

European Communities

EUROPEAN PARLIAMENT

Working Documents

1983-1984

10 November 1983

DOCUMENT 1-987/83/A

Report

drawn up on behalf of the Committee on Agriculture

on the Communication from the Commission of the
European Communities to the Council (Doc. 1-645/83-
COM(83) 500 final) on the common agricultural policy -
proposals of the Commission

PART A : MOTION FOR A RESOLUTION

Rapporteur : Mr David CURRY

PE 86.822/fin./A

At its sitting of 12 September 1983, the European Parliament, pursuant to Rule 94, paragraph 1, of the Rules of Procedure, referred the Communication from the Commission of the European Communities to the Council on the Common Agricultural Policy to the Committee on Agriculture as the committee responsible, and to the Committee on Budgets and the Committee on Budgetary Control for their opinions.

On 15 September 1983, the President of the European Parliament stated that the Committee on the Environment, Public Health and Consumer Protection had asked to be allowed to present an opinion, which was agreed.

The chairmen of the Political Groups decided to propose that the chairman of the Committee on Agriculture should be rapporteur. At its meeting of 29 September 1983, the Committee on Agriculture appointed the chairman rapporteur.

At its sitting of 7 July 1983, the European Parliament referred the motion for a resolution tabled by Mr Diana and others on the abolition of monetary compensatory amounts (Doc. 1-559/83) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for an opinion.

At its sitting of 12 September 1983, the European Parliament referred the motion for a resolution tabled by Mr Marshall and others on the sale of subsidized butter to the confectionery industry (Doc. 1-595/83) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture as the committee responsible and to the Committee on Economic and Monetary Affairs for an opinion.

At its sitting of 12 September 1983, the European Parliament referred the motion for a resolution tabled by Mr Früh and others on measures to restore a balanced milk market (Doc. 1-614/83) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture as the committee responsible.

At its meeting of 21 September 1983, the Committee on Agriculture decided to include the above subjects in the present report.

The Committee considered the Commission's Communication and the draft report at its meetings of 17/18 October 1983 and 3/4 November 1983.

At the last meeting, the Committee decided by 18 votes to 13 and 9 abstentions to adopt the motion for a resolution as a whole.

The following took part in the vote:

Mr Curry, Chairman and rapporteur; Mr Früh, Mr Colleselli and Mr Delatte, Vice Chairmen; Mr Adamou, Mr Battersby, Mr Barbagli (deputizing for Mr Diana), Mr Bocklet, Mrs Castl, Mr Clinton, Mr Dalsass, Mr Davern, Mr Eyraud, Mr Gatto, Mr Griffiths (deputizing for Mr Lyng), Mr Helms, Mrs Herklotz, Mr Hord, Mr Juergens, Mr Kaloyannis, Mr Kaspereit, Mr Ligios, Mr Maher, Mr Marck, Mrs S. Martin, Mr Mertens, Mr B. Nielsen, Mr d'Ormesson, Mrs Pery (deputizing for Mr Gautier), Mr Pranchere, Mr Provan, Ms Quin, Mr Rieger (deputizing for Mr Wettig), Mr Sutra, Mr Taylor (deputizing for Mr Simmonds), Mr Thareau, Mr Tolman, Mr Vernimmen, Mr Vgenopoulos, Mr Woltjer.

The present report was tabled on 4 November 1983.

The opinions of the Committee on Budgets and the Committee on Budgetary Control and the Committee on the Environment, Public Health and Consumer Protection will be published separately.

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the Communication from the Commission of the European Communities to the Council on the Common Agricultural Policy - proposals of the Commission

The European Parliament,

- having regard to the Communication from the Commission to the Council (Doc. 1-645/83 - COM(83) 500 final)
- having regard to the motion for a resolution tabled by Mr DIANA and others on the abolition of monetary compensatory amounts (Doc. 1-559/83)
- having regard to the motion for a resolution tabled by Mr MARSHALL and others on the sale of subsidised butter to the confectionery industry (Doc. 1-595/83)
- having regard to the motion for a resolution tabled by Mr FRÜH and others on measures to restore a balanced milk market (Doc. 1-614/83)
- having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets, the Committee on Environment, Public Health and Consumer Protection and the Committee on Budgetary Control (Doc. 1-987/83),
 - A. having regard to its resolution on possible improvements to the Common Agricultural Policy,¹
 - B. having regard to its resolution on fruit and vegetables,²
 - C. having regard to its resolution on Mediterranean agriculture and enlargement of the Community,³
 - D. having regard to its resolution on the wine sector⁴,

