the one hand using up more Community funds while on the other refusing altogether to accept the principle of general co-responsibility measures which in fact act as a counterbalance.

The general economic situation in the Community is characterized by a very low growth rate which in 1980 was even as low as 1.3%. This led to a large increase in unemployment, which is now about 8% of the total Community labour force. Simultaneously many sectors of industry are threatened with works closures and compulsory short-time working.

Dalsager

In this situation, Mr President, the common agricultural policy was able, despite all, to protect agriculture against the worst effects of this crisis.

As in previous years, a reduction of the monetary compensatory amounts is proposed in the context of the price proposals. I should like to stress that new currency adjustments were made last weekend, as the rapporteur of the Committee on Budgets has already mentioned, and these new currency adjustments mean that monetary compensatory amounts will be reduced in countries with positive monetary compensatory amounts. At the same time the Commission wants to propose that no new monetary compensatory amounts should be introduced in the remaining countries which means that prices in national currencies will increase even more in these countries.

In conclusion I should like to stress that in the Commission's view its price package with the attached proposal

- firstly, takes appropriate account of the need for an increase in agricultural incomes,
- secondly, is at the same time balanced in relation to the EEC budget, the market situation both within the Community and world-wide, and also to the general economic situation in the Community, and
- thirdly, the introduction of the principle of co-responsibility implies that the original principles of the common agricultural policy can henceforth be retained.

I hope, and here I join with one of the speakers here today, that this year it will be possible for the Council to finally adopt the proposal put forward before the commencement of the market years for the various products. It has unfortunately gradually become a tradition for the decision to be deferred to the middle of the year. I think that at the very least Europe's farmers should not receive such treatment, particularly not in the present crisis situation facing agriculture. I agree with the Committee that the Council must be asked to take a decision before 1 April. Quite clearly the fact that in recent years agreement could not be reached in time, by the abovementioned date, has contributed to increasing the dissatisfaction felt by farmers.

Mr President, I shall of course have a few more comments to make at a later date, but I prefer to save my speaking time now so that my colleague, Mr Tugendhat, can have an opportunity to say a few words.

President. — I call Mr Tugendhat.

Mr Tugendhat, Vice-President of the Commission. — Mr President, my colleague Mr Dalsager has made the Commission's main speech on this subject, as is appropriate for the Commissioner for Agriculture, and he will of course be summing up at the end of the debate. I am going to speak on the budgetary aspects of the problem and during the course of the afternoon the Commission hopes very much that President Thorn will have the opportunity to make an intervention as well, assuming that he gets here without any troubles from strikes or other hazards en route.

Mr President, I'd like really to begin by just reminding the Parliament of the position that it has taken up in this matter on previous occasions.

First of all, of course, there was the rejection of the budget in 1980, when the Parliament quite specifically in justifying that action — I see Mr Dankert in his place at the moment — quite specifically pointed to the need to control the rate of increase in agricultural expenditure in order to protect the basis of the common agricultural policy and it of course talked about the need to develop other new policies. Later, less than one year later in fact, the Parliament, in the context of the preparation of the 1981 budget confirmed its view that the serious disequilibria caused by surplus production should be corrected and again called for control of agricultural expenditure. And then as recently as 12 March of this year, Parliament, in passing its resolution on the guidelines for the financial and budgetary policy for the European Community for 1982, urged the need for a budget which incorporated the necessary agricultural reform which would allow a balanced distribution of resources. It specifically asked for proposals to be made which would make it possible to reduce the financial resources set aside for the disposal of surpluses. There is, Mr President, a consistent line that Parliament has taken ever since direct elections and it has, I believe, played an important part in helping to bring about a more realistic approach to agricultural problems, as indeed we have seen in the price settlement of 1980 and 1981. This is a point which I hope Parliament will bear very much in mind during the course of this debate, because, Mr President, I really do not feel that the speeches so far today, nor indeed the motion of Mr Ligios, reflect the consistency that Parliament has shown before.

Mr Ligios' motion certainly mentions the need to control agricultural expenditure. We also read of the need to reduce the production of surpluses, but, Mr President, when one considers that there is also a rejection of the Commission's proposals to expand the criterion of co-responsibility and when one considers the price increases that are envisaged, it is difficult to reconcile what is now being proposed with the line that Parliament has so consistently taken since it was elected in June of 1979.

Tugendhat

Let us look at what is being suggested, Mr President. The cost would be more than double the proposal put forward by the Commission, both for 1981 and for 1982. For 1981 it would add 320 million ECU to expenditure over and above the 220 in the Commission's proposal, thus adding around 540 to the budget. We have of course heard about the favourable conjuncture — I hope very much that it will continue. I cannot agree with Mr Ligios, however, that one can make forecasts of that sort. One only has to consider the way in which the sugar price in recent years has gone up and down, to see how dangerous it is to base assumptions on the continuation of a favourable conjuncture — much as I hope it will continue. Now if of course one considers the price increase, the increases which the Parliament is suggesting, one finds that not only would they add substantially to 1981, but for 1982 they would in fact almost more than double the Commission's proposal. The Commission has spoken of 850 million ECU, the Ligios Committee's figure would come to 1 900 million ECU. In other words, Mr President, if the agricultural committee's resolution is adopted by the Parliament, Parliament will be voting an additional increase of over 1 100 million ECU to the 1982 budget. One must, Mr President, compare that with the projected rate of increase in own resources. Own resources are expected to grow by about 11% over that period. In other words the Commission's proposal makes possible, within the context of the budget that we have available at the moment, a beginning of rebalancing. The Commission is projecting a 7% rate of increase in agriculture. What the Parliament is in danger of proposing is a rate of increase in agricultural expenditure which would in fact make it quite impossible not simply to rebalance, which is what we would like to do, but even to maintain the present balance and again, that is something which is quite inconsistent with all the resolutions the Parliament has passed since it was directly elected as recently as June 1979.

I must, Mr President, therefore, ask the Parliament very seriously to consider these budgetary implications and the implications for other policies at the same time as considering, as of course it must, the interests of farmers' incomes. The proposal, which the Commission has put forward, reconciles the needs of the agricultural community, the demands of the common agricultural policy. It fulfils the Commission's obligations under the common agricultural policy and it does so within a framework of what is budgetarily possible. Those who wish to defend and maintain the common agricultural policy, as the Commission does, will do no service to that policy by overloading the boat and sinking both that policy and the rest of the policies that go to make up the budget.

President. — I call Mr Wettig.

Mr Wettig. — (DE) Mr President, ladies and gentlemen, the European Parliament is debating the

farm price proposals during a difficult economic situation which is hitting all sectors of the economy, not just agriculture. This fact sheds some light on a set of Commission proposals which, if subjected to fundamental critical analysis, remain unsatisfactory on the most important points. They are unsatisfactory not just for the farmers themselves, but also for consumers and for those responsible for budget policy, if we consider the future of the European budget, they are also unsatisfactory for those who define economic policy and, last but not least, they are unsatisfactory for European politicians, because the proposals contain factors which will not reduce the conflicts in the CAP but rather increase them in the future. Firstly, conflicts would arise were the price and levy proposals to be implemented. But above all they would arise from the quantum which the Commission in its proposals would like to see established. We must state that these price proposals, although they are apparently quite restrained, give no any indications as to how production in the surplus sectors of agriculture might be throttled. We are also forced to note, and this definitely sounds strange, that they do not even meet farmers' income demands. They do not meet them either on a sector-by-sector nor on a regional basis, to the extent to which it would really be desirable. This demonstrates that the general pricing policy of the European Community is hardly conceivable any longer, and it also shows that a framework for officially imposed prices within the European Community can no longer be drawn up. This is above all the outcome of the fact that economic development within the Community takes place at such differing rates and that we have such greatly differing rates of inflation which can no longer be covered by a common pricing policy for all the Community Member States. This also explains, and this has become an additional problem in the CAP, why there is a substantial need for national farm income support. However, present trends are distorting competition and in addition go against moves towards integration, and we are forced to note that the Commission proposals do not contain any notion as to how such problems might be solved. We are unfortunately also forced to note that the levy regulations proposed are inflationist, because they have departed far too much from the notion of price equilibrium within the Community.

Ladies and gentlemen, the Commission has tried, in making these proposals, to take another step towards reforming the CAP. This task was begun with the Commission document which was submitted to you at the end of last year, and in which for the first time the Commission outlined the principle of co-responsibility as the fourth basic principle of the CAP.

The Commission then tried to give a closer definition of the principle of co-responsibility in its proposals on the organization of the sugar market and in its farm price proposals. However, beneath the innocent exterior notion of limiting surplus production and stabilizing budget expenditure, is hidden a

Wettig

far-reaching alteration in the CAP, which we cannot subscribe to without some difficulty. Co-responsibility means, at least in the way in which it has been introduced by the Commission, a further step towards a centrally controlled economy. It does, however, contain major shortcomings, which will have the effect of enshrining in regulations the production structure and farm structure which now exists in the European Community and which poses major problems at regional and sector level. It will have the effect of further maintaining the uneven income structure, which several colleagues have already referred to in this House, and above all it will have a further effect — and we have already had occasion to discuss this problem during the debate on the organization of the sugar market — by way of the co-responsibility levy, and a catastrophic one on consumer prices. In practice co-responsibility, viewed in the long term, is a tax on the consumption of farm produce. In addition, it will lead to administrative expenditure which we cannot simply accept without knowing precisely what it entails. And I am saying this since I am also a member of the Committee on Budgetary Control, a broadly-based co-responsibility levy also means an invitation to cheat on subsidies in this sector, and we have already had to tackle many problems in this respect.

The political problems involved in an administrative limitation of quantities of this sort are perfectly obvious. What will come to pass for agriculture can already be seen from some other sectors. There will be major disputes as to how the quantities should be divided up within the Community, especially since, as the Commission has done, the basic quantities for the first phase have been set so high that all claims may to some extent be satisfied. For the sugar market we have already discussed the problem that the existing quota regulations have to all intents become an inalterable regulatory system for quotas, in spite of the fact that we are increasingly forced to admit that quota regulations of this type have important adverse effects on the external trading interests of the Community. And with respect to the sharing out of fish quotas, we have not yet been able to overcome the political problem of how such quotas should be divided up between the individual Member States. In our opinion, the co-responsibility levy can be no more than an instrument for residual financing during a transitional period. It means that a brake is put on production, but it cannot be way of introducing a new phase in the CAP. The only future for the reform of the CAP, and the Commission points this out itself in its proposals, lies in adapting intervention prices to market equilibrium. This can definitely only be achieved in stages. And, because of the varying circumstances in the Member States of the Community, it will only be possible if accompanied by social measures.

I should now like to refer to another point in the Commission proposals, which ought not to go through Parliament without close reading. These proposals

would mean a further step towards protectionism in agriculture. We are forced to observe that the widening gap between threshold and intervention prices for cereals, will lead inevitably to a raising of barriers at Community frontiers. And we must also observe that by granting an above-average price increase for vegetable oils and fats, this type of protectionism will be further encouraged in the Community. This is not only questionable in terms of external trade but also extremely questionable from the point of view of its effect on the consumer.

In spite of the serious riders and restrictions which we are forced to place on the Commission proposals, we shall in principle support the Commission in this House, because we believe that during this transitional period the Commission needs Parliament's support for its policies, but the Commission ought to use this period to good effect, and in the summer present us with a definitive proposal on reform of the CAP, which will dispel all our doubts and fears. Were the Commission to pursue the line indicated in the present proposals then it would become, in my opinion, very difficult for us to support it in this sector. Because of all the difficulties which have been referred to by other Members and the amendments which the Commission itself has proposed to the Ligios report, we do not feel in a position to vote in favour of the Ligios report in the form in which it has been put before us today.

(Applause)

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — *(FR)* Mr President, the farm price debate is taking place before Parliament has had occasion to deliver its opinion on Mr Colleselli's report relating to the situation in the wine market, a debate which has been postponed from one session to another in spite of the very serious crisis which this major sector of agricultural activity is now undergoing. Despite the fact that the method of working used was open to dispute and contrary to any real Community policy on agriculture, I shall vote in favour of Mr Ligios' report, provided that Parliament approves his motion for a farm price increase of 12% on average for the coming marketing year. An increase of this size is the absolute minimum for farmers if we take into account the way in which their retail prices have been hammered by inflation. Inflation is rising steadily month after month, from one marketing year to another, whilst farm prices remain unchanged 11 months of the year, placing a financial drag on fixed assets which grows heavier each year and ravaging the basic operating fund, that is working capital, and depriving agriculture, which is the Community's brightest hope for prosperity, of any profit-making attraction it may have. In addition, farm production, far from being an inflationary factor, has helped to

d'Ormesson

throttle inflation over the last 20 years by making far greater efforts to hold down its own prices than have been made for manufactured products or products of services. The utmost limit which the Community's farmers can stand has now been reached, let no one be mistaken about this. I should like to add that a 12% increase is in line with budgetary equilibrium, since the rise in world prices has led to a large drop in export refunds, as Mr Ligios made perfectly clear in direct contradiction of Mr Tugendhat's statement, by reminding the House that we had available 4 207 thousand million ECUs in order to meet the requests for refunds and that we would be very far from exhausting such resources. In this respect, please allow me to voice my support, during this debate, for opposition to any embargo, whether it be directed at the USSR or South Africa, since all observers of the political scene have learnt from experience that embargo measures only further the interests of third countries, sometimes including countries with which the Member States of the European Community are linked both by inclination and by treaties. The need for Community firmness towards Soviet expansionist policies, would definitely be better served by strengthening its defence rather than by refusing to make profits from sales of its goods.

My final remark concerns the strict rules which must be established in order to adapt the CAP to the market situation. Contrary to the view which some people in this House hold, such measures will not go against the real interests of farmers but serve them, and I, for my part, agree with David Curry's written question, in which he asked the Commission to initiate a debate on the feasibility of imposing quanta on surplus production sectors and on certain quota sectors. On the other hand, I cannot agree with him on, and I am against, his indictment of the principle of preference. Dare I point out to a son of Albion there is a close relationship between the prince and the principle. But it is nonetheless true that the future direction and development of the CAP require, obviously, strict rules on surplus production. Viticulture in the southern regions of France, which is now being ruined by massive imports of Italian wine sold off at prices which are much lower than the minimum guaranteed price, is a striking example of this.

May I therefore, Mr President, express the wish that a debate on Mr Colleselli's excellent report may take place during our next session.

I should like to thank you in advance for acting on this.

(Applause)

President. — I call Mr Kirk.

Mr Kirk. — *(DA)* Like Mr Ligios in his report and like many other speakers today, I consider that the

Commission's proposal is inadequate and that it does not solve the problems facing European agriculture. On the contrary, looking at the Commission's proposal, it is very easy to come to the conclusion that it may instead add to the problems.

There are in fact two very important factors which threaten the existence of the common agricultural policy. The first is, and this the Commission itself touched on, surplus production and the manner of dealing with it in order to solve some of the budgetary consequences. The second factor, which is just as important and which is in part the result of the Commission's very low price increases in the past three years, is the threat deriving from national support systems where farmers are forced to go to the national, public coffers to try to get funds so that they can stay on their farms.

This is a trend which has accelerated and it is easy to find reasons why things are going badly, and excuses by saying that the situation is worse in other sectors, and that there is no special reason why agriculture should be spared. That is not the point. What we are saying is that there are some agricultural producers in the Community who do not have any alternative and where the Community needs the goods they can produce. It is our political responsibility to create the political conditions to allow them to stay on their farms and continue to produce, and it is our responsibility to help them dispose of their products outside the Community if there is no market for them inside the Community.

But I do not feel that either the Commission or the Committee on Agriculture in the Ligios report attaches sufficient importance to this sector.

It is clear that if we think that decent price increases are necessary to safeguard producers' existence, then we are also compelled, as Mr Curry expressed it so clearly, to face up to the question of surplus production, particularly that part of it for which there is no market outside the Community. I feel that we have both a political and a moral responsibility here and for that reason I am disappointed that the Committee so generally rejected the principle of economic responsibility for surplus production. However, I am glad that it was established despite all that that producers in the dairy sector should share the economic responsibility in this affair.

If we take a look at surplus production we must take a look also at the various products we have in the Community and it is clear that in the case of milk we cannot keep on allowing production to rise — we must find an instrument which will motivate producers to reduce production.

The Commission has put forward four proposals for such an instrument. We have been applying the

Kirk

general co-responsibility levy for some years now and it has not been effective. In spite of this the general co-responsibility levy continues to be represented as one means of limiting production. I will merely call it a tax on milk production, since it exerts no influence on keeping milk production down.

The other principle proposed by the Commission, the super-levy is on the other hand something completely different, and here I think that we in Parliament should be alive to our responsibilities and support the Commission's efforts to make those producers who allow their production to rise, bear the economic responsibility for doing so.

Another factor which speaks in favour of substantially higher prices than those proposed both by Mr Ligios and the Commission, is the possibility of abolishing the monetary compensatory amounts. There is in the Community and has been for some years now, a distortion of competition between the Community's farmers. One way of trying to eliminate this distortion of competition is to reduce and then completely abolish the monetary compensatory amounts as quickly as possible, but we cannot in all decency do this without also allowing some price increases to offset the loss from monetary compensatory amounts in those Member States in which they are positive.

Before I conclude, I should like to say to Parliament that I was glad that the Committee on Agriculture was favourably disposed to the proposal that the Commission should play a greater role in managing the market, especially for beef and veal and pigmeat, so as to ensure that producers in fact obtain the basic price which is fixed. The fact is, unfortunately, that farmers who produce beef and veal and pigmeat can very rarely obtain the basic price on the market. For this reason we find it desirable — and hope that the Commission will follow the Committee on Agriculture's recommendation on this and that this will be confirmed here tomorrow — that we henceforth ensure that producers actually obtain the market price fixed by the Community.

There is one thing I was a little disappointed about, but I hope that Parliament will support a proposal for an amendment which I will table tomorrow. We must in general see to it that the price increases which are accorded are distributed in such a way that livestock production receives higher increases than grain production. Livestock production is more labour intensive and costly than grain production, and since costs have risen sharply in this production area, it should receive higher increases.

I will conclude now as I see that we all want to go to lunch and savour some delicious agricultural produce!

President. — I declare the list of speakers closed.

The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MRS DE MARCH

Vice-President

President. — The sitting is resumed.

I call Mr Ansart to speak on agricultural prices.

Mr Ansart. — *(FR)* Madam President, ladies and gentlemen, demonstrations by farmers are becoming more and more frequent in France. They are a manifestation of the deep discontent of farmers, which has grown in strength since the Commission's proposals were announced.

The farmers, who have already been subjected for the seventh year running to a drop in their income, cannot hope to see their situation set to rights if the Commission's proposals are applied. These proposals are downright provocative for smallholders and farmers of medium-sized holdings.

The Commission would, by its proposals, like to gain our assent for what we would call a further transfer of income from farming to the strongrooms of the major industrial and financial concerns. It is quite clear that the Commission is pursuing a restrictive and even backward policy as far as French farm production is concerned. The interruption of food aid to El Salvador, which the Commission was forced to go back on, and the refusal to export excess French cereals to the Soviet Union are noteworthy examples of the Commission's subservience to the interests of the United States and the multinational food combines. This policy which endangers farmers at large is approved by the French Government and the majority of the Members of this House. The representatives of Mr Giscard d'Estaing are in favour of the milk levy, Mr Méhaignerie has even proposed that it be increased. Mr Chirac's representative on the Committee on Agriculture has just voted in favour of a report which restricts the farm price increase to 12%. As for the Socialist Members who are on the Committee, they have merely adopted as their own the negative approach of the Committee on Agriculture where so-called production surpluses are concerned,

Ansart

by proposing that they be reduced and taxed. All the above groups approve enlargement to include Portugal and Spain which would speed up the annihilation of French agriculture, an enlargement about which, during the French election campaign, as we were able to note this morning, all the above-mentioned groups have been extremely coy. Therefore, even if the pressure exerted by farmers is this year sufficient to force the other French political groups represented in this House into approving a farm price increase of 15%, it is nonetheless true that the overall policy which they support will continue to pose a serious threat to the very livelihoods of family holdings in France.

I well recall that we were accused of vote-catching when we demanded, last year, a price increase of 13% and the abolition of all taxes aimed at reducing production. In fact, the people chasing votes are those who state that they are defending French farming interests and at the same time are preparing and applying the plans drawn up by the Commission, which is the true nerve-centre for supra-national interests, in which, I should like to stress, the Communists alone do not take part and in which, in contrast, we can see, both of them appointed by Mr Giscard d'Estaing, the representative of the RPR, Mr Ortoli, and the representative of the French Socialist Party, Mr Claude Cheysson. The real vote-catching is when such people then go to small farming communities and protest against the decisions taken in Brussels, as do certain Members who have their own party representatives in the Commission itself in Brussels.

French national interests and those of the farmers mean that we must shed light on these problems. For the French Communists the real danger is not one of producing too much, but one of not meeting needs. How dare people talk about surplus production or try to explain away the shameful destruction of farm produce, when in the Member States millions of workers are forced to cut down on food and when in the world human beings are suffering from malnutrition and dying of starvation by the million.

We say, together with the French farmers now fighting to be heard, that what is really needed is to give a new lease of life to farming and to safeguard the livelihoods of family holdings. Guaranteeing a profitable income is, for the Communists, the *sine qua non* for ensuring that farming develops and renews itself on the firm foundations of family holdings.

This is why, without reservations and with no restrictions, we demand a farm price increase of 15%. This is the means of safeguarding our independence for food supplies, in the interests of consumers, and also a way of meeting the urgent demands of those people in the world who are hungry. I thank you, Madam President.

President. — I call Mr Maher.

Mr Maher. — Madam President, this week is an especially difficult week for the Parliament, because the staff decided that they could not accept the conditions under which they had to work, even though we know of course that the *fonctionnaires* of the Parliament are extremely well paid. I'm not denying the fact that they ought to be well paid, but they are receiving salaries the level of which the majority of farmers within the Community could only dream about and could never possibly achieve. I wonder, supposing that it was decided to reduce the incomes of the *fonctionnaires* by 25% per annum, would this Parliament be functioning? Would any of the staff be here at that moment? Because that's exactly the position of some of the farmers within the Community. They have had their incomes decreased by 25% per year for the last two years: in some cases more, in some cases admittedly less. Would Mr Tugendhat, who made a very, in my view — and I'm sorry he's not here to listen to me — a very anti-farmer speech today, be prepared to continue on in his job if his salary was decreased by 25%? Would he do it? Would Mr Dalsager do it? I don't think so. But that's the situation the farmers are in today, and that's why we argue — that they ought to get the maximum possible increase which will keep them at least in line with other sectors of the Community.

That isn't to deny of course, Madam President, that other sectors are having problems. Of course they are; and there's serious unemployment. But what do we achieve by not increasing the incomes of the farmers adequately? Remember agriculture isn't only farmers: for every one man employed on a farm there are approximately six other people employed upstream and downstream from the farm so if you reduce the incomes of the farmers, then inevitably you also threaten the employment of all the people who are working in the other sectors as well, and you add to the unemployment. So let's be very careful: when we're concerned about unemployment, let us not in fact increase that unemployment as a result of our decision.

Could I also make the point, Madam President, that — and I know that both Mr Dalsager and Mr Tugendhat expressed serious concern about the future of the CAP — if we fail to increase the prices of the incomes of farmers adequately, inevitably it will be introduced nationally. We have seen an example of this already: we have seen the French Government introduce national aids. Even in my own poor country, the government is being forced — because agriculture is so important — to try to introduce some national aids to help the farmers out of a deepening crisis. If that's going to happen, then of course inevitably we will have a series of national policies again, and no common policy left. So we have to be extremely careful: if we don't do it in a common way we're going to do it at national level. Then, anyway, there will be no common policy; that, we cannot forget.

Maher

I want to address myself directly to Mr Ligios if I may. Mr Ligios, be very careful. Be very careful when you talk about not increasing surpluses. Remember that there are farmers living in certain parts of the Community who because of the climate and the soil have no option but to produce milk; they can't produce anything else. There's no point in saying they'll produce oranges or grapes — they can't do it, they've got to keep on producing milk. So be very careful when you say you've got to reduce the surpluses that you also take account of the needs of these people to continue on in existence.

My final point, Madam President: how do we help the hungry people of the world if we get rid of all the surpluses?

President. — I call Mr Flanagan.

Mr Flanagan. — Madame President, the EPD Group, which I represent, reject the proposals on farm price increase of 7·8% as being derisory and indeed suicidal and we have to ask whether any concern is felt about the enormous decrease referred to by Mr Maher in farm incomes. Have they considered the enormous increase in the other hand in farm input costs? Is the principal consideration the application of the three principles of the common agricultural policy? The answer unfortunately appears to be categorically no. What they have done, and it was shown today by Mr Tugendhat's approach, is to base the entire price proposals on budgetary constraints with both eyes on the overall budget, which is of course not to be discussed until July next, so basing their entire proposals on the reform of the CAP as set out in their discussion document.

They would have liked, it would seem, a joint debate on the 1981 farm prices and the revision of the CAP, which to me is a very bad calculation indeed on their part. This group continues to insist that price fixing for 1981 should be concluded if not by the first of April next at the very first available day after that. On this point we are adamant, and if there were to be inadmissible delays the Commission must bear the brunt of the responsibility because of their attempt to link budgetary constraints with what could be viewed as an attempt, however unintentional, to destroy the common agricultural policy and thus force the abandonment and the renationalization of the farm policy in general.

I was going to raise the question as to whether the new Commissioner is consumer oriented or has the interest of the farming community at heart. I must say that I was somewhat encouraged by his remarks today, though his team seemed to ignore the principle of Community preference, which is the basis of the CAP.

I agree again with what Mr Maher said in regard to Mr Tugendhat's appalling remarks. I could assure Mr Tugendhat that if he were an Irish farmer for the past two years instead of sitting at his desk in Brussels, the connotation of the word 'realistic' in relation to farm prices would have a very different and indeed a brutal meaning, far different from the cosy connotation appropriate to this morning or indeed his desk in Brussels.

What is the Commission attempting to do? It is trying, as Mr Fanton so ably pointed out this morning, to introduce a fourth principle, namely generalized co-responsibility. We in this group have opposed from the outset any extension of co-responsibility. Nobody will disagree that this is something which needs deep study and reflection. We are totally opposed to a *fait accompli* situation and therefore categorically reject the implementation of such a principle until such time as the established legal means of examining such procedures has been respected. Should the Commission not verify the reality of the three existing principles of the CAP before attempting to tag on a new one?

Where is there mention of the comprehensive policy for oils and fats? Where is there a request for an increase in the customs and levy rates on soya, manioc and maize gluten? Where is there a request in the Commission proposals for a levy on margarine? We have searched in vain for a reference to the termination of derogations from Community preference and the abolitions of zero duty quotas. We and this group further consider that the revised agreement with New Zealand on butter is useless and somewhat of an insult to the European farming community. Community preference, New Zealand butter imports and the super-levy on Community milk simply do not equate.

I will add very little on MCAs to what was so ably put my colleague Mr Fanton this morning. We of course approve of the phasing out of MCAs in the Benelux countries, but I regard the reduction of five points for the United Kingdom and Germany as rather evasive. The only change I would make in Mr Fanton's proposal is that I should like to see the phasing out of these positive MCAs taking place in the period of 18 months rather than his suggested period of two years.

May I now turn for a moment to say that I note with some satisfaction that in volume one of their proposals the Commission recognizes the general decline of incomes in the Community and especially recognize the decline in Ireland and regard it as a special case. I am thankful to this assembly for having approved of our motion last December in this regard and sincerely hope that we — that means the farmers of Ireland — will be able to depend again on the support of the Parliament when the Council's special package is to be considered here. I am aware that this special package

Flanagan

is regarded as being far too small by the representatives of and indeed by the farmers themselves in our country at home. I appreciate their attitude but would put it to them that half a loaf or even perhaps a good slice of a loaf is far better than no bread at all. So I therefore look with confidence to this Assembly to give us now in regard to the special package for Ireland similar support to that which they gave us last December.

In conclusion, I would add that this party has been unequivocally on the side of the common agricultural policy — as indeed was stated this morning and has been reiterated by our representatives down the years — consistently on the side of the common agricultural policy. Budgetary considerations aside, somebody must be able to rise above mere budgetary considerations and cosy formulae which keep the institutions going, to have a real consideration for those who have suffered most in this Community, especially those in the small country I represent.

President. — I call Mr Pannella.

Mr Pannella. — (*FR*) For many years now, we have been talking about the crisis, not just for farming, or for farmers, but for the CAP itself. Throughout years, days and weeks this quarrel has continued. There are always many proposals and many good intentions. An announcement was made about a would-be reform. Mrs Barbarella, this morning, did not use the word counter-reform, but in fact, it is more a small counter-reform which is suggested, a very small one, of course — since only the interests of the multinationals have any real stature in this affair! We are, however, now at such a retrograde stage that we have no justification for harking back to the original Counter Reformation. In our case, this small reform or counter-reform which is for us everyday news only serves to foster the parlous state of affairs we are in and to bolster the governments which run it.

We were always told, whether we were Members of Parliament or electors, that the CAP coordinated the farm policies of Europe. But farmers too are Europeans, as are the consumers. It is true that in the multinational companies, and amongst the prophets of multinationalism and their disciples, there may be some Europeans who are satisfied. The only danger for them is that they might have too much income and too much food of all kinds. But, we can see that farm incomes are falling further and further, even below what is a subsistence level and a level which would enable them to have a real place in society, this being necessary for the welfare of other workers and other producers.

We can see that the gap between the farming community's situation in the South and in the rich industrialized North of Europe is constantly widening.

It appears that this common agricultural policy was established to help the poor. It is true that they are helped, but in the same way that the rich usually help the poor, by robbing them and at times putting a penny in their hats, and by trying to foster between them — precisely by starving them of moral, social, cultural and even economic sustenance — that reflex which is the mark of the oppressed, making them fight over the crumbs which fall from the rich man's table. We are ashamed when we contrast our self-centred agricultural policy with the world situation.

Whether you like it or not, we pay for surpluses. Of course, there are people who do not want to pay for surpluses and in point of fact who could reasonably want to indulge in this sort of folly? However, the fact is that every year we provide funds for policies which produce surpluses and that there are surpluses whilst the number of people dying — or rather being killed — for lack of food steadily increases in the world.

Lomé II is another facet of our farm policy, it is the bravest and best part of it. Lomé II is perhaps better than Lomé I but, in fact, the more Lomé Conventions we sign the more people will be murdered by the weapons of hunger and malnutrition in the world at large. This is because you always do your sums in a rather odd way. You compare your reforms with previous reforms, whereas, in politics, what one ought to do is to compare reforms with the requirements of society. It is true that Lomé II is better than Lomé I, but it is also true that you are getting more cunning and that you are now able to present a disastrous policy as if it were a good one. Well anyway, this is a general point, a point on which I can only speak in this House for the five minutes allotted to me in this debate on milk or cows. I do not mind talking about cows, but if needs must, then let us talk about political cows, the sacred cow of politics for politics' sake which is precisely what this policy is which is called European, agricultural and common and which is neither European — because it goes against the interests of farmers — nor common for any other reason than that it favours common selfishness.

There is obviously only one outcome of the picture I have just painted, I shall not even bother to vote in this debate, because this would mean taking part in a ceremonial which I do not believe in. If there is truly any time at which the fact of being a Democrat takes on its true meaning, then it is if you can be forced to back down, by you I mean the large political groups, the large political groups of Europe, the people responsible for what is the real disaster today and if we can show you that a lifegiving policy can be substituted for the policy of death and disorder now pursued in Europe, and in the whole world, and which is perhaps even being pursued within the Parliament of this Community!

President. — I call Mr Bournias.

Mr Bournias. — (GR) Madam President, there can be no doubt that the question of fixing the prices for certain agricultural products has been dividing the Europe of the Nine ever since the international economic crisis and inflation brought new problems which are continuing and becoming more serious, as Mr Ligios rightly pointed out in his thorough but not quite adequate report. Greece, which has been represented in this Parliament since 1 January 1981 as the tenth Member State of the Community, is one of those countries in which, as is widely admitted — and the rapporteur accepts this as well — the problem is even more serious because of the higher rate of inflation and the higher production costs. The average increase of 12% in farm prices proposed in the report may well be a solution for certain countries in which the increase in production costs is small, but this is not the case for Greece, where farmers' real incomes lagged some 6 to 7% behind the increase in production costs in 1979, while the figure for 1980 is 9.3% according to the Commission and 18.5% according to COPA. This is the result of the high inflation rate, the increase in interest rates, the fall in investment in agriculture and the decrease in the flight from the land, which has meant that the average *per capita* income has become lower.

For all these reasons, the Greeks are calling for an average price increase of the order of 16 to 18% and for an increase or extension of the economic aid granted up till now. The rapporteur rightly also proposes aid in the form of a Mediterranean package, with a view to doing away with the imbalance between Mediterranean and other products.

I attach particular importance to paragraph 3 in the motion for a resolution, which calls upon the Council to approve special measures for countries with a high rate of inflation, and I would draw your attention to two amendments — Nos 131 and 132 — which have been tabled to the chapter entitled 'General considerations' by the eleven Members of the New Democracy Group present. The first amendment calls for the 12% average price rise proposed by the rapporteur to be increased to 16 to 18% and for a speeding-up of the harmonization of the prices of Greek farm products and of aid to producers in general with the corresponding higher prices and aid in the European Community. The second amendment has also been signed by Mr Pesmazoglou, who has already made a good job of moving it today, and again draws attention to the need to speed up the harmonization of prices and aid for Greek farm products with those in the European Community.

If it is borne in mind that the rate of increase proposed by the Greeks falls short of the 25% rate of inflation, this explains the Greek sensitivity on the subject — it is a question not only of the justice of the demand, but of not giving arguments, in the very first year after accession, into the hands of those who were violently opposed to the accession on the grounds that it would

supposedly harm the farmers. This is something which, quite apart from its being untrue, the Community has every reason to try to avoid.

Madam President, I think the situation is extremely serious. This morning the President-in-Office of the Council of Ministers told us that consumers' purses had not been affected by the farm prices, but if he were here now I would reply to him that in my country, because of the high rate of inflation, both consumers' and — if there are such things — farmers' purses have been seriously affected. In support of my views, moreover, I would remind you of what the Commissioner said this morning — that the farmers of Europe were in a serious situation. If farmers are in a serious situation in the other countries, you can imagine how much more serious the situation is in a country with a 25% inflation rate.

President. — I call Mr Sutra.

Mr Sutra. — (FR) Madam President, ladies and gentlemen, I should first of all like to say to Mr Ligios that his report started out 'paved with good intentions'. I have already told him at a meeting of the Committee on Agriculture that the policy decisions which might ensue from those good intentions are in my opinion inadequate.

I should like to raise four points.

Firstly, prices. Last year, we proposed — and I tabled a draft amendment to this effect — that the price increase contained in the proposals of the COPA should be followed and they were asking for 7.8%. What was not said about it then! The nicest things, and greatest compliments we were taxed with were that we were merely vote-hunting and irresponsible. The Council of Ministers did not follow our advice. It only accepted five proposals and now everyone in all the Member States is forced to admit that the loss of income is higher than the difference between what the Council of Ministers approved and what the French Socialists put forward.

Caving in on prices, as the French Government did last year for a few months, after having adopted national measures for which its own taxpayers had to foot the bill, that is real inconsistency, and this year, the French Agriculture Minister has already stated that he will be using the same kamikaze tactics as last year. He declared that he was ready to fall back on 12% before the debate even started and this was confirmed just now by Mr d'Ormesson, who is a member of his Group, whilst Mr Delatte, who was elected within the same political grouping, said that 15% was the limit. But last year, he submitted a report to the Committee on Agriculture which stopped short at 5%. He was beaten then and had the honesty to present a report which gave the figure of 7.8%, as the COPA had

Sutra

done here in plenary session. But in Committee he had voted for 5%. How inconsistent can you be!

The Christian-Democratic Group tabled to the Committee on Agriculture Mr de Keersmaker's amendment which stated that the objective method had to be applied. All Europe's farmers know that this gives us a figure of 15.3%. Three paragraphs further on, his Group also voted in favour of 12%. How inconsistent can you be! There is nothing but inconsistency in this House... On the other hand, it seems to me that when we propose a 15.3% increase to be accompanied by total abolition of monetary compensatory amounts — which are 9% for Germany — this would only lead for that country to a real increase of 6%, which is precisely the rate of inflation there. Therefore, our suggestions are completely consistent. The problem remains of Britain which has both high inflation and positive compensatory amounts. Mr Tugendhat, who is generally recognized as being competent in monetary matters, would be well advised to brush up his knowledge of this subject rather than continuing to try to destroy the Community in order to change it into a world free-trade area.

