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ANNEX

to the report by Mrs E. CRESSON
on the proposal from the Commission of the
European Communities to the Council
(doc. 1-348/80) for a Directive on the
development of agriculture in the French
overseas departments

- Opinion of the Committee on Development
and Cooperation -

Draftsman : Mr J.J. CLEMENT

By letter of 28 July 1980 the Council of the European Communities requested the European Parliament to deliver an opinion on a proposal from the Commission of the European Communities for a directive on the development of agriculture in the French Overseas Departments.

On 15 September 1980 the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Development and Cooperation and the Committee on Budgets for their opinions.

On 30 September 1980 the Committee on Development and Cooperation appointed Mr Clément draftsman.

It considered the draft opinion at its meeting of 15 October 1980 and adopted it unanimously.

Present: Mr Poniatowski, chairman; Mr Bersani, vice-chairman; Mr Clément, draftsman of the opinion; Mr Cohen, Mr Enright, Mrs Focke, Mr Kellett-Bowman, Mr Michel, Mr Pearce, Mrs Rabbethge, Mr Sablé, Mr J. D. Taylor (deputizing for Mr Sherlock) and Sir Fred Warner.

1. The Commission's proposal concerns the development of agriculture in four of the five French Overseas Departments, viz: Réunion, Guadeloupe, Martinique and Guyana.

The legal basis is Article 6 of Regulation (EEC) No. 729/70 of the Council of 21 April 1970 on the financing of the common agricultural policy¹ as last amended by Regulation (EEC) No. 929/79².

Since the income of these regions depends overwhelmingly on agricultural products (banana, sugar-cane and pineapple plantations, and fruit, vegetables and flowers) the improvement of agricultural structures is of fundamental importance to their economic and social development.

2. Although they are located on the periphery of the Community, the French Overseas Departments are nevertheless a part of the French Republic, and are therefore, in contrast to the states signatory to the Lomé Convention, an integral part of the European Economic Community.

These departments all suffer from economic under development, which is reflected in an unemployment rate of nearly 25% of the active population. The Community therefore has a responsibility to improve the economies of these countries, especially their crucially important agriculture sectors.

As peripheral and less-favoured regions of the Community, the Overseas Departments have an equally legitimate claim to benefit from Community solidarity as any of its other less-favoured regions.

3. In order to achieve the objectives of the common agricultural policy laid down in Article 39(1)(a) and (b) of the EEC Treaty, in particular increasing agricultural productivity and the individual earnings of persons engaged in agriculture the Community can take specific measures suited to local conditions of production in the less-favoured regions.

This applies equally to the French Overseas Departments.

4. Since the provisions laid down in Articles 14 and 19 of Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms³ are not suited to the particular structural conditions in the French Overseas Departments, the new directive is aimed at creating the basic conditions

¹OJ No. L 94, 28 April 1970, p.13

²OJ No. L 117, 12 May 1979, p.4

³OJ No. L 96, 23 April 1972

to enable these departments to overcome their backwardness and to improve the situation of their agriculture in a fundamental and lasting manner.

This is compatible with Article 227 of the Treaty of Rome.

It is therefore unfortunate that the Community has delayed in drawing up a policy for agricultural development in the Overseas Departments and in making the necessary financial provisions.

5. Since agriculture is of enormous importance throughout these regions, the agricultural infrastructure will have to be reorganized as part of a coherent plan that takes all aspects of the situation into account.

The Commission must therefore instruct specialists on tropical agriculture to provide information on specific local problems as soon as possible. They should hold on-the-spot consultations with elected representatives and officials.

Consideration should also be given to the possibility of making funds available for interest relief on long-term loans especially for small farmers, who are especially heavily in debt. A moratorium should be declared in extreme cases.

6. The funds made available must not be spread too widely - that would make them ineffective - but must be applied to quite specific objectives.

Only with effective planning can such objectives as the following be achieved:

- improvements to water-supply and irrigation systems;
- construction of pathways and roads in rural areas;
- soil enrichment;
- reforestation, improvement of degraded forests and planting of windbreaks;
- work on protection against flooding and other protective work;
- promotion of stock raising;
- crop diversification.

7. The last point in particular, avoiding dependence on monocultures, is particularly important given the prevalence of tropical hurricanes, with torrential rain, flooding and tidal waves in the overseas departments.

Hurricanes David and Frederick, for example, in 1979, and Hurricane Allen, in 1980, destroyed nearly 100% of Martinique's banana plantations, the island's most important crop. They also caused heavy damage to sugar-cane and pineapple plantations, and to local food crops, in particular vegetables which supply the local population. According to on-the-spot

assessments, the three hurricanes caused damage to the Martinique economy, for example, worth almost 200 million units of account in a single year.

What is required in these regions is thus not merely improved infrastructures, but urgent action to restore lost production capacity.