¹ OJ No C 172, 13.7.81, Plumb report (Doc. 1-250/81)

² OJ No C 182, 19.7.1982, Maffre-Baugé report (Doc. 1-279/82)

³ OJ No C 334, 20.12.1982, Sutra de Germa report (Doc. 1-785/82)

⁴ OJ No C 238, 13.9.1982, Colleselli report (Doc. 1-412/82)

- E. having regard to its resolution on the market in oils and fats and the olive oil sector⁵,
- F. having regard to its resolution on hunger in the world⁶,
- G. having regard to its resolution on the impact of the CAP on the external relations of the European Community⁷
- H. having regard to its resolutions on farm prices for the 1982-83 and 1983-84 marketing years,
- I. having regard to the objectives of Article 39 of the EEC Treaty,
- J. considering that the CAP is the only fully integrated Community policy in operation and is therefore an essential component in the process of European integration,
- K. whereas the aim of adjusting the CAP must be to adapt it to present-day requirements, not to restrict it,
- L. whereas the Community's agricultural policy can only work effectively if a solid Community policy covering areas other than agriculture is also formulated,
- M. whereas the prices policy must remain the principal instrument for ensuring that the agricultural population earn a reasonable income,
- N. whereas the main competing nations give at least as much support to their agriculture as does the EEC,
- O. whereas in primarily agricultural areas and especially in the less favoured areas of the Community the maintenance of the farming population is vital to prevent the economic, social and cultural decline of whole areas and the disintegration of rural communities,
- P. considering that any changes in the CAP should assist rather than hinder both on and off-farm employment in the rural regions and so prevent a further drift of people towards the urban areas where unemployment is already at record levels,
- Q. whereas in any review of the CAP account must be taken of the growing disparities among the various regions of the Community and the disparities in rural incomes,

⁵ OJ No C 42, 14.2.1982, Vgenopoulos report (Doc. 1-964/82)

⁶ OJ No C 265, 13.10.1980, Ferrero report (Doc. 1-341/80)

⁷ OJ No C 242, 12.9.1983, Catherwood report (Doc. 1-248/83)

- R. whereas the adjustment of the CAP must be based on a long-term view and cannot only be influenced by high stock levels brought about by fluctuations in production on the world market,
1. Reaffirms its belief that all adjustment of the CAP must be based on the need to create conditions which will permit the three central principles of the single market with uniform prices, financial solidarity and Community preference, to be achieved and respected;
 2. Reaffirms the importance it attaches to the Treaty obligation to create a fair standard of living for the agricultural community;
 3. Requests that the Commission make available immediately to the European Parliament any studies carried out by the Commission that clearly indicate the social and economic impact of their proposals, and particularly in relation to farmers' incomes, or if they have not been carried out requests them to be made; in the light of these studies the Commission must work out specific measures to limit the adverse effects on farmers and their families;
 4. Believes that, should the implementation of the proposed changes in the CAP result in a serious fall in farm income, the introduction of national aids in some Member States would be inevitable so threatening us with the failure of the CAP and the Community;
 5. Recognises the contribution which agriculture has made to fighting inflation;
 6. Considers especially the renewal of the structural policy and its integration with the social and regional policy as proposed in the THAKÉAU report to be of essential importance;
 7. Stresses once more that greater account must be taken of the particular problems resulting from the varying rates of inflation in the Member States and calls on the Council and the Commission to take urgent and effective measures to assist producers affected by high rates of inflation;
 8. Insists that any adaptation of the CAP on the basis of proposals put forward by the Commission should not be to the detriment of the viability of the family farms or of the small farmers in the poorer regions of the Community;
 9. Believes that if a better balance is to be achieved among the Member States, the adjustment of the CAP must strengthen the support mechanisms for Mediterranean products, which have hitherto been at a disadvantage as regards their coverage by the common organizations of the markets;