Now I come to the subject of absorbing surpluses. We were told last year that this had to be achieved using the co-responsibility levy. In this very House I stated that the co-responsibility levy would only lead to bigger surpluses the following year. We have now reached that point. The outcome is exactly the one I announced. Everyone admits that our proposals are well-founded and that they are in line with the principle of fairness and everyone tells us that this principle is impossible to apply. So true is this that in France it has been applied for the last fifteen years. It is very easy to apply this system, even if it means intervening on surpluses. It is also applied in a country in which we all know that bureaucracy holds sway, I mean in the United States of America, in which there is a two-tier system of milk prices. This two-tier system of milk prices on the American domestic market even enables that country to block imports from Europe. All this goes to prove that the co-responsibility levy was no more than a co-financing mechanism. Some money was found in order to get rid of surpluses, but a real policy was in no way determined. Surpluses have not ceased to increase. We had predicted all of this, because it is common knowledge that when farmers are under pressure on prices, the only chance they have of making ends meet is to produce a little more. And whenever farm prices are put under pressure, the farming community will respond by increasing its production. It is only with prices which are kept up to the mark and are high, and with a policy which really wants to solve the problems, that anything can be achieved.

I should now like, in the few minutes which remain to me, to mention the problems of Mediterranean agriculture. I should just like to say that Community

preference has been so fairly applied to Italy for farm produce from the North of Europe — on maize, dairy produce and meat, that Italy after ten years of the Common Market now has a food bill which is as heavy as its energy bill. What a disaster this is! At the same time Italy was told that it should make up for this and offset it by massive exports of wine, fruit and vegetables. The financial outcome of this can be seen now in its trade balance. We do not wish to follow Italy down this road. And we wish to state quite clearly, when reference is made to enlargement to include Spain, that if this were to be carried out in the same way then we should not be able to accept it.

Morocco, for instance, is now aware that it has lost half its sales of tomatoes to Europe and that it is perfectly obvious that it is Spain which has pushed it out of this market. Israel is well aware that if Spain were in the Community no more Israeli oranges would be sold in Europe, because of the chaotic market conditions this would create with cut-throat competition. The problem is exactly the same in my region, Languedoc, and for fruit and vegetable producers in Roussillon and Provence. While they are losing money, large subsidies are being granted to Dutch or German tomato growers for tomatoes which are produced in hot-houses which is a waste of energy which could be better used elsewhere!

Ladies and gentlemen, Madam President, I should like to conclude by stating that we wish to defend the farmer and family holdings and that at a time when more than six and a half million people are unemployed in Europe; speeding up the abandonment of agriculture or continuing the policy which has been pursued up to now, would be to show a slighting lack of concern for standards of living and to flout the interests of Europe's economy. I am forced to tell you Mr Dalsager, you who are the new Commissioner for agricultural matters, that, when I met you for the first time at the opening of the Green Week in Berlin, you said that the farm budget used up three-quarters of the European budget. If you really take this figure as your own, that means that you agree with those who think that all the vast sums of money which are the outcome of a disordered money market should be put down to agriculture. But history shows quite clearly that monetary compensatory amounts were not invented when the CAP was established. They were invented when it became impossible to stick to fixed currency parities. It is quite clear that monetary compensatory amounts are not linked to agriculture but to monetary disorder.

And anyway, in order to reach the figure of three-quarters of the budget, one also has to include in the farming budget expenditure on the Third World. The fact that it is the Commissioner for Agriculture, theoretically entrusted with the task of defending farming, who should peddle such incorrect information, leads us to have some misgivings about your occupation of that post, Mr Dalsager. Defending agriculture in the

Sutra

world we now live in is equivalent to defending the balance of power and world peace. With the CAP, whose shortcomings we are aware of, we raised European agriculture to second place in the world and it is the only agriculture, with that of the United States of America, which can help to combat hunger in the world, a world in which there were 40 million deaths by starvation in 1980, 17 million of which were children under 5 years of age!

Defending agriculture means defending the balance of power on this planet and world peace. Defending agriculture means defending mankind's chances of survival. Do we want to force mankind to its own death or do we want to help it to survive? This question must be decided in this House and it will be of prime importance for the future of the world and mankind.

President. — I call Mr Bocklet.

Mr Bocklet. — (*DE*) Madam President, ladies and gentlemen. This year's debate on farm price increases is dominated by the dramatic decrease in farmers' incomes all over Europe, which has become apparent over the last few years. Whereas wage negotiations in industry are directed above all towards keeping pace with the rate of growth of earnings or at least with inflation, the primary aim of farm price increases, in this year at any rate, has been to prevent the further decline in agricultural incomes and thus to put a stop to the process of the gradual impoverishment of millions of European farmers. For this reason, COPA's demands are more than justified.

However by arguing in favour of an average increase in farm prices of 12%, the Committee on Agriculture has adopted a very responsible course of action in balancing the legitimate interests of the farmers and the financial possibilities of the Community budget, which the House can also follow with a clear conscience. The reason why, in spite of this, no-one is completely satisfied is not to do with agriculture but with the fact that the Community agricultural policy has to maintain uniform prices, while rates of inflation in different member countries vary from 5.5 to 22%. The agricultural policy must here bear the full responsibility for the fact that we do not have an Economic and Monetary Union, and that instead national economies are drifting further and further away from one another. At the same time, the European public salves its conscience by making scapegoats of the farmers and by deliberately holding up the one area of common policy in the Community as a warning example. We must be clear about one thing: if we do not soon achieve a common economic and monetary policy, we will very soon come to the end of uniform prices in the common agricultural policy and this would be the beginning of the end of the Community.

Up until now we have had to manage with phasing out monetary compensatory amounts in order to differentiate between those Member States with a high rate of inflation and those with a lower rate, where price increases are concerned. As from next year, this cannot really figure as a possibility in the Commission's proposals and so the problems which have been mentioned will only be intensified. For this very reason, the Commission's proposal to phase out monetary compensatory amounts in the Federal Republic of Germany must be rejected. In addition, the Commission's proposal on milk for German farmers will mean in practical terms an increase in prices on the 1st April of all of 0%. That would be the result of these farm price increases for at least 63% of all German farmers, — that is how many produce milk in Germany. No-one is going to suggest that we should agree to such a policy. The Commission is fully aware here that the reason for the serious decline in incomes in German agriculture is to be found in this phasing out of monetary compensatory amounts. In this context I need only refer to the Federal Government's latest agricultural report.

Allow me to make a further remark on co-responsibility and on the Commission's proposals for curbing the further growth of surplus milk production. What the Commission has presented us with last year and this, testifies to a certain degree of confusion. Above all, the Commission obviously seems to find in co-responsibility an easy way of making the farmers pay for its own mistakes in managing the agricultural market, rather than a means of managing the agricultural market itself. In this context, I am particularly grateful for the remarks of the President of the Council, in clearly rejecting the Commission's intention to make co-responsibility a fourth principle of agricultural policy and restricting it to the function which it can fulfil best of all; that of an instrument for managing the market.

Lastly, the Commission seems to have resorted to a policy of smoke-screening. For example, whereas, in the general section of its price proposals an altogether positive suggestion on the farm size element in the production of milk, there is absolutely no word of this in the corresponding regulation section of the document. I should like to say here that this is downright dishonest.

I want to make one final remark to the Commission. It is giving us the impression of helplessness. Nothing that it has put forward here is a serious contribution towards tackling the problem of surpluses in the agricultural sector.

President. — I call Mr Hord.

Mr Hord. — Madam President, firstly I would like to move two amendments on the second Bocklet motion on sugar.

Hord

Secondly, I would like to say how much I agreed with the contribution made by my colleague, Mr Curry, this morning; and I particularly agreed with the point he made that we should consider the farm price review which comes round every year as a basis for achieving revisions and reforms to the common agricultural policy.

Thirdly, I would like, in the short amount of time I have, to consider the co-responsibility proposals by the Commission in the milk sector. We have heard plenty of times this morning how the fourth principle of the common agricultural policy is to be related to co-responsibility, but I think, Madam President, the first thing that we must get right is the terminology. What do we mean by co-responsibility? Is it to be linear or basic, or is it to be by way of quantum, or are we going to have a super-levy? So I think that before we get too far along this road, we must understand what the terminology is and what we really mean by co-responsibility.

In my book, Madam President, realistic co-responsibility has to be by way of quantum or a super-levy based on sales. In this respect it is perhaps strange that the Commission are extending, or intending to extend, the range of co-responsibility into cereals. They talk in that regard with quantum. We have seen their confirmation of quantum on sugar — a sector which I said the last time we met was proving to be very satisfactory. But why is the Commission now backsliding on co-responsibility and the super-levy on milk?

Last year we all had a commitment from the Commission and the Council that the super-levy would operate if milk production went up by more than 1½% in 1979. Consequence was not the doubling, but the quadrupling of the basic co-responsibility levy and so that deterrent was worthless. We had in fact not a reduction in milk, with all the exhortations of Mr Gundelach when he came here, we had a substantial increase — no less than 2.6% of 1979. The co-responsibility proposal should have been figured. We are finding that the new super-levy proposals have been a watered down exercise compared to that which was before us previously.

So I say to the Commission, why is it that that increased production — some countries produced as much as a 4.5% increase — should now rank as part of the 1980 production with the 1979 production as the basis for the super-levy? It is quite clear that those people who failed to acknowledge the exhortations are now going to reap the benefit of producing more milk, and it seems to me that the Commission have a new clarion call to the Community farmers: win with sin! If you sin, if you fail to acknowledge all the instructions and exhortations, in the final analysis you will win. So I say to the Commission that many people sincerely believe that they are retreating from the principles and sound things that were said on the introduction of a super-levy last year.

Now they are talking about that same super-levy being temporary: it will only come in for one year, if in fact it does come into effect. What discipline are they going to bring in instead? What happens at the end of that year? Are we going to fall back on basic or linear co-responsibility? We saw what that did in 1980.

So my message to the Commission is that if it really is interested in having discipline in the milk sector, it must review the proposals it has put before the Community in terms of co-responsibility in milk, and I do beseech Mr Dalsager to look again at his proposals. If he doesn't do this for milk I do believe that we shall see an even higher production of that commodity to a point and to a cost where the taxpayers will rebel.

President. — I call Mr Kappos.

Mr Kappos. — (GR) Madam President, the proposals of the Commission of the European Communities for an average increase of 8% in farm prices and for an extension of the co-responsibility levy, i.e. a further drop in this 8%, and the other measures proposed mean, firstly, a limitation of food production. And all this is happening at a time when millions of people in developing countries are starving or hundreds of thousands of people even in our own countries of the Community must go without certain foods. Secondly, these proposals mean a steep drop in the incomes of small and medium-sized farmers since the cost of production has risen by approximately 15% while the increases to be granted will be well below 8%. Thirdly, these proposals mean the acceleration of the process which is ruining small and medium-sized family holdings and further swelling the ranks of the unemployed.

Of course, Madam President, certain people, and among them the President of the Council, try to justify these greatly reduced increases by arguing that they want to protect consumption. But we must stress that the workers are forgetting the uncontested fact that the price rises for products and particularly for food are to a large extent the result of the unrestricted activity of the monopolies which exploit both the working class and farmers. This is precisely why farmers and the whole agricultural community are waging a common struggle against the monopolies which allow them to be exploited and oppressed.

Furthermore, Madam President, there is no doubt that the Commission's proposals are particularly damaging to the agricultural products of the Mediterranean countries because these countries have a large number of small family holdings and because the extension of the co-responsibility levy and a number of other restrictive measures apply to Mediterranean products, e.g. oil, cereals, fruit and vegetables, tobacco, cotton, etc.

Kappos

However, Madam President, things are much worse for Greece, where it is well known that in 1980 inflation was over 26% and is expected to reach the same level in 1981. The interest rates for agricultural loans have risen in recent years by more than 100% and are expected to rise even further once the special agricultural financing mechanism has been discontinued as a result of the need to adapt to the EEC system. Finally, by 1985 a whole range of national subsidies to agriculture are to be phased out. Recently the corresponding decision was published abolishing 21 national subsidies to cereals, fruit and market garden crops, floriculture, aromatic and medicinal plants, fertilizers, beef, sheep and goats, milk and tobacco. Thus if the Commission's proposals mean for the other countries a steep drop in the income, and thus the ruin, of small family holdings, for Greece they mean a real attack on the income of small and medium-sized farmers and the massive destruction of small family holdings. The relative sections in the report by Mr Ligios on special measures for these countries faced with special problems say nothing. They are totally vague.

Madam President, all these problems are of course mentioned both by the Greek Government and by the representatives of the ruling party in Parliament. But as soon as the Greek Government signed the accession agreement, it accepted the Community patrimony and does not veto any proposals by the Commission. All these discussions are empty words and social demagoguery. What, for example, does the amendment tabled by the Members of the New Democracy Party on a price rise of 16% to 18% mean? I think it is obvious to all of us that these proposals may be made for a section of farmers in Greece, but they are not made for our Parliament. Agriculture in Greece is really chaotic and is waging a determined struggle to overcome the effects of the country's entry into the EEC, to secure satisfactory incomes, to keep costs down and to obtain prices which cover costs. We have typical militant demonstrations of this: recently in February and again on the anniversary of the farmers' uprising against the landowners, basic demands were made for overcoming the effects of the country's entry into the EEC and for the securing of satisfactory incomes. The Greek Communist Party backs the farmers in this struggle and seeks to obtain Greece's withdrawal from the EEC.

President. — I call Mr Rossi.

Mr Rossi. — (FR) Madam President, I want to reaffirm the stance I took in the different debates last year. First of all I am against the Commission introducing co-responsibility as a general motion into the debate on prices for the confusion which this will cause. They are two completely separate debates, and have nothing to do with generalization — and even less with super-levy. I would ask therefore that these discussions be deferred until the debate on the common agricultural policy which we shall be having later on.

I would also emphasize that a price increase is necessary if agriculture is to catch up on today's purchasing power, which is lower than it was in the 60s thanks to cost increases. My Group therefore supports the farmers' own estimates and is asking for 15.3%. This sum is far from being unduly high since it barely corresponds to the inflation rate in some countries and is below the inflation rate in others. Opponents of the common agricultural policy can be rest assured. It won't make farmers rich, it's hardly enough for them to survive on. Opponents of the agricultural policy can also be rest assured about the impact it will have on the budget. Our budget can tolerate this increase without reaching the wretched ceiling of 1% of VAT, since world prices are increasing, if they haven't already exceeded Community prices. The truth is simple: we are at a disadvantage in that we are putting our case for agriculture today before the improvements on the common agricultural policy, which are due to be discussed from 30 June, can be put into effect, and before we can implement a proper export policy, which I was making a strong appeal for last autumn, in order to stop the haggling and bargaining, instead of setting up a proper worldwide policy on trade. Just imagine if these two plans were to succeed. If the policy were run more economically, then 15% would seem quite normal, since it would integrate the increase in costs and would at the same time be perfectly compatible with our budget priorities.

I would conclude by asking our colleagues to put an end to the myth that agriculture costs a lot of money. If the common agricultural policy were to disappear due to lack of support from farmers, angry with the decrease in their standard of living, then what we must realize is that the total amount our ten governments would have to contribute to their own agriculture would be far greater than what the Community is paying at present. That's why, Madam President, in order to allay the legitimate fears of farmers we shall vote for the amendment for an increase to 15.3%.

President. — I call Mr Papaevstratiou.

Mr Papaevstratiou. — (GR) Madam President, this is an important day for the work of the European Parliament because the subject we are dealing with is so interesting that it arouses the emotion and concern of millions of farmers in the countries of our Community, i.e. of people who always work very hard all year round, and often in unpleasant conditions. These people are forced to struggle incessantly against such natural phenomena as floods, scorching heat or frost, but they are also the ones who have to suffer more than anyone else the consequences of the present international economic crisis and, in particular, inflation. Their position is further weakened because at the present time, when there are many and often unjustified strikes and work stoppages, farmers are, unfortunately for them, unable to use such means to defend

Papaevstratiou

their interests. Thus, we European parliamentarians are under a greater obligation to show sympathy and concern towards this most worthy group of people.

The report by our honourable colleague Mr Ligios is very sound, and deals mainly with the most serious problems which affect farmers. It contains positive elements and we are in principle in favour of it. There are, however, certain points on which we should like, if we may, to comment.

We maintain that it is not right to group the readjustment of products with the more general measures relating to the principles of the common agricultural policy, but that is unfortunately the view taken by the Commission on the adoption of the principle of co-responsibility, which unfortunately casts its shadow on the discussion of the report before us. We believe that the main criteria for fixing prices should be the following: production cost, the inflation rate for each country, the assurance of a satisfactory income for the producers of each product, and comparability of income between the agricultural and non-agricultural sectors of the economy. The increase in farm prices, whether the 8% average proposed by the Commission or the 12% put forward by Mr Ligios, is inadequate. We feel that it must on no account be less than an average of 16%.

We also maintain that special care must be taken to provide aid for Mediterranean agricultural products, which under the new agricultural policy are at the moment being unfairly treated. The price increase for products must on no account be less than production costs and inflation. The spokesman of the Committee on Budgets, Mr Notenboom, requested that we do not ask for a higher price increase. The same view was expressed by the Commission through its representatives Mr Dalsager and Mr Tugendhat. This is precisely where, in our view, the fundamental difference lies. It is not right for the Community's agricultural policy to be based on the Community budget only, while what should happen is the opposite, namely that requirements should be covered exactly according to the amount of expenditure and revenue. The proposed increases of 8% or 12% cannot be adopted, and I hope that Parliament will arrive at an appreciably higher figure, since the amounts proposed do not cover the drop in farmers' incomes and at the same time cause the gap between farmers' incomes and those of other social groups to widen.

We totally reject the principle of the general application of the co-responsibility levy and are very gratified that both the rapporteur, Mr Ligios, and the Committee on Agriculture reject this idea. We cannot accept the application of the co-responsibility principle except as an exceptional transitional measure and only for products of which there are extremely large surpluses, and certainly not for products of which Community production is in deficit. The application of the co-responsibility principle inhibits the distribution

of production on the basis of comparative advantages in each country and brings elements of uncertainty into production policy. It also limits the improvement of productivity and aggravates regional inequalities. Lastly, it hits the guilty and the innocent alike, and this House — and I hope the Council of Ministers also — cannot adopt such a measure. In conclusion, I hope that Parliament will adopt Amendments Nos 131 and 132, which I and others have tabled and which concern both the increase and the special concern for Greek agricultural products, which must reach as quickly as possible the corresponding level of prices for Community products.

(Applause)

President. — I call Mr Charalabopoulos.

Mr Charalabopoulos. — *(GR)* Madam President, ladies and gentlemen, it is clear that, with the agricultural policy it is proposing for 1981-1982, the Commission is this year again trying to tackle its major financial problems — which are a product of the common agricultural policy — by further reducing farmers' incomes.

In specific terms, the increases in farm prices — no more than 7.5% on average — the extension of the producer co-responsibility system to soft wheat, the restriction of aid for processed fruit and vegetables, as well as for olive oil, and the discouragement of the cultivation of southern varieties of tobacco will further exacerbate the difficulties facing Greek farmers as a result of the accession to the EEC — as well as the Mediterranean countries and small, uncompetitive holdings.

The price increases proposed by the Commission are three to six times lower than the increase in the rate of inflation in Greece. It is therefore certain that there will be a substantial reduction in farmers' incomes, in agricultural investment and in production, with an accompanying increase in unemployment in the agricultural sector. Many people will undoubtedly claim that the increase in farm prices in Greece will be greater as a result of a devaluation of the green drachma, but it is a well-known fact that the devaluation of a national currency hits lower-income groups such as farmers particularly hard because of the inflationary pressures it creates.

Moreover, the difference between the intervention prices for our basic products before accession and those laid down after the accession is marginal — 4% on average — and in no way covers the increased production costs facing Greek farmers as a result of the high rate of inflation in our country. At the same

Charalabopoulos

time, the abolition of national support schemes makes Greek farms less competitive than those in other EEC countries, which are known to have higher productivity.

After the accession, for instance, Greek orange producers received lower prices than in 1980 — 8 drachmas per kilogram, as compared with 10·6 drachmas in 1980 — and this is mainly due to the abolition of export refunds and the consequent loss of exports to Eastern countries.

Another basic product of importance to Greece — soft wheat — is being discouraged by the Commission. The result is that production will be endangered in future because of the low competitiveness of Greek wheat cultivation. The quotas laid down by the Commission for sugar will also have negative consequences, particularly in the case of beet producers.

Limiting cotton growing to the level of the last three years will make it difficult for Greece to increase its production, which is not competitive with that of other Member States.

At the same time, the Commission's proposals for Greek tobacco will lead to a reduction not only in producers' incomes, but also in total production.

Finally, the commitments entered into by the Greek Government with a view to integrating Greek agriculture into the Community will tend to freeze or reduce production levels of other crops of importance to Greece, such as rice, olive oil, tomatoes, potatoes, peaches, grapes and raisins.

From what I have said, Madam President, we conclude that:

1. Instead of treating all Member States equally, the CAP is widening the imbalances in incomes between the countries of the North and those of the South, as well as between rich and poor regions and large and small farms.
These disparities are currently being exacerbated by the differing rates of inflation in the Member States and by the policy of applying a standard rate of increase to farm produce in all the countries of the Community.
2. The EEC's conservative and restrictive policy will widen still further the disparities in income between the rich and poor regions of the Community, and between large and small farms, and it will not achieve a balance in the effects of the CAP on producers in the north and those in the south.
3. In the current serious economic situation the Commission's policy will inevitably cause an increase in unemployment in Greece.
4. We believe that, in the current situation, it is essential to at least have differentiated price increases to counteract the negative consequences of the Commission's restrictive policy for those countries

with a high rate of inflation, for small and uncompetitive holdings and for Mediterranean produce.

5. It is also essential to allow national support to protect those holdings and products which are of major social importance for the Member States.
6. Greece is of course faced with the problem of increasing productivity, of restructuring production and of generally accelerating development in the agricultural sector. However, we do not think that the solution is to sacrifice the Greek farmers to the discriminatory rules of the CAP.

The agricultural problem in Greece must be tackled by achieving balanced development and through close cooperation between industry and agriculture. This will create a variety of jobs for the rural population in the areas in which they live.

Until these long-term objectives are attained, we believe that the only way to avoid a mass flight from the land by Greek farmers and their reduction to unemployed and unskilled workers is to improve their incomes as much as possible.

For these reasons, Madam President, the PASOK rejects the Commission's proposals on the Community's agricultural policy for 1981-1982 and will vote against the Ligios report.

President. — I call Mr Langes.

Mr Langes. — (DE) Madam President, ladies and gentlemen, I want first of all to make a preliminary remark. This morning Mr Notenboom took over as rapporteur for the Committee on Budgets and the report he presented was naturally a majority report. Mr Notenboom thus represented the majority opinion, but in fact his own opinion coincides with mine and I dispute the majority opinion. In the Committee on Budgets we adopted the report by 10 votes to 9 with 7 abstentions. From these figures alone you can see that a number of objections were raised against the Committee on Budgets' opinions.

I should like now to say what are the bones of contention here, and these also appear in amendment to the Ligios report which I have signed. My colleagues from the EPP Group in the Committee on Budgets agree with us that the Commission's proposal should not be accepted *in toto* simply in order to remain within the limits of the budget. For this reason I cannot go along with the explanations given by Commissioner Tugendhat on these points. Mr Notenboom was quite right to ask this morning: how do those who want to go beyond the Commission's proposal of 7·8% intend to finance it?

This question was certainly correctly raised by the rapporteur rather than by Mr Notenboom, and I will try to answer him. I agree totally with my colleagues

Langes

on the Committee on Budgets that the decision of the House on farm prices for 1981 must be a valid one by which I mean, that the increase in farm prices in the 1981 budget must be possible without a supplementary budget. Except, Commissioner Tugendhat, my former colleague, except, I then wonder: what about the payments? You did not dispute what Mr Ligios said, namely that his proposal would amount to DM 240 million more for this year. And if I can here once again publicize the calculations which you, Mr Tugendhat, presented to the Committee on Budgets, then that is indeed the way it seems so. We would be dealing with a figure of 240 million for the 1981 budget year, if I were to take up Mr Ligios's proposal. You have said yourself that we would in any case be able to make savings amounting to 400 million; thus, if I subtract here the 2% earmarked for the Adonnino proposal, a sum of 146 million is available, no matter what. In other words, altogether we are arguing about 94 million units of account, and that is the figure to which we must now give some consideration.

Can we still cut down on this figure, or can we not cut down any further? All of us, and you yourself also, have done our sums on what we had in terms of expenditure on refunds in 1980. All in all, this amounted to 8 100 million, of which some 3 000 million only went on actual interventions, in other words, on what the individual farmers receive, because refunds are external expenditure. There is absolutely no question of there being any great likelihood of a change in this huge sum in the refund budget, even if a slight change were to occur on the world market — particularly if we are dealing with 94 millions.

Therefore, Commissioner Tugendhat, you were certainly exaggerating this morning when you played on the old idea of: 'This is the only way to prevent chaos,' in order to explain that the Commission's proposal was the only one which could be funded within the limits of this agricultural budget. I dispute this. There is absolutely no question of more money being available. Admittedly I am not in a position to tell you how far it is still possible to find 20 or 50 millions from this refund or from savings — but then neither are you. But you are in a position today to say that essential items on the Commission's budget can be financed. I believe that this must be said simply for the sake of honesty. The Commission's proposal has a further gap or, to put it another way, a margin, whereby effectively more can be given for farm prices on essential items. We must also say this clearly and honestly to everyone outside this Parliament. And if I support the Ligios proposal, then we are in fact dealing with a sum of some 90 millions, which it does not seem possible to finance all in one go. Nevertheless I still maintain that this can indeed be financed.

I want to make a second remark, precisely because I am not a farmer and because I do not specifically represent farmers. We must stop presenting the public with the idea of a 12% price increase or a 10% price

increase as though this were the same as a wage increase of 4·5, 5·5 or 7%. This is completely wrong! The figure on which we are going to decide tomorrow, is an average figure which we apply to ten countries, and then within these ten countries there is further variation as a result of the monetary compensatory amounts for example. Because I am a German Member of Parliament, I want to do a sum for the German farmers. If we were to increase prices by 10%, that would then be less 5% monetary compensation, so we would be left with 5%. But that would still mean naturally that we would have to wait and see what we received in detail, as both the Ligios proposal and the Commission proposal make it perfectly clear that the figures 7·8 or 12% are average figures.

And what are the items which the Commission subsidizes so highly? Items which are as important for the German farmers as, for example, silkworms 10%, sunflowers 12, hemp 12, milk 6. I don't want to deny that silkworms perhaps are very important in one particular country in Europe. But what I mean by this is that the essential items, on which many farmers in Ireland, Germany, Holland and Italy depend, simply will not be given this average figure of 12 or 10%, but something considerably less instead. In other words, anyone who wants to have a proper discussion here must realise that this is not an increase of 12%, but an average increase, which must be seen as corresponding to the top prices — in Germany some 63% of farmers depend on milk, — and which is less even than in the Ligios proposal with its 12% or its 10%.

We must be clear about this here in Parliament. For this reason we can come to a joint agreement on a vote for a particular price, which must be higher than the Commission's price, if we ourselves are clear, and if we make it clear to everyone else, that our farmers must maintain the status quo at least in their own countries. All the proposals which we have discussed until now — I am not talking about 17%, I am not talking about 15%, because I do not consider this possible —, are basically, and if you look at them closely, nothing less than attempts to maintain prices and the status quo for our farmers. This is a duty for all of us, no matter which colours we wear. I believe, ladies and gentlemen, that this must be said by the Committee on Budgets for the sake of honesty and clarity.

President. — I call Mr de Courcy Ling.

Mr de Courcy Ling. — Madam President, in general I would like to compliment the Commission on the realism of their proposals for the agricultural price review this year, and Commissioner Tugendhat in particular for the realism, the hard realism, of his speech this morning. And it was hard. But I have on reservation in regard to fruit and vegetables of the type produced in the Mediterranean area of the

de Courcy Ling

Member States of the Community, and among our trading partners outside the Community on the southern shores of the Mediterranean. I think that we have in our relations with our traditional suppliers of Mediterranean agricultural products a problem which we very seriously underestimate.

Last month we were visited here by an all-party group of parliamentarians from Morocco. In December I led a delegation from this Parliament to Israel. The basic message was the same on both occasions: both countries export large quantities of agricultural produce, notably citrus: oranges, lemons, avocado pears, celery, a whole series of vegetables, to the Community, and both of them fear that the Community's extension and the propagation of the intervention system, which worked in a provisional way in the southern areas of the Community in the 1960's, will lead to the destruction of their agriculture. These countries are not seeking special privileges, they are ready to compete on equal terms and they do expect the Community to abide by the spirit and the letter of the agreements contracted with it. They desperately need some assurance, they do not underestimate, and we should not underestimate, the new strength which an enlarged Community will give to the Mediterranean agricultural lobby. I have every respect for it. I respect the point of view expressed today by our Italian and Greek colleagues and the point of view expressed by Mr Sutra representing a particular area of France, but I think that the Commission has a responsibility to be more imaginative about the structure of Mediterranean agriculture and not to imagine that the agricultural policy is a static thing.

There is clearly room for economies within the intervention system. The fruit and vegetable area of the intervention system is an area which cries out for economy.

Happily the interest of the non-member Mediterranean States coincide with those of our taxpayers. There is no sense in introducing all this expensive apparatus of price support, of incurring public outrage prompted by the destruction of intervention stocks of oranges and lemons, when high-quality, reasonably priced produce is readily available from countries such as Algeria, Cyprus, Egypt, Israel and Tunisia. If we continue this policy, we are continuing the policy of the dustbin, we are paying people to produce citrus fruit to be consigned to the dustbin and at the same time we are consigning our very common agricultural policy to the political dustbin. So this is one of the few occasions in politics when our real interest and our responsibility to the European taxpayer coincides with our duty and also with our plainest common sense.

I did not disagree with many of the things that M. Delatte said this morning about the exporting potential in agriculture of the European Community, but let us be very careful to be selective in our products. I know the Commission have been aware of this

problem in the past and I believe that they produced in June 1979 a comprehensive study of it that remained unpublished. May I urge the Commission on this occasion to publish that study and before so doing to update it.

I shall certainly at every available opportunity be seeking assurances that in the reform of the common agricultural policy, which will perhaps be accelerated in the context of the general budgetary problem which the Commission are now earnestly considering, more attention is paid to the interests of our traditional suppliers in the Mediterranean, whose dependence on the Community must be recognized. By so doing we will, as I said, be doing our own taxpayer a good turn and serving the Community's trading interest.

Finally Madam President, there is the strategic problem. If these countries around the shores of the Mediterranean are rebuffed by their traditional customers in Western Europe, they will certainly turn to Eastern Europe, who in some cases will be able to give them privileged conditions for trade. This is certainly a strategic anxiety of which we should be aware.

So, Madam President, will the Commission please at the end of this debate give us an undertaking to come forward in due course with proposals for structural reform for agriculture in the Mediterranean areas of the Community in the light of the problem that I have briefly described.

President. — I call Mr Vitale.

Mr Vitale. — *(IT)* Madam President, ladies and gentlemen, the well-known events which have marked this part-session have prevented the Committee on Development and Cooperation from delivering a proper opinion on the report by Mr Ligios. Some members of the Committee have nevertheless managed to table a number of amendments which reflect the Committee's fundamental concern at the possibility that the crisis looming over us may open the way to protectionism and to measures which — whether avowedly or not — may nullify the Community's commitments towards the developing countries.

We therefore ask the House to adopt these amendments so that, first of all — in the paragraph where the report calls for measures to restore the position of the less-favoured regions — there is some reference to the commitments which the Community has towards the developing countries under almost the same terms. Secondly, we want a coherent trade policy as it is not possible to have export refunds, a credit policy and an export agency all at once, as we find in paragraph 13 of the motion. On the contrary, we need to choose from among the various methods of supporting

Vitale

exports. Thirdly, we want the controls demanded for substitution products to be attained through agreements with the exporting countries, and in particular we want an agreement with Thailand over manioc.

The same thing applies to policies governing the sectors of production: these must take account of the Community's relations with developing countries. On the subject of an overall policy for the fats sector, for example, we must nip in the bud any misunderstandings by making it quite clear that in every case we intend to safeguard the interests of developing countries in this field. Equally, on the question of using soft wheat for fodder, we feel that this should be phrased differently with the aim of promoting the use of soft wheat, so that the Community's contribution to the system of food aids can be increased. And similarly, with regard to sugar, we feel there is a need to take bold measures to reform the sugar policy — and not along the lines we have heard suggested today — with due account taken of the fears voiced at Freetown by the countries belonging to the Lomé Convention. At the same time the policy should pave the way for participation in the International Sugar Agreement.

Of course, trade policy will have to be discussed again when we come to discuss the changes to be made to the common agricultural policy. I really believe — and I want to make this point now, ladies and gentlemen — that taking a long-term view we make our starting point the new problems posed by the world market, so that we can then examine relations between regions within the Community, thus reversing the usual procedure.

By discussing prices and price increases, by rejecting measures to limit surpluses and by asking for export support mechanisms to be strengthened we can foreshadow a new role for Europe here today. This is my own personal opinion and is not necessarily shared by the others who tabled the amendments with me, but I can see Europe responding to food shortages in the world by distributing its own surplus agricultural products.

I was rather startled by Mr Tolman's declaration. Of course there is room in the world for a Community export policy, but we have to carve it out for ourselves by reducing production costs, bringing our prices more in line with world prices, rebalancing sectors and regions in the Community and hence strengthening structural policies.

It is on this basis that we should review relations between the Community and the rest of the world, and through a new trade policy alongside and linked to a proper cooperation policy so that agriculture in developing countries can develop independently. The needs and requirements of both the developing countries and the less-favoured regions of the Community seem to coincide here.

I hope that the final text on which we shall vote tomorrow will give some hint of this two-pronged attack along these lines.

President. — I call Mr Brøndlund Nielsen.

Brøndlund Nielsen. — (*DA*) Madam President, since we are short of time I shall not embark upon the more general discussion of the merits of the common agricultural policy which many have engaged in on before me, including representatives of my own party. I was pleased to hear that Commissioner Dalsager also expressed understanding of the special problems caused by the very modest incomes of farmers and the very unfavourable development of farmers' incomes in recent years.

I will not dwell very much on Mr Ligios' report because I think that by and large it is a particularly good report which comes up with many reasonable views and comments on the Commission's proposals.

I should like to raise a few special points concerning the Committee on Budgets' standpoint, which Mr Lange touched on earlier. It is very gratifying that the Committee on Budgets is not on this occasion launching a massive attack on the common agricultural policy and indeed it is right not to do so because it has been shown that the unremitting attempts to use budget problems to attack the common agricultural policy are not justified, and this time we experienced the interesting situation where, when the designated rapporteur, Mr Fich, had drawn up his opinion, the majority of the Committee on Budgets disagreed with it and Mr Fich resigned as rapporteur. I can only regret this, but I welcome the fact that Mr Fich's party which is in power in my country has another, and as far as I can see, more reasonable approach to this issue. However, this is what can happen from persistently and obstinately wanting to adhere to some irrelevant budgetary views on agricultural policy. Since recent events in Parliament have meant that Mr Fich is not present here, perhaps I should not have mentioned his name, but it cannot be helped now. However may I say that we were very close to not having any opinion at all from the Committee on Budgets. I have great respect for Mr Notenboom's neutral presentation here but the fact is that if seven of us had not abstained because we thought that the end result was so very confused and because there was no reasonable statement on monetary compensatory amounts, there would have been no opinion at all from the Committee on Budgets.

Thus this is a new development and one which I hope also the Commissioner Mr Tugendhat will take note of. Mr Tugendhat has reviewed here Parliament's historical views on the budget and agriculture but these are, let me stress this, historical views.

Brøndlund Nielsen

I have not got time to discuss the proposals for amendments, but I should like to mention one proposal by my fellow party member Mr Combe, in which, owing to technical difficulties, I was unable to join as co-proposer. This proposes making cheap EEC butter available to artisan bakers and small artisan businesses within the food sector. It cannot be right that this is reserved for industrial production. The reason for this is, I know, administrative simplicity, but I think that this is wrong and that we should do something so that these small producers can enjoy this advantage.

Finally I would merely like to say that all in all I am very pleased about the, in my view, more positive approach encountered with regard to the agricultural policy. Criticism here is entirely unfounded and as an example of this may I just quote the Commission's report here dating from December, where it is stated on page 10 that agricultural expenditure here and in the USA accounts for about 1·1·5% of the gross national product. In Japan it is 5%. Thus in fact what we are comparing are costs in the big industrialized countries and I feel we should be fully clear about this.

There are many advantages in developing the agricultural policy.

Mention was made of the numbers of starving people, of the great value of our security of supply, and recently at the Summit in Maastricht the government leaders referred to the advantage of our being able to provide further aid to Poland.