8. Since it is the banana plantations that are most vulnerable to hurricanes, the Community must play an active part in ensuring that crops are diversified and that crops that are less liable to be lost to natural disasters, are also grown.

The Commission should pay particular attention to expansion of the fisheries sector. Not only would the fisheries sector be less affected by natural disasters, it could even help substantially to improve the economic and social situation, not to mention the food supply situation, in these regions.

Aid should also be provided for developing certain fish-breeding projects and then to proceed as soon as possible with the necessary vocational training programmes for the development of fish farming.

9. With a view to diversification, the Community must boost sugar cane production in certain overseas departments while at the same time taking integrated action on sugar production.

It is vital to boost sugar cane production in the French departments of the Antilles where sugar, and also rum production could run into a bottleneck owing to the insufficient amounts of sugar cane being produced.

Here it should be pointed out that as a result mainly of bad weather, Martinique only produced half the quantity of sugar required for internal consumption in 1980.

This revival of sugar cane production will also give an impetus to local agricultural processing industries, in particular the production of rum, exports of which are an important element in the economies of these departments.

It would therefore be desirable for the Community to settle at last the definition of rum.

It is worth recalling the opinion¹ already delivered by the committee on sugar.

The Community, while respecting the Arusha declaration on sugar, should not reduce the cane-sugar quotas of the FODs.

This point is fundamental to the economy of Réunion in particular.

10. The action programme for the promotion of agriculture should also stimulate production of citrus and other tropical fruits.

The installation or development of collective water-supply schemes is urgently necessary to enable the overseas departments to raise fruit and vegetable production during the European closed seasons. This sector has hitherto been restricted by inadequate irrigation in some of these departments.

11. The development of the stock-raising sector would make for a significant improvement of the economic situation. The very high cost of feedingstuffs has hitherto proved an obstacle to progress. Purchases of feedingstuffs from the Community are uneconomic because of the high transport costs, while imports from third countries are subject to Community levies.

It is true that Decision No. 1/80 of the ACP/EEC Council of Ministers of 18 January 1980², and Regulation (EEC) No. 435/80 of the Council of 18 February 1980³, stipulate that in view of their geographical proximity to the markets of the ACP countries, the overseas departments may acquire supplies of certain products (cattle, beef, rice) exempt from levies.

They also have the option of importing up to 25,000 tonnes of maize annually as feed for local cattle. But this provisions is valueless, because the surrounding ACP States, whether in the Antilles or on the coast of the Indian Ocean, are not in a position to deliver this quantity of maize. Cameroon could perhaps do so, but the transport costs would

¹ Opinion of the Committee on Development and Cooperation for the Committee on Agriculture on the Commission proposal for the reduction of the sugar quota in the overseas departments (PE 62.399/fin.)

² OJ No. L 55, 28 February 1980, p.2

³ OJ No. L 55, 28 February 1980, p.4.

again be too high. There are three possible solutions on which the Council of the European Communities must decide as soon as possible:

- purchases from the Community, with the latter covering transport costs;
- purchases from remote ACP countries, with the Community covering transport costs;
- purchases from third countries exempt from levies.

12. Since all these operations will extend over a number of different fields, it will be necessary to involve not only the EAGGF, but also the European Regional Development Fund and the Social Fund.

Operations on a largish scale will not be successful without the joint participation of these three funds, and this in turn will entail laying down appropriate measures, actions, projects and programmes as part of a coherent plan.

There is no doubt that the most urgently required measures in agriculture fall within the terms of reference of the EAGGF, Guidance Section, in view of the need to increase the productivity of most crops without further delay.

The Regional Fund must be involved in infrastructural operations, in particular roads, bridges, forest pathways, etc.

The Social Fund must assist in finding solutions to vocational training problems, in particular where diversification of activities is required.

The European Investment Bank must finally become involved in financing projects in the overseas departments, and should amend its statutes accordingly.

It is regrettable that this has not yet been done.

The Commission should coordinate with the French Government all necessary measures to ensure that existing financial resources are allocated to those sectors that will confer the greatest economic benefits on the local populations at all levels.

13. Your rapporteur also stresses the importance of rational forestry exploitation in Guyana as a means of reducing the Community's imports of wood and paper pulp, which is the second largest deficit item in EEC trade after petroleum.

14. Finally, the Community should also step up its efforts to improve its information and communication services in the overseas departments which are recipients of this aid. Local populations, like the populations of most European countries, are too often unaware of the concrete effects of Community decisions on their affairs.

The Community would also be well advised to inform the public about the operations it is conducting in these remote regions, since this would facilitate supervision of Fund utilization.

15. In conclusion, the Committee on Development and Cooperation approves the proposal for a directive submitted to the Council of Ministers while stressing the need to diversify agriculture in the overseas departments without neglecting simultaneous on-the-spot development of the other sectors of the economy. There could thus be improvements in local employment prospects for a very young population 50% of whom are under 20 years of age.