There are many advantages in an agricultural policy which can demonstrate Europe's dynamism. We must understand its value and not sit here like, excuse the expression, somewhat senile inmates of a world in ruin saying that it is wrong to produce food. This is a completely degenerate approach and I am pleased that a more dynamic attitude is now evidently emerging.

President. — I call Mr De Goede.

Mr De Goede. — (NL) Madam President, in the few minutes available to me, I shall confine myself to the problems facing the dairy sector which, bit by bit, is showing all the signs of an imminent crisis. Although the crisis is centred on the problems of financing the surplus production of dairy products, it must be viewed against the background of the common agricultural policy as it has been applied so far. The financing of overproduction has hitherto been first and foremost a matter for the EEC budget. The current policy takes too little account of the budgetary expenditure which dictates whether the policy can be implemented at all. In practice, each Member State can allow dairy production to increase subject to no restrictions, with the result that the cost of overproduction is reflected in the EEC budget in the form of a guaranteed producer price. As far as the Brussels regu-

lations allow, a nationalistic agricultural policy is now once again being pursued to an increasing extent in the Community, and the dangers to the continued existence of the EEC caused by the resultant trend to disintegration in the Community should not be underestimated.

Post-war agricultural structural policy has been characterized by a bias to increased productivity, whereas the inherent pledge that a higher level of productivity would lead to adequate incomes in agriculture has not been met. It has, moreover, led to an enormous and quite unreasonable flood of manpower away from the agricultural sector. Our aim should be a different structural policy with different targets based on what is now seen to be expedient. The aim of the Community's market and price policy has been to use a guaranteed market price to guarantee an acceptable income to dairy farmers and to bring the market into balance.

The results of this policy show that this dual function of the price of milk can no longer be maintained. In other words, it is no longer possible to guarantee a fixed price for milk unless steps are taken at the same time to curb production. The current remedies for the problems in the dairy sector — such as the co-responsibility levy and the super-levy, and especially the way in which the super-levy is currently being applied — must be rejected as ineffective and inappropriate in principle. On the one hand, these measures have failed to curb overproduction effectively and conclusively; instead, they have proved to be no more than a dubious means of finding a way out of the problem of financing the surpluses. On the other, the financing problem has been unfairly passed on to dairy farmers, whose incomes and capital situation can only be termed poor.

The proposals put forward by my party in the Netherlands, Democraten '66, for the organization of the dairy market are based on a policy in which the market price of milk no longer has a dual role, i.e. to guarantee an acceptable income to dairy farmers and to bring the dairy sector into balance. Our view is that the market price should be used purely and simply to guarantee a reasonable level of incomes. Market balance should be brought about by measures designed to curb production to the extent to which overproduction still occurs at the given price.

Madam President, I should like to conclude by presenting our proposal on market and price policy in the dairy sector, which boils down to imposing direct limitations on milk production in the whole of the European Community by way of delivery quotas for each farm. In other words, every farm in the Community delivering milk to a dairy will have to be allocated a certain quota based on a reference period of three years. Given the current level of overproduction, we should be thinking of an overall reduction of the order of 10%, which could be achieved by a 2%

De Goede

annual reduction taken over a period of five years. This percentage must, of course, be subject to future developments on the market. At the same time, the target price for milk must be increased to a level where producers will not have to suffer a cut in their incomes as a result of being allocated a smaller quota. Price rises in the dairy sector will then have two components — compensation for increased costs and compensation for losses of income suffered as a result of production curbs. It would also be desirable for agriculture to be fully compensated for increased costs. The dairies will then have to sell whatever they produce over and above the combined quotas of their suppliers without any support aid. The savings for the EEC budget resulting from these measures must be put to general use and also possibly to the benefit of agriculture, but then in policy sectors which now rank as urgent, such as regional policy, employment policy and innovation policy. In applying these measures, the Member States should be given a certain amount of leeway to enable them to reach their targets. This implies, of course, that each Member State will have to proceed separately in bringing about the planned cuts in production. The Commission's approval will be needed for national variations in implementing these measures.

The co-responsibility levy, which is riddled with problems, does not fit in with this system and must be abolished.

President. — I call Mr Gautier.

Mr Gautier. — (*DE*) Madam President, ladies and gentlemen, I would like first of all to congratulate Commissioner Tugendhat or the bold speech he gave this morning. I am very glad that he has emphasized once and for all that Parliament must be consistent, that is, that it cannot decide one thing on the budget and another thing on agricultural prices. I find it most unfortunate that he has only found support for a consistent attitude from the ranks of the Socialist Group. As for prices, what criteria can we possibly apply when fixing prices? First of all, I think we have to consider what is generally referred to as the economic situation. If Mr Langes, who is unfortunately no longer in the House, also believes that we cannot compare wage contracts with price increases for agricultural products, then I must tell him that they can indeed be compared. For employees living in my town and surrounding area who have to drive 30 kilometers to work each day would also feel the pinch if their expenses, for example the price of petrol or social charges, were to increase. Here, it must be pointed out, net incomes can be compared with net incomes. Price increases for agricultural products behave in the same way. If one only considers agricultural incomes when fixing prices, as Mr De Goede has just done, then all I can say is the last fifteen years have shown us that this policy was wrong. Indeed by only taking

account of agricultural incomes we have caused marketing imbalances and ladies and gentlemen, I feel that we must now give this aspect, namely market balances, most consideration. And I must also say to the various lobbies on agriculture that if they want to save the common agricultural policy in the long run then they too have to make concessions in balancing the market in dairy products, beef and veal, sugar etc. These concessions are necessary not only on account of expenditure, but if the population is still to accept this agricultural policy at all. I do not know if it is the same for all of you who sit here in the House and have contact with the population. But when I talk with people in my district, which has a population of over 1 million, they speak angrily about the lakes of milk and wine, the butter mountains and such like. All this does not seem to trouble you at all, but I am telling you that unless you make a start to the problem now, there will no longer be a common agricultural policy in five years' time. For sooner or later the voters are going to say 'we cannot accept what is going on'. But how can we achieve a balance on the markets? Some people, including the Commission, are now suggesting that we apply quotas and quantum. Mr Wettig has already pointed out this morning on our behalf that we can only accept this as a temporary measure. We think that they are necessary for 1981-1982 but we would like to make it clear that we want to achieve a balance on the market in the long term via prices. In my view the Commission has also made a relatively bold start by making a proposal on prices which takes account of income objectives without making them top priority, and also takes account of the fact that a market balance must be achieved. If in tomorrow's vote we support the Commission's proposal of 7·8% then it will only be if they are accompanied by related measures, for we cannot accept 7·8% without related measures. I would like to say a word to the Christian Democrats. Mr Ligios and Mr Bocklet have also already talked at length about an increase of 12% and why this would be necessary on account of the high inflation rate in Italy etc. I would like to ask the Christian Democrats what they now think of this proposal since our new monetary parities. In Italy, I believe they have a negative monetary compensatory amount of -6·8%. Are they now then in favour of a price increase of 6%? No, I am talking about the monetary compensatory amount, not inflation. Yes, Mr Diana, you say that they should get 12% because they have a 22% inflationary rate. Tell me is 12% correct? According to your logic it should be 6% now and the negative monetary compensation amount for Italy should be abolished, so that you too get a total of 12%. Only you can change your logic from day to day and say it should remain at 12%. Nevertheless, you are in favour of abolishing the negative monetary compensation amounts so that in the end you get a total of 18%. Mr Diana, please feel free to interrupt. I am not as touchy as your party colleagues, Mr Langes, for example. We think what is going on there is a lot of eyewash. The Commission does have enough money in 1981. This year has been extraordinarily

Gautier

good for sugar. But it need not necessarily be so next year. We have also been extraordinarily lucky with our export refunds for butter, skimmed milk powder and cereals. But a responsible policy cannot merely take account of 1981. As if a price increase would not have repercussions in 1982, and as if, by increasing the target price by 12%, we would have high export refunds, for I thought Mr Langes was aware that 50% of agricultural expenditure goes into export refunds and not into subsidizing farmers. Therefore Mr Tugendhat was perfectly correct to refer to the limit set by the budget. I should also like to say a word about the hierarchy of prices. We are always talking about this 7-8% which is totally irrelevant. We should also be asking ourselves what this hierarchy of prices is all about. The French are the specialists in this matter. Unfortunately Mr Fanton is not here either. All they can think about is raising levies on imports of soya, other oils and fats, manioc and tapioca. Levies on oils and fats or import levies on tapioca. The arguments they put forward are gradually becoming rather boring. Perhaps we should reflect on whether there isn't something wrong with our agricultural policy too and whether we shouldn't consider creating a hierarchy of prices, which would make such import levies superfluous. This is where Commission policy is wrong. Mr Tugendhat, didn't you or Mr Gundelach, the Commissioner on Agriculture, say when discussing the agricultural policy in December that the most sensible thing would be to reduce cereal prices? That would have solved a great many of our problems. What are you now proposing? You make a price increase, then propose an overall quantum, which is pure nonsense since the quanta are much too high, and then you want to get even more through taxation or by lowering the prices at the end of the year. Nobody believes this system can work. All the experts tell us that more will go to intervention. But the Commission is proposing such a thing contrary to what it knows to be true. Perhaps you should take the courage and actually turn your own ideas into real price proposals and not indulge in such nonsense. You also have to look at it from the social point of view. You are supporting cereal farmers with high price proposals. You are offering even higher prices to those people in my region who have between 100 and 300 hectares of arable land and who are really well-off, while you are giving no help at all to the smaller farmers, who were also being discussed this morning by the most diverse people including Mrs Barbarella. I would ask the Commission to be consistent.

Another point which is not often mentioned is the policy on premiums. There are very many premiums in the European Community. They are also being discussed again. These premiums cost over 200 million EUAs and they are ineffective. We give out suckler cow premiums so that less milk is produced. Farmers who are using suckler cows in order to rear horses are costing us a fantastic amount of money and still more milk is being produced. All I can say is that it is a waste of money and such premiums should be abol-

ished, as should the premium for the birth of calves, which was introduced at some stage for Italy or the slaughtering premium for Great Britain.

And finally, the last point which concerns our French colleagues above all. The French always use export policy to mean a dynamic export policy nowadays. I would use another word for this French imperialistic attitude to agriculture which the European work force has to pay for, for that is what is happening it. For what we are doing here is pursuing an export policy which is now already costing us over 6 000 million EUAs; we are dumping on to the world market, that is really what is happening, and I would like to give my wholehearted support to my colleague Mr Vital who has already also made it quite clear: we have to take a different line in our report on export policy and not pursue this French imperialism in agriculture. Therefore Mr Ligios, I have to say *sono contrario* to your report!

IN THE CHAIR: MR DE FERRANTI

Vice-President

President. — I call Mr De Keersmaecker.

Mr De Keersmaecker. — (NL) Mr President, ladies and gentlemen, as far as contradictions and lack of coherence are concerned, I think that Mr Gautier would be better advised to address his remarks to his own group, where he will find enough Members who, for a variety of reasons, do not share his views on price restrictions and the problem of monetary compensatory amounts.

I am fortunate in belonging to a group which, with the maximum possible degree of unanimity, can express its concern over the steady fall in the incomes of farmers and horticulturalists in the European Community — including, unfortunately, my own country. At the same time, though, we are also concerned at the fact that this is due not only to the current economic difficulties, but also to the dual factors of enormously increased costs and the limited resources available to the Community to bring agricultural incomes more into line with other social and occupational groups.

Farmers are proud of the fact that they were the first group to place their destiny in the hands of the European Community, but there is now a danger that this will turn out to their disadvantage unless prices for this season are not increased substantially, at least by a good deal more than the Commission is proposing. That was the first point we wanted to make.

de Keersmaecker

We have heard plenty of talk about economic and financial recession, a state of crisis and the need for us to tighten our belts. There are two comments I should like to make here, though. Firstly, unlike many other groups — and my own country is no exception here — whose incomes are automatically indexed to the rate of inflation, farmers have been making sacrifices for three years now. Secondly, the fall in agricultural incomes has been so dramatic that certain parts of the agricultural and horticultural sectors are now faced with structural problems affecting not only small holdings and the weaker units, but also well-equipped, modern and, above all, recently created holdings. Under these circumstances, the Commission's proposal to extend the co-responsibility system to sectors where there is no surplus is unacceptable for the simple reason that, for one thing, there is no economic or budgetary cause — at least within the limitations of the sectors as such — for taking such a step, and for another, because the way in which the Commission proposes to do it — by forcing down the across-the-board price award — is wide of the mark, at least insofar as the aim of the general introduction of a co-responsibility levy is to prevent the occurrence of overproduction in sectors other than where this is already the case. A third reason is that no really significant, specific and appropriate means has been proposed either as regards external policy or the tightening-up of the system of Community preference or the involvement of other categories which are in part responsible for market imbalances. We therefore welcome the fact that Articles 10 and 11 of the Ligios report draw attention to the urgent need to establish an overall policy for fats and oils and to the substitute products imported duty-free. I should like just to mention one figure here — and I hope Mr Gautier will take note — and that is that if the products competing with butter were to be made subject to the share of the 2% co-responsibility levy equal to the fat content of butter, it would yield 400 million ECUs a year for the Community's coffers. As this is not the case, the producers — in other words, the farmers — have to bear the full brunt of the costs of the European Community, unlike the situation in the sugar sector, where the producers of isoglucose — a product competing with sugar — are required to pay their whack.

I am also pleased that the Committee on Agriculture has seen fit to adopt my amendments to Articles 26 and 29, drawing attention to the repercussions of the current import policy in the beef and pigmeat sectors, Mr Braks said that the system of Community preference must not be applied to the point where the European Community becomes isolated. We take his point, but our point is that the cost of this policy and any exceptions to it should not be paid by the farmers alone. Perhaps a few more figures will illustrate what I am getting at. The European Community imports 438 000 tonnes of beef a year, 325 000 of these under the terms of preferential agreements. The net result is 600 million ECUs in lost incomes. All we are asking is

that the cost of this policy should not be paid by the farmers alone. We hope that the European Parliament will support the conclusions in the Ligios report by a large majority, so that the Council can reach a satisfactory decision by 1 April this year. Otherwise disillusionment in the agricultural sector will reach dangerous proportions, and there will be a danger of the Member States assuming the task of the European Community, with all the inevitable consequences not only for the common agricultural policy, but also for the unification of the Community as a whole.

President. — I call Mr Provan.

Mr Provan. — Mr President, first of all, let me welcome the statements made by the Commissioner and also by the President of the Council, who gave us a very realistic approach to the situation that we are currently facing within the Community. I liked very much his reference to the danger that we face of world scarcity of food in the future, and coming from a man such as him, in the position he is in we have all got to take very great note of these words this morning.

But, first of all, ladies and gentlemen, I must set the scene as to the position I find in Scotland which is the area that I represent in the Parliament here because we face very very severe restraints on agricultural income and I have already mentioned to Mr Brachs that we have in fact had a fall on real term income of 80% in the last two years in Scotland, and that is only surpassed within the whole Community by Denmark which has a fall of 94% itself. Now, obviously, Mr President, we face a particularly difficult situation regarding monetary compensatory amounts. We cannot, I believe, allow short-term financial reasons to be a reason for what would be a major shift of production from one part of the Community to another part of the Community. Before the rise in sterling we had resistance in the Community to the United Kingdom, devaluing the green pound. Now that the boot is on the other foot, we are under severe pressure, yes, pressure, to have a revaluation of the pound. Of course it is coming from the same people who were taking advantage of our markets when we were at a disadvantage on the pound and now that we have a slight advantage which could be very short-term, we are under severe pressure and I say to this Parliament that it would be wrong for short-term financial reasons to penalize one Member State's agriculture to such an extent because never before have we been in a situation where in real terms of income would those farmers be worse off as a result of a revaluation. It has never happened before and we cannot allow it to happen now.

But what I really want to speak about this afternoon is the meat production sector, because within Scotland our agricultural industries depend for 70% of their

Provan

income from livestock, so I am extremely worried about the current situation where we are getting into a difference between the sheep price and the beef price. The Chairman of the Fat Stock Marketing Corporation sitting up in the gallery is equally aware of the situation that might develop and the situation that might develop is that we could overprice sheep to such an extent that the housewife, certainly, would have some form of resistance on the Continent. Or we would get to the stage where there was such a financial burden on the premium scheme that it would cost the Community taxpayer a great deal of money, and I say to this Parliament that we must try and keep in balance the whole sector of the meat problem, that we must not allow one item of meat, whether it be sheep or beef or pigmeat or whatever, to get out of balance with the others. I think we are in danger of doing this and I caution Parliament to that extent.

The other thing that I would like to talk about this afternoon is the cereal sector. I agree to a certain extent that traditionally cereals have been too expensive within the Community and I believe that if we are going to get to proper marketing of cereals we do not want a co-responsibility levy in the cereal sector, we want proper incentives to farmers, to cooperatives and to anybody else who is handling the cereal crop to make sure that it is properly marketed by giving proper incentives for the storage of cereals and therefore for the proper release on to the market.

President. — I call Mr Pranchère.

Mr Pranchère. — (*FR*) Mr President, from the very beginning of the Common Market, we have always said: 'French family farmers will have nothing to gain from it. It's a complete swindle.' After 20 years of the Common Market, events have unfortunately borne out our predictions. Who today would dare say to the French peasants that the Common Market is a blessing for French agriculture? Milk producers were told: 'Accept the co-responsibility levy and, in return, you can participate in the management of these funds, and imported vegetable fats will be taxed.' The milk levy was imposed and promptly increased; as for imports of vegetable fats, suffice it to say that Unilever's profits are doing well.

The Commission is trying to do exactly the same thing to the cereal producers. 'Accept co-responsibility,' they are told, 'and, in return, substitute products will be subject to quotas and will be taxed.' As the producers have heard this line before, this is an offer they will certainly refuse. We also welcome the fact that the Committee on Agriculture has adopted our amendment for the rejection of co-responsibility on cereals. As far as Mr Ligios's report is concerned, even if it has been amended to a certain extent, it does not take account of the demands which are vital to the farmers and in the end gives way to most of the pernicious

guidelines from the Commission in Brussels. This is why, as things stand, we are opposed to it.

First of all, in terms of prices, we cannot accept an increase of 12% which, in conjunction with other related measures, would lead to a real increase in farm prices, as paid to the producers, of the order of 7-8%. To accept 12% would be to guarantee the decline in farmers' incomes in 1981. Whatever the machinations, which are bound to occur just as they did last year, we will not go below 15% which we consider to be an absolute minimum. For us, the struggle for prices is the struggle for the survival of our agriculture.

The Ligios report quite rightly rejects generalized co-responsibility. But, having shut the door on it, the report then allows it back in through the back door, in effect, by agreeing to a reduction in the intervention on beef and veal and by accepting the principle of extending co-responsibility to the producers. This is all the more unpalatable as the European Community imports 450 000 tonnes of beef and veal at preferential rates. In 1980, producers' incomes were lower than those in 1970. For this reason we insist that the automatic application of intervention prices should be retained or re-established as a safety net for producers. In more general terms, we are opposed to any so-called system of co-responsibility or any taxation of products, as the sugar coating which covers these pills is intended simply to disguise their true taste. The President of the Council himself admitted as much to the Committee on Agriculture by explaining that these taxes were simply instruments to limit production. Don't give us all this talk about the so-called conditions and guarantees that go with the tax. It's the same process as with enlargement; conditions and guarantees are nothing but sleight of hand.

Consequently, we insist all the more strongly on the rejection of any enlargement of the Community and an end to the negotiations which your Conservative and Social-Democrat majority wants to rush through, in its haste to bow to the demands of the multinationals. Knowing the Malthusian inclinations of this Assembly and of the Commission, we have no illusions about the results of this discussion.

In the end, the outcome of these negotiations will depend on the determination of the farmers mobilizing. For this reason we call upon them to continue and to intensify their action against the French Government and the Community bodies in support of our proposals as it is their own interests as well as in the interests of our country that these proposals be adopted.

President. — I call Mr Jürgens.

Mr Jürgens. — (*DE*) Mr President, ladies and gentlemen, first of all I would like to say in the short

Jürgens

time available that I think the Commission's proposals have perhaps been over-criticized. I mean by that that you have to come up with solutions which lie within the budget and the agricultural system. We know that the low incomes in agriculture are related to the increased cost of means of production and energy. These have increased much more quickly than the price of agricultural products. Nevertheless, there are, I think, rich as well as poor farmers in Europe. One-fourth of our farmers have a very good income. 50% however have a below average income, and many are so badly off that they receive less than the minimum social security rate at least in Germany, particularly in disadvantaged regions. A general rise in prices will certainly not be enough to solve this problem, but we must present alternatives if we are to reach a solution on price increases and proposals. This can only be done through a range of carefully considered measures adapted to suit the different kinds of farms. Community policy is, and should remain, aimed at the family farm; the objective method and the calculations we are putting forward apply to them, and so it should remain in the future. We should use the opportunity this range of measures gives us of making the larger holdings partly responsible for over production, and we should in future halt their investments, their expansion subsidies, and their subsidies for processing and over-production, on a national, as well as Community, level. Moreover, we should stop such specialized holdings and large processing businesses from preventing family farms from expanding or even threatening their livelihood through high rents and land prices. On the other hand, ladies and gentlemen, family farms must be given the opportunity of optimizing their productivity by exploiting their technical and economic capacity, and by a rational organization of their labour force, so that they can earn by themselves adequate and reasonable incomes. Ladies and gentlemen, we should help our many small and very small holdings earn better incomes by introducing special measures. The means and opportunities afforded by the hill farmers' programme will also provide increased scope in future. Concentrations are not possible in many areas, ladies and gentlemen, because we simply cannot create any jobs, and I think that regional policy has an important role to play here. Regional policy must not, however, be pursued at the expense of the agricultural policy but we call upon the Council of Ministers and individual governments to pursue this matter more closely and increase the standard of living in many areas. I would remind the House of the political as well as financial solidarity in the Council of Ministers.

President. — I call Mr Zigdis.

Mr Zigdis. — (GR) Mr President, there is general agreement that the common agricultural policy, in the way it has been implemented up till now, can neither protect farmers' incomes nor bridge the gap in farmers' incomes between the various regions. Infla-

tion, which has recently increased in all the countries of the Community, is one of the major factors in the reduced effectiveness of the CAP.

The Commission's proposals for a 7 to 8% average increase in farm prices for 1981-1982 will intensify the cut in farmers' incomes. In addition, the generalization of the principle of co-responsibility to include fruit and vegetables will have particularly severe repercussions on the Mediterranean countries and will further aggravate the disparities between North and South.

The Commission's proposals are particularly unfavourable for Greece. Firstly, because Greek prices are not the same as Community prices but — as a result of the unfortunate provisions of the Treaty of Accession to which I have already drawn attention on other occasions — generally much lower, and will be harmonized only after a period of 5 to 7 years. Secondly, because the extension of the co-responsibility clause will prevent Greek farmers expanding into profitable crops.

The report of the Committee on Agriculture undoubtedly does something to improve matters, since it raises the average price increase to 12% and rejects the extension of the principle of co-responsibility. Even more positive, from the point of view of protecting farmers' incomes, is paragraph 3 in the Ligios report, which calls for special Community measures to help those countries which are suffering from above-average inflation. I hope the Committee on Agriculture's proposal for a 12% price increase will be generally approved. Since, however, even an increase of this order will not solve the problem of farmers' incomes in countries with a high rate of inflation, I think the special Community measures referred to in paragraph 3 of the Ligios report will have to be developed and strengthened. I am afraid that, if the Commission does not make progress in this matter in a spirit of understanding and resolve, those countries suffering from a high rate of inflation will be obliged to act illegally and resort to 'national' measures — outside the provisions of the Treaties.

The most positive contribution which could be made by this Parliament towards allaying the fears of the farmers of the Ten would be an official commitment to set up immediately a new CAP which will genuinely serve the aims for which it was originally adopted and will serve as a basis for progress towards European integration.

(Applause)

President. — I call Mr Vernimmen.

Mr Vernimmen. — (NL) Mr President, ladies and gentlemen, in the few minutes I have been allocated, I should like to make a few personal comments. I think I

Vernimmen

am right in saying that, in the past, prices were always fixed on the basis of a single criterion, namely farmers' incomes. However, no attempt has ever been made to specify the type of agricultural holding to be taken as the criterion. We may also have been guilty of trying to view agricultural economics in isolation from other sectors. Moreover, in the quest for a social aim, we have tended to lump together the social and economic aspects of agriculture and frequently regional policy as well, with the result that farmers' incomes have fallen more and more drastically, and this is a trend we must curb as soon as possible. We therefore urgently need to base prices in the future on fundamental laws of economics. Generally speaking, prices in our system must be the result of the interaction of supply and demand, and this would have two advantages at least. Firstly, it would encourage specialization, which I think is necessary. And secondly, we should eliminate overproduction, which would enable expenditure on agriculture to be kept within reasonable limits. After all, we must work on the assumption — whatever may be said here to the contrary — that no Member State is prepared to pay more than what is provided for in the present budget. Surely no one would deny that there are social and regional problems connected with the common agricultural policy, but instead of trying to solve these problems by way of price policy alone, we should also make use of social and regional measures.

The second point I want to make concerns the general application of the co-responsibility principle. Some sectors are already subject to this levy, albeit sometimes under a different name or in a different form. I am thinking here especially of sugar and beef sectors. The aim was to give no systematic or unrestricted sales guarantee for any kind of product or overproduction. That is the kind of co-responsibility principle we approve of, because it allows the law of supply and demand to come into effect in the event of overproduction. The plan is now to extend the system which has been in use in the dairy sector to other sectors such as cereals and olive oil. But as far as I can see, these will not be mere co-responsibility levies. What we get instead are lofty references to the cofinancing of a proportion of production. However, the unlimited sales guarantee will remain, with the result that surpluses may well increase rather than decrease. It seems logical to me that, if a farmer receives a lower price for his products, his virtually automatic tendency is to boost his production. Personally, I can accept a co-responsibility system which will lead to a fall in unwanted production. But a bureaucratic system like the super-levy in the dairy sector, which is based purely and simply on what I would term budgetary considerations may be a temporary expedient, but can never offer a lasting solution.

The third point I should like to make concerns national support measures. If we fail to put an end to this trend, the whole common agricultural policy will slide inexorably down the slippery slope, and that will

have repercussions in particular on the food industry, which — let us not forget — takes three-quarters of our agricultural production, and which in some Member States is really going to the wall as a result of national support in other Member States. It is really high time for agriculture too to tailor its production rather more to the wishes of the consumer in terms both of the volume of production and of the quality grades for which genuine markets exist.

I have, together with Mr Woltjer, tabled a number of amendments covering the points I have just mentioned. Whether or not I vote for the Ligios report will depend on whether these amendments are adopted or rejected.

President. — I call Mr Clinton.

Mr Clinton. — Mr President, first of all I want to pay a tribute to Mr Langes for the amount of thought and work he put into his report. Due to circumstances that we are all aware of he had very little time to produce this report and I think we are all indebted to him that we have it in front of us today. We are indebted also to Sir Henry Plumb, chairman of the Committee on Agriculture for the way he reorganized the business of the farm committee, also to ensure that the Council of Ministers would be in a position to fix prices before the first of the marketing year. Now, I want to say that I am very pleased that I gave way to Mr Langes to come in and say what he had to say, he had to go to a budget committee subsequently, because he had many things that needed to be said. I have heard many critical speeches from Vice-President Commissioner Tugendhat on agricultural expenditure but I was simply appalled by what he had to say to us today. It was the most critical speech I have ever heard him make and while he was being critical he quoted at some length from Parliament opinions that were expressed and protested at length that he was only in fact following the wishes of Parliament in what he was doing.

Now I would remind him that last year Parliament passed a resolution asking to have certain irrelevant items transferred to where they belong in the budget. The Commission totally ignored that as did the Council of Ministers and the explanation we got was that the Commission didn't accept this simply because they knew the Council wouldn't. It was an extraordinary excuse but that was the excuse the official of the Commission gave to us. I want Commissioner Tugendhat when he is replying to just give us some little bit of information. What percentage of the total amount that's spent in the agricultural budget actually gets into the pocket of the farmers? Is it 5%, is it 6% or 7% because it is down there from the information I have and I'd like to hear Commissioner Tugendhat who should know all these things confirm or reject that figure.

Clinton

I'd like to remind him that last year and the year before he was extremely critical of the fact that the Council increased what the Commission had proposed, that they improved on what the Commission had proposed. The outcome of the Commission's proposals, improved by the Council last year, was that farmers' income went down by 13% and in real terms by 18%. They went down the previous year also even though we were told that this was to ensure that farmers' incomes would be improved or at least maintained.

Now I challenge him to give us the answer to these things. We are not talking about book-keeping and the balancing of books, we are really talking about a large number of human beings who are either farming on the land or processing the produce of farms throughout the Community or distributing it. My colleague T. J. Maher was absolutely correct when he said that for every one that's producing agricultural products there's five or six other people employed outside that, and he could have also said that the farmer gets about 30% of the total increase that is given, and that the remainder goes to processing and distribution. That is a well known figure.

Now, there are certain main features about this report and the first thing is that it comes down in favour of a price of 12%, which the farmers of Europe know to be inadequate, which many members of the Agricultural Committee know to be inadequate and which Mr Ligios himself knows to be inadequate, but under pressure accepts it as the extreme limit of compromise. I think that's the fair way to put the way he feels about his own report. He rejects out of hand, as did the Committee on Agriculture, the attempt being made by the Commission to extend co-responsibility to all other products as well as milk and to elevate it to the level of a new principle of the CAP. This report agrees with the Commission that the MCA's should be phased out but in such a way as not to cause too much hardship to countries with positive MCA's. I was intrigued by what Mr Provan had to say about MCA adjustments because I was a Member of the Council of Agricultural Ministers when there was a negative MCA in the UK of 44% and at that time the British Minister couldn't be got to adjust as much as 1%. Now when they have a positive MCA of more than 50% they still can't be got to adjust 1%. I was appalled with what he said about the question of sheep; sheep are in deficit and in substantial deficit and if farmers in the Community are not encouraged to produce what's in deficit well then what happens to them when we are talking about surplus products?

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, the whole of the question of agricultural prices should be looked at

in the light of the fact that the world is getting steadily hungrier and its population between now and the end of the century will increase from 4 billion to 6 billion. Developing countries are increasing food imports faster than they are increasing home production and the strategic stockpiles of food in Europe have almost disappeared — butter is down to ten days and skimmed — milk powder and sugar are also in short supply. We cannot therefore allow important sectors of European agriculture to die from lack of resources. By all means, Mr Gautier, compare net incomes with net incomes but remember that farmers' prices include production costs as well as wages and ordinary wages do not.

Farm incomes throughout Europe fell in 1978-1980 but nowhere have they fallen in recent years more savagely than in the United Kingdom, except possibly in parts of Ireland. In real terms farm incomes fell by 19% between 1978-1979 and 24% in 1980 because of a steep rise in input costs and a green-pound gap which deprives UK farmers of a fair return, because for many years British farmers were paid very much less for their produce than other Community farmers because of the weakness of sterling and the strength of the green pound. At one time, as Mr Cronin said, the gap was no less than 44% between the United Kingdom and German prices because we had a government then that disliked farmers and they would not alter it. That is why they did not move, Mr Cronin. This meant that United Kingdom farmers could not afford the investment needed and piled up huge overdrafts. Now the green pound has swung the other way and it is only fair to allow UK farmers to recoup some of this lost ground, so I cannot agree with the proposed revaluation in paragraph 4, which would not in any event be likely to be passed on to the British housewife but retained by exporters.

In the United Kingdom the retail price index rose by 13% last year, food prices by 8.9% and agricultural prices by only 6.5%, but the result has been that farmers are killing off their stock and the latest figures show a substantial drop in heifers in milk and beef-breeding cows. Only the breeding ewes show an increase, thanks to the sheepmeat regime which was eventually agreed last year and helps housewives and farmers alike. I am glad that the committee supports the retention of a variable beef premium which is vital to our beef farmers.

One thing is absolutely certain: we cannot allow some Member States to introduce wholly illegal national aids which put other farmers to serious disadvantage. The consumer must investigate such aids and monitor them carefully. As the idea of an acreage levy is unworkable, inequitable and an open invitation to fraud and must be rejected, the percentage increase recommended in the report is the minimum that can keep our farmers in business and our national larders full, and I hope the Parliament will agree to it.

President. — I call Mr Chambeiron.

Mr Chambeiron. — (*FR*) Mr President, as the time which is available to me is limited, I am going to speak in telegraphese in order to try to cover all the ground that I want to in the minimum amount of time — the best of a bad job, to use a well-worn phrase. But all the same I would like to protest vigorously against the conditions which have been imposed upon us over the discussion of the Bocklet report on the organization of the market in sugar. I had understood at our last part-session that we were all agreed on discussing it next month, which in any case seemed to me quite natural, and which appeared likely to enable us to make a serious, calm and careful study of the subject. It seems that the Council and the Commission have suddenly presented us with the prospect of having to discuss the problem in all urgency. This morning, a certain number of Members were fortunate enough to have arrived at nine o'clock so as to be able to come to a very rapid decision on this matter, which seems regrettable to me. Given the importance of this sugar regulation, I for my part do not have the least intention of giving a free hand to the Commission or to the Council. In the event, we are dealing with a regulation which must apply for a period of five years, at the end of which the quota system is to give way to a system of regulating production by prices. For a variety of different reasons, I think that we ought to have attached much more importance and devoted much more time to this regulation. I should like to point out first of all that this new regulation is intended to lead to regional specialization, which will result in a concentration of production in certain Community regions and in the decline and even the disappearance of production in other areas. I don't need to illustrate my remarks, because everyone knows what has happened in the course of the last five years. There is a further argument in favour of a more thorough examination, and this, to my mind, concerns an essential and highly important aspect of the sugar problem in the EEC — that of respecting the contractual commitments to the ACP countries. Everyone here knows that the sugar protocol commits the Community, (for an indefinite period, according to the protocol) to guaranteeing the ACP countries prices and sales which amount to a volume of one million, several thousand tonnes of cane sugar. But regional specialization, together with the boom in sugar beet production in the United Kingdom, will result in the future in the disappearance of a traditional market for cane sugar from ACPs. Lastly, the price system announced for 1985 will lead to a very large, sharp fall in the incomes of the ACPs, which have already dwindled. The sugar protocol which is annexed to the Lomé Convention will thus become meaningless. The Council and Commission must say clearly whether they intend today to reconsider the commitments which were made to the undeveloped countries.

I should like to say a few words on the situation of the

French overseas departments where sugar production plays and must play a major role. I would remind you that the proposals which were adopted by this Assembly have this in mind, whereas the draft regulation, in two of its provisions, will lead in practice to the ruin of these countries in the years to come. These provisions, I should like to point out, envisage firstly the elimination of national aids and secondly, setting up a co-responsibility levy, over and above the refusal, contained in the old and the new regulation, to allow these regions both the intervention price from which Community products benefit and the ex-refinery price; these two refusals, I should add in passing, are the subject of an action brought on the grounds of racial discrimination by our colleague Paul Vergès in the Court of Justice of the European Community. Thus, the result of these two refusals is that FOD products are penalized, firstly by a derived price which is lower than the intervention price, and secondly, by payment at the fob stage and not ex-refinery.

I should like to remind you that the first Bocklet report was the subject of 59 amendments. Today we are presented with an extraordinarily succinct report — if it can be called a report at all — and we are asked to pass judgment, in a matter of moments, on a regulation which is going to heavily commit the future. I find that regrettable and I would go so far as to say frankly unacceptable.

I have one final remark, and that is to draw your attention to the fact that on 23 February last, the Council, which is now demanding a sense of urgency on our part, adopted a global compromise sacrificing the interests of the least-productive regions and presaging the ruin of the FODs. Italy's rejection of this compromise rendered it null and void. A botched vote now would allow the guidelines adopted on 23 February last to have an even more harmful effect.

President. — I call Mr Caillavet.

Mr Caillavet. — (*FR*) I shall be very brief, because to all intents and purposes I agree with the issues and conclusions put forward by Mr Delatte and Mr Fanton in respect of the overall agricultural policy. I, too, feel that it is vital to respect Community preference, that from now on we must regulate imports of vegetable fats and substitute products, and, finally, that we must also set up an agency to control and organize exports of Community agricultural products.

Having said this, I should like to point out to the Commission — and I welcome the appearance of its President, our good friend, Mr Thorn, on its benches — that the lack of an adequate agricultural income has already to some extent led to a flight from the countryside, that the rural population is aging alarmingly, and that, if we do not take care, the self-sufficiency of the Community is likely to be threatened shortly in

Caillavet

such a way that we will be as dependent in terms of food supply as we are in terms of our energy needs.

Having made this comment, I intend obviously, because prices to a certain extent reflect farm incomes, to vote in favour of the Liberal amendment supporting increases of 15.3% in these farm prices, which, ladies and gentlemen, simply compensate for the increase in production costs.

As far as production in the south of France is concerned — and I am one of the representatives for this area — I am pleased that the Committee on Agriculture — and I with it — voted in favour of rejecting the extension of the co-responsibility levy to our products, that is, cereals, wine, and processed fruit and vegetables. I hope, indeed, that Parliament in plenary session will adopt a certain number of my amendments which were adopted by the Committee on Agriculture, and which call for the reference price to be modified so that it can play its proper regulatory role on the market. I hope also that Parliament will vote in favour of extending the list of products covered by the common organization of the market, so that our Mediterranean products can in turn benefit from guaranteed prices, and finally I hope that a new calendar for horticultural products can be drawn up, so that Community production can be made complementary. As far as wine is concerned, I regret that we do not yet have a price guarantee policy although, quite rightly, a policy of quality control is required. On the other hand, I believe that the Parliament in plenary session will adopt the amendment, which the Committee on Agriculture adopted at my instigation, to the effect that excise duties should be the same whatever the nature of the drink.

I shall finish, Mr President, by speaking about one particular product; tobacco. For us, production of tobacco, or rather the result of this production, is a form of wage for the farmers. It is therefore high time that we opposed the new directive put forward by the Commission, a directive which, of necessity, will lead to further imports of foreign products. These few remarks, Mr President, complete what I have to say on farm prices.

President. — I call Mr Vizas.

Mr Vizas. — (GR) Mr President, I should like to make a few brief remarks on Mr Ligios' report and on Miss Hooper's opinion on behalf of the Committee on the Environment, Public Health and Consumer Protection.

Despite the fact that we have opposing views or agree only partly on particular points in the Ligios report, we have to recognize that the rapporteur's document gives a methodical and concise presentation of the

main features in the Commission's proposals and gives clear and realistic expression to the views of the Committee on Agriculture. We agree completely, for instance, with the explanatory statement when it draws attention to the general, continuing and substantial fall in producers' real incomes, to the fact that inflation in some countries is higher than the Community average, and to the fact that the increase in farm prices does not have a major effect on household budgets, since a household's spending on foodstuffs accounts for only 20% of total spending. We also agree with paragraph 1 (a) and (b) of the General Considerations, which lays down the requirements to be taken into account by the Council when it comes to fix prices and the accompanying measures. Finally, we welcome and support paragraph 3 which I personally, at least, regard as the essential basis for promoting hopes of friendship and solidarity between the peoples, regardless of their standard of living. This is something which is essential if we are to promote the European ideal, and on this point I shall support all the amendments which have been tabled with a view to improving the text so that it aims at a general increase in low agricultural incomes and at doing away with regional imbalances.

Despite these positive aspects of the report, we cannot but disagree with the proposed average increase of 12%. We insist on a fairer increase of the order called for by those who spoke before me, and certainly no less than the 15.3% proposed by the representatives of the farmers' organizations. As regards the co-responsibility levy, we disagree with the lukewarm formulation of paragraph 6 of the report. We are totally opposed to this and can only refer you to the arguments of the preceding speakers. Moreover, Miss Hooper herself said that, as far as milk was concerned, it had been shown in practice that the co-responsibility levy had produced results opposite to those expected. In her initial report to the Committee on the Environment, Miss Hooper had proposed accepting the average price increase suggested by the Commission, but in her speech today this proposal has been improved, because it is identical to that of the rapporteur for the Committee on Agriculture. Finally, I agree with Miss Hooper when she says that prices are not the only way of solving the problems of agriculture. This is undoubtedly the case, but she did not say what the other measures were, when they would be taken, how they would be implemented and when they would bear fruit, because I am afraid that, if we continue to dither and leave everything to long-term programmes, the countryside will soon be bereft of producers.

President. — I call Mrs Gredal.

Mrs Gredal. — (DA) Mr President, in view of some remarks made by Mr Brøndlund Nielsen in his speech, concerning amongst other things my party's attitude, I shall be less specific in my comments.

Gredal

The trend towards calling the Community's agricultural policy into question, which was evident in certain countries a few months ago, fortunately no longer obtains and this is clear also from Mr Ligios' report. There is unanimous agreement that the basic principles of the common agricultural policy should be maintained and with this also I fully agree. However, on the other hand, it must at the same time be said that very serious difficulties exist in connection with the structural surpluses. If these are not abolished in one way or another they will exert such pressure on the Community's purse that the consequences will be immeasurable. National support schemes will thrive, sympathy for the Community will wane simultaneously with the lack of money for anything other than agricultural schemes, and this will neither be in agriculture's or the Community's interest.

With this I am not saying, — and I would like to stress this — that we should always stay within the 1% VAT ceiling, but agricultural expenditure must be scrutinized closely before we increase our revenues. Since time is short I will limit myself to a very few points.

Firstly, the co-responsibility levy. As I said before there must be adjustments to the agricultural policy's market organizations. Producer co-responsibility could be an appropriate means of doing this, but with certain reservations of course. If this results in quota arrangements, in a graduated system, then it is unacceptable. However I think it is a good thing that the Commission try out such proposals. Nevertheless, it must be said that the co-responsibility levy in the milk-sector has not been a particularly good example. There has been far too many exceptions and if this is also going to be the case with the new co-responsibility levy then it is unacceptable.

As far as the monetary compensatory amounts are concerned the recent developments are to be welcomed. We are adopting the right approach in dismantling them and in this the Commission has my full support and I can only recommend that it be achieved as quickly as possible.

Finally there is the question of the price level. The economic situation for agriculture in the Community points very clearly to the need for price increases. With regard to the level of such price increases my general opinion is that the price relationship between livestock and crop production needs to be improved. As regards the other agricultural products my group find that there is a need for higher price increases than those proposed by the Commission. I will not quote an average figure here but my view is that it must be higher than that proposed by the Commission. However it must also be stressed that such a price increase presupposes quite a number of things, some of which I touched on in my introduction.

It is clear that there are many aspects which could be brought into the discussion, for example, that greater

consideration should be taken of the developing countries' requirements when fixing current prices and that, when administering the market organizations, adverse influences from world market prices should be avoided. Indeed there is a whole list of points which could be reeled off.

Nevertheless, I will conclude by saying that one of the most important things for me that these price increases, these agricultural subsidies should be settled as soon as possible. I believe that the Commissioner agrees with me on this and I hope that we will succeed in fixing the new price arrangements, the new agricultural subsidies so that the depressed agricultural industry can get the support it needs now.

President. — I call Mr Diana.

Mr Diana. — *(IT)* It is very late now, Mr President, and many points have already been raised. Of these, some were very sensible and others were not so sensible, but even so I would be quite happy to take them up if only it weren't so late. But I will confine myself to pointing out to all those who claimed that too much money has been spent on farmers and agriculture and that farmers' incomes — thanks to prices — are far too high compared with the average Community wage for other categories of worker, that statistics show that just the opposite is true. In my country, for instance, farmers' incomes are only half of that of other categories. So if we are going to criticize, we should be criticizing the fact that we have always spent far too little on the common agricultural policy. Honesty compels me to make this point.

I should now like to consider one of the many aspects of the common agricultural policy: the problem of co-responsibility or, to be more exact, the problem of quotas. It is in fact very appropriate that two problems have been combined in today's debate and tomorrow's vote: that of agricultural prices and the related Commission proposals, and that of sugar, which has already been debated in this Parliament and which will be voted on tomorrow. I think that it is important to look at what has happened in the sugar beet sector, — a sector in which the system of production quotas has already taken root — as the Commission is now advocating such quotas for olive oil, processed fruit and vegetables and even milk, given that the super levy on surpluses is nothing other than a mechanism for fixing a quota on milk production. Well then, let us see what has happened in the sugar sector, where production quotas have been in force since 1968, and let us take the example of my country, not just because it is the one that I know best — naturally — but also because the European Community is currently considering an expansion in the Mediterranean area, and there are a number of obvious and yet important matters to be discussed. Members have described the Mediterranean basin — even here today — as the

Diana

home and cradle of civilization and as a bridge linking people, but it is also an area with a precarious economy in which agriculture still constitutes a major source of income and employment for a large percentage of the working population. I believe that what has happened in my country is truly symptomatic and that it is worth the trouble to take a look at what has happened there precisely because our economy resembles to a large extent both that of countries which are already in the European Community and also that of others which are persistently banging on the door to be let in. In the case of sugar then — and I'm sure that I'm not telling Mr Dalsager anything he does not already know — our production quota, which was fixed at 1 230 000 tonnes in 1968, has remained practically at that level ever since. But at the time when it was fixed, it represented almost our entire production and our consumption too, whereas nowadays it represents about 80% of our production and a little less, in percentage terms, of our consumption. The result is that Italy — a country with an agricultural food deficit of millions, equivalent to about a third of the entire European Economic Community budget — is obliged to remain in deficit, thanks to a system of quotas, and is even obliged to import sugar when in fact it would be only too capable of expanding its own production.

It is all very well to say — and some people have in this House — that countries bedevilled with inflation are themselves responsible for it and ought to control it, but you really ought to consider whether in some instances they are only partly to blame if a quota system has been imposed on them, preventing them from expanding in sectors in which they could expand. If what happened in the case of sugar were to occur again with olive oil or processed fruit and vegetables, just what are the sectors which Italy ought to be expanding, since we are not allowed to increase our wine production or expand olive-growing? So I want to make it clear to those who devised the co-responsibility system for quotas that quotas are difficult to lay down and once established are difficult to manage. As a result, it often happens that countries with surpluses continue to have surpluses because it is not easy to make them reduce their production quotas, and other countries with shortages carry on having shortages because it is quite impossible for them to increase their quotas.

There is another thing I would like the Commission and Mr Tugendhat — who is not here, unfortunately — to mull over carefully. It is this: since the Commission has no control over the weather, and since production is subject to ups and downs, it is quite possible that what has happened in the case of sugar will occur in other sectors too. Last year, the Commission presented us with forecasts of increases in production on the world market, to be followed by a lowering of prices. Consumers' representatives wrote and told us about these forecasts. They were repeated by some of the Members here who have spoken so vociferously on behalf of consumers. But just the opposite happened,

in fact: world production dropped, prices soared and budget experts were confounded because what should have been a credit became a debit. So I would suggest that the budget experts who are now asking for the figures of the preliminary and final budget to be frozen and who do not want any transfers from one column to the other in their balance sheet should think long and hard about this. It might be possible to impose controls in other sectors, but it is certainly not possible to foresee every eventuality in the farming sector, which is still governed by the laws of Nature and of the Almighty — fortunately — and not under men's control.

By way of conclusion, so as not to deprive other Members of the chance to speak, I must say that while I agree absolutely — along with other members of the Committee on Budgets — with what Mr Ligios has said about the need to control spending on agriculture, I nevertheless think that it is vital to drive home the idea that the best solution for us is to devise a prices policy on a sound and correct economic basis, rather than to dream up abstract theories which are difficult, when not impossible, to apply. I would add that a Community which attempts to curb productivity and to maintain present imbalances is a traitor to itself and to the ideals of the Treaty of Rome, and that Parliament will never be able to countenance solutions of this type.

(Applause)

President. — I call Mr Purvis.

Mr Purvis. — Mr President, as so often in these agricultural debates, each person who stands up is identified before he opens his mouth as being either pro-farmer or anti-farmer. I would like, if it is at all possible, to try and bring a bit of balance into our attitude. I feel that Parliament is showing signs as usual of tearing itself apart, polarizing between those politicians who think they are gaining the farmers' favour and those who think they are standing up for the consumer and taxpayer. This is quite absurd.

The farmer has an essential interest in satisfying the consumer and it does him no good to alienate the taxpayer by absurd demands. But, the consumer and taxpayer should also admit what their farmers have done for them, what the CAP, despite all its imperfections, has done in providing adequate and varied food supplies. So the farmers have to ensure credibility of the CAP by being constructive in rectifying its excesses. Acceptance by COPA of some means to restrict growth in surpluses is a major step forward. The consumers and taxpayers for their part have to accept that the CAP must ensure a prosperous farm industry.

Purvis

There are therefore two essential elements which should come out of this report that should be a positive lead to the agriculture ministers, not only in this price review, but also in a relaunching of the CAP. First, there must be a control system for production levels which places a limit on the taxpayers' liability to finance surpluses and increasing surpluses. If the so-called super levy is the best system then the super levy is a critical element, but I am not so concerned with the mechanism, it is the principle that matters. And if there is a mechanism for limiting liability to finance a given, but annually adjustable quantum of any product but particularly dairy, then we can expect and can better afford fully realistic prices for the proportion that is required.

So there should be a commitment in principle to match farmers' cost increases, giving farmers a secure and long-term certainty in their lives. But, if the dairy farmers insist on an open-ended commitment, the only alternative is heavy restraint on prices for milk and everything else, and political embarrassment as the newspapers play up the absurdities.

Only in this way can we find a way forward for the CAP into the longer term future, making it balance with energy, industrial and social policies.

President. — I call Mr Denis.

Mr Denis. — *(FR)* Mr President, I shall devote my speech to an essential aspect of this debate namely, the role real needs play in fixing prices in the EEC. First of all I would emphasize how many needs remain unsatisfied. This is true not only for millions of people in the Community as a result of austere policies, but also in the developing countries where hunger and poverty are on the increase, and in particular in countries associated to the Community by the Lomé Convention. I would add that predictions made by the FAO are disturbing. The world is entering upon a serious food crisis. The shocking fact that a child dies of hunger every 32 seconds is enough to condemn outright all draconian policies. I refer in particular to the directives proposed by the Commission. Isn't their chief objective to reduce production?

While these directives are as much against the interests of starving people as farmers in our own country, they do serve the interests of a certain select few. I am thinking in particular of the ardent support the Commission gives multinationals of the agro-food industry who dominate world trade in agricultural products and who are responsible for aggravating famine in developing countries. Isn't it to safeguard the enormous profits of the multinationals that the Commission has refused since 1976 to negotiate with ACP countries a system which entitles them to export available agricultural products on favourable terms? The joint committee at Freetown has just finished

condemning this attitude severely. I would remind the House of Ambassador Insaladi's general report which emphasized the EEC's political hypocrisy and I must say that vain promises are a true slap in the face to starving people.

You can judge from that that agricultural production is not too high, particularly in cereals. The urgency of the matter demands first of all solidarity. This is what my friend Georges Marchais meant when he proposed recently transferring part of the cereal stocks which are lying idly in France to the people of Sahel. Moreover, the vast scope our agriculture gives us allows us to implement a large scale policy of agricultural cooperation with developing countries in particular with ACP countries. I want you to know that we will not let the Commission nor those who influence or support it, get off lightly on this crucial matter, for we see that there is a close link between the draconian policies implemented by Brussels and the reason why the essential claims made by developing countries are being rejected. As for us, our fight to defend agriculture and agricultural workers goes hand in hand with our proposals for a new worldwide economic and political order aimed at finding real solutions to the problem of famine.

President. — I call the Commission.

Mr Thorn, President of the Commission. — *(FR)* Mr President, ladies and gentlemen a few weeks ago when I addressed this august Assembly and presented to you the Commission programme I was particularly careful to avoid as far as was humanly possible the use of cosmetics and of emphasis in describing how my colleagues and I saw the current economic, political and social situation and what actions we intended to promote during the coming months in order to make progress ourselves or make progress for the Community.

The particular problem we have before us at the moment is that of European agriculture and the annual fixing of prices. We are all fully aware that the way in which we go about and finally settle the problem of agricultural prices will have a critical effect not only on the immediate income of 8 million farmers within the Community but also on their future and on the future of the common agricultural policy itself.

I would like to say that it is essential — my recent experience at the Maastricht Summit has convinced me of this — it is essential that we, our Community and institutions manage to respect the deadlines which are set, without continually putting them back, and particularly that today we respect the 1 April deadline for setting agricultural prices for the coming year.

Here I can express my delight that your Committee on Agriculture has been able to give its opinion on the

Thorn

subject quickly. Mr Dalsager has already gone through various aspects of the Commission's proposals in detail this morning. And because of the importance of the question I felt that, with my responsibilities as President, I should add a few observations which seemed to me to be particularly important, so that there can be no doubt about what is involved in the present question and in the decision which we are awaiting from the Council.

Agricultural income is an essential element in what is at stake but I would remind you that it is not the only element. Our first concern is of course to ensure that our farmers have an income level which is calculated in the light of two separate considerations, as we are obliged to do under the Treaties. First it is calculated in the light of the difficulties which farmers are going through individually and collectively, and secondly in the light of the constraints imposed on the Community as a whole by the prevailing economic situation and by the prospects we have to consider with our own budget resources. Mr President, I should like to attempt here to deal with a number of criticisms which we receive on this subject and which frequently lack consistency.

The common agricultural policy is too expensive!! We have heard it again this afternoon and shall continue to hear it for years to come. And to that my reply is that the goals which we are obliged by the Treaty to set mean that we have an inescapable duty to watch over our farmers' incomes and try and maintain that parallelism which, let us be honest, we have not always been able to achieve. And we are obliged by the example of what we do for other economic groups, other work sectors, to guarantee some stability for their income which is to say their standard of living. It would be improper to discriminate against the agricultural sector, all the more so in the present difficult situation which it faces particularly as a result of the last marketing year.

With the discussions which we had at Maastricht yesterday and the day before still fresh in my mind, I feel I must remind you at this stage — very briefly Mr President — of some of the basic principles which should be the permanent inspiration of the policy makers of this Community.

Allow me simply to remind you of them:

- Who would be prepared to take the risk at the moment of making the farmers' situation even more precarious and perhaps even of increasing the considerable number of unemployed in this Community — which is now more than eight million at a time when we are having trouble creating new jobs?
- Who, at a time when we are practically obsessed by the ideal of not having guaranteed supplies of

certain raw materials, could take the risk of losing our guaranteed supplies in such a fundamental area and where we are able to guarantee them? Not only that, but it is wrong to say that our proposals were aimed at discouraging production. We do not want to discourage production but we do not wish to encourage surplus production and that is not the same thing.

- Is anybody prepared to deny the benefits which the common agricultural policy has brought us and can bring us for supplies, particularly when countries seeking food aid come knocking at the Community's door in ever increasing numbers?
- Why should we dismantle a dynamic economic sector when we are going through such a remarkable boom in our agri-foodstuffs industries?

You will have noted that in all that I did not make any mention of the changes in structure which this would bring to our economic environment and to our green environment. But at the same time I can only repeat, we must beware of deriding or altering a system of which brings us so many benefits.

Still dealing with the critics, others, diametrically opposed, are now claiming that our concern with prices and our consequent proposals are not enough to meet the needs of farmers. Mr President, the Commission understands perfectly the legitimate desires of those who wish to be able to live in a dignified way from the fruit of their labours in what is one of the most difficult of vocations. We understand those members of the House whose wish it is — particularly this year after the fall in income — to make an effort but we have to consider on both sides what it would cost and what resources and what justification can be brought forward for too great an increase when at the same time we have more than eight million unemployed and when we are talking about no growth or even negative growth. When at the same time our own national budgets are in deficit, when we are running up against the 1% limit, and at a time when no-one is prepared to make any sacrifices. So, ladies and gentlemen, politicians as you are, you must reflect on the choice that has been made, reflect that the choice is perhaps difficult but that it cannot put side by side contradictory, conflicting decisions.

Ladies and gentlemen, I can tell you that we in the Commission have paid attention to the reasonable demands which you have expressed and we have tried in all good faith to translate them into our proposals on prices. I do not think that any of us would deny that we may be 1 or 2% out one way or the other. What is more, our proposals of this morning which are being sent to the Council in the wake of the Italian devaluation, and which dispose of negative MCAs, will even now throw a slightly new light on matters. In any event, the Commission has made a real effort to

Thorn

counterweigh the demands implicit in reasonable improvement in agricultural incomes against the need which for you and us is for economic and budgetary restrictions — a need which is, alas, all too serious at the moment. For, as you well know, the Commission is accountable for the internal balance of the Community.

Put in simple terms, ladies and gentlemen, what the Commission is proposing to you is something which is very difficult to propose and to defend, namely a middle road. The Commission cannot recommend a headlong rush forward for it would be both too easy and too prodigal. And at the same time we have no wish to extend the effect of poverty.

The very future of the agricultural policy is what dictates such an attitude. Indeed, more than a simple price-raising exercise which is compatible with the restrictions imposed by the present situation — I would like to stress this because it seems to me that it is crucial — what is essentially at stake is safeguarding the agricultural policy, particularly when we are only a few months from the debate on mandate. For this agricultural policy which has been so frequently scorned both inside and outside the Community truly does give us a framework in which a strong and diversified agricultural industry has been able to develop and will continue to do so. In our view — a view which we still hold — this framework is irreplaceable. It has given regular income to farmers. Let us be very careful not to upset it. Inevitably, that is what we do if we give in to the game of overbidding, ladies and gentlemen, (for in questions such as this that which is better is frequently less advantageous than that which is good), or if we lose sight of the fact that this framework itself forms part of an even greater backcloth in which all sorts of policies belong together and are interdependent on one another and where the common agricultural policy must, in its own interest, not remain isolated, in other words where every political, economic and social factor must be taken into account.

It is common knowledge, ladies and gentlemen, that the current budgetary situation of the Community is tense — Maastricht gave us further proof of this — and that we all — not just the Commission but the Parliament too — ought to put all our efforts into preventing the present disequilibrium from becoming worse.

This has not just happened overnight. This realization led the Commission and those Member States which had the wisdom to follow it to slow down the rise in agricultural prices over recent years, and the recent, more moderate trends in agricultural prices are therefore an undeniable positive contribution to our quest for general balance. Farmers must therefore be told — we shall have to tell them — that these trends will not be to their disadvantage in the medium term, quite the contrary. But if we stop applying the brake now

without any self imposed limits we will have wasted the sacrifices which we have all already made. And I would add that our attempts elsewhere to keep expenditure in line with resources would then be in vain or, at best, very risky. And those who today disdain co-responsibility will do well to remember that in a few weeks, in a few months at the latest, we will be asked to make even greater savings and even more savage cuts, and it is at that moment that they will have to choose the road forward. I am saying that we are proposing a perfect solution and we may yet have to find an alternative solution when that time comes.

I would remind you too that co-responsibility is not a new concept. Quite the contrary: it was brought in gradually in order to preserve the common agricultural policy. Indeed, it has become clear that while we can no longer use the market support mechanisms to bring about growth in the market we cannot use them for the lawless and uncontrolled production of certain produce, particularly when intervention is being called for. From that the Commission was led to the conclusion that it was important to extend co-responsibility without waiting for the problem of excess production to arise. Ladies and gentlemen, we have explained the problem to you in all candour and good faith, and I hope that your vote will be taken in the same spirit.

Whilst on the subject I would hasten to add that it strikes me as quite unreasonable to reject the principle of co-responsibility simply because some questions remain here and there about the way in which it should be applied. To do that would be, as I have already said, to compromise the essential control over the markets which is one of our most serious concerns and which regulates the continuation and the development of the common agricultural policy. That is what underlies the only serious criticism that can be levelled at the CAP.

I must reiterate, finally, ladies and gentlemen, that our proposals cannot be reduced to a simple percentage price increase but that they form part of a much broader view of things. For this reason I would ask you most earnestly to regard the question of prices as closely connected to our concern to preserve, and I stress the word again, to preserve the common agricultural policy and to guarantee its future prospects. This is because the policy forms a framework for actions aimed at ensuring the prosperity of our farming people and those are actions to which the Commission and the European Parliament alike remain devoted.

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Mr President, Mr Thorn has just said that, in view of the monetary changes which occurred over the weekend, he had this morning made fresh proposals to the Council on

Notenboom

behalf of the Commission. I should like to ask you, Mr President, how we can take the new figures into account at tomorrow's vote if they are not available to us? After all, these new proposals may have important repercussions on the basic figures we shall be voting on tomorrow. Which proposals are we to give an opinion on? That is the question which is worrying me and which I would refer to you.

President. — I call Mr Thorn.

Mr Thorn, President of the Commission. — (FR) Mr President, Commissioner Dalsager will talk at more length on this matter, but may I just answer the honourable Member straight away before it is explained in detail, that this will not change the main-line of the proposals which Mr Dalsager has made on behalf of the Commission. We have quite simply made the necessary alterations following Italian devaluation, but that doesn't affect the proposals in any way. If the House will be good enough to wait, Mr Dalsager will explain things in more detail in a few moments.

President. — I call Mrs Martin.

Mrs Martin. — (FR) Mr President, ladies and gentlemen, the farming world of Europe is today awaiting our decision and would not comprehend why we are being so diffident and irresolute. We have been elected by the European people, and have raised hopes in everyone who believes in the future of Europe, especially farmers. This time last year we didn't manage to get a majority in our Assembly. If this were to happen again this year there will be serious consequences and our credibility will be questioned. Price increases for agricultural and food products have for several years fallen well short of price increases in general. In France, as in all European countries, farmers have therefore, done their bit in the fight against inflation. To make up for their losses, they have increased productivity even more. Despite this and, because of the substantial increase in means of production, their income has fallen more each year, with a sharp drop of 18.5% last year, thus widening the gap still more between the farmers' incomes and other social professional categories. An objective analysis which no one, not even the Commission has challenged, while not taking account of all production costs, notably the debt burden, nevertheless emphasizes the need for a price increase of 15.3%. This is the course which we shall and must follow in addition to abolishing post haste positive monetary compensatory amounts. The budget and the improvements in market management which the Commission has implemented and which must be pursued give us the means to do so. What excuses could we put forward to justify a price decision which would reduce incomes again? Consumers themselves can and must understand that it is

totally against their interests to discourage agricultural production in Europe at a time when every country in the world is striving to attain either self-sufficiency in food or means of using agricultural power. We in Europe have this power and moreover we need it for our trade. Let us not destroy what it has taken us twenty years to build up. Let us, on the contrary, be the ones who, in this difficult time for us all, will help unify and thereby strengthen Europe by giving back hope.

President. — I call Mr Sousourogianis.

Mr Sousourogianis. — (GR) Mr President, I shall try to speak slowly so that the interpreters can transmit to you and the other honourable Members the views of the Greek government, although that may detract from the force of my speech. I am aware that the subject has been exhausted. However, my country is pre-eminently an agricultural country. It was therefore with undoubted and lively interest that I listened to the views both of the rapporteur, Mr Ligios, and of the other honourable draftsmen of opinions, whom I congratulate on their detailed exposition, although there are certain points I object to. Firstly with regard to the proposed small increases in farm prices and secondly the fact that there are no parallel moves to speed up, as we argue in our amendment, the harmonization of Greek farm prices and more generally of aids to producers with those applying in the European Community.

Mr President, I should like to say a few words in general terms about one of my country's basic agricultural products, which can justifiably claim recognition from the Member States, namely tobacco, both of oriental varieties and of export quality. The fragrant Greek tobaccos such as Pasmades, Katerini, Zichnomirodata and Kapak-koular, are a magnet for merchants from all the Member States of the Community as well as from third countries. This is a product which is snapped up immediately and there is no problem of surpluses.

I do not agree with what the Member of the Commission said this morning, obviously in order to throw us into a panic, to the effect that upsetting the budget appropriations would scupper the European Community. It is not acceptable to draw up the budget first and then designate what is needed. The first thing to do is to establish what is required in accordance with existing needs, after which the budget can be drawn up.

Finally, Mr President, I should like to express my disagreement on the question of tobacco firstly with regard to the proposed differentiation of increases for Greek oriental varieties and other varieties of tobacco, and secondly with the failure to base calculations on the actual expenditure for processing the last harvest.

Sousourogianis

For us in Greece 1981 is the first year of membership, and I think it is indispensable, for reasons of equal treatment and in order to avoid discrimination against Greek tobaccos, to calculate the premium for these tobaccos in accordance with the provisions of Article 4, paragraph 1 (a) (II) of Regulation 727/70. We are not asking for favourable treatment, ladies and gentlemen, we are asking for the proper application of Community law.

President. — I call Mr Fotilas.

Mr Fotilas. — (GR) Mr President, I think there is something of a paradox in the feelings of the majority of this House towards the present debate, as I have the impression that on the one hand a certain displeasure prevails at the fact that it has taken until the end of March to bring before a plenary session the Commission's proposal for fixing farm prices, while on the other hand there is the feeling that this much-delayed debate is none the less premature. It is premature because I think practically all Members feel that we should not be discussing the fixing of farm prices until we have first clarified our ideas and the decisions we want and have marked out some new lines for the CAP to follow.

I think we all agree that the correct and rational interpretation regarding the priorities to be followed would be that this House should have been discussing the fixing of farm prices after it had first marked out the main principles for restructuring the CAP, which up to now is the only sector in which this House has not just made do but has at least aspired to set out a common policy for the Member States.

I should like to refer briefly to the problems this creates. It is well-known that according to Commission figures, provided by the competent Commission department, in the more backward parts of Europe, i.e. Southern Italy, Ireland and certain regions of the United Kingdom, there was a substantial drop in farm incomes over the years 1970-77. Thus, taking an index of 100 for Europe — that is the Europe of the Nine in 1970 — per capita income in 1977 had fallen from 51.7 to 40.4 in Campania, from 51.2 to 42.8 in Apulia, from 39.4 to 34.6 in Calabria and from 50.4 to 39.3 in Sicily. In Ireland the per capita income fell over the same period from 59.2 to 46.5, while in Northern Ireland, Wales and the East of England the decrease was from 69.9 to 52.9, from 78.8 to 60.7 and from 79.4 to 63.5 respectively. Of course, for these undoubtedly backward farming regions other mechanisms are also provided for under the Community arrangements for supporting farm incomes. The ERDF is of some importance here. But what constitutes the basic support mechanism for farm incomes is in any case the fixing of farm prices, and in conjunction with this fixing we naturally also need to have a regional development policy to complement the

assistance given to the development of these backward regions. It is therefore clear that if this policy is not on the right lines, no price fixing can make a decisive contribution to the objectives proclaimed by the Commission.

Farm prices need to be fixed at a level which will basically cover the increase in production costs and at the same time the distortions in incomes caused by inflation, where it is well known that the contribution of farm products is much less than that of any other sector. Therefore, ladies and gentlemen, coming from a country which has enormous problems in the field of development, regulating inflation and regulating the development of farm incomes, we are obliged to say that we cannot agree to the prices proposed by the Committee on Agriculture and the Commission, as well as the Ligios report on this question. We shall therefore vote against it.

President. — I call Mr Dalsass.

Mr Dalsass. — (DE) Mr President, the question of whether — and if so, to what extent — we can count on an increase on agricultural incomes in any one year depends largely on producer prices. Our farmers are anxiously awaiting the forthcoming decision because prices have been fixed at such a low level over recent years that their incomes have fallen in real terms, unlike those in other branches of economic activity. This point is conceded by the Commission, and farmers therefore expect account to be taken of this to ensure that agriculture is not plunged into an even more serious crisis.

The Commission's proposal for an average rise of 7.8% in producer prices has evoked disappointed reactions. In view of the income losses suffered over recent years and the high level of inflation — more than 20% in many places — a mere 7.8% cannot bring about any improvement. It was therefore quite right of the Committee on Agriculture to propose a rise of 12% — a proposal which of course does not entirely meet the farmers' demands, but which will at least bring about some improvement in the situation in the agricultural sector. Another point is that a price rise in excess of that of recent years will give us a chance to dismantle the monetary compensatory amounts more quickly so that we can make a more rapid return to normality, the need for which is now universally acknowledged. For this reason, the rapporteur's proposal for a 50% reduction in MCAs next year deserves our full support, and I very much hope that that support will be forthcoming.

As to the rapporteur's price proposals, I have listened to what the President of the Commission had to say and this afternoon I have heard the views of the two Members of the Commission, Mr Dalsager and Mr Tugendhat. Of course, they defended the Commis-

Dalsass

sion's proposals, as is their right and perhaps also their duty. But, like everyone else here, I cannot believe that these proposals will be anything like sufficient to safeguard agricultural incomes.

(Protests)

I still remember last year's price debate, when the Commission proposed a 2.4% rise, which we said was not enough. The Council thereupon decided on a 5% rise, but even the Commission conceded that farmers suffered a real drop in their incomes last year, despite the 5% award.

I should like to comment briefly on the co-responsibility levy, which the Commission wants to see introduced for all agricultural products, whether or not there is a surplus. We must reject any such proposal out of hand. A co-responsibility levy can only be justified for products of which there is a surplus, on the grounds that the disposal of these products is a drain on the Community's resources. Even here, though, we must make a distinction. Levies designed to lighten the load on the Community budget must not have blanket coverage, but must instead affect only those who are generating the extra cost by producing for intervention. Otherwise we would be punishing all those who make an effort to dispose of their own products without causing any additional cost whatsoever for the Community.

We must also endeavour to apply the system of Community preferences strictly. I am thinking here of the fruit which is now being imported into Italy from third countries, despite the fact that there are still considerable amounts of fruit in the Community's warehouses waiting to be disposed of. Imports from third countries must not be allowed to jeopardize production in the Community, and thus make it necessary to have recourse to intervention buying.

Having made those critical comments, I must now say something in a rather more positive vein. The Commission has exempted hill farmers and farmers in certain disadvantaged areas from the requirement to pay the co-responsibility levy and the super levy. That much is evident from point 31 of the motion for a resolution, a point which was accepted by the Committee on Agriculture at my suggestion. It is not only right and proper, but also absolutely essential, that these areas should be spared any further pressure. They already have enough natural disadvantages to contend with, and we all have an interest in ensuring that, in hill country in particular, farmers are not driven to the wall.

However, my proposal makes the further point that the Community should, in future, give more consideration to the hill areas. We must find a better way of safeguarding these areas' futures. It is true that compensatory payments are planned in this respect,

but I take the view that these will not be enough in themselves. The Commission ought to give more thought to the matter. Personally speaking, I have the following suggestion to make. As the only form of agriculture now feasible in hill areas is livestock rearing, the premium for the birth of calves, as planned for Italy, should in the future be made into a permanent institution for the hill areas, because it has a definite function in those areas in ensuring the continuing agricultural use of such areas and improving the safeguards.

(Applause)

President. — I call Sir Frederick Warner.

Sir Frederick Warner. — Mr President, underlying all the matters which we are discussing today is the problem of surpluses. There surely are surpluses if you take a purely agricultural view of the matter. Mr Tugendhat, in a somewhat pugnacious speech this morning, told us that he had not enough money to meet those surpluses at the rate recommended by the Committee on Agriculture and that he preferred a course which leads to a disastrous further fall in the incomes of farmers, but the matter looks rather different if you consider it as part of food policy. One can never say too often that 400 million people are suffering from chronic malnutrition. One can never say too often that the population of the world is increasing faster than the supply of food, and one must repeat again and again that until development and rural policies enable the whole of the Third World to feed themselves, someone has to produce the food to keep people alive.

Against this background, do we really have a grain surplus? Not in world terms. We can dispose of the stocks which are required and they can be consumed in the Third World and elsewhere. A few seasons' local surpluses can be carried with the help of Commissioner Tugendhat; a season's shortfall would be a disaster for the whole world.

But surpluses there are which must be kept under curb — above all, milk. We are faced with a rising flood which we cannot handle. My group believes that those who add to this flood must now pay for its disposal. For this reason we have tabled an amendment in favour of replacing the linear co-responsibility levy by the super levy which will penalize those who are increasing milk. There must be no exemptions. We want to support the hill farmer and the disadvantaged farmer, but not by encouraging him to add to the surplus of milk. Do not make the prudent farmer pay — place the cost squarely on the runaway dairies or groups or regions which are adding to the problem.

President. — I call Mr Maffre-Baugé.

Mr Maffre-Baugé. — (FR) Mr President, in a few days, on the first of April to be exact, tens of thousands of winegrowers from the Midi are going to hold a demonstration in Sète on behalf of all wine cooperative organizations. Their unanimous action shows how angry and discontent they are. They certainly have good reason. From 1973 to 1980 their selling price increased by only 18% in francs at constant prices while their costs leapt by 110%. Their situation, which was already critical, rapidly became worse when enormous waves of imports of Italian wines came flooding into our region: 800 000 hectolitres for last month alone. The devaluation of the lire only made matters worse.

Now it is as if there are two wine markets in the Community. Indeed, the difference in price between Italian and French wine is anything from 10 to 30%. Italian wines start at under 11 French francs, Fob prices. It is the large Italian and French dealers who are profiting by it. To remedy this we are asking for a minimum remunerative price to be applied to intra-Community trade. We are also asking for the price for the next harvest to be increased by 15% and enforced from 1 September 1981 instead of 16 December.

In addition we want to put an end to the systematic policy of uprooting our vineyards which is even going on surreptitiously in order to prepare the way for expansion, which would be disastrous to us. You can understand, therefore, why we are more determined than ever to support the winegrowers' action in order to prevent expansion and put a check to all plans for liquidation in the wine-growing industry of our region. The best way to reply to the Commission in Brussels and to the policies of Mr Giscard d'Estaing who want to strike us off the map of Community winegrowers, is to step up our fight. We are also opposed to a European wine office which would put our vineyards into the hands of a supernational body. For us winegrowers and for our region, wine is life and this is more than a slogan but the very crux of our fight, Mr d'Ormesson! Once more you have succeeded in showing us that you are not a true winegrower. You have never understood any of the problems of wine growers!

Mr d'Ormesson. — (FR) Neither have you!

President. — I call Mr Damseaux.

Mr Damseaux. — (FR) Mr President, in the two minutes available to me I will make just six points. Firstly, farmers' real and family income, which is already lower than that in any other production sector, is dependent on the average prices set by the

Council. We must apply the objective method of calculation, we must press for a price increase of 15.3%.

Secondly, included in the legal scope of the common agricultural policy is the welfare of farming families, food guarantee for consumers, and the balanced economic development of agricultural regions. Therefore, if we do not want to penalize the farmers' hard work, we must not accept the introduction of co-responsibility as a basic principle.

Thirdly, the present upheavals in the dairy sector can be attributed to those solely non-agricultural producers and to imports of vegetable, marine and animal fats. It is high time we applied the co-responsibility system to products imported through the comprehensive fats policy backdoor.

Fourthly, a co-responsibility levy on sugar cannot be justified because our surplus is due solely to imports of cane sugar and to the artificial production of D-glucose.

Fifthly, we must give priority in the cereals sector to cultivating soft bread wheat, to increasing production so as to insure Europe's independence *vis-à-vis* third countries, and with this in mind we must encourage grazing and feed grain production on the farm.

Sixthly, we must introduce a Community scale for meat classification as early as possible.

Thank you, ladies and gentlemen, for your attention.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call Mr Frangos.

Mr Frangos. — (GR) Mr President, I should like first of all to congratulate the rapporteur, Mr Ligos, for his contribution to Parliament in the form of the constructive report which he has drawn up. I should also like especially to thank the President of the Commission, Mr Gaston Thorn, for what he has said in the House this evening, which agreed with our views almost entirely. I should, however, like to complain that the discussion of Mr Colleselli's report on the crisis in the wine-growing sector has not yet been concluded, despite the crisis resulting from lower prices and surpluses. I should also like to express the fear of Greek farmers, for whom the European Economic Community was and still is the basis and hope for a better future, that after Greek entry there

Frangos

may be a risk that the terms and amount of Community aid to agriculture might be altered.

Mr President, I would ask you to listen to the following straightforward and clear ideas of mine, expressed in a few simple words by an elected representative of a region with a mixed economy, namely Attica.

If an economic policy is to succeed, there must be incentives which will encourage people to decide to work and to continue working in the economic sector in question. This also applies to agriculture, where profit and security are the basic factors which influence the existence, maintenance and development of agricultural holdings. Without the profit motive it is impossible to persuade a farmer to work on a holding. When expenditure on fertilizers, wages and the collection of the products is not covered but leaves a deficit, it is certain that small and medium-sized holdings — at least family-run ones — will cease operating in the loss-making business of agriculture. But security also plays an important part. By security I do not simply mean covering the risks of damage to agricultural production by adverse weather conditions or natural phenomena such as floods, frost, hail, gales and other phenomena which affect not only production but also agricultural and livestock resources, but I also mean the stability of production costs during a specific period within which the production cycle and marketing of the agricultural produce or livestock must be completed. When the farmer plants seeds or feeds livestock he must have a definite idea of the costs which his specific efforts will incur up to the time the produce is marketed. If the rise in farm production costs had been definitely fixed so as not to exceed the previous one, today we would not be discussing the price rise for agricultural products.

From personal observation I also note a social phenomenon which is perhaps typical not only of Greece but of Europe as a whole. Young people intending to work in agriculture or in stock breeding or to carry on the family tradition in agriculture do not have an easy time finding a marriage partner who is willing to share the rigours of the farmer's life, e.g. handling fertilizers, whether organic or artificial, which impair the smell and the health, spending long periods of time outside in adverse conditions such as snow, rain and cold in winter and heat in summer, the dangers of falling stones, lightning, floods etc.

Mr President, ladies and gentlemen, if you want your children and those of all of us to enjoy food and nourishment which is not synthetic or industrial but pure and wholesome and produced without hormones, if you want the flight from the countryside to stop and if you want to see an end to the decrease in the number of vacant jobs in industry now that there is a widespread crisis and unemployment, we must all help farmers to remain on the land and vote for the Ligios

report with our Amendments Nos 131 and 132, which I and others have signed.

(Applause)

President. — I call Mr Josselin.

Mr Josselin. — *(FR)* Mr President, I would just like to say a very few words as my colleague, Mr Sutra, has already spoken on behalf of the French Socialists.

Firstly, we should have had a joint debate on the revision of the CAP and agricultural prices and this should have been held earlier. If, by some mishap, prices are not fixed on the 1 April, the Council and the Commission will have to bear the brunt of the responsibility.

Secondly, the reform of the CAP is essential because the present situation is intolerable. This is because the limited scope of the present guarantee system provides some with a good income while for many more it provides scarcely a living wage. It is intolerable because it has been proved by many here today that not only is the co-responsibility levy ineffective it supports inequality by fixing productivity levels, which, after all, vary from producer to producer, and we deplore the decision not to scale down this co-responsibility levy, the solution which we put forward as a lesser evil. We are opposed to this levy and, naturally, to the super levy, which, will obviously increase inequality because there is a grave risk of cooperatives destroying the smallest producers in order to avoid paying the levy.

Thirdly, we must clearly put an end to the drift in CAP principles. This morning Mr Curry was making fun of these. I must answer him by saying that where principles are lacking a tendency to scheme fast develops: a Community preference system which does not tally with the import of 40 million tonnes of vegetable substitutes, unity of prices which is in flat contradiction to monetary compensatory amounts distorting competition. While on this subject, if the British really want to reduce consumer prices, as they say do, I would suggest that they agree to the abolition of positive MCAs; by doing so they could gain about 15%. We must also remember the forgotten third principle; financial support.

Fourthly, let us reject this argument about economic and social policy. We must combine the two because although both policies can correct injustices, when inequality is built into economic policy they will not be enough by themselves. We believe that the two can be combined, and that is the aim of the Pisani report, through, in particular, the quantum policy which, I remind you, makes the farmer responsible for the quantities he produces so that he knows that his prices

Josselin

can only be guaranteed up to a certain quantity. Over that limit the prices start to fall. Everyone can see that this merger has the double advantage of reducing injustice and of improving the Community's budget.

Fifth point, and an important one, in my view: the reference to an average increase in prices. This reference is ludicrous. It reminds me of the story of the poor man who drowned in a stretch of water which had an average depth of 50 cm. It is just not true that the situation of cereal growers and beet growers is as bad as that of stock breeders. We must accept this fact. These producers are further penalized by the fact that strong policies concerning cereal prices, and particularly grain fodder do not exist. We demand, therefore, a better pricing system, and meat producers desperately need more than a 15% increase. Their situation is catastrophic and many hundreds are on the point of joining the mass of unemployed in my *département*.

Sixth point. With regard to the financial arguments against this increase, the greater respect for Community preferences would have the likely effect of increasing Community income. As for the point about consumers interests, however valid this point may be, I would like to ask you: what have we done, indeed what have our governments done to increase controls and reorganize distribution in such a way as to prevent every price increase at the production stage being passed on and to the consumers automatically?

To conclude, Mr President, this agricultural policy cannot be reduced to a simple prices policy. We need to reorganize production, adapt our European production to the world's needs and to ours also. We call this principle planification: we must have a plan. This plan requires means. Above all politicians must be involved. Producers must be restrained. But they never will be if we cannot show proof of our firm will to put an end to injustice if we cannot ask others to show the same restraint, and this is what I regard as the necessary co-responsibility of all importers.

I am not optimistic after this debate, as I believe that during its course we have been rendered aware of the divisions separating us, divisions between those who have chosen to defend the smallest producer and those who do not want to disrupt the game of multinational financial interests, divisions too between those who, without wanting to shut Europe off, want to make it a Community capable of ensuring the safety of all and of sharing its freedom, and those for whom, in the final analysis, Europe is only a market open to the greed of the most powerful. The French Socialists have made up their mind. They have chosen the workers' Europe against the merchants' Europe.

President. — I call Mr Colleselli.

Mr Colleselli. — (*IT*) Mr President, ladies and gentlemen I am particularly pleased to be able to join

all those others who have already expressed their appreciation of the report prepared by Mr Ligios. It is my hope that tomorrow when we discuss the amendments there will be as much effective and corporate agreement as there has been recognition for Mr Ligios' report. In my own view this report is not just a balance sheet dealing with one particular subject but a complete political statement, and this is because from the broad point of view, as I see it, a number of points emerge and I would like to draw your attention to them.

The first is our basic concern to give recognition to the role and function of agriculture at a time when Europe is going through a serious economic and monetary crisis, by the price control mechanisms. I believe that that is the significance which we should attach to the demonstrations the day after tomorrow when a great many Italian farmers and market gardeners will be on the streets of Italy with the disciplined but determined aim of demonstrating and demonstrating for the fundamental, essential role of agriculture.

What also needs attention drawing to it is the method adopted by Mr Ligios, namely that of agreement, particularly agreement with the Committee on Budgets, which last year remained somewhat unclear and equivocal, and which this year has produced much more efficient results. This has also happened because Mr Ligios' observations have resulted today in what I might call moments of truth. The first truth came from Mr Langes with the opinion of the Committee on Budgets and was particularly positive for us; the second, from Mr Gautier — I hope he will not mind my saying so — was negative. That is the significance of the price system which should be implemented consistently straight away, as has already been said here.

A great deal has already been said about my second point which is co-responsibility, and I can only add my voice to the support for the Ligios report. Not all the problems have been resolved since, as Mr Dalsass said a moment ago, this is one of the most complex and delicate problems we have. For my own part I would like to tell the Commission — and I have no doubt that I am right — that if in a moment's madness we attempted to elevate the co-responsibility systematic levy to the status of a permanent tax system we would, apart from anything else, be going against both the letter and the spirit of the Treaties and would thus be risking proceedings in the Court of Justice. To make co-responsibility would be possible only in an emergency and only within the limits and under the conditions which have already been explained to us and which there is no need for me to repeat.

Thirdly in agreement with Mr Ligios we are proposing an amendment on wine. I do not wish to repeat now what I was saying only a few evenings ago on the subject of wine. I hope that when we meet in April this

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resolution will receive Parliament's approval as it has received the Commission's. However, from the moment we got just the approval of the Commission — and there was not a single vote against — of the amendment proposing the addition to the draft resolution of short and medium-term measures which would form an integral part of the resolution on agricultural prices. I will not go into detail about those measures now since I think all the House now has the document available, including our Greek colleagues who have requested it on several occasions during the last few days. These measures were drawn up with the position of the Greeks in mind although they were not present at the time that the proposals were actually formulated. I trust that the amendment referring to these measures — which I repeat, relates to the short and medium term — will reassure the sector and help a great many wine growers in the Community towards their legitimate aspirations.

Finally — and I believe that I am still within the time allotted to me — I support fully our colleague Mr Dalsass in his measures in favour of hill farming, which propose not only premiums on veal but complete tax exemption on any aid made available, and I support fully the proposals he made at the end of his speech. I myself would like to finish with the hope that, with our genuine appreciation for the proposals contained in Mr Ligios' report, which illustrate forcefully, proudly and capably the opinion of this Parliament, we can tomorrow cooperate and agree on prices but, more importantly, on the development of agriculture in the European Community.

President. — I call Mr Taylor.

Mr J. D. Taylor. — Mr President, this debate is something of a charade in that we well know that irrespective of the opinions expressed by this Parliament the Council of Ministers will in their own way reach their own decisions about the prices for agriculture during the next year. And secondly, it is a charade because this session this week was supposed to be a special session dealing with agricultural prices and yet this Parliament, strike or no strike, had decided that the main period of this week should not be allocated to agricultural prices.

In the two minutes available to me I want to speak solely on the problems of Northern Ireland. Agriculture is vitally important to us for 15% of our population are involved in agriculture. They have no alternative means of work because already 17.5% of our people are unemployed. We have heard much today about the fall in farm incomes in Scotland, Denmark and Southern Ireland, but certainly Northern Ireland is the worst of all those mentioned.

The fall in incomes in Ulster has been 53% in 1979 and 60% in 1980 or in real terms in 1980 a fall of

80%. These are official figures given by Her Majesty's government in Westminster, and they compare with smaller reductions of 33.5% in Southern Ireland and 24% in Great Britain in 1980. Expressed in another way, Northern Ireland farmers have produced 6% of the total United Kingdom farm output but their farm income in return has only been 1% of the income of the United Kingdom as a whole. They are, Mr President, in Northern Ireland, small farmers, 100% small family farms. In this context of the massive decline in farm incomes in Ulster, there is no way in which I could support a further decline by agreeing to any revaluation of the United Kingdom monetary compensatory amounts. Nor do I support the rapporteur's suggestion that we in the United Kingdom should join the European monetary system and thus further entrap us in a common agricultural system which has already damaged our agriculture.

Mr President, I had hoped to speak about the problems of milk in Northern Ireland at which in itself is valued at £ 120 000. I'm against the super levy — I'd hoped to discuss the intensive sector which once again is worth £ 160 000, but lack of time prevents me from speaking on the possibility of an intervention grain store in Belfast. We've an Irish package coming — and we'll be discussing it in a fortnight and I hope the Commissioner recalls that Parliament decided that that Irish package should extend both to the Republic of Ireland and Northern Ireland. I certainly am disappointed with the Commissioner's replies today. I cannot support the Commission's proposals and I will be supporting the Liberal amendment for a 15.3% increase in farm prices.

President. — I call Mr Combe.

Mr Combe. — (*FR*) Mr President, many of my colleagues have spoken on the important problem of agricultural prices. In the main, they have spoken as specialists on agricultural problems. I, however, am neither a farmer nor do I see myself in any way as an expert on these problems and therefore the reaction I would like to express is that of an average European on reading the Ligios report.

First, it is clear that food prices in the Community as a whole have increased to a lesser extent than the prices in other production sectors. Second, we must admit that the increase in agricultural prices has very little impact on general food prices. Third, it makes sense to say that aid should be granted to farmers in the poorer and mountainous regions rather than across the board. Fourth, contrary to general belief, the European consumer is interested, and more than is apparent at first sight, in the quality of products rather than their cost. Fifth, in the light of inflation and its effect in different countries, we have no right to expect our farmers to accept prices which would make it impossible for them to cope with inflation. I would also like

Combe

to indicate to Miss Hooper that most of the comments she made in her speech, contrary to what she said this morning, already appear in her report which was voted on by the Committee on Environment, Public Health and Consumer Affairs. With reference to the quality of wheat, one of the amendments I have tabled should satisfy the report on this point. We are not here to be popular, but we must be fair and I hope that a large majority will accept the amendments which will allow us to substantially raise agricultural prices, in the farmers interest obviously, but also in the interest of all Europeans.

President. — I call Mr Romualdi.

Mr Romualdi. — *(IT)* Mr President, ladies and gentlemen, I am speaking on the Ligios report on behalf of the non-attached Members of the Italian Right, to emphasize how important it is for all of us to shoulder our responsibilities in this important area of agricultural prices, even those who have no particular expertise in this field, for example, Mr Diana whose speech was so stimulating. We must defend the Community's agricultural economy, which although currently not in the best of conditions still remains the most important common policy to exist in the Community. 80% of EEC resources are sacrificed to this, with the result that we are unable to sustain and develop other policies which are just as important to the economic development of Europe and to the achievement of an essential balance between State and State, between region and region and between the mainland and Mediterranean economies.

As we were reminded here this morning, there is no doubt that there must be a constant increase in general productivity. This development must, however, be balanced, that is we cannot sacrifice any sector, and particularly not those which traditionally support the development or at least the stability of the economy in poorer countries.

Prices, with the 12% or even greater average increase proposed by Mr Ligios, must guarantee profitability, even with the galloping inflation which President Thorn mentioned too, in other words a productivity providing income for the millions of European farmers comparable with that of other sectors.

No one may be sacrificed for any reason: nobody should feel that his standard of living is at risk. To this end, it is vital that the hierarchy in the most powerful countries should not behave in such a way as to worsen the agriculture and economy in the weakest countries, and this by avoiding the sacrifice of vital interest of other countries on the altar of its own prestige or on electoral platforms.

We cannot fight a policy of surpluses indiscriminately. Without surpluses it is in fact difficult or even impos-

sible to help those in need, to fight poverty and hunger seriously, and to contribute fully to the defence of countries like Poland, constantly under threat from Soviet imperialism and the wretched collectivist system. It would, however, be disastrous if, in order to defend these surpluses or even reward them in some way, we would in fact be damaging products which are vital to life and to the development of the agricultural economy of many or some Community countries. If this should happen, and from the scarce evidence of a Community spirit in the speeches of the Heads of State and Government yesterday at Maastricht this is quite possible, the situation would become both extremely serious and extremely dangerous.

Ladies and gentlemen, instead of finding our way out of the crisis, which we must try and do, and which is of the utmost importance to more than 8 million unemployed, we too would become the heralds of poverty and unemployment, rather than the heralds of welfare and hope for a better future.

President. — I call Mrs Castle.

Mrs Castle. — Mr President, the discussion we have been having on farm prices perfectly reflects the crisis which has now been reached in the CAP. As it has developed the CAP is satisfying nobody and, what is even more important, it can satisfy nobody. Now, I have every sympathy with those farmers in areas of high inflation, who say look we cannot manage with a price increase of 7-8%. I can understand the position of the farmers in Ireland, where inflation is running at 20%, or in Italy where farmers' incomes have been falling, or in the United Kingdom too, where, according to the NFU, the rate of cost inflation is among the highest in Europe. But what is the remedy for their difficulties?

Following the price increase of only 7% last year, we had another enormous upsurge in production, a runaway upsurge, which we cannot absorb. The Commission makes it clear in its own document. The cereals harvest reached an historic record of more than 118 million tonnes. In spite of the co-responsibility levy and the threat of an additional one, milk production reached the record figure of 105 million tonnes and deliveries to dairies rose by 2.6%. Production of beef and veal was also at a record level and what is the consequence of this accumulating over-production policy? Again I quote the Commission report. 'Milk producers', it says, 'have been paid full prices for an extra 9 million tonnes of milk in the last four years, despite the fact that not one kilo was required by the full price internal market.' And we all know that other surpluses have been created across the board, and yet despite these surpluses the Commission is now proposing to accept a further price increase of 7-8%. Last year, they tell us, an increase in producer prices of 7% led to an increase in consumer prices of 11%.

Castle

So what will this year's further price increase do to consumption as consumer prices go up and up? We all know it will lead to additional surpluses and so the Commission has come forward with the demand that we've got to tax surplus products. But isn't that putting the cart before the horse? Why don't we have lower prices in the first instance and avoid the surpluses? Yet COPA wants 15%, the agricultural committee wants 13.5%.

What's going to be the effect of that on the budget? The Commission tells us that even an increase of only 8% will add 1 547 million ECUs to the budgetary cost in a full year, if no economies are made. Does anybody really think that the Council of Ministers is going to agree to those economies? Does Mr Ligios agree with them, does the agricultural committee agree with them? We've always talked about these savings in the past and they've never materialized. Yet as Commissioner Tugendhat has pointed out to us, to move the 7.8% price increase to 12% would add nearly an additional 1 900 million ECUs to the budgetary cost in 1982.

Let's face the facts: what hope would there then be for getting money for the social measures to help the steel industry, or for the development of the regional and social funds, or for developing countries, for whom Sir Fred Warner showed such sympathy? We in the British Labour Group wish to suggest to this Parliament that the time has come to realize you cannot either guarantee farmers' incomes at a reasonable level or get rid of surpluses by trying to fix common intervention prices regardless of national variations. That's why countries have had to resort to MCAs or to a whole succession of unregulated national aids on which twice as much is now spent on the Community as on agricultural policy.

So let us recognize, we want to give farmers a reasonable income, of course we do, but we cannot give all farmers a reasonable income through a common price policy. We must move steadily towards a price policy which will clear the market and then recognize we've got to help those farmers who need it by direct aids. This price increase discussion demonstrates that once again. We all know we've experienced it. The attempt to fix common prices gives some farmers too much and leaves other farmers wretchedly impoverished and the time has come to alter that and we shall alter that only if we get away from the shibboleth of the common intervention policy and get away from the constant attempt to chase declining farm incomes with higher prices which merely freeze out consumption and increase the surpluses.

So we believe it's time to get moving towards a fundamental change in the common agricultural policy, and it's no good talking about reforms in the future, the test is whether we're ready to start them now, and therefore we say, in the British Labour Group, the course of action which alone will benefit everybody in

this present round is to freeze the price of goods in surplus and then instruct the Commission to work out now a system of approved direct aids, deficiency payments, variable premiums, income subsidies, whatever you like and apply that on the basis that help goes where it is needed most. Those national direct aids should be paid for by the countries that can afford to do so and paid by the Community where the poorer countries can't. Only in that way should we begin to get rid of the pockets of poverty in Ireland to which we've heard reference made or others in Italy or in Greece. The present system has broken down, the consumer will take no more increases. Let us get rid of the surpluses in the only way we can by freezing their prices and then looking elsewhere for the support some farmers will undoubtedly need.

President. — I call Mr Jakobsen.

Mr Jakobsen. — (DA) Mr President, I should like to begin by thanking Mrs Castle and by saying how grateful I was for her contribution, because no better example could be found of the pressure which this Parliament has been under during all the years that I have been a Member here. Mrs Castle has said clearly what all too many in this Assembly have thought over these eight years, and all of us have suffered from this together so that no one has dared tell the European consumers the truth.

The truth is that what the Commission is here proposing in all moderation, and what Mr Ligios subsequently proposes a little less moderately, is simply not sufficient to satisfy the consumers' interests. This is not just a question of the farmers' interests. It is not simply for their own sakes that farmers produce. Naturally, every farmer believes this, but the consumers need only look at the countries of the Eastern bloc to see what happens if people are not prepared to pay the farmer the necessary price to bring his goods onto the open market. The goods then sell on the black market at three to four times the price, while the common people queue up and have to starve. This is the penalty for not recognizing that agricultural goods are obviously just as important as oil or anything else.

First of all, I would like to dispute the implication that those who utter the word 'consumer' are the chosen representatives of the consumers. They are not. Consumers do not have representatives: instead, in every country consumers have been politically misused as an excuse to form left-wing groups who believe that they speak on behalf of the consumers, even if there are no more than a dozen consumers for whom they do speak. All of us have a duty to tell the consumers: 'If in the future you want to have products which we have been able to get until now, then we must pay'.

I cannot understand why in the world anyone should want to warn against surpluses — as even Sir Fred

Jakobsen

Warner did a short while ago. How on earth can there be surpluses in a world where people are starving? How can anyone talk about surpluses with neighbours about us who, after 30 years of marvellous Communist rule, are not in a position to give their people even the commonest agricultural products? Why should we penalize those people who produce more in order to help eliminate hunger from the world? That is the question with which I would like to end, Mr President.

President. — I call Mr Katsafados.

Mr Katsafados. — (*GR*) Mr President, ladies and gentlemen, I am sorry to have to say that the conclusions of the Committee on Agriculture are completely at variance not only with the principles of the Community but also with the views, the reasoning and the thinking of the committee itself.

The report quotas as Community principles economic solidarity between the Member States, the need to re-establish a balance to the advantage of the less developed countries, and the need to make resources available for products which are not in surplus and which can be marketed.

Although the Committee on Agriculture points out that there has been a constant, general and significant fall in farmers' incomes over the last few years, and that this situation is aggravated in some countries by the high rate of inflation, I think the following considerations must be added. Firstly, while vegetable production hardly covers the Community's needs, animal produce is in such surplus that, instead of being sold, the produce is more or less given away free to the countries of Eastern Europe, who subsequently re-export it to the Community. Secondly, the main volume of animal produce — which must be limited because of the vast surpluses — is to be found in the developed countries of Northern Europe, whereas most vegetable production is in the undeveloped countries of the south.

On the basis of these principles and considerations, one would logically and naturally expect the price increases to be higher for vegetable produce and lower for animal produce. In actual fact what is being done is the exact opposite, and the increase being granted by the Community are more than twice as great for animal produce than for vegetable produce — the ratio is 9 to 4. One would also expect these increases to cover at least the increase in the costs of vegetable production. Instead of this, the increase proposed is 12%, whereas the rise in costs in the poorer countries is of the order of 16 to 25%.

The results of this incomprehensible approach are plain. Firstly, the gap between the developed and undeveloped countries of the Community is widening.

Secondly, there will be a further fall in farmers' incomes, particularly in the weaker countries. Thirdly, the unbalanced structure of agricultural production in the Community will be further aggravated. Fourthly, and most importantly, the faith of the Member States in the fundamental principles of the Community is being undermined.

To judge by the decisions reached by the Council of Ministers and the Committee on Agriculture, Mr President, it is clear that narrow national interests have prevailed over the wider interests of the Community.

It is also clear that those in power in the Community do not appreciate that it would be to their own advantage to promote the Community's interests — both political and economic — if they want to continue playing the major role in a strong power, and not in a weak one. Just as they are the main beneficiaries — politically and economically — of the progress which has been made so far towards the unification of Europe. And they themselves will be the first to wring their hands if this progress is reversed — which is what will happen if they continue along the same path.

President. — I call Mr Helms.

Mr Helms. — (*DE*) Mr President, ladies and gentlemen, the aim of even a restricted-length debate should be to enable us to get a dialogue going, but that is unfortunately not possible today because of the current situation. However, we must enter into a dialogue with the Commission to find out whether the figures are right.

Last year, the Commission gave us figures which later turned out to be wrong. We were told by the Commission that a 1% increase in prices in 1980 would require 30 million EUA, or 40 million EUA in a different form. However, it says on page 90 of the report on the situation in agriculture for 1980 that the price increase of some 5.5%, as decided on by the Council, rather than the 2.4% proposed by the Commission swallowed up an additional 57 million EUA. In other words, a 1% price increase required only an additional 23 million EUA. The Commission is now claiming — as Mr Dalsager said again here today — that a 1% price rise this year would require an additional 50 million EUA. I have my doubts about that.

If we are really to enter into a dialogue with the Commission and the Council, the Commission must be prepared to re-think and revise its own position. At the meetings of the Committee on Budgets and the Committee on Agriculture on the 1981 budget, figures have been mentioned which would mean that a price rise of 12% on average could really be implemented and accepted. I do not share Mr Taylor's opinion that this debate is something of a charade.

Helms

Things followed the same course last year. On that occasion the European Parliament did not settle on any particular figure, because many of the Members wanted more than 5%. We did not reach a specific decision, but there was an unambiguous declaration to the effect that a majority of this House wanted more than 5%, although the Council then settled on 5% and no more. I am sure that the Council will agree on a higher figure this year, partly because of the crisis we now find ourselves in, and partly because the figures are simply not right.

Let me make this point quite clearly and unequivocally: I believe that the Commission is prepared to support and save the common agricultural policy, as Mr Thorn said in such unambiguous terms. But I would beg you to bear in mind the situation in agriculture. In view of the average rate of increase with the Community, it seems to me that we cannot possibly accept any decision amounting to less than 12% if the CAP is to be saved. I would therefore ask you to support the motion for a resolution tabled by Mr Ligios. Let us make sure that a correct decision is taken in the interests of farmers throughout Europe. If we were to settle for what the Commission has proposed, there would be a further decline in incomes and a corresponding increase in unrest in agriculture. After all, we all know by how much agricultural incomes have fallen this year. I would urge the Commission to give fresh thought to their proposed figures.

(Applause)

President. — I call Mr Vlachopoulos.

Mr Vlachopoulos. — *(GR)* Mr President, I listened carefully this morning to the speeches by both Mr Ligios, the rapporteur, and Mr Brachs, the President-in-Office. The former quite rightly stated that money given to the farmers was money well spent, while the latter said that the agricultural policy was the cornerstone of the Community. I therefore need not repeat what great importance must be attached to the increases in prices for farm produce — that goes without saying.

I should just like to draw the attention of the Members to the fact that it pays to take care of our farmers. It pays to look at their problems benevolently and in a spirit of good intentions — this is self-evident, since agriculture is the backbone of our Community. It is therefore up to us to consider the subject in a broad and long-term context, in the interests of both the existence of the Community and its growth. Nor should we consider it simply as a problem of units of account — this would be the wrong approach. As a Greek, I have justified concern about how we are regarding the question, since the only right way to

tackle it is to take generous measures in favour of farmers.

President. — I call Mr McCartin.

Mr McCartin. — Mr President, I realize that the time is very short. I would first like to congratulate our rapporteur, Mr Ligios, and to say that I believe he did an excellent job in the period of time available to him. I do not regard his proposals any more than he regards his proposals as adequate to meet the needs of the agricultural community at this moment, but I think what he has sought to do is to balance the needs of farmers for an adequate income against the political will of this Parliament and he has sought to do the best he can in the circumstances.

I would like to refer briefly, I do not know whether anybody should refer to what Mrs Castle says — any remarks she makes regarding the common agricultural policy — but I would like to refer briefly to a remark she made that this Community produces 108 m tonnes of grain. I do not know what is extraordinary about that situation. What is more extraordinary about it is the fact that we import millions of tonnes of grain into this Community in spite of that fact. She makes the point about the amount of milk we produce in this Community. Again what is extraordinary is that she supports the importation of milk into this Community from a country and a region of the world that I do not think needs any charity from this Community.

Another thing that I find it hard to understand is the fact that a socialist in today's world where 20% of the population of this world are on the verge of absolute poverty and starvation can stand up in this Parliament and recommend that we should cut off increased production in food for human beings I think these are the things that are hardest to understand. One of the aims and objectives of the common agricultural policy was to provide adequate food resources in this Community. I would like to point out that between 1968 and 1973 we succeeded in doing that by increasing food production by 6.7% annually and since by 2.5% annually. Not only did this give us more security in our food supplies but helped us to contribute in no small way to the alleviation of famine and suffering and distress throughout the Community. The cost of the common agricultural policy is less than 1% of Community GDP and 3% of the total cost of consumer expenditure on food. I am completely convinced that this expenditure has only marginally benefited the people who are in the occupation of producing food and in the main it has gone to help consumers with comparatively cheaper food and regular supplies. It has brought considerable benefits to hard-pressed countries in the Third World.

The last point I want to make is that I genuinely believe you cannot solve the problems of the people of

McCartin

regions of the Community of which John Taylor spoke and I speak, regions of Scotland, Britain, Ireland, South of Italy by increased food and agricultural prices. I must state that I believe that special measures are necessary if we are to save vast areas from social decay. I believe that only special packages for these regions can restore any sort of balance in the Community and can get those areas out of decay to some sort of economic growth.

President. — I call Mr Barbagli.

Mr Barbagli. — *(IT)* Mr President, I should like to join all those others who have thanked Mr Ligios for the work he has done in such a short time. I trust you will allow me also to use my time to explain two amendments which we have tabled with a number of colleagues in the belief that they are particularly important.

Will you allow me, Mr President, to make reference here to the words used by the President-in-Office this very morning when he reminded us of the two principal objectives of the common agricultural policy which are set out in Article 39 of the Treaty, namely to ensure a fair standard of living for the agricultural community and to ensure that agricultural food supplies reach consumers at the lowest possible cost.

The President of the Council went on to remind us that this year the prices of agricultural produce have been stable and have remained low compared with prices outside the agricultural sector.

If this is true, though, Mr President, it is my belief that when people say in this House that they are concerned that the steady rise in agricultural prices may have serious effects on Community consumers, we would be wrong not to point out forcefully that it is the Community's farmers — particularly those from the poorest parts of Europe — who have in fact paid the greatest part of the rise in agricultural prices, since it is they who have been bearing the additional burden of remaining in agriculture, which is to say the additional costs arising from other sectors.

This, Mr President, is why we have thought fit to table two amendments to Mr Ligios's report to this House: the first draws attention to the need for compensatory measures for those countries with higher rates of inflation than the others. The compensatory measures we are calling for, however, relate not to increased prices but to farmers' credit. Our other amendment relates to structural policy. We feel that there is now a need to strengthen the bargaining power of our Community's agricultural producers and we can give them this strength only if we redress the balance between the financial means available to the guidance section and the guarantee section and restore the original balance of power in this sector.

I believe that one further recommendation should be made, and that is that we should make sure that organized agricultural production receives priority in the granting of finance, particularly that granted under Regulation 355, the provisions of which, to tell the truth, appear even worse than those of Regulation No 1764 as regards the spending of money.

(Applause)

President. — I call the rapporteur.

Mr Ligios, rapporteur. — *(IT)* Mr President, I would first of all like to thank the chair for the way in which today's business has been conducted and for the consideration offered to those of my colleagues who felt the need to express their own opinions on our report — both those colleagues who offered suggestions and advice, and those who offered criticism which is no less valuable to the rapporteur whose wish is to gather together all the details which are of interest and value which arise during the debate.

I must also thank the President of the Council for his calm approach and for the statements which he has made which, for practical purposes, follow the same basic lines as our own report. The cornerstones of the report are, practically speaking, price levels and hierarchies, co-responsibility, export problems and problems of balance. I am particularly grateful to the President of the Council, too, for the courtesy which he has shown towards this Parliament by remaining in the chamber all day.

Lastly I should like to thank all my colleagues who have spoken, not excluding my dear friend Mr Notenboom who has proved himself a strenuous defender of the Community's finances and with a vision which, although I find it rather too rigid and perhaps the worse for having no direct contact with the world of agriculture as some of us have, none the less gives us hope that real solutions can be found within our debate. I must thank too my colleague Mr Tolman who has given our group's support for the report which we had previously approved as members of the Committee on Agriculture.

And I would like to offer my special thanks to Mr Dalsager both for the patience which he has shown throughout my report and for his comments. When I put forward a price increase more than 4.2% higher than the Commission's proposals, Mr Commissioner, I had already addressed myself seriously to the problem of finding sufficient room for manoeuvre in the budget. I did not merely suggest it as a figure like any other, saying 12% when I could just as easily have said 20% or 17%. I looked for some means of justifying such a figure. And it was after looking at it from the point of view of the budget that I arrived at 12%. In

Ligios

doing so I referred principally to Commission documents. And I must point out straight away that I found that they were not consistent: in page 15 of the first volume of the Commission's proposals on prices it is stated that a further 50 million EUA are needed for each percentage point increase. That figure conflicts with the reply the Commission gave a couple of months ago to Mr Adonnino, when they said that only 38 million EUA were necessary. That is not the only one: only a short while ago Mr Helms pointed out another inconsistency, which is that last year the Commission gave a figure which turned out in practice to be way below reality. I am none the less told that the figure of 38 million is reliable.

Apart from this I would like now to make a few estimates extrapolated from your own documents. Still on page 15 of the same volume, I read that total refunds in the first months of 1981 were down on last year's by 33%, 76% and 32%, and for sugar it says not only that very few refunds are being claimed but that a levy is now being operated. We should meanwhile not forget that last year the Community spent 285 million units of account on refunds, and that was half what was spent the year before.

My reasoning has therefore been this: if the figures given on page 15 are correct, and the expenditure on refunds has gone down in comparison with 1980 to 4 250 million EUA, then it is not impossible to understand that under this heading we can glean 250 million or so to cover the additional 4.2%.

Mr Commissioner, you were also assuming that the 12% proposed by the Parliamentary committee was intended to be an increase for Mediterranean produce. That is not what I said; and in my second paragraph I said that the increase should be distributed by the Commission — whose job it is — in such a way that excess production is discouraged, and crops where we do not produce enough are encouraged. That is the only restriction I imposed. In any case the increase has little significance as far as Mediterranean goods are concerned since only a limited range of Mediterranean produce is subject to Community intervention. Nevertheless, the intervention mechanism has only limited application for those products.

I should now like to touch on another question, that of co-responsibility. A number of speakers, including the Commission, referred to a certain contradiction within my report, and indeed there is one although I think it is not so much due to me as to a number of amendments that it has deviated from its original intention. Because of this, though, I should like to make it clear what I understand by co-responsibility. My own view is that when there is a structural surplus, by which I mean not the amount which is produced but the fact that there is no way of selling that produce on the Community or world market except through excessively high refunds — as in the case of the 80%

which we have paid in the past to get rid of some of our surplus produce — in these cases the producer's co-responsibility should be applied. It should be applied in these cases, but it should be applied selectively, without penalizing indiscriminately those who are not to blame. It has to be applied selectively because our problems result from the very fact that there are countries — my own, for example, — which are not to blame for certain surpluses but which none the less pay just like all the others. That, it seems to me, is how co-responsibility is being applied. I say in one paragraph of my report that the way in which it is being applied does nobody any good, and you have all said how it has always led to increases in production, as is the case with milk. And so what I say to the Commission is why do you not apply the idea which is shining there at the foot of — I think — page 70 of your book, an idea which first appeared in this Parliament and which I have been supporting for five years, namely that the basic levy is not enough. We have got to do something about the intervention prices: that is the way, if we want to deal with surpluses, that we shall do it. If we don't, we can go on wasting our breath and milk production will go on increasing. That, Mr President, is the way I see co-responsibility.

As regards the super levy, we apply it if production continues to increase and if the co-responsibility levy is not enough. I think, however, that it should be applied to all the excess production which is subject to intervention, whilst you propose that those who do not produce for intervention, should also pay even those who have set about finding themselves a market: that is the thing which I am unable to understand and which is so difficult to accept. You want to reduce the intervention prices on tobacco, for example, where we have no surpluses; we have a 59% deficit and for such a product you are proposing to reduce the reference price from 90 to 85%. Mr Commissioner, I am quoting the text word for word. Mr Gouthier, if you read the text you will see that I am quoting exactly what is written: there is no need for me to invent figures.

Mr Commissioner, I felt I had to say what I have said, and I am sorry that your colleague who deals with the budget is not here; it seems to me that he was unnecessarily fierce in his attitude. One might have thought that we were a band of vandals out to destroy Community finances and that he had taken on the task of defending the budget. I have supported my own statements with figures and it is now up to him to show — and I defy him to do it — whether when the year is over it is I who am proved right or he, after he has been so forceful during our meetings.

I am sorry if I have been speaking heatedly, but that is also my temperament. I come from nearer Africa than the Italian peninsula — not to mention Northern Europe — and it must be a question of temperament. These are things I feel very strongly about, though,

Ligios

because they are my life, because it is the life I lead and the background I come from; I am not here as the representative of an organization but I know these problems because they are my problems, and what I am saying is based on my own personal experience.

(Applause)

President. — I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, I had expected you to perhaps continue by saying '... who undoubtedly will not display the same lively temperament as our Italian colleagues', to whom I have listened with great interest and suspense. Also I appreciated just for once witnessing an example of the famous Italian southern European temperament, which we northern Europeans are unfortunately somewhat too phlegmatic to be able to imitate; indeed may I just say in advance that I have not the talent to do so.

I should like to comment on some of the problems which were raised, without taking up the rest of the evening for the Members. I will answer some of the questions but I cannot of course touch on everything that was raised throughout this long day in this long and very interesting debate on the problems facing us.

We can discuss at length whether the price increase should be 12% or another percentage — the Liberal Group sitting behind me here have proposed 15.3%. What I have said to Parliament and to the rapporteur is, that if you agree with the Commission on its proposed wheat price and also on its proposed milk price, which I trust you do not think should be set terribly much higher than the Commission's proposal, then it must be obvious that we agree on some price proposals which together make up quite a considerable share of the average we are speaking about. I must confess that I am very tired of speaking of averages, because to a large extent they are devoid of meaning. There is no farmer in the whole of Europe who has an average production like the one we are dealing with in all these documents. Either the farmer is a crop producer, a pig producer, a dairy farmer or something else. There is no average farmer, whose income would rise 7.8% on the basis of the Commission's proposal, or 12% on the basis of the rapporteur's proposal or 15.3% on the basis of the Liberal Group's proposal. What we must look at is the effect of the proposal in view of the individual farmer's production. This is why I asked Mr Ligios and others earlier today what products they were talking about. If it is not wheat prices and if it is not milk prices, then there must be some other product which will receive very high price increases in order to arrive at the percentages we are discussing here. That is evident.

Here I want to say that previously we have increased the prices for Mediterranean products more than for most other products with the result that already now colossal quantities of various Mediterranean products are being produced with very heavy support. I must add here that I am very tired of the tone used by several Members from Southern Europe who feel they have been mistreated by the Commission in this proposal. These producers receive production subsidies, consumer subsidies, altogether amounting to quite large sums, and we can see that production is just increasing all the time, which means that for budgetary reasons we must take note of what is happening in this sphere.

We must consider together to what extent this Community can guarantee such subsidies for unlimited production, such subsidies in certain cases constituting more than 100% of the product's value. This is why I asked about the individual percentages, which are devoid of meaning when one speaks in averages. They become meaningful only when they are divided up between the various products and we can see what it is we are talking about.

It is correct, as many speakers said today, that in the various market organizations the Commission has made savings in refund payments to date in 1981 compared with 1980. But nobody can — as everybody had hoped — give us any guarantee that this situation with regard to the world market will continue in 1982. Therefore one dismisses the whole problem in the hope that it will perhaps go away altogether.

In respect of sugar, may I say that it is correct that we earned money on sugar for a time. What we are facing now is a reintroduction of export refunds for sugar because prices have now dropped to a level where sugar exports would probably otherwise not be possible in the coming weeks, although just a few weeks ago we were able to apply export levies to the benefit of the Community. This proves how quickly situations can change and this is something we must all take into consideration.

In his last intervention, Mr Ligios referred to a few products which had never been brought into intervention. This is the case with milk and here I must perhaps point out that the Commission's proposal for a super levy on milk does not in fact apply to products which are sold directly on the market. Liquid milk is excluded and this was regarded as a way of helping producers who try to avoid intervention and instead try to sell their products on the market. I will not conceal the fact that the Commission has not exactly been applauded for this proposal. Then there are others who are criticized for not being able to put forward a proposal. Somebody said that the Commission didn't do its work at the last price negotiations, where it was not my responsibility, but Mr Gundelach's. At that time the Commission put forward a

Dalsager

proposal attempting to apply this super levy to intervention products. The position in the Council was, if I am not very mistaken, that there were eight votes in favour and one against and for that reason it could not of course be adopted. Thus the Commission has tried in various ways to introduce this levy on production in excess of the quantities which we mentioned earlier, but without being able to obtain a political consensus. Because even if we can reach agreement with the Parliament we have still that problem which is called the Council of Ministers, which at a later stage must unanimously adopt the proposals which are what will apply in the final analysis.

For this reason it is not true to say that the Commission did not do its job. The Commission did its job but has never at any time, either here in Parliament or elsewhere, received clear instructions to do things in a particular way so that we could all agree. The Commission has constantly had to battle its way forward amidst different viewpoints without obtaining the endorsement needed to be able to carry through a proposal which would really put pressure on those producers who have contributed to the increased production.

Here I am compelled to say to some of those who have spoken on this problem, that unfortunately the statistics show that the increase in milk production stems from areas with small farmers and not from areas with big milk producers. It is thus an impossible contradiction in terms to say that small farmers should be exempted but that the burden should be placed on those who are increasing production.

Mr Notenboom and several other speakers in the course of the day asked me about the consequences of the recent devaluations. The proposal being adopted by the Commission today authorizes me to submit a proposal to the Council amending the green rates following the change in the value of the ECU after the adjustment of the central rates last weekend. An adjustment of the green rates will be proposed in order to avoid the introduction of new monetary compensatory amounts. At the same time the weekend's parity changes have meant that the positive monetary compensatory amounts in the United Kingdom and in Germany have been reduced without there being a corresponding fall in the guaranteed prices. The adjustments of the green rates will, as I said this morning, give rise to the following additional price increases in a number of countries: Italy 8.3%, Ireland 3.9%, Greece 2.8%, France and Denmark 2.5%, the Benelux countries 0.7%. The reduction in the positive monetary compensatory amounts as a result of the change in the value of the ECU is 2.3% for Germany and 2% for the United Kingdom. For this reason I will ask you in your final report in Parliament to take account of the fact that some countries have already got quite handsome price increases without anyone having to lift a finger for them, that

other countries have obtained a lesser but good price increase and yet others have had a reduction in the positive monetary compensatory amounts.

Mr Curry who has left the Assembly for understandable reasons, said that if the Commission wanted a quota system then it should say so. The Commission does not intend to use the co-responsibility levy as a pretext for a quota system.

Almost all of the speakers who discussed the principles of co-responsibility also spoke of taxes. If, however, they had really taken the trouble to study the proposals they would see that in the vast majority of cases there is no question of taxes. For a large number of the producers concerned co-responsibility is defined in a completely different way, namely that the Community guarantees certain premiums, certain prices, certain subsidies up to a certain ceiling. If this production ceiling is exceeded then the producer himself must bear the responsibility for disposing of the product on the market in one way or another with the subsidies which — up to the proposed ceiling — are moreover very favourable in a large number of cases.

It is therefore not correct to refer to the Commission's proposals for co-responsibility as taxes. Only in very specific cases there is a question of tax. In other cases there is either a reduction in the intervention price, which does introduce co-responsibility, or of abolishing direct Community support for the product if production exceeds certain levels. This is a completely different form of co-responsibility. It is of course co-responsibility, but it is an equally effective form of co-responsibility when the producer himself in certain cases has to dispose of his product at the price he can get for it. What the Commission guarantees, however is a certain amount of support which in the case of most of the products in question here will moreover, from what one can see of the Commission's proposals, give rise to quite substantial increases in expenditure in the coming harvest year, and indeed increases of such magnitude that it is completely unjustified for some of the honourable Members to speak here today of the maltreatment of Southern European products. On the contrary, the Commission has proposed large increases for Southern European products and we have in addition proposed subsidies which will, moreover, mean very substantial increases in expenditure for the Community budget in the coming year.

Mrs Barbarella, who has undoubtedly also learned, proposed quotas for dairies and special consideration are to be given to small farmers and hill farmers. I could understand it if others wanted to propose quotas but that Italian Members of this respective Parliament could conceive of proposing quotas for milk production when their own milk products are in under supply, that I fail to understand at all. I would like to caution against proceeding along such a course.

Dalsager

As regards the oils and fats problem which Mr Delatte referred to, let me say that is well known to all, the Commission is working on the whole problem of duties on oils and fats in connection with the enlargement of the Community.

Mr Fanton said that the Commission was trying to force the Council and Parliament. I do not quite like the use of the word 'force' here because everybody knows that nobody can force the Parliament to anything other than what that Parliament itself wants — in any case not in our Community. Nor have I the impression that it is particularly easy for the Commission to force the Council to adopt any at all. It is the Commission's right and duty to present proposals to the Parliament which can do exactly as it wishes with these proposals. And if the Council can agree, then it can also do exactly as it pleases with these proposals. However, the Commission must obviously put forward the proposals which it considers appropriate and which take account of its diverse responsibilities.

The problem of beef and veal imports was also raised and I would like to give you the actual figures for 1980 which can perhaps be of interest to the honourable Members. In 1980, imports of fresh and frozen beef and veal, mainly as part of the preferential agreement which the Community has entered into, amount to a total of 308 000 tonnes, but let me say that conversely exports increased to a total of 647 000 tonnes with the result that the Community has a big export surplus in beef and veal also.

Mr de Courcy Ling asked for information on the effect of Community enlargement on our imports of fruit and vegetables from the third countries. I can assure the honourable Member that the Commission is very preoccupied with this problem, and has already provided some basic information which will be published in the forthcoming papers on Community enlargement.

May I mention with regard to processed food and vegetables that I am surprised that the Committee was so strongly opposed to the Commission's proposal for some form of restriction on the quantities of frozen vegetables eligible for support. If one studies the very big increases in this production area in recent years, it is evident that sooner or later we will in any event be compelled to consider very seriously if we can in fact continue to finance unlimited production of this kind in the Community. I am very doubtful if the Community can procure the funds to do so in the longer term if production continues to increase very sharply as it has done over the past few years.

Let me say that I am very satisfied with the second report from Mr Bocklet on all points except one, which is however an important one, namely the production levy. I would like to thank Mr Bocklet for taking the additional trouble to rescue us from the

difficult situation in which we find ourselves, where we were not quite sure if Parliament had expressed an opinion or not. We had already in fact lawyers to determine this. I very much hope that Mr Bocklet's report can now be adopted since we need to have an opinion from Parliament.

As regards the production levies, experience has shown that in practice they can only function satisfactorily if there is either a basic levy on all production quotas or a levy on B-quotas, which is very substantial and considerably higher than the maximum proposed in the report. For this reason we cannot accept the production levy proposed in point 1 of the motion for a resolution.

Mr Chambeiron once again asked the Commission if it intends to call into question our obligations to allow the ACP countries to export 1.3 million tonnes of sugar to the Community. I am in fact a little disappointed at having to answer this question at this Parliament part-session also. It must be due to the fact that the honourable Member was not present at the previous Parliamentary part-session where on several occasions I pointed out that the Commission did not intend to and had no possibility of changing policy *vis-à-vis* this imported ACP sugar. I did not think that there were so many honourable Members who could doubt that the Commission did not intend to fulfil its obligations *vis-à-vis* the ACP sugar exporting countries and their claims on us.

I think that I should perhaps stop now. There are many other points that I could have commented on but to conclude I should like to say something in reply to Mrs Castle, who delivered a very harsh and a very critical speech and then left the Assembly without waiting for my answer. What Mrs Castle proposes is direct income support to be paid either by the Member States where they can afford it, and, if they cannot afford it, to be paid by the Community. Let me say that that is the safest way of demolishing a common agricultural policy that I can possibly imagine. If it is not Mrs Castle's intention to undermine the common agricultural policy in every possible way, then I cannot understand at all how she can propose such a thing. That would be the absolute end of the common agricultural policy.

(Applause)

I would like to say that, in spite of all the critical comments made here today by various Members, I have nevertheless enjoyed this discussion. In spite of all the diversity and the differences of opinion between the Commission and this Parliament's Members, all-in-all the debate has illustrated that we are inspired by a single important point, namely the defence of the common agricultural policy which is by far the most important policy in the Community. We may propose various things from slightly different viewpoints, but

Dalsager

underlying everything, and this I felt running right through the whole discussion, there has obviously been a desire to benefit farmers, who depend on our decisions, but also to pursue a policy which can contribute towards strengthening the Community, and this I feel has been the positive aspect of this discussion. In the coming months and years we will of course have to continue the discussion of all the principal remarks which were addressed to the Commission.

(Applause)

President. — I call Mr Battersby.

Mr Battersby. — If I could just intervene for a moment to say that today is Greece's Independence Day and that we in the European Democratic Group, and I am sure all Members of the Parliament, are happy today that Greece, the cradle of democracy, is now with us, and on the occasion of her National Independence Day, the 25 March, which is a symbolic day for freedom and democracy, we wish on this historic day to greet our Greek colleagues and through them the Greek nation:

μέ συγχαρητήρια, μέ χρόνια πολλά και Χαίρε ω Χαίρε Λευτεριά.

(Applause)

President. — I call Mr Sousourogianis.

Mr Sousourogianis. — *(GR)* Mr President, ladies and gentlemen, on behalf of my fellow Greek Members, I should like to thank Mr Battersby for the tribute paid to our country by the mention of our National Independence Day. This day is in fact the

most significant of our national holidays, for 25 March 1821 marked the day on which, after 400 years of oppression, we gained our national independence and, with the help of those who are our friends today and were our allies at that time, made our first appearance as a nation in Europe. We are particularly proud today that in the space of 160 years we have succeeded, after a hard uphill struggle, in becoming a full member of the Community.

(Applause)

President. — The debate is closed, and I would like to thank all the Members who have remained here to the bitter end.

The motion for a resolution will be put to the vote at 11 a.m. tomorrow.

5. Agenda for next sitting

President. — The next sitting will take place tomorrow, Thursday, 26 March 1981 at 11 a.m., with the following agenda:

- vote on the whole of the motion for a resolution contained in the Luster report on a general revision of Parliament's Rules of Procedure;
- vote on the motion for a resolution contained in the second Bocklet report on sugar;
- vote on the motion for a resolution contained in the Ligios report on agricultural prices;
- vote on the motion for a resolution contained in the five reports on fisheries.

The sitting is closed.

(The sitting was closed at 8.35 p.m.)

SITTING OF THURSDAY, 26 MARCH 1981

Contents

<i>Mr Sieglerschmidt; Mr Pannella; Mr Fanti; Mr Pannella</i>	93	<i>Mr Fanton; Mr Ligios; Mr Sieglerschmidt; Mr Ligios; Mr De Keersmaeker; Mr Ligios; Mr Notenboom; Mr Ligios; Mr Notenboom; Mr Ligios; Mr Bocklet; Mr Ligios; Mr Woltjer; Mr Ligios</i>	104
1. <i>Votes</i>	94	<i>Points of order: Mr Glinne; Mr J. M. Taylor; Mr Klepsch; Mrs van den Heuwel; Mr Klepsch</i>	107
• <i>Luster report (Doc. 1-926/80): General revision of the Rules of Procedure:</i>		<i>Explanations of vote: Mrs Barbarella; Mr Sutra; Mr Fanton; Mrs De March; Mr Kirk; Mrs Castle; Mr Fanton; Mr Pranchère; Mrs Wiczorek-Zeul; Mr Skovmand; Mr Klepsch; Lord O'Hagan; Mrs Lizin; Mr Wettig; Mrs Ewing; Mr Puletti; Mr Galland; Mr Curry; Mr Woltjer; Mr Møller; Mr Gremetz; Mr Flanagan</i>	108
<i>Adoption of the resolution</i>	94	<i>Adoption of the resolution</i>	115
• <i>Second Bocklet report (Doc. 1-57/81): Common organization of the market in sugar:</i>		<i>Sir James Scott-Hopkins; Mr Dalsager; Member of the Commission; Mr Ligios</i>	115
<i>Mr Bocklet, rapporteur</i>	95	• <i>Kirk report (Doc. 1-831/80): Catch quotas (NAFO):</i>	
<i>Mr Chambeiron</i>	96	<i>Adoption of the resolution</i>	116
<i>Points of order: Mr Sutra; Mr Simpson; Sir James Scott-Hopkins</i>	96	• <i>Plumb report (Doc. 1-53/81): Allowable catches in 1981:</i>	
<i>Mr Bocklet</i>	97	<i>Sir Henry Plumb, rapporteur</i>	116
<i>Explanations of vote: Mr Kappos; Mr Denis; Mr Clément; Mr Arndt; Mr Diana</i>	97	<i>Explanations of vote: Mr de Lipkowski; Mr Kirk; Mr Harris</i>	117
<i>Adoption of the resolution</i>	98	<i>Adoption of the resolution</i>	117
<i>Personal statements: Mrs De March; Mr d'Ormesson; Mr Maffre-Baugé; Mr d'Ormesson; Mr Curry</i>	98	• <i>Josselin report (Doc. 1-54/81): Fishing off the coasts of the French department of Guiana:</i>	
• <i>Ligios report (Doc. 1-50/81): Fixing of prices for certain agricultural products:</i>		<i>Adoption of the resolution</i>	117
<i>Mr Fanton; Sir Henry Plumb</i>	99	• <i>Nielsen report (Doc. 1-55/81): Fishing arrangements with Norway:</i>	
<i>Mr Ligios, rapporteur</i>	99	<i>Mr Brøndlund Nielsen, rapporteur</i>	118
<i>Point of order: Mr Sutra</i>	100	<i>Adoption of the resolution</i>	118
<i>Mr Ligios</i>	100	• <i>Gautier report (Doc. 1-56/81): North-East Atlantic Fisheries:</i>	
<i>Point of order: Mr Sutra</i>	100	<i>Adoption of the resolution</i>	118
<i>Mr Ligios; Mr Curry</i>	100	2. <i>Adjournment of the session</i>	118
<i>Point of order: Mr Sutra</i>	101	<i>Annex</i>	118
<i>Mr Klepsch; Mr Ligios; Mr d'Ormesson; Mrs Castle; Mr Ligios; Mr Curry; Mr Ligios; Mr Fanton; Mr Gautier; Mr Curry; Sir James Scott-Hopkins; Mr Ligios; Sir James Scott-Hopkins; Mr Ligios; Mrs Castle; Mr de la Malène; Mr Adonnino; Sir James Scott-Hopkins; Mr Lange; Mr Barbagli; Mr Sutra</i>	101		
<i>Point of order: Mr von der Vring</i>	104		
<i>Mr Ligios; Mr Sutra; Mr Ligios; Mr Sutra; Mr Ligios; Mr Fanton; Mr Ligios; Mr Curry;</i>			

IN THE CHAIR: MRS VEIL

President

President. — The sitting is open.

(The sitting was opened at 11 a.m.)

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — *(DE)* Madam President, yesterday at 7 p.m. I handed in, together with the requisite number of signatures, a motion for a resolution, to be dealt with by urgent procedure, on the right of officials to strike. To my very great regret, this motion has still not been translated and distributed, and I would ask you, Madam President, to make sure that this is done as soon as possible and that the House then has an opportunity of dealing with this motion, whose urgency, in view of the events of this week, can scarcely be doubted, though first of all, of course, with the question of its urgency. If the request for urgent procedure is rejected, I would ask on behalf of its authors, that it be placed on the agenda of the first sitting in April, still with a request for urgent procedure. First of all, however, the House should be given the opportunity of deciding whether it wishes to deal with the motion during today's sitting. In view of its brevity, it would take very little time, for it essentially contains no more than an instruction to the Legal Affairs Committee.

President. — I have actually received this motion for a resolution. However, because of the late hour at which it was tabled and because of the need to give priority to the translation of all the amendments to the Ligios report — some members of staff, whom I thank sincerely, worked all through the night to translate and print these amendments —

(Applause)

it was not possible to translate this motion for a resolution into all the official languages. A decision on the urgency of your motion must therefore be deferred until the next sitting of Parliament, which will be on Monday, 6 April.

I call Mr Pannella.

Mr Pannella. — *(FR)* Madam President, I too would like to say a few words in connection with the requests for urgent debate based on Rule 14. I seem to recall that at an extraordinary part-session last year the Bureau decided, reasonably enough, that requests for urgent debate could not be tabled during an extraordinary part-session, and in any case it is technically

impossible for us to do so: the President's legal interpretation happens to coincide, therefore, with the situation as it now stands.

Now, the problem here lies with the Rules of Procedure. At the moment Parliament finds itself in a state of suspended animation. As you might expect, when the passions of our national parliaments are aroused by a particular event, the Presidency can be requested to take the matter up. Madam President, we saw in yesterday's *Le Monde* that the day before in Turkey, a country associated with us and funded by us, one hundred and forty-three death sentences were passed in a space of twenty-four hours. Madam President, last year — and we expressed our appreciation to you for it at the time — without waiting for Parliament's approval you sent off a telegram immediately following the death sentence passed on Kim Dae-Jung. All I wish to say is that the honour and dignity of this Parliament are in the hands of those who over the past six months have been preventing us from depriving the Turkish executioners and torturers of our money. Let me add, however, that I am quite sure that I can rely on our President meanwhile to make some kind of response to this massacre and to dissociate Parliament from the shameful attitude that has been forced on it.

President. — Mr Pannella, I shall this very day send a telegram concerning these sentences, which will be based strictly on humanitarian grounds and will not take up any political stance. I should also like, however, to take this opportunity to say that on several occasions I have intervened on strictly humanitarian grounds. When I was asked, for example, to intervene in favour of a former member of the Bolivian Parliament who was in prison in her own country, I took immediate action and was informed shortly afterwards that the lady in question had been released.

(Applause)

I call Mr Fanti.

Mr Fanti. — *(IT)* Madam President, I would like to thank you for your intervention and announce at the same time that this morning the Communist and Allies Group presented a request for urgent procedure concerning this matter. As you have mentioned, it should come up for discussion in April.

Specifically we request that the visit of the delegation which the Bureau decided to send to Turkey be cancelled because of the situation at present existing in that country.

(Applause from the left)

President. — If the enlarged Bureau meets before the next part-session, your request will be put before it and discussed.¹

Mr Panella. — (FR) Has Mr Fellermaier nothing to say? . . .

1. Votes

President. — The next item is the taking of various votes. In order to enable you to make the necessary arrangements I must inform you straightaway that, by agreement with the Sessional Services staff, our proceedings will be suspended only from 1 p.m. to 2 p.m. so that the vote on the Ligios report does not end too late. I thank all those who, by agreeing to limit the suspension of the sitting to one hour, have made it possible for the greatest possible number of Members to take part in the vote.

(Applause)

This morning we have to consider about 300 documents which have had to be produced in the seven official languages. This work began only yesterday at 2 p.m. Furthermore, the number of copies produced had to be large enough to satisfy the needs not only of the Members of this Parliament but also of the other institutions and the Press. As you can easily calculate for yourselves, this represents a total output of over 2 million pages. If some errors show up therefore, I would ask you to forgive them and to try to follow the vote notwithstanding. Everything possible has been done to ensure that this sitting could take place.

(Applause)

We shall begin with the vote on the whole of the motion for a resolution contained in the *Luster report* (Doc. 1-926/80): *General revision of the Rules of Procedure*.

A roll-call vote on this motion for a resolution has been requested by Mr Klepsch on behalf of the Group of the European People's Party.

I would remind the House that pursuant to Article 54 of the present Rules of Procedure any motion for a resolution seeking to amend the Rules of Procedure

can be adopted only if it secures the votes of a majority of the Members of Parliament.

(By electronic vote¹ Parliament adopted the resolution.²)

(Sustained applause)

*

* *

President. — We shall now consider the motion for a resolution contained in the *second Bocklet report* (Doc. 1-57/81): *Common organization of the market in sugar*.

(Parliament adopted the preamble)

After the preamble I have three amendments:

- No 2 by Mr Diana, seeking to add two recitals:
 - ‘— having regard also to the confusion which the Commission proposal has caused in Parliament and in the Council
 - having regard to the persistent uncertainty of the prospects of the world sugar market.’
- No 5 by Mr Barbagli, seeking to add the following new recitals:
 - ‘— having regard also to the confusion which the Commission’s proposal has caused in Parliament and in the Council;
 - having regard to the persistent uncertainty of the prospects of the world sugar market;’
- No 10 by Mr Vergès and others, seeking to insert the following new recitals;
 - ‘— having regard to the need to boost the sugar economy of the French Overseas Departments,
 - considering that the new regulation conflicts with the Community’s obligations towards the ACP countries, the Overseas Countries and Territories and India, and emphasizing the risks which the stance adopted by the Commission concerning the system to be introduced entails for these same countries at the end of the new regulation’s period of application,
 - considering that with the annual imports of “preferential sugar” guaranteed in the sugar protocol annexed to the Lomé Convention, and with exports of around 3.7 million tonnes of sugar, the Community plays a major role on the world sugar market,
 - considering that the reduction in refining capacity in the United Kingdom resulting from the closure

¹ Approval of the minutes — Membership of committees: for these two items see the minutes of the sitting.

¹ Requested by Mr Klepsch on behalf of the Group of the European People's Party (Christian-Democratic Group)

² See the minutes of the sitting.

President

of the factory in Liverpool represents a serious threat to the traditional exports of cane sugar from the ACP countries,

- considering that a feature of each meeting of the ACP-EEC Consultative Assembly and Joint Committee, as witnessed again recently in Freetown, has been the adoption of resolutions insisting on the maintenance of the guarantees contained in Protocol No 7, and recalling the text of Protocol No 3 on ACP sugar, which forms part, of the Lomé Convention.

What is the rapporteur's position?

Mr Bocklet, rapporteur. — (DE) Madam President, I am opposed to all three amendments — of which two, as you rightly pointed out, are virtually identical — because they fall outside the scope of the document and insert in the preamble points of substance which have no place there.

(In successive votes Parliament rejected Amendment No 2, thus making Amendment No 5 void, and Amendment No 10)

President. — On paragraph 1 I have six amendments:

- No 11 by Mr Vergès and others, seeking to replace this paragraph with the following new paragraphs:

- '1. Rejects the Commission's proposals;
- 1a. Insists on the need to prohibit any transfer of cane sugar quota to the quota for beet sugar;
- 1b. Requests that the price paid to producers in the French Overseas Departments for A sugar be fixed ex-works, as is done throughout the Community, and not free on board, as is the case at present;
- 1c. Is opposed to the projected abolition of national aids in the French Overseas Departments, which would render entirely meaningless the development plans approved by the Community;
- 1d. Requests that the guarantees currently provided for the ACP countries, the Overseas Countries and Territories and India be maintained, and continued after the end of the new regulation's period of application;
- 1e. Requests that during the new regulation's period of application, the Community should help those countries concerned which produce cane sugar:
 - (a) to refine brown sugar into white sugar either on site or locally,
 - (b) to export this brown or white sugar at worthwhile prices, either wholly or in part, on the one hand to the EEC under the terms of Protocol No 3 annexed to the Lomé Convention, and on the other hand to the developing world and to third countries,

- (c) to diversify production away from cane sugar by setting up industries to produce alcohol for use as fuel, various forms of paper, cardboard and laminated board, and sucrochemical industries;

- 1f. Proposes the expansion of food aid in the form of Community sugar, which is limited to 6 086 tonnes;
- 1g. Believes that the Community must accede to the International Sugar Agreement without delay;

- No 7 by Mr Bocklet and others, seeking to replace this paragraph with the following text:

- '1. Considers producer co-responsibility to be a meaningful instrument for curbing the costs of surplus production in the sugar sector;
- 1a. Supports the objective of ensuring the neutrality of the market organization in terms of cost so that in future, within the framework of one or more sugar trading cycles, only the costs arising from the export of a quantity of sugar, the costs corresponding to preferential imports and the costs of maintaining stocks in the interests of ensuring supplies, represent a net outgoing for the Community budget;
- 1b. Urges that the A-quota be fixed in the individual Member States on the basis of consumption and in the light of developments; the same criteria should apply in fixing the A-quota for Greece;
- 1c. Welcomes the reduction in the B-quotas;
- 1d. Urges the maintenance of national production quotas,
- 1e. Urges the retention of the guide price;
- 1f. Welcomes the incorporation of iso-glucose in the market organization for sugar but rejects a B-quota for iso-glucose;
- 1g. Draws attention to the two instruments of co-responsibility in the market organization for sugar, i.e. production quotas and the production levy, which are entirely adequate for the management of the market organization; this means that in case of need the quotas must be reduced and the production levy increased;
- 1h. Rejects the proposed basic production levy;
- 1i. Emphasizes that the Community has a moral obligation towards the developing countries and must contribute to the regulation of the world sugar market;
- 1k. Emphasizes the need for the Community to accede to the world sugar agreement, whereby during the negotiation of the new agreement steps must be taken to ensure that:
 - efforts are made to attain and guarantee a fair balance between the interests of the Community and of the developing countries,
 - the shortcomings of the current agreement are eliminated and the Community is ensured the conditions commensurate with its position on the world market;

President

— No 6 by Mr Barbagli, seeking to replace this paragraph with the following text:

1. Calls upon the Commission to review its proposal in order to safeguard:
 - (a) the production potential of the Community through a revaluation of the A and B quotas,
 - (b) the regionalization of prices to ensure equal earnings for producers in all the regions concerned;
 - (c) the system of national aids, where it exists, which cannot be abolished in accordance with a rigid time scale but must be the subject of regular assessments by the Council which must determine, at regular intervals, the amount of the reduction to be effected.¹

— No 3 by Mr Diana, seeking to word the paragraph as follows:

1. Calls upon the Commission to review its own proposals in the light of developments in this sector;

— No 1 by Mr Gatto and Mr Arfè, seeking to amend this paragraph to read as follows:

1. agrees to the Commission's proposal with the exception of the levy on basic production and, in the case of Italy, the amount of the A quota and of the maximum quota, the transitional nature of the national aid system, the regionalization of prices and the incorporation of the cost of storage,²

— No 8 by Mr Hord, seeking to add the following words at the end of this paragraph:

... and also believes that B quotas should not be less than 15% of the A quotas;

What is the rapporteur's position?

Mr Bocklet, rapporteur. — (DE) Madam President, I am against Amendment No 11 and in favour of No 7. This latter amendment has the support of both the rapporteur and co-rapporteur of the Committee on Budgets, also of the representatives of the Liberals, the Christian Democrats, the Socialists and the Greeks. It represents an attempt to propose a common line on matters relating to sugar.

President. — I call Mr Chambeiron.

Mr Chambeiron. — (FR) Madam President, on behalf of my Group I request a separate vote paragraph by paragraph on Amendment No 11.

(Parliament rejected paragraph 1 of Amendment No 11)

President. — I call Mr Chambeiron.

Mr Chambeiron. — (FR) Madam President, on behalf of my Group I request a roll-call vote on paragraphs 1a, 1b and 1c.

President. — I call Mr Sutra to speak on a point of order.

Mr Sutra. — (FR) Madam President, I feel bound to say that if paragraph 1b of this amendment is not adopted, it could be contested in the Court of Justice in Luxembourg on the grounds of discrimination as between citizens of the Member States.

President. — That is not a point of order!

I call Mr Simpson to speak on a point of order.

Mr Simpson. — I wonder, Madam, if you could possibly put up the results of the votes on these indicators in the Parliament. It does assist Members greatly.

President. — We shall try to meet your wishes in this matter as far as possible.

(In successive votes Parliament rejected paragraphs 1a,¹ 1b,¹ 1c,¹ 1d, 1e, 1f and 1g of Amendment No 11)

I call Sir James Scott-Hopkins to speak on a point of order.

Sir James Scott-Hopkins. — Could we possibly have separate votes on the paragraphs of Amendment 7, please?

President. — Certainly, Sir James. Mr Delatte has also requested this.

(In successive votes Parliament adopted paragraphs 1a to 1j of this amendment and thus made void all the other amendments to paragraph 1)

After paragraph 1 I have Amendment No 4 by Mr Diana, seeking to insert a new paragraph:

- 1a. Requests the Council to extend the current regulation for a further marketing year;

What is the rapporteur's position?

¹ By electronic roll-call vote — See the minutes of the sitting.

Mr Bocklet, rapporteur. — (DE) This amendment is at variance with what we have just now decided upon, and I therefore request that it be rejected.

(Parliament rejected the amendment and adopted paragraph 2)

President. — After paragraph 2 I have Amendment No 9 by Mr Hord, seeking to insert a new paragraph:

- 2a. Reaffirms its commitment to the ACP sugar-producing countries under the Lomé Agreement;

What is the rapporteur's position?

Mr Bocklet, rapporteur. — (DE) Madam President, this amendment makes a positive contribution to the text, and I request that it be adopted.

(Parliament adopted the amendment and went on to adopt paragraph 3)

President. — I can now allow explanations of vote.

I call Mr Kappos.

Mr Kappos. — (GR) Madam President, I should like to explain why I am opposed to this proposal and why I shall be voting against it.

This vote of mine should be interpreted as an indication of my strong opposition to the Commission's and Council's proposals for reducing sugar production in Greece. I have stated before and I now repeat that as Greece has suitable land and climatic conditions and factories which can produce enough for export as well as for domestic consumption it should not import sugar for which it has to pay huge amounts of money, thereby jeopardizing the income of 200 000 sugar-beet producers.

Furthermore, Madam President, my vote against this proposal should be interpreted as indicating my general opposition to restrictions on agricultural production because, in my opinion, if we adopt a more democratic attitude in international economic relations, whatever agricultural surpluses might exist can be put to good use.

President. — I call Mr Denis.

Mr Denis. — (FR) I should like first of all to express disapproval at the way the vote on such a vital matter as the Community's sugar regulation is being taken. There has been no proper debate and the proposed resolution, running into just a few lines, clearly cannot do justice to this complex question.

The European Parliament is thus going to stampede through the voting, while the economies of several of the ACP countries and of the FOD are under threat. This is the point made by my friend Mr Vergès in a statement issued yesterday. No-one can afford to ignore the seriousness of the matter, not only as it affects our own Community agriculture — 60 000 out of 425 000 beet-growers have gone out of business and 60 sugar refineries have closed down throughout the EEC in the last five years — but also the ACP countries and the FOD. It is a legacy of colonialism that the economy of the ACP sugar producers, and indeed that of the French overseas departments, depends to a very large extent on their exports of sugar cane. Not only is this a legacy of colonialism but it also has the effect of dramatically reducing their output.

And yet is this not the purport of the Commission's proposal, as formally confirmed by the Sugar Protocol signed by the EEC and the ACP countries? This regulation allows, in particular, the United Kingdom to increase its sugar-beet production and to do so at the expense of traditional sugar cane imports. Here also we find the explanation for refinery closures. But beyond that, the Commission's explanatory statement reveals a clear desire to move towards a pricing system and away from the quota system.

Both in Freetown and in Brussels the ACP countries have recently shown their strength of feeling in the matter, and the FOD are threatened just as much, since the sugar regulation is liable to lead to utter ruin in the years to come. It provides for the abolition of national aids and the introduction of a co-responsibility levy, which comes on top of a refusal to allow these countries the intervention price and the ex-works price. It was even suggested here just now that, if necessary, food aid in sugar should not be increased. For all these reasons we reject the resolution before us, and I must say that we are shocked that all our amendments have been thrown out. I believe that our feelings will be shared by the ACP countries and in the French overseas departments. We reject the Commission's sugar regulation.

(Applause from the extreme left)

President. — I call Mr Clément.

Mr Clément. — (FR) Madam President, the Group of European Progressive Democrats shares the disappointment expressed by the Communist Group at the attitude adopted by our Parliament towards the French overseas department and the ACP countries. There is a certain inconsistency about supporting a plan to develop agriculture in the overseas departments and then refusing to allow them to continue receiving national aid and fixing the ex-works price for sugar. Nor does it make sense to have rejected

Clément

amendments that sought simply to ensure fulfilment of our commitments to the ACP countries.

If, in spite of that, our Group votes in favour of the Bocklet report, it is because the report rejects the idea of a levy on A-quota sugar, and because the Commission has gone back to the quota of 466 000 tonnes for the overseas departments, which, as far as they are concerned, is the only positive feature of the report that we have come across.

President. — I call Mr Arndt.

Mr Arndt. — *(DE)* Madam President, the Socialist Group regrets that it had to come to this, but we are in favour of the report now before us, because it is essential that Parliament should assert its rights. In the last vote on the Bocklet report, which took place after long discussions in committee, the Socialists tried to push it through, and today we are astonished to find that some who on the previous occasion had contributed to its rejection are now suddenly saying they were concerned about exports, about protecting the ACP states and so on, whereas the earlier version of the Bocklet report contained many more opportunities for the ACP states and yet the Communist vote ensured its rejection. From decisions of the kind we have to make today, therefore, we must learn the lesson that we should be in closer touch with one another beforehand in order that such reports are adopted here in this Parliament with the greatest possible majority, because otherwise they are of no importance whatsoever for the Council of Ministers. I therefore hope that now, at any rate, this conspectus of the most important points will be supported by a large majority of the House, and the Socialist Group will vote for it because, above all, it no longer advocates the imposition of a co-responsibility levy on the entire A quota. This proposal of the Commission's has been dropped because the text retains the reduction in the B quotas and because at least an attempt has been made to ensure some benefits for the ACP States. That is why we shall vote for this report. We would have much preferred to see the Bocklet report adopted in its previous version: that would have been much better for all of us.

President. — I call Mr Diana.

Mr Diana. *(IT)* — Madam President, I will vote against Mr Bocklet's motion for a resolution because I absolutely cannot accept the idea that, through a system of quotas, a country can be condemned to an institutionalized sugar deficit in a European Community which has an appreciable sugar surplus. I am speaking in particular of Italy, which already has a deficit of 7 000 thousand million lire for food imports. I believe that it should be left to the individual coun-

tries to make up their own deficits, for such deficits are a burden on the balance of payments and are themselves fundamentally unfair. Europe is turning inward; the advantages go to those who have already attained a certain level, and the rest have no opportunity to grow. I am opposed to this sort of approach, Madam President, and I can under no circumstances vote in favour of this resolution.

(Parliament adopted the resolution as a whole)

President. — I call Mrs De March on a point of order.

Mrs De March. — *(FR)* Madam President, on behalf of the forty-five members of the Communist and Allies Group I wish to voice our profound indignation at the remarks made here last night in plenary sitting by Mr d'Ormesson about our friend Mr Emmanuel Maffre-Baugé. These offensive remarks could in no way assail the honesty and moral integrity of a man highly thought of and respected by all who are privileged to know him. The insult administered by Mr d'Ormesson is the kind of ungentlemanly behaviour that no parliamentary assembly can either accept or tolerate. It is one thing — as I have often said here in this House — to have differences of opinion or ideas, but to forget one's manners to this extent can bring nothing but shame and discredit on the person concerned.

(Applause from the extreme left)

President. — I take note of your remarks, which will, of course, be recorded in the Report of Proceedings.

I call Mr d'Ormesson.

Mr d'Ormesson. — *(FR)* Madam President, I really do not know what Mrs De March is talking about. I simply made a gesture of impatience because Mr Maffre-Baugé was over-running his speaking time. He then literally attacked me and insulted me, and I responded with a facetious remark. As a rule the French are known for their wit and not for remarks of this nature. I refuse to accept that the comments just made have any relevance to me.

(Applause from the centre and from the right)

President. — Your remarks will also be recorded in the Report of Proceedings. I accept that you did not intend to offend our colleague; indeed no one in this Assembly would dream of thinking such a thing.

I call Mr Maffre-Baugé, who is after all at the centre of the whole incident.

Mr Maffre-Baugé. — (FR) Madam, I am not going to make a scene about something that affects me personally. It is just that when, after I had spoken, Mr d'Ormesson saw fit to call me a 'traitor' I felt that this remark was uncalled for and, as I am sure you will understand, I was moved to ask my friends to defend what I look upon as my honour. I have had it out with Mr d'Ormesson outside this Chamber and I shall continue to have it out with him if need be.

Mr d'Ormesson. — (FR) But I never said that!

President. — Mr Maffre-Baugé, Mr d'Ormesson claims that he would never have said such a thing, so I think there may have been some misunderstanding due to the confusion in the Chamber.

I think we should regard the matter as closed.

I call Mr Curry.

Mr Curry. — Madam President, as I have a great deal of affection for Mr Maffre-Baugé and for Mr d'Ormesson, I volunteer to take them for a drink at lunchtime which will sort out their difficulties in a friendly spirit, and if necessary I will do the translation for them.

(Loud laughter)

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* *

President. — We shall now consider the *Ligios report (Doc. 1-50/81): Fixing of prices for certain agricultural products.*

By agreement with the chairman and rapporteur of the Committee on Agriculture, we have decided on the order in which amendments will be put to the vote in accordance with our Rules of Procedure, i.e. we shall begin each time with the amendments that are furthest from the text proposed by the committee. These amendments have been distributed this morning, and in order to facilitate our proceedings they have been arranged in the order in which they will be put to the vote. In this connection I must thank Sir Henry Plumb and Mr Ligios for the help and support they have given the Bureau in this matter.

I call Mr Fanton.

Mr Fanton. — (FR) Madam President, I had not intended to speak yet, but in view of what you have just said I have to tell you that I disapprove of the

order in which the amendments are being taken, particularly those amendments relating to figures.

In the section between No 212 and No 111 the Presidency has apparently grouped the amendments in accordance with the figure which was heard from the outset, except for amendments relating to the figure of 15.3% which have been grouped not by the date on which they were tabled but with reference to the comments on the figures. In my view, if the figure is the same, the amendments should be called in the order in which they were tabled. I therefore wanted to ask you, Madam President, to correct the order of the amendments and to begin with Amendment No 3, followed by Amendments Nos 29, 34, 160, 198 and 213.

President. — Mr Fanton, we have considered all these amendments very carefully, and in arranging the order in which they would be voted on we took into account not only the number of the amendment but also its content.

I call Sir Henry Plumb.

Sir Henry Plumb, Chairman of the Committee on Agriculture. — Madam President, may I support your decision in the order of the amendments. We went very carefully through these amendments last night, and may I say that Mr Fanton has started this session in exactly the same way as he tried to start the Agriculture Committee. I suggest, Madam, that you get on with the business in the order that you have declared that the amendments will take place.

President. — Before putting the amendments to the motion for a resolution to the vote, we must consider the amendments to the various proposals for regulations.¹

Fifth indent of the preamble (Amendment No 76)

Mr Ligios, rapporteur. — (IT) Madam President, I am against this amendment, and all the others listed to the recitals, not because some of them are not basically correct but rather because I feel that the additions

¹ This edition of the Report of Proceedings records only those parts of the vote that gave rise to speeches. For details of the vote and its outcome the reader is referred to the minutes of the sitting. He will also find in the annex the opinion — favourable or unfavourable — given by the rapporteur on the various amendments. The texts of the amendments are set out in a separate annex (OJ No C 90, 21. 4. 1981.).

Ligios

proposed make no contribution to the clarity or to the completeness of the motion for a resolution.

(Applause from various quarters)

Paragraphs 1 to 3 (Amendments Nos 80, 136)

President. — I call Mr Sutra to speak on a point of order.

Mr Sutra. — *(FR)* Madam President, as I pointed out in the Committee on Agriculture, if we were to adopt these paragraphs we should be faced with two contradictory decisions. It is true that last year we took no decision at all, so that would balance out . . . But the fact is that paragraph 1 sets a general target, whereas paragraph 2 refers to 12%. I do not think that these things can be put to the vote one after the other.

President. — That is not a point of order. It is the rapporteur's job to comment on the amendments.

Mr Sutra. — *(FR)* I am not talking about the amendments, Madam President, but about the text of the report.

President. — For the moment we are voting on the amendments, Mr Sutra.

Paragraph 1 (Amendment No 69)

Mr Ligios, rapporteur. — *(IT)* Madam President, paragraph one reads: 'calls upon the Council to fix prices before 1 April 1981, on the basis of the results of the objective method . . .'

According to Mr Sutra's interpretation, and probably according to Mr Vitale's as well, we will be able to adopt only the 15% price indication, because it was arrived at by the objective method. I hold that the use of the objective method does not automatically mean 15%. Therefore, the fact that such terms remain creates no problems.

President. — I call Mr Sutra to speak on a point of order.

Mr Sutra. — *(FR)* Madam President, it seems to me that there is a discrepancy between the French and Italian texts. Mr Ligios has just read the text which said: 'based on the objective method', whereas my text says: 'based on the results of the objective method'. Mr Ligios's explanation is only acceptable if the text is 'on the basis', because if the text speaks of 'results', a specific figure is implied.

President. — Everything will be done to see to it that the texts are identical in all the languages.

Mr Sutra. — *(FR)* Perhaps we could even bring all the versions into line orally right here in the House.

President. — We shall discuss that question with the translators.

Section (a) of paragraph 1 (Amendment No 203)

Mr Ligios, rapporteur. — *(IT)* Madam President, I am against the amendment because of an improper use of terms. In fact, the calculations are made for small, medium-sized and large businesses, with the criterion of 'average efficiency'.

This is the scientific method employed by COPA and all the professional organizations.

After section (a) of paragraph 1 (Amendment No 204)

Mr Ligios, rapporteur. — *(IT)* Madam President, I am against this amendment because this idea is included in the report.

After paragraph 1 (Amendment No 59)

Mr Ligios, rapporteur. — *(IT)* Madam President, the Committee on Agriculture was against this amendment because it was of the opinion that we could stay within the limits of the budget we approved without being obliged to resort to supplementary budgets, as I said yesterday to the Commissioner in my explanation of this report. Nevertheless to relieve anxieties which I perceive are shared by many members, I pronounce myself in favour of the amendment.

President. — I have been advised of a translation error in the French text of Amendment No 59. The second sentence should read as follows:

'Cette augmentation devrait intervenir dans le cadre du budget agricole pour l'exercice 1981, ce qui rend *superflu* un budget supplémentaire pour 1981 . . .'

Paragraph 2 (Amendments Nos 36, 19, 212, 131, 21, 160, 34, 29)

Mr Curry. — On paragraph 2, Madam President, just to facilitate your task when you come towards the end of the paragraph, Amendment 37 which is down in my name should not be in addition to paragraph 2 but should be a new paragraph after 2 and Amendment 38 should be in addition to paragraph 2, not to paragraph 3. I apologize for giving you the extra confusion

Curry

when you have had a difficult job, but it is fairly essential to our position.

President. — I call Mr Sutra to speak on a point of order.

Mr Sutra. — *(FR)* Madam President, I am not in the habit of disrupting parliamentary business, nor am I trying to make your task more difficult. I am prepared to go along with Mr Ligios on his interpretation of the paragraph, but we have to get these things clear if Parliament is to avoid making contradictory decisions, which would not exactly improve our standing in the eyes of European farmers. We really need to know now whether we have voted for paragraph 1 on the basis of the objective method or on the basis of the results of the objective method.

President. — Mr Sutra, the rapporteur based the interpretation which he has just given on the Italian text, which says 'on the basis of the results of the objective method'.

As I have already said, a check will be carried out to see that the various language versions are identical.

I call Mr Klepsch.

Mr Klepsch. — *(DE)* Madam President, we are all aware that many figures are now going the rounds which could not make their appearance in the form of amendments because time was too short. If my Group votes for 12%, it does so in full cognizance of the possible consequences of the currency decision.

President. — What is the rapporteur's position on the various amendments?

Mr Ligios, rapporteur. — *(IT)* I am against all the amendments, Madam President, since I regard the 12% as fixed.

President. — I call Mr d'Ormesson.

Mr d'Ormesson. — *(FR)* Madam President, in view of what Mr Klepsch has said, I withdraw my amendment.

President. — I call Mrs Castle.

Mr Castle. — I am struggling to keep pace, Madam President, but I think I am correct in saying that you have not put paragraph 1 to the vote, you are now

moving on to paragraph 2. We must have an opportunity of voting on paragraph 1. We have only voted on the amendments, I think I am correct in saying.

President. — Mrs Castle, we have adopted each of the parts of paragraph 1 one by one, so the paragraph itself is adopted.

Paragraph 3 (Amendment No 227)

Mr Ligios, rapporteur. — *(IT)* Madam President, I would point out that the amendment was rejected in committee but I defer to the Assembly.

Mr Curry. — Madam President, in my text Amendment 227 is an addition to paragraph 3 and we haven't voted paragraph 3 yet.

President. — As Amendment No 227 is seeking to add something to paragraph 3, the paragraph itself will be put to the vote afterwards. We can vote on the paragraph as a whole only after we have voted on the addition to be put to it.

After paragraph 3 (Amendments Nos 54, 132, 64)

Mr Ligios, rapporteur. — *(IT)* Madam President, amendments 54 and 132 say, in substance, the same thing. I am in favour of number 132 because, at least in my language, it is better expressed.

Paragraph 4 (Amendments Nos 134, 81, 199, 137, 107)

Mr Ligios, rapporteur. — *(IT)* Madam President, in the Committee on Agriculture I proposed a modification in the Commission's proposal to the effect that the positive monetary compensatory amounts should be assimilated in three years by virtue of the 50% and 25%. Because of recent monetary developments, which we should take into account to some degree, I believe that Mr Bocklet's amendment is the most acceptable, and therefore I favour it alone.

President. — I call Mr Fanton.

Mr Fanton. — *(FR)* Madam President, the rapporteur has just intimated that he is in favour of Amendment No 107. But in our sheaf of amendments, Mr Bocklet's amendment is given only in the Greek version. Despite the breadth of our linguistic ability we are having some difficulty understanding what the amendment is proposing. If you would be kind enough to read it out to us we might then know what Mr Ligios is approving.

(Laughter)

President. — Mr Fanton, the colour of the Greek versions is very like that of the French, so there may have been some confusion in the sorting, but the text does exist in French. Indeed, working conditions are such that one can only be surprised that there have not been more errors made. However, I shall read the amendment before putting it to vote.

Mr Gautier. — (*DE*) Madam President, I should like to point out that in my view, subparagraph (a) of Amendment No 107 should be withdrawn by its author, because, as a result of the currency changes, there is now a negative MCA in the Benelux countries and the amendment consequently no longer corresponds to the facts. We can, of course, vote on it; I just wanted to point this out.

President. — It is the rapporteur's job to give explanations of this kind.

Section (a) of paragraph 4

Mr Curry. — Madam President, may I ask to vote on the first half of the first sentence in paragraph 4 separately, so that we have a separate vote before and after the semi-colon. What I ask is a separate vote on the words 'notes the proposals to reduce the MCAs'.

Sir James Scott-Hopkins. — No way, Madam President, that amendment No 4 or amendment No 28 stands; we have already voted and the House has accepted the amendment, which has, in point of fact, been passed by a small majority. In that case these two amendments fall.

President. — No, Sir James, I would ask you to take a closer look at them. These amendments do not contradict each other; they may, in fact, complement each other.

I call Mr Ligios.

Mr Ligios, rapporteur. — (*IT*) Madam President, I point out that, since amendments number 4 and 28 are compatible, sub-section (b) of paragraph 4 of the motion for a resolution is compatible as well.

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — Sub-section (b) of the Ligios report has been replaced by sub-section 4 of amendment 22, that has happened. The House has passed that, whether our Honourable Members like it or not. What we are now doing is trying to put in

something different yet again, which is incompatible with what has already been passed and replaces the rapporteur's original text. You cannot go back again replacing what was in the original paragraph, it does not make any sense at all, and I do therefore propose that it is out of order to continue with those two amendments No 4 and No 28.

President. — Sir James, the two texts are not mutually exclusive, but complement each other. The one states the principle, the other makes a specification.

I call Mr Ligios.

Mr Ligios, rapporteur. — (*IT*) Madam President, I hold to my interpretation. In any case, to reject one amendment is to reject all three.

Paragraph 4 as a whole, as amended

Mr Ligios, rapporteur. — (*IT*) Madam President, we must now vote on sub-section (b) of the motion for a resolution, since item 4c of Amendment No 22 has not been definitively accepted.

(Mixed reactions)

President. — We cannot vote on paragraph 4(b), because we have already adopted an amendment seeking to 'replace this paragraph by the following paragraphs'.

I call Mrs Castle.

Mrs Castle. — I want to support Mr Ligios' representations to you, Madam President, because this point was raised before we voted on Amendment No 4 and, after all, if you were going to say we voted for a Budget Committee text which replaced the paragraph, then it was arguable that you should not have accepted Amendment No 4. But you did, and therefore some of us argued at that time that if that was so there must also be an opportunity to vote on 4(b) in the original text and that is the basis and the exact understanding that some of us voted as we did. We preferred this kind of graduation, which allowed us to discuss one form of graduation. Why not allow us to vote on the other?

President. — In the one case it was a question of amending or adding on, whereas in the other it was a question of replacing altogether. The paragraph does not exist any longer, it has been replaced.

President

I call Mr de la Malène.

Mr de la Malène. — (*FR*) Madam President, I realize that this problem of interpretation is a delicate one and, strictly speaking, you may very well be right. But from the commonsense point of view, which should after all be the guiding light in our deliberations, I am not so sure. Certainly, having voted in favour of Amendment No 22, or at least part of it, commonsense would seem to dictate that we fall in with Mr Ligios's wishes, but I appreciate that interpretation is rather tricky and, in putting Amendment No 4 to the vote, as you did just now, followed by Amendment No 28, you steered the technically correct and at the same time commonsense course, and this is what Mr Ligios had asked for. It seems to me — and, as I say, this is indeed a tricky point — that Mr Ligios is quite right.

President. — I call Mr Adonnino.

Mr Adonnino. — (*IT*) Madam President, permit me to offer another argument on this difficult but important point in support of what Mr Ligios has advanced on the possibility of voting.

From the literal point of view, you are correct: Amendment No 22 ran: 'to replace by the following words'; but the literal argument is not always the most convincing one.

There is also an argument which concerns the contents. In this case, Madam President, the approved amendment replaced the 'quantification' of the reduction of compensatory amounts for imports over a certain period of time with the principle of the need for reduction.

At this point, either the principle was definitive and we should not even have voted on Amendment No 4 — which requantifies over a period of time — or, since you permitted a vote on Amendment No 4, you should also permit a vote on the Ligios proposal, for logically — if not literally — it provides a successive quantification for the reduction, after accepting the principle of reduction itself.

This, Madam President, is why I believe that you can reconsider your position in the light of this logical interpretation.

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — The House is getting itself into an awful mess. We have got Rules of Procedure, you have read them out and we know what they are — the proposal in Amendment 22 was to replace

sub-paragraph (b) of paragraph 4. Mr Ligios knows it, he may not like it, I don't blame him for that, because it changes his text, that's understandable, but nevertheless, the House in point of fact, passed it, Madam President. The actual words in the amendment which was proposed to the House were 'to replace by the following words'. That was what the House voted on. If we are going to start mucking around and trying to go back again, it may be what some honourable gentlemen want, but it isn't according to our Rules of Procedure and I do beg you now to move on to the substantive vote on paragraph 4 as it is now amended.

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (*DE*) Madam President, I asked for the floor some time ago, because I have the impression that we are making a complete mess of the voting procedure here. Sir James Scott-Hopkins has just rightly pointed out that the amendment of the Committee on Budgets says that paragraph 4 is to be 'replaced by the following words' — that is, subparagraphs (b) and (c). Unfortunately, only (b) has been adopted, (c) not; nevertheless, the adoption of (b) means that subparagraph (b) of the original report falls because it has been replaced. For the rest, Madam, President, I did not want to interfere before, but I must say quite frankly that the subsequent votes on paragraph 4, etc. were in themselves dubious: strictly speaking, they could not be taken, but the result was negative and so the matter is settled. You should, however, avoid making any further mistakes. I therefore support the view expressed here by Sir James Scott-Hopkins.

President. — I call Mr Barbagli.

Mr Barbagli. — (*IT*) Madam President, I believe Mr Scott-Hopkins is incorrect, not only because you have already taken the vote on Amendment No 4 but also because, if he were correct, section 4 of the Ligios resolution would read substantially as follows:

'having regard to the proposals for reducing the monetary compensatory amounts; such a reduction should be effected:

- a) in a single stage in the Benelux countries
- b) holds that the positive monetary compensatory amounts for the United Kingdom and the Federal Republic of Germany should be further reduced in 1981.'

Reduced in relation to what? In relation to the Ligios report which does not exist any more? In fact, Germany and the United Kingdom are no longer included in section 4 of the motion for a resolution. Then, perhaps in relation to the Commission's proposals for reduction? If this is the interpretation, it

Barbagli

doesn't seem logical; for this reason I voted against Amendment No 4.

President. — I call Mr Sutra.

Mr Sutra. — (FR) Madam President, if Amendment No 22 had been adopted in its entirety, then clearly Sir James Scott-Hopkins would be absolutely right. But since only half of it has been adopted, we are perfectly entitled to consider it adopted and at the same time not adopted. As I see it, therefore, Mr Ligios's paragraph 4(b) still stands and he has my full support. I think we should vote on it.

President. — If I agreed that we should vote on Amendment No 4, it was because it was an addition which made for greater clarity and precision. However, in the case of Amendment No 22 tabled by the Committee on Budgets, it was a case of replacing a text and one cannot put to the vote a text that no longer exists!

(Parliament adopted paragraph 4 thus amended and then adopted paragraph 5)

We shall now adjourn our proceedings and resume them at 2.15 p.m.

(The sitting was suspended at 1.15 p.m. and resumed at 2.15 p.m.)

IN THE CHAIR: MRS VEIL

President

President. — The sitting is resumed.

I call Mr von der Vring to speak on a point of order.

Mr von der Vring. — (DE) Madam President, with these procedural discussions, which are becoming more and more frequent, I would urge you to make your decision after hearing two speeches from the floor, for what we heard today before the proceedings were suspended was a five-minute-long repetition of the same points of view.

President. — It was a very difficult question which posed legal problems and issues related to the Rules of Procedure. I think it was a good thing that each of the speakers could put his point of view.

After paragraph 6 (Amendments Nos 188, 216, 23, 5)

Mr Ligios, rapporteur. — (IT) Madam President, I am against Amendments Nos 216 and 23. As for Amendment No 188, I defer to the Assembly insofar as it is a question of a different chapter, which concerns young farmers.

Paragraph 7 as a whole (Amendments Nos 70, 116, 39, 138)

Mr Ligios, rapporteur. — (IT) I am in favour of Amendment No 116e, and in consequence I am against Amendment No 70.

After paragraph 7 (Amendments Nos 24, 27, 32, 40, 65, 66)

Mr Ligios, rapporteur. — (IT) Madam President, I think that Amendment No 24 concerns the dairy sector, and for this reason I think it inappropriate to vote on it now.

I am against No 32 because, in introducing the 'quantum', it brings up an idea for reform which we in the Committee on Agriculture had decided to deal with on the appropriate occasion. I am against the other amendments.

President. — I call Mr Sutra.

Mr Sutra. — (FR) Madam President, Mr Ligios was wrong just now in speaking of quotas. This amendment deals only with quanta and not with quotas, which is certainly not the same thing.

After paragraph 8 (Amendments Nos 84, 150)

Mr Ligios, rapporteur. — (IT) Madam President, I am against Amendment No 84.

As for Amendment No 150, presented by Mr Vitale and others, I agree on the principle, but I don't think a debate on the Lomé Agreements should be initiated here. For this reason I feel that the adoption of such an amendment is unnecessary.

Paragraph 10 (Amendments Nos 187, 86, 139, 151)

Mr Ligios, rapporteur. — (IT) I am against the first three amendments. As for the fourth, I make the same observation which I made before: this is a matter concerning the Committee on Cooperation and Development. On our part there is no desire to modify the provisions of the Treaties.

President. — I call Mr Sutra.

Mr Sutra. (*FR*) — I don't wish to go back over the vote but to ensure the smooth running of our business. Since the amendment deleting the paragraph was rejected and there were no amendments modifying the text, I consider the paragraph to have been adopted.

Paragraph 11 (Amendments Nos 162, 186, 152)

Mr Ligios, rapporteur. — (*IT*) Madam President, I am against Amendments 162 and 186. As for the amendment proposed by the Committee on Development, I urge my colleagues to take a closer look, for it seems to me that this point is more fully explained in the text of the resolution.

Paragraph 12 (Amendments Nos 87, 25, 7)

President. — I call Mr Fanton.

Mr Fanton. (*FR*) — Madam President, Amendment No 25 follows the wording of the report and we have simply added, after 'intensification of national aids', the words 'which may well create situations in which unfair competition occurs'. There is therefore no reason why it should not be included — it is the same text.

President. — I should like to ask the rapporteur's opinion.

Mr Ligios, rapporteur. — (*IT*) Madam President, in my opinion the acceptance of Amendment 25 implies that the others be dropped, for it replaces the entire section.

President. — I call Mr Curry.

Mr Curry. — Madam President, the amendment which Mr Fanton wishes us to vote incorporates the words 'delete the remainder of this paragraph'. Since we have just voted for that part of the paragraph he cannot now vote to delete part of it. It's not a complement, it's only a complement to a bit of the paragraph.

President. — Mr Fanton, your amendment could be adopted if it were a question of the first sentence only. However, we cannot delete the end of the paragraph as we have already voted on it. We could possibly retain the vote on the first part, while deleting the end of the paragraph.

Mr Fanton. — (*F*) Agreed.

President. — We must vote in the normal way on the first sentence of your amendment, excluding the bit added on to the part we have retained, but delete the second part of your amendment.

I call the rapporteur.

Mr Ligios, rapporteur. — (*IT*) Madam President, I repeat that I think that since Amendment 25 has been approved, Amendment 7 is superfluous.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (*DE*) Madam President, the vote that has just taken place gives me the opportunity to ask you in cases like this to stick very strictly to the wording. If one amendment says, 'Paragraph 12 to be modified as follows' — and we shall be having other cases of this kind — and another says, 'Paragraph 12 to be worded as follows', then we cannot vote on the one and then on the other. I am aware that this might have some purpose in this particular case; but if we start to do as we please, things will get very complicated. I think the only thing for us to do here is to adhere very strictly to the forms.

President. — But, Mr Sieglerschmidt, that is not a matter that can be decided arbitrarily! There was no incompatibility between the two amendments. In some cases amendments complement each other and in others they exclude each other. Where they can complement each other, that fact should be taken into account. When there is a request that the vote be taken separately, it is perfectly possible to separate what is compatible from what is not.

After paragraph 12 (Amendments Nos 67, 101, 8)

Mr Ligios, rapporteur. — (*IT*) Madam President, I am against Amendments 8 and 101. As for Amendment 67, I believe it has been withdrawn by Mr De Keersmaeker.

President. — I call Mr De Keersmaeker.

Mr De Keersmaeker. — (*NL*) Madam President, I intended to withdraw the amendment but since the second part of the preceding article has been rejected, and with it the call for an investigation of national aids, I now wish to maintain it.

Paragraph 15 (Amendment No 117)

Mr Ligios, rapporteur. — *(IT)* I am against it, Madam President, in that many of these elements are already contained in the package of structural reforms. The definition, however, is in my opinion too technical.

Paragraph 18 (Amendment No 153)

Mr Ligios, rapporteur. — *(IT)* I am against it, Madam President. The quality standards for wheat of bread-making quality should be applicable to all. For this reason, I don't think that this can be dealt with in the framework of a particular sector.

Paragraph 21 (Amendments Nos 71, 42, 177, 164, 122)

Mr Ligios, rapporteur. — *(IT)* Madam President, Amendment No 71 exactly follows the initial text of my report, which was replaced in the Committee on Agriculture.

As for Amendment 42, I don't know if it can be voted upon now that Amendment 71 has been approved. I am against Amendments 77 and 164.

President. — Since they are substituting amendments, the adoption of one of them makes all the others void.

After paragraph 21 (Amendment No 217)

Mr Ligios, rapporteur. — *(IT)* Madam President, I think that this amendment should be voted upon after paragraph 38, at the appropriate time.

Paragraph 30 (Amendment No 24)

President. — That brings us to milk products. Some time ago we deferred Amendment No 24 tabled by the Committee on Budgets so that we could put it to the vote when we would arrive at paragraph 30.

Mr Ligios, should it be put to the vote now or at the end of this sector?

Mr Ligios, rapporteur. — *(IT)* Now, Madam President.

President. — Mr Ligios, does this amendment replace others or does it complement them?

Mr Ligios, rapporteur. — *(IT)* The amendment would seem to me to be substitutive in character, Madam President.

President. — I call Mr Notenboom.

Mr Notenboom. — *(NL)* Madam President, the Committee on Budgets intended this to be a new paragraph inserted after paragraph 7. This should be clear from the text.

President. — It is only an addition. We shall put it to the vote after all the paragraphs on the milk sector.

Paragraph 31 (Amendments Nos 95, 103, 221, 200, 72, 14, 143, 124, 105, 104, 226, 123)

Mr Ligios, rapporteur. — *(IT)* I am in favour of Amendment 104.

I defer to the Assembly on Amendment 124, and I am against the other amendments.

President. — I call Mr Notenboom.

Mr Notenboom. — *(NL)* Madam President, may I ask you to put to the vote now the Committee on Budgets' Amendment No 24 on co-responsibility. This concludes the section of the resolution on co-responsibility since the remaining paragraphs relate to other matters. This therefore seems to me to be the right time to vote on this amendment.

President. — I consult the rapporteur.

Mr Ligios, rapporteur. — *(IT)* I agree with Mr Notenboom and I am against the amendment.

Paragraph 32 (Amendments Nos 73, 9, 6, 201, 17, 119, 106)

Mr Ligios, rapporteur. — *(IT)* Madam President, I am against all these amendments, except for Amendment 119, which I think has been very well drawn up. Concerning it I defer to the Assembly. I am in favour of Amendment 106.

Before paragraph 39 (Amendments Nos 217, 147, 120, 121, 154, 155, 98)

Mr Ligios, rapporteur. — *(IT)* Madam President, a few hours ago we voted on the motion for a resolution concerning sugar, after the amendments had already been presented. I do not know if it is technically possible on the procedural level to indicate with an oral amendment that we are referring to something Parliament approved an hour ago.

President. — We shall ask Mr Bocklet, the author of the sugar report, for his opinion. We shall vote at the

President

same time on Mr Blaney's Amendment No 217 which had been held over, because it also deals with sugar.

Mr Bocklet. — *(DE)* Madam President, I gladly support the suggestion made by the rapporteur, Mr Ligios. If, however, you are not prepared to adopt this suggestion — that we refer at this point to the decision relating to the organization of the market in sugar — then I would propose that you put Mr Blaney's amendment, No 217, to the vote. This states exactly the same thing as we decided on at midday — that is, a rejection of the levy on A-quota sugar. This amendment was deferred until the moment came for dealing with the question of sugar. I would, however, regard Mr Ligios' proposal simply to refer to the decisions we took at midday today as the most elegant solution.

President. — Mr Bocklet, we can take Mr Blaney's amendment first, but it is a general amendment which will not make the other amendments void.

After paragraph 41 (Amendment No 49)

Mr Ligios, rapporteur. — *(IT)* Madam President, I defer to the Assembly on this amendment, which was rejected in committee.

Paragraphs 42 to 44 (Amendment No 130)

Mr Ligios, rapporteur. — *(IT)* Madam President, since in the Committee on Agriculture we had found ourselves faced with a vacuum in regard to the wine question, which has been under discussion here for three months but which has not yet been voted upon, we took on the task of preparing an amendment which would tie in with the report which we thought Parliament would already have approved by this time.

Since this has not occurred, Mr Colleselli, the rapporteur, and I have made reference to the essential points of this report, points which have already been approved by the Committee on Agriculture.

For this reason I request the Assembly to approve this amendment.

After paragraph 44 (Amendments Nos 31, 33, 100)

Mr Ligios, rapporteur. — *(IT)* Madam President, I am against them because the same ideas are included in the amendment we have just approved.

Paragraphs 45 to 47 (Amendments Nos 183, 51)

Mr Woltjer. — *(NL)* Madam President, there appears to be a translation error in the German text, which

states exactly the opposite to what I wrote. My own text reads; 'approves the proposal from the Commission' and the vote must be taken on this wording and not on 'rejects the proposal' as appears in the German translation.

President. — The German version of your amendment will be corrected.

Paragraph 54 (Amendment No 149)

Mr Ligios, rapporteur. — *(IT)* Madam President, I would like to offer an explanation. Obviously the person who proposed these amendments has erred in saying that it is necessary to address the producers directly. This is technically impossible, for the premium for processing does not go to the producer, but rather to the one who processes the product. Therefore I am against this amendment.

After paragraph 56 (Amendments Nos 224, 225, 55, 58, 57, 56)

Mr Ligios, rapporteur. — *(IT)* I am against them, Madam President. The problem of fisheries is not part of the problem of prices.

(...)

Mr Ligios, rapporteur. — *(IT)* Madam President, Amendment 225 should be dropped, since policy on forestry has been dealt with in another amendment which has been approved.

President. — I still think that it would be better to put it to the vote.

(.....)

I call Mr Glinne to speak on a point of order.

Mr Glinne. — *(FR)* Madam President, it goes without saying that the vote on the report as a whole is going to be influenced by the extremely uneven result of the vote on a number of amendments, and I therefore request that the sitting be suspended for five minutes, no more.

President. — I call Mr Taylor.

Mr J. M. Taylor. — Madam President, on behalf of my Group, I merely wanted to be sure that there would be the chance of some time for groups to consider their position on the report as a whole. As to whether that is before or after the explanation of vote, that will be guided by the Presidency.

President. — I call Mr Klepsch.

Mr Klepsch. — *(DE)* I should like to suggest a compromise: we suspend the proceedings for ten minutes and make our explanations of vote after the final vote. That is a fair suggestion.

(Applause)

President. — I call Mrs Van den Heuvel.

Mrs Van den Heuvel. — *(NL)* Madam President, I object. Under the Rules of Procedure explanations of vote must be given before the vote.

President. — The sitting could be suspended until 4.40 p.m., after which explanations of vote would be given followed by the vote itself. As we have finished earlier than we thought we would, Mr Klepsch, I think that that is the only thing we can do.

I call Mr Klepsch.

Mr Klepsch. — *(DE)* In that case, Madam President, we are opposed to a break in the proceedings. I can say for my Group that we are convinced that what is going on here amounts to quite an extraordinary piece of filibustering. Either one thing or the other. In this case, since the objection comes from Mrs Van den Heuvel, I insist we decide by vote whether the proceedings should be suspended.

President. — It would be no more than reasonable to suspend the sitting for 10 minutes, all the more so as this has been requested by two groups. After debates of this importance, it is only normal that some groups should wish to compare notes before the final vote. We have finished sufficiently early to have the explanations of vote before the vote itself, as laid down by the Rules of Procedure.

I call Mr Klepsch.

Mr Klepsch. — *(DE)* Well, I can say for my Group that we find that outrageous. If we take the explanations of vote now, all right: those who want to can do so, while the others hold group meetings. If we do both, that will prolong the sitting intolerably!

(Applause)

President. — Very well then, we shall not suspend the sitting. I would ask those who wish to confer before the vote to leave the Chamber in order to do so. We shall begin with explanations of vote straightaway.

I call Mrs Barbarella.

Mrs Barbarella. — *(IT)* Madam President, we believe that the consensus reached in this Chamber on the question of prices represents a balanced position. We have not been satisfied on an essential point, however: progress has not been made towards a true reduction of dairy surpluses and a resulting decrease in agricultural expenditure in this sector. As it is, we think that we are leaving the way open to the Commission and the Council to decide as they please. For this reason, our resolution makes no concrete contribution to one of the basic aspects of the question.

Because we are unsatisfied in regard to this important point, we will abstain from the final vote: in a matter of such importance we cannot do otherwise.

President. — I call Mr Sutra.

Mr Sutra. — *(FR)* Madam President, ladies and gentlemen, I have to tell you first of all that it is Mr Woltjer who will be speaking on behalf of the majority of my Group, but the agenda being what it is, I have asked to speak now.

I must point out that we have, throughout the whole day, supported the Ligios report and voted against all the amendments that sought to delete any of its paragraphs. As I said yesterday, we believe that the report has many positive points in its favour. Unfortunately, there are two specific points on which European farmers expect a clear answer: firstly on price levels and price increases, and secondly on our attitude to monetary compensatory amounts. I am sorry to say that these are the only two points on which we disagree, having failed to get our amendments through, which means that we are unable to vote for the final report. The rapporteur, Mr Ligios, accepted many of our amendments in the Committee on Agriculture. Although the report really does contain some positive aspects which will be to the advantage of the common agricultural policy, regretfully we shall be voting against the report because it has failed to meet the demands of COPA and the farmers for a 15.3% increase in farm prices and also, indeed mainly, because, as a result of this morning's procedural wrangle, we have been deprived of a clear vote on the monetary compensatory amounts.

President. — I call Mr Fanton.

Mr Fanton. — *(FR)* Madam President, I do not wish to speak just now because I should prefer to wait for my Group to return. I think it is deplorable that we should be speaking on such an important topic to a half-empty Chamber. I note, incidentally, that the

Fanton

EPP Group, which was the one that wanted the sitting to continue, has left the Chamber almost to a man. I should, Madam President, therefore like the sitting to be suspended officially. The Conservative Group is not here, the EPD Group is not here, most of the EPP Group is not here, and I do not see any reason why we could not suspend proceedings for just a few minutes.

President. — We decided just now not to suspend the sitting. In any case we know from experience that during the explanations of vote most Members leave the Chamber.

Mr Fanton. — (FR) Madam President, might I suggest that if some Members left the Chamber just now, it was because they were convinced that you had decided to suspend the sitting . . .

President. — I call Mrs De March.

Mrs De March. — (FR) Madam President, in giving an explanation of vote I have to say, on behalf of the French Communist and Allies, that we have been struck by two things in particular during this debate on farm prices. The first is the demagoguery of the political groups connected with the governments of the Community which — and this is not entirely unprompted by the presidential elections in France — are showing an unwonted concern for the lot of the agricultural workers. The second is the silence of all the groups on the problem of enlargement and its true consequences for agriculture, particularly Mediterranean agriculture. To hide the truth from the farmers one talks loftily of preconditions and guarantees, all the time knowing full well — we have the proof in our experience with the United Kingdom — that they will never be honoured. In addition, there is the apparent determination to ignore the intense anxiety of the ACP countries, expressed in Freetown, and also of the Maghreb countries at the prospect of enlargement, because enlargement of the Community to include Spain and Portugal is a vital step towards European integration.

The reticence of this Parliament on the subject betrays the embarrassment felt by the majority of its Members at the growing unrest, particularly in France from the Midi to Brittany. You are hastening the disappearance of small and medium-sized family farms and you talk about democracy when, in fact, only the profits of the industrial and agri-foodstuffs giants are at stake. Well, we say that you cannot claim to be protecting the incomes of farmers, fishermen, wine growers, olive growers, sheep farmers and pig breeders and at the same time agree, as the Ligios report suggests, to the expansion of the economic area through accession, with all the restructuring and reorientation of production attendant on enlargement. And, as we know only

too well, reorienting production in fact means the grubbing up of our vineyards and orchards. Hand in hand with this go the grants and subsidies designed to speed up the process of eliminating smallholdings. In my region, which covers Provence, the Côte d'Azur and Corsica, more than 17 000 family farms have disappeared in ten years. We know what we are talking about.

Although you have not said it in so many words, the Commission in Brussels, the governments and the majority of this Parliament are now prepared to settle for the idea of fewer farms, run on profit-making lines and linked to the agri-foodstuffs industry. It is no accident that the major French-based agri-foodstuffs companies already have a foothold in Spain. Their profits have nothing to do with spreading democracy in these countries. The Commission in Brussels has now decided — but this hasn't been admitted either — in relation to enlargement, which will put the olive oil market into surplus, to apply the co-responsibility levy to olive growers, which is a clear attack on their guaranteed incomes. So now, in the south of France, having suffered from massive imports of Italian wines, we are going to see our vines grubbed up and our fruit, vegetable and olive oil production taxed because we alone, in this Parliament and in France, have had the temerity to call for the ending of accession negotiations, and the rejection of our ten amendments proves it.

We will not, by our vote, put our name to any reduction in farmers' incomes or any further enlargement of the Community, or any attack on France's sovereign decision-making powers.

President. — I call Mr Kirk.

Mr Kirk. — (DA) Madam President, in a democracy one has to accept that voting involves compromises. I for one am glad to live in a democracy and I am glad it is possible to reach a compromise through the kind of vote we have had here today. I shall not, therefore — unlike the honourable Communist Member who has just spoken — refuse to vote in favour of this report merely because some amendments proposed by myself or my Group have not been adopted.

We Danish Conservatives — and I hope our British colleagues in the European Democratic Group, too — can endorse the result of today's voting. We can endorse it because it gives a balanced picture of the prevailing political views in Europe and in the European Parliament on future agricultural policy. But we can support it particularly because it makes clear to Europe's farmers what price increases we advocate for 1981-82. It represents a relatively clear statement on how we intend to tackle the problems of the Community's surpluses. We have said that the farmers must share the financial responsibility for that part of

Kirk

their production for which there is no outlet in the Community or on the world market.

We have also delivered an opinion on monetary compensatory amounts which are one of the problems of the common agricultural policy. We shall stand by the result achieved here today and, to conclude, I should like to thank the rapporteur, Mr Ligios, for his excellent work in the committee and in this House. I am pleased that this year we have come as far as we have and shall therefore vote for the report in the form agreed on in today's proceedings.

President. — I call Mrs Castle.

Mrs Castle. — Madam President, the confusion over the exact time of the vote tonight is just another example of the way this parliament has failed to begin to organize its procedure properly. The Luster report is only the beginning of what we have got to do, and I cannot for the life of me understand how it is not possible for a parliament of adult people to coordinate the votes with the times of the planes they have to catch.

Now I am rising to explain a vote I may not even be able to cast because the last plane I can catch to Brussels tonight for an important matter leaves at 6 p.m. Now this really is the absurdity. The votes in this place are never representative because we do not know how to organize our work. But what I would have loved to do, Madam President, would be able to be here to vote against this utterly intolerable report, and I am astonished that my conservative colleagues from Great Britain — a country which has been demanding the restructuring of the budget, a country that has been demanding that we should spend less on agriculture and more on industry — could have voted this afternoon for a 12% increase in agricultural prices this year which they know, because Commissioner Tugendhat told them yesterday, is going to add to another 1 900 m ECUs to the cost of the agricultural budget in 1982, which with the increases already that would have come from a price increase of 7.8% means we are going to be spending nearly 3 000 m ECUs on agriculture in 1982 compared with the present time. So where is the money going to come from for all the other activities we keep talking about, and this increase is also totally unacceptable to the consumers of the European Community. The Commission in its report told us that a 7% increase in producer prices last year led to an increase of prices in the shops of 11%. What then is going to be the consumer price increase that will flow from the increase of 12% which the majority of this parliament is now asking for? It is clearly going to lead to a fall in demand, increase surpluses and create a vicious circle which will not benefit the farmer any more than anybody else. The time has come for a fundamental reform of the common agricultural policy. We have got to find other

ways of supporting farmers' incomes than the price support system at the present time. So I register now in my words the vote I would like to cast in person against the report as it has now emerged.

President. — I call Mr Fanton.

Mr Fanton. — (*FR*) Madam President, we worked in the Committee on Agriculture, we assessed the report submitted to us by Mr Ligios and we voted in favour of it. We voted for the report even though it did not entirely fulfil our objectives. Mr Kirk was saying just now, and quite rightly, that it is important to know how to compromise, but today things have changed.

At the beginning of this debate we accepted the figure of 12%, with certain reservations, because we are aware of our responsibilities and because events in the monetary field at the end of last week enabled us to believe that this figure of 12% was in the final analysis acceptable, though unsatisfactory. But in the light of the votes that followed, particularly as regards, firstly, co-responsibility, which is a fundamental issue in our eyes and which we have always maintained should be excluded from this debate — unfortunately it was not — and, secondly, the vote on the compensatory amounts, on which, owing to a procedural wrangle, Parliament was unable clearly to state its position, even though it was quite apparent that a large majority held a very definite view on the matter; in the light of these considerations it is impossible for us to vote in favour of Mr Ligios's report. We regret this because of the work he has put into it, and we regret it because we believe this Parliament should endeavour, in the area of the common agricultural policy, which is such a vital one for us, to reach some positive conclusions. But, on a number of points the majorities were such as to call the Ligios report into question, and under the circumstances we cannot vote in favour of it.

President. — I call Mr Pranchère.

Mr Pranchère. — (*FR*) Madam President, throughout the debates we have resolutely held out for a guaranteed 15% increase in farm prices, and to this end we called for the abolition of co-responsibility levies and for the restrictions on interventions proposed by the Commission. We submitted a ten-point resolution to replace the Ligios report. It embodied all the demands of our farmers who refuse to allow themselves to be sacrificed. In addition to the guaranteed 15% increase, it contained a categorical 'no' to any enlargement of the EEC and to any form of co-responsibility, and that includes the milk sector. It called for the system of monetary compensatory amounts to be completely dismantled once and for all. It stood for a policy of utilizing the agricultural potential in the context of a new world economic order.

Pranchère

It is highly significant that the Members as a whole, and the French Members in particular, should have rejected this resolution, and by voting against or abstaining denied our agriculture the right to develop. This vote shows that, beyond the opportunist electioneering demagoguery, there is an actual pact to support the policies of the Commission in Brussels, in particular enlargement, which would effectively sound the death knell for hundreds of thousands of family farms in France. The fact that we have at the Commission in Brussels Mr Ortoli, a representative of the RPR, and Mr Cheysson, a representative of the French Socialist Party, both appointed by Mr Giscard d'Estaing, explains the behaviour of the French right-wing and Socialist Members in this House. Not only does the Ligios report provide for no more than a 12% increase in farm prices; it also embodies measures which will substantially cut back this increase. In fact, it is quite obvious that the purpose of this part-session was to discuss not just farm prices but a whole range of measures drawn up by the Commission which pose a serious threat to the future of agriculture in our country. That is why we shall be voting against the Ligios report.

We now appeal to the farmers of France and call upon them to take vigorous action so that the French Government will understand that it must insist, in Brussels, on the interests of French farmers and of France being protected. By virtue of the unanimity rule they have the power of veto which they must use to guarantee farmers' incomes for 1981. Our meaning is quite clear: it must be in Paris and nowhere else that the fate of our farmers and of France is decided.

President. — I call Mrs Wiczorek-Zeul.

Mrs Wiczorek-Zeul. — (DE) Ladies and gentlemen, I shall be voting against this report. I am obviously one of the relatively few people in this House who remember what the European Parliament decided six months ago in the Ferrero report on hunger in the world, and my reasons for opposing this report are that almost every section of it contradicts the principles that won for the Ferrero report the support of the majority of this House.

I shall illustrate this briefly by referring to three paragraphs in the motion for a resolution. In paragraph 13, the new Ligios report calls for immediate proposals to promote Community exports and increase the potential of Community agriculture, and specifies a number of means to this end. I remind the House that the Ferrero report explicitly called on the Community to ensure that its external trade policy did not contradict its own development policy — in other words, that the problem of surpluses was not solved at the developing countries' expense by exporting these surpluses to Third World countries by means of long-term contracts, credits, etc. — and yet this is precisely what

the report now before us calls for. Paragraph 13, which you now want to adopt and which the majority of this House has already approved, is in clear contradiction to the guideline we gave in the report on hunger in the world, where we expressed the wish that the developing countries should be able to develop their own agricultural production, and we hinder them in this if we unload our surpluses onto their markets.

That is one reason why I shall vote against this report, and I should like to illustrate this with another example. In paragraph 26, the majority of this House has adopted a position which quite clearly amounts to protectionism *vis-à-vis*, for example, beef imports; but this is precisely a sector in which developing countries, apart from the ACP countries, are exporters and which gives them opportunities for foreign currency.

My third illustration is paragraph 48, which calls for greater protection for fruit and vegetables, for example: that is, you would deny the developing countries which enjoy the greatest advantages the opportunity to export their produce to the European Community.

And so I tell you that I am not prepared to go along with the hypocrisy shown by the majority of this House: you are liberal with words *vis-à-vis* the developing countries, but you are mean, niggardly, narrow-minded and short-sightedly mindful of your own agricultural interests when it comes to actual deeds.

President. — I call Mr Skovmand.

Mr Skovmand. — (DA) Madam President, we from the People's Movement against the EEC intend to abstain from voting on this resolution. Our reason is that we consider as a matter of principle that it is not for Parliament to fix the Community's agricultural prices. That is the Council's responsibility. At the same time, we should like to state categorically that an adjustment to the Commission's percentages will not have a decisive effect on the situation in the agricultural sector, because a large increase will merely postpone the time when we hit the ceiling fixed for Community expenditure. We should not be misled by the fact that Community expenditure on agriculture is lower at present than had been anticipated. This is only because some very special factors are operating at present; for one thing, the prices on the world market are relatively high and that reduces the Community's expenditure on export refunds. This situation can change very rapidly and then, if we are not careful, it could get out of hand. Even an increase of 12 or 15% will not solve the farmers' long-term problems. In Denmark, in any case, that can temporarily slow down the compulsory sales that are going on at present throughout the sector; it cannot stop them, because it

Skovmand

cannot correct the catastrophic decline in the living standards of Danish farmers that has taken place since we joined the EEC.

President. — I call Mr Klepsch.

Mr Klepsch. — *(DE)* Madam President, I can be brief. I wish to say, on behalf of my Group, that we shall vote for the Ligios report, because in our view it is well balanced and its various sections mutually complementary. We are gratified that this House has succeeded in reaching such a conclusion, and with it I think we shall be offering the Council of Ministers a useful proposal. My Group will be voting as a body for this report.

President. — I call Lord O'Hagan.

Lord O'Hagan. — Madam President, this has been a difficult week for the Parliament and you have presided over our business with dignity and led us to a coherent way of ordering our affairs. I therefore particularly resent Mrs Castle's accusation which is a personal accusation against you, that we have not as a Parliament, by some curious oversight, been able to accommodate her particular flight time for her to vote on this matter. I do resent, Madam President, that you should be rewarded in this way by the very vicious personal attack that Mrs Castle made on the organization of the Parliament, when this Parliament has been through a very tough and difficult week, and we all know it and we've come through with credit.

(Applause from the European Democratic group).

Now I am going to vote tonight because I believe in the future of this Parliament, unlike Mrs Castle, and I am beginning to be deeply irritated by the way that certain people from my country, from a dying political organization, are using this House as an instrument for degrading the nature of British politics and trampling on the future of the Community. What is even worse is that Mrs Castle makes accusations of the nature that she does not just against you, Madam President, but against the whole of this house and then goes away. She told direct untruths not only about the way we have spoken in this debate but the way we are going to vote tonight, and I therefore wish to say that those who are burying themselves in the mire of their own political calumny should not seek to destroy this Parliament and the future of the common agricultural policy at the same time, because unless — and I agree with her — we reform the common agricultural policy, we will have no future for the Community, but unless she and those few that remain with her in her political alliance put forward some constructive ideas we will have no Community, no Parliament and no place for this Community to develop towards.

So, Madam President, I apologise for my enthusiasm in speaking, I wish to disassociate myself from my compatriot when she bitterly criticized you and the administration and I wish to demonstrate, in a personal capacity, that some Members of this Parliament believe in this Community, a reformed common agricultural policy and Britain's firm presence in this Community to drive forward to greater progress.

(Applause from the center and from the right)

President. — I call Mrs Lizin.

Mrs Lizin. — *(FR)* Madam President, I rise to explain why the Belgian Socialists will be abstaining. Although we are not satisfied with all the proposals contained in the Ligios report, we cannot join the rest of the Socialist Group in voting against, and this for two reasons. Firstly, as far as we are concerned, the recommended price level is not what we should like but it is an acceptable minimum. Secondly, the position adopted on co-responsibility leaves the door open for a debate which we shall have to hold at a later date.

President. — I call Mr Wettig.

Mr Wettig. — *(DE)* Madam President, the majority of the Socialist Group took part in this debate with the object of giving its support to the Commission's proposals on agricultural prices and the accompanying measures. As a result of the voting, however, the Commission, in our view, is not being given the backing we had hoped for in the essential points. We are therefore unable to give the Ligios report our majority support, because we feel that neither the decisions on prices nor those on the accompanying measures reflect the views we have put forward in this directly-elected Parliament, particularly during the debates on the budget. Consequently, we shall not be in a position to vote for the Ligios report.

President. — I call Mrs Ewing.

Mrs Ewing. — Madam President, I will be abstaining on the Ligios report even though 12% is a lot better than the 7.5% suggested. Yet my position on behalf of the farmers in Scotland is that we need 15.2% and I expressed the frustration of an industry that believes it's done a good job and is doing a good job. It has 11% up on productivity last year but a real fall of income of 18% and many members of this industry are seriously unable to continue carrying on their job as farmers. Also on the ground of the co-responsibility levy in Scotland, we have reduced our production of milk products, yet we still seem to be penalized although we do drink the stuff.

Ewing

I would also like to say in keeping with the words of Lord O'Hagan that I resented Mrs Castle's remarks too. I notice she was able to catch the plane for Freetown alright, and I would like to say that when she calls for a cheaper method of producing food, it was the traditional method in Britain under both governments for years: deficiency payments. It has been costed recently by the farmers union in Scotland as costing more than our contribution to the common agricultural policy.

Having made these points, while I thank Mr Ligios for all his work and regret I cannot vote for the reasons given, I must abstain.

President. — I call Mr Puletti.

Mr Puletti. — (*IT*) Madam President, I wish to explain the vote of the Italian Socialists and Social Democrats.

Mr Ligios did in fact respond favourably to some of our requests, but if he had been more attentive and more 'generous' concerning the amendments we presented along with Messrs Gatto and Arfé, we could have given our favourable vote in a more positive frame of mind. I refer, for example, to what was said concerning the need to distinguish between small and medium-sized businesses in fixing prices and co-responsibility levies. We feel that the Ligios resolution has appreciable gaps, especially as far as our own country is concerned. We do not deny, however, that, considering the inflationary spiral which has reached alarming proportions in Italy, we find the fixing of agricultural prices at the 12% level acceptable. We also agree with the effort made in the Ligios report to provide a particular safeguard for Mediterranean products. We profoundly disagree, on the other hand, with what has been proposed for the co-responsibility levy, that is, for the problem of surpluses in dairy products and derivatives. Indeed, if Mr Ligios had accepted our amendment to paragraph 31, which read: 'accepts that dairy producers bear the responsibility for the part of their production delivered to intervention,' it would have been possible to make a distinction in regard to firms which succeed in finding their own markets. At the most, we are in favour of the co-responsibility levy because Italy is not a surplus producer, but at the same time we would have liked to offer advantages to undertakings based on family activity.

Mr Ligios' report is thus a mixture of light and shadow, but precisely because we perceive its positive aspects, we, as Italian Socialists and Social Democrats, announce our favourable vote.

President. — I call Mr Galland.

Mr Galland. — (*FR*) Madam President, not being a specialist in agricultural problems, I do not normally speak in such debates, but having seen the way the debate was unfolding and having listened to the explanations of vote and the way things were heading, I felt I had to say my piece because, as a committee politician, I have a natural horror of anything that smacks of demagoguery. Personally I am not in favour of extending the co-responsibility levy and I am also sorry that no timetable has been set for dismantling the system of monetary compensatory amounts. However, taking into account the devaluation of the green franc following on monetary events of which we are all aware, I calculate that the 12% price increase voted by Parliament is actually worth 14.5% to French farmers.

The rest of the Ligios report is consistent enough, and I feel that the fact that Parliament has delivered an opinion and produced a coherent report for the farmers far outweighs the adverse points I have mentioned. European farmers, French farmers, are waiting for an opinion from our Parliament. If, for the second year running, we are unable to deliver one, our credibility will be bound to suffer.

For this reason, in spite of the objections I have raised, I personally shall be voting in favour of the Ligios report, which I believe is on the whole more positive than negative.

President. — I call Mr Curry.

Mr Curry. — Madam President, when I spoke in the debate yesterday, I made it perfectly clear that as far as my Group was concerned, there was an essential link between the two parts of this package, between the part which dealt with prices and the part which dealt with reform. I warned that the worst possible thing that could happen would be for people to grab the prices and run and leave the reform parts of this package behind. With immense regret I have to say that we believe that that has happened.

We recognise the difficulties of the farm sector, that is why we voted for the figure, the 12% increase — which I'm sure not many people would have expected to see this Group voting for even a short while ago — because we wish to make a particular effort on behalf of our Community, but we recognize that it was absolutely essential that there should be the willingness to make a parallel effort to install those measures which would prevent this old bugbear, this old thorn of over-production, coming back to poison our debates year after year after year. Now we've got some words on reform, we have got the usual tokenism, the sort of tokenism which we thought we could grow out of.

It's a great pity, Madam President, that in the budget debates everybody in this house is a hero. In the farm

Curry

price debates they tend to shrink to mice and what has happened is that we have lost an essential link which would enable us to go forward and be able to proclaim, both that we are genuinely responsive to the needs of a farming community and that we are genuinely responsive to the needs to diversify this community and make available resources that will give it a quality and meaning for broader sections of the population.

That hasn't happened and it is with very great regret, Madame President, that we therefore have to conclude that we must vote against this report.

President. — I call Mr Woltjer.

Mr Woltjer. — *(NL)* Madam President, fellow Members, I must express my deep disappointment at the Ligios report, which ultimately disregards reality. On the one hand it says that surpluses must be eliminated, but on the other it rejects a whole range of restructuring measures proposed by the Commission, without putting forward any alternatives. Furthermore, the report is very much against the interests of the developing countries and trade with the Third World. Nevertheless, after much hesitation, I have decided not to vote against the report since I consider that Parliament, which has failed to do its homework and has indeed lacked the courage to take the decisions that were really necessary, does not have the right to prevent the farmers from knowing where they stand on 1 April, by blocking a report. In short, it is a bad report since it does not meet the farmers' demands in the long term nor does it meet the needs of the people in developing countries because it fails to solve the problems. This is because Parliament has given way to all sorts of national demands, the net result of which is zero. Nonetheless, in my view, we must improve the situation and the farmers have the right to know on 1 April where they stand with prices, that is to say with their incomes.

President. — I call Mr Møller.

Mr Møller. — *(DA)* Madam President, on several occasions during this debate and on the days when we have discussed agricultural matters I have heard it said that the major problem is surplus production. At the same time, we also hear it said in many quarters that we should deal with world famine. But how can we deal with world famine if we hold down the production of those farmers who produce enough to enable us to combat world famine? The solution to the problem of food shortages depends on our having surplus production in Europe, in the USA, in those countries which can help the developing countries. Therefore, I cannot see why we should try to prohibit those who want to produce and who can produce

from doing so and why it should not pay them to do so.

I deeply regret that the British members of my Group cannot support this report. It is an admission of failure that we should have been unable to agree on the report which the committee was able to agree on, and those who accepted the report at the committee stage must have known that they would not be able to get the points adopted which they failed to get adopted in committee. Nonetheless, they have approved the Ligios report. I deeply regret this dissension.

I wish to say here again that I believe we have certain obligations towards countries with poor productive apparatus, towards countries where people are starving, towards the millions of people who are starving. We really should ensure that it pays the farmer who can produce food to do so. These two things are interrelated, although not in the way the honourable Member has suggested earlier today. My good friend, Mr Skovmand, said that it was not our job, but the Council's, to adopt a position on this question. Of course, we all know that it is the Council who takes the final decision, but we also know that at this stage of the procedure it is our job and our responsibility to advise the Council, because we are a representative body whose views must be heard in this matter. Mr Skovmand knows that too, and, if he now chooses to evade his responsibility, it is simply because he does not dare to accept it. What kind of sense of responsibility is that?

(Applause from some benches on the right)

President. — I call Mr Gremetz.

Mr Gremetz. — *(FR)* Madam President, the vote of the French Communists and Allies is a vote against Malthusianism. In my country millions of workers and children are going without meat, without fruit, without vegetables, at a time when part of what we produce is being put into store, destroyed or denatured. This is the result of austerity policies that are squeezing the incomes of the workers.

At the same time, hunger and destitution are spreading throughout the developing countries. The world food situation is getting worse and worse. This tragic situation is an indictment of all the policies of cutting back agricultural production, and particularly the policy being pursued by Brussels. It is an indictment of its initiators and, in particular, of the French Government and its representatives in the Commission. What this situation calls for, instead, is a boosting of French agriculture to satisfy all needs. This could be done with the help of the farmers and using the enormous advances that science and technology, and agronomic research in particular, have brought about. Farmers

Gremetz

must be given due credit, their work must be fairly rewarded and they must be given the means to bring about a revival of agriculture.

This can best be achieved by means of an adequate increase in prices, which the agricultural organizations have set at 15.3%. Such a policy is clearly not reconcilable with the line being followed by Brussels of dedicated support to the agri-food multinationals. We need, rather, an agriculture that satisfies the needs of everyone, as was proposed by Georges Marchais in an amendment that has been rejected by all sides of the House, from the right to the Social Democrats. This rejection is tantamount to acquiescence in the effective crippling of our agriculture, which is exactly what the resolution before us, and especially maintenance of the system of compensatory amounts and of the co-responsibility levy, would mean. The opposite approach is what is needed to satisfy requirements. That is why I shall not add my voice to those who, behind all the political posturing and electoral opportunism, support a Malthusian philosophy which is contrary to the interests of the farmers.

(Applause from the extreme left)

President. — I call Mr Flanagan.

Mr Flanagan. — Madam President, first of all I wish to join with Lord O'Hagan and the others who have thanked you for the way in which you and your assistants have conducted the session this week and to express the hope that the difficulties we encountered at the beginning will never recur. I will be very brief indeed and I have to say that with the permission of our group chairman and after a great deal of heart searching we, the Irish Fianna Fail Members, have decided to vote for the report as amended. For reasons implicit in the speeches made during the debate in regard to the generalized co-responsibility levy, other levies and particularly the MCA's operation which is directly inimical to the interests of the cattle trade in Ireland, we have a great deal of misgiving about this decision, but we may prod the Council of Ministers to come up with what will, due to monetary changes in the last few days, be an effective 16% increase for our farmers. With all these misgivings nevertheless we propose to vote for the report and we thank the chairman of our Group for allowing us a free vote on the matter.

(By roll-call vote¹ Parliament adopted² the resolution as a whole — Applause)

¹ Requested by the Group of the European People's Party (Christian-Democratic Group)

² See the minutes of the sitting.

President. — Before some of you leave, I should like, on your behalf, to thank all those who have been working for the past two days to enable the vote to be taken on this report. I think you do not fully realize what a miracle it is that we have been able to achieve this result. An enormous amount of work has been done since yesterday by the translators, interpreters and other members of staff. We should be grateful to them, as I really did not think that we could get so much done in this sitting.

Sir James Scott-Hopkins. — *(FR)* Easy on there now, Madam President, I beg of you. After all they have been on strike, you know!

President. — Some of them were not on strike, Sir James, and they were the ones who worked to enable our proceedings to be got through. They worked all night to cope with the backlog of work. I feel that we should be very grateful to them.

I call the Commission.

Mr Dalsager, Member of the Commission. — *(DA)* Madam President, I just wish to add my thanks to those you have expressed to the Members of Parliament. I should very much like to avail myself of this opportunity to thank the Committee on Agriculture and the rapporteur, Mr Ligios, for all the work they have done.

As you know, owing to tragic circumstances I, as the new Commissioner, had very little time to prepare this proposal and the Committee on Agriculture very little time to consider it. I think that Parliament, in accomplishing this work, has gone one step further towards convincing Europe's farmers and the other Community institutions that it is a force to be reckoned with. It was clearly essential, if the Council is to fulfil its political responsibilities in the coming weeks, that Parliament should complete the task which it has now completed in record time.

Speaking for the Commission, I am very grateful to Parliament for expediting its work in this way. Obviously, there are still areas of disagreement between Parliament and Commission with regard to the proposals for this sector — it would be strange if there weren't — but now we have Parliament's views on what should be done. Thank you, Madam President. It has been a valuable experience for me in this very difficult situation to sit in on Parliament's deliberations.

(Applause)

President. — I call Mr Ligios.

Mr Ligios, rapporteur. — (IT) Madam President, permit me to express my warmest thanks to all the members of the Committee on Agriculture, especially to its chairman, and to all the other members who contributed with their speeches towards the Parliament's acceptance of a report which I believe to be coherent and, all things considered, of a certain importance.

Permit me to thank you, Madam President, for your patience and competence in directing our work on this difficult task, so that two especially important initiatives could be sanctioned. I also thank Commissioner Dalsager.

Finally, we are extremely grateful to the staff for having made it possible for us to bring our work to completion.

(Applause)

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President. — We shall now consider the *Kirk report* (Doc. 1-831/80): *Catch quotas (NAFO)*.

(Parliament adopted the resolution)

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President. — We shall now take the *Plumb report* (Doc. 1-53/81): *Allowable catches for 1981*.

(Parliament adopted the preamble and paragraphs 1 and 2)

After paragraph 2 I have Amendment No 7 by Mr Kirk and others, seeking to add the following new paragraphs:

- '2a. Takes the view that the Commission proposal does not strike a real balance between biological, social and economic requirements;

Is therefore of the opinion that the catch quotas for 1981 can be increased subject to scientific advice without endangering Community fish stocks;

- 2b. Urges the Commission therefore to review its proposal and to submit without delay to the European Parliament and the Council a Community-oriented document which is based on and takes full account of the general principles laid down by the European Parliament concerning quotas in Doc. 1-597/80;

At the same time, the restrictions on potential fishing activities arising from the delayed Council decision must be compensated for through appropriate and equal quotas, for example, in the waters off the coast of Greenland;

- 2c. Requests the Commission to review the proposed 3% maximum limit for herring by-catches during sprat fishing as it has made it difficult for fishermen to pursue their activities in all areas;

Requests that the relevant experts be asked to review again the position of herring stocks at the beginning of 1981 and that the proposals be revised in the light of this information;

- 2d. Requests the Commission to consider an increase in the total allowable catch for cod off the coast of East Greenland in view of the fact that Icelandic fishermen at present fish approximately 400 000 tonnes of this common stock on an annual basis; considers the Community share of only 8 000 tonnes proposed by the Commission to be too small in the light of these circumstances; is of the opinion that recommendations by scientists for the total catch off East Greenland in 1981 are based on partly outdated figures and are not sufficiently convincing evidence;

- 2e. Requests the Commission to reconsider the proposed reduction in the catch quotas for plaice in the North Sea from 115 000 to 105 000 tonnes and believes that the measures to maintain plaice stocks should be improved by curtailing fishing periods in order to protect spawning fish, which have a lower market value;

What is the rapporteur's position?

Sir Henry Plumb, rapporteur. — Madam President, I support the amendment in the name of those who put it forward in its entirety.

(Parliament adopted the amendment and then adopted paragraph 3)

President. — On paragraph 4 I have Amendment No 6 by Mr Kirk, seeking to add the following new paragraph:

4. Calls therefore upon the Commission to *amend* its proposal and to submit a more balanced document to the European Parliament.

What is the rapporteur's position?

Sir Henry Plumb, rapporteur. — In favour, Madam President.

(Parliament adopted the amendment)

President. — I can now allow explanations of vote.

President

I call Mr de Lipkowski.

Mr de Lipkowski. — (FR) Madam President, it is not possible to vote for the Plumb report, not because there is anything inherently wrong in the work Sir Henry has done on it, but because of the vagueness that characterizes the whole report. It could hardly be otherwise. It could hardly be otherwise because both the Commission and the rapporteurs are waiting for a decision by the Council of Ministers, and I want to take this opportunity to say how dismayed we all were by the results of the last European Summit, which followed on a previous Summit where likewise no decision was reached.

And so, from summit meeting to summit meeting, we are gradually moving towards total paralysis. When the initiative was taken to hold these meetings, everyone applauded it. It was expected that they would help untangle some of the serious problems that the specialist ministers had been unable to resolve. All that is happening now is that the Heads of State or Government meet, only to find that they have to refer these matters back to the specialist ministers. With all the to-ing and fro-ing we are heading for paralysis, awash in a sea of words.

As for the fisheries question, it is all the more alarming in that it is marked, I am sorry to say, by the failure of one State to honour its commitments: the failure of the United Kingdom to honour the undertaking it gave on 30 May of last year after certain agreements had been reached in the agricultural sector. In exchange, the United Kingdom undertook to draw up a workable common fisheries policy. It has not kept its word. I am particularly saddened by it inasmuch as the position of European fishermen continues to deteriorate — their incomes are falling, their living standards are falling and their purchasing power is falling.

Under the circumstances, there should be some provision for compensation. Compensation for all European fishermen, for German fishermen — who are seriously affected by this refusal as a result of an agreement signed with Canada — the fishermen of the whole of the Community, and in particular of France.

Hence the various emergency measures needed, given the complete absence of a decision by the ministers, must include, as we requested, aid for storage, higher guide prices, an income bracket which will allow fishermen to retire on improved terms, aid to producers' organizations, and a diesel oil subsidy, since we have already voted for aid which took into the account the fact that the cost of fuel had increased by 574% since 1974.

In view of the Council of Ministers' total failure to act, it is essential that we find a way out.

If the Council of Ministers of Fisheries cannot come up with a solution within 48 hours, we shall have to put forward a whole series of emergency measures, because now the whole European fishing industry and small-scale fishing concerns are under threat.

President. — I call Mr Kirk.

Mr Kirk. — (DA) Madam President, I am bound to observe that the honourable Member who has just spoken has not been talking about the problems dealt with in Sir Henry Plumb's report. What we are considering is the fixing of the TACs for 1981. I must repeat, I had to resign as the committee's rapporteur because I felt that the report we were presenting to the House lacked substance. But now I am gratified to see that the amendments I tabled together with people from the Christian-Democratic Group and my own Group have been adopted, so I think the report has now got sufficient content to justify our forwarding it to the Commission and the Council. Therefore I recommend the few Members present to vote for the resolution.

President. — I call Mr Harris.

Mr Harris. — President, I wasn't going to explain my vote, but I have been provoked into doing so by the remarks not of the last speaker, my good friend and colleague Mr Kent Kirk, but the remarks from our colleague at the back of the hemicycle. I'm going to vote for this report. I do so because I want to see a common fisheries policy, just as much as our friend does at the back and I would remind him: the reason we haven't got a common fisheries policy now is because France sabotaged the talks just before the deadline. In December it was France which prevented agreement from being reached. That is the cause of the difficulty which our colleagues from Germany are now facing. We sympathize with our German colleagues and the fault cannot be laid at Great Britain's door.

(Cries from certain quarters of the Group of Progressive Democrats — Parliament adopted the resolution)

(...)

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President. — We shall now take the *Josselin report (Doc. 1-54/81): Fishing off the coasts of the French department of Guyana.*

(Parliament adopted the resolution)

President. — We now come to the *Nielsen report (Doc. 1-55/81): Fishing arrangements with Norway.*

(Parliament adopted the preamble and paragraph 1)

On paragraph 2 I have Amendment No 1 by Mr Pannella seeking to replace the word 'held' with the word 'concluded'.

(Parliament rejected Amendment No 1 and adopted paragraph 2; it then adopted paragraphs 3 to 5)

On paragraph 6 I have Amendment No 2 by Mr Pannella, seeking to reword the paragraph as follows:

- '6. consider that the Council and Commission should better safeguard the legitimate rights of Community fishermen to pursue their activities in waters off Jan Mayen while respecting the interests of third countries in this area.'

What is the rapporteur's position?

Mr Nielsen, rapporteur. — (DA) Madam President, as far as this amendment regarding fishing off Jan Mayen is concerned, I am prepared to accept it. It does not actually say anything very specific, but it draws the Commission's attention to some problems that do in fact exist and I think we can include it in the motion for a resolution. While I have the floor, however, may I say that I do not think we should accept Amendment No 3 by Mr Pannella.

(Parliament adopted the amendment)

President. — On paragraph 7 I have Amendment No 3 by Mr Pannella, seeking to add the following words to this paragraph:

7. ... to be concluded within six months of the adoption of this resolution;

(Parliament rejected the amendment and adopted paragraphs 7 and 8 before adopting the resolution as a whole)

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* *

President. — We shall now take the *Gautier report (Doc. 1-56/81): North-East Atlantic fisheries.*
(Parliament adopted the resolution)¹

2. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

(The sitting was closed at 5.40 p.m.)

¹ See the minutes of the sitting for the following items:
Deadline for tabling amendments — Dates for next part-sessions — Approval of minutes.

ANNEX

Opinions given by the rapporteur on the amendments to the Ligios report (Doc. 1-50/81)

In favour: 12, 104, 116, 125, 126, 188.

Against: 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 25, 27, 28, 30, 32, 37, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 51, 53, 60, 65, 66, 67, 68, 70, 72, 73, 75, 77, 80, 82, 83, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 101, 102, 103, 105, 106, 112, 113, 114, 117, 123, 136, 138, 139, 141, 142, 143, 144, 145, 146, 150, 153, 154, 155, 159, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 174, 175, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 189, 197, 200, 201, 205, 211, 215, 216, 218, 219, 220, 221, 222, 223, 226.

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