10. Welcomes the fact that, with the recent decisions on strengthening market guarantees in the fruit and vegetables sector, a first step has been taken towards providing more adequate support for Mediterranean products by facilitating the solution of the problems connected with enlargement; to this end, however, considers it extremely urgent to resolve the problem of olive oil in the context of an overall policy on oils and fats. In this connection, considers that the imposition of a tax on oils and fats should be adjusted in such a way as to reduce the difference in price between seed oils and olive oil;
11. Considers that price policy must remain a decisive instrument for safeguarding farm incomes, but that it has been expected to achieve too many objectives, and underlines in particular the fact that it has not proved possible to rely on price policy alone to ensure reasonable incomes for producers, to promote economic vitality in the regions, and at the same time, to guide adequately the pattern and level of agricultural production and achieve market equilibrium;
12. Considers therefore that while pricing policy must continue to play an important role in guaranteeing farmers a fair income, it can be used to help to regulate production and to restore the equilibrium of the market in certain sectors with structural surpluses;
13. Believes that prices must be fixed on the basis of the objective method and therefore rejects the restrictive prices policy proposed by the Commission;
14. Agrees that, averaging over a period of years, the growth in spending on agriculture should not be more rapid than the growth in Community own resources, on condition that this level of spending enables farmers to secure an adequate standard of living, while accepting the urgent need to increase the Community's own resources in order to permit it to embark on new policies which can be clearly undertaken more effectively at European than at national level;
15. Fully agrees with the Commission statement COM(83) 500 final, paragraph 1.6 - "the adaptation of the policy cannot be made according to exclusive budgetary criteria, but rather with the aim of fulfilling the fundamental objectives in the most cost-effective way. A cost-cutting exercise, without regard to the social and economic consequences, would render no service to the development of the Community. It would lead to the fragmentation of the common policy, and to the reappearance in the national budgets of expenditure now assumed by the Community ;

16. Accordingly, believes that this adaptation of the CAP should not be carried through purely in respect of budgetary or economic considerations and that employment and living standards in agriculture together with the social and regional importance of agriculture, by nature difficult to express in budgetary terms, should receive full acknowledgement ; particular attention should be paid to the social and economic situation of the most disadvantaged regions of the Community and the necessity of improving their agricultural structures;
17. Understands and considers necessary the development of other common policies but would find it unacceptable that they should be at the expense of the CAP; invites therefore the Member States to increase the 1% VAT ceiling without further delay, so that other policies can be developed without jeopardizing the only existing integrated policy;
18. Underlines in this context the need for budgetary transparency and therefore requests that all expenditure incorrectly attributed to the CAP, notably expenditure incurred by bilateral and multilateral agreements, food aid programmes and MCA costs, should be transferred to another chapter;
19. Believes that the elimination of monetary compensatory amounts is indispensable to the achievement of a genuine open market and common prices. Existing MCA's should be dismantled over a period of two years;
20. Believes that the European Community has a vital and strategic role to play in world food policy and that all adjustments must be made to strengthen this notion and not to weaken it to the sole benefit of our major competitors;
21. Believes, in the light of the hunger in the world, that talks should take place with countries producing surpluses to arrive at a better distribution of food products and avoid waste;
22. Believes that the Community, as the world's largest trading unit, must strengthen its role as an agricultural exporter, and therefore has a dominant interest in maintaining its position on the world market on the basis of international and bilateral trade agreements;
23. Believes, further, that the Community must improve and diversify the mechanisms of which it disposes in order to be able to compete fairly on world markets so as to meet its responsibilities as a food supplier and thus help stabilize the world market, in particular by introducing long-term supply contracts for agricultural products;

24. Welcomes the Commission's proposal to reduce imports of vegetable oils and fats;
25. Believes also that as part of the management of markets the Community must be able to make adjustments in the conditions applying to imports as well to its own support systems;
26. Believes, in particular, that it is essential to negotiate Community controls of volumes and/or conditions for the import of products which compete directly with Community-produced agricultural products;
27. Regrets the absence of any concrete proposals concerning alternative production and notably in the protein sector; demands therefore that the Commission draw up the necessary proposals to encourage the production of protein products, and thereby greatly reduce our dependence on third country imports;
28. Believes that consumers have a legitimate interest in seeking food from Community resources at reasonable prices which the CAP has hitherto always ensured, that this principle should be retained and that the CAP should continue to encourage farmers to adapt their production to consumer demand;
29. Believes that the instruments used to manage the CAP and to support agricultural production should be reviewed periodically to ensure that the objectives established by the Treaty of Rome are achieved and that the policy meets the economic, social and political aims of the Community;
30. Believes that any adjustment must address itself to certain essential features of policy, notably the level of guarantees and aid, direct subsidies for disposal, the Community's external trade in agricultural products, the monetary situation, and the evolution of markets, internal and external, for the Community's products;
31. Believes that, in certain sectors with structural surpluses, its absolute price guarantee for unlimited output is no longer appropriate, and that the guarantee must therefore be limited to the needs of the Community for the internal and external markets and to cover strategic supplies;
32. Believes that the most practical way of doing this is to regulate the market through the applications of guarantee thresholds, but that these thresholds should not be of an inflexible nature but should be adapted to the requirements of individual products and to the special situation of certain producers;

33. Accepts the introduction of quotas for products where surpluses over a four-year period have exceeded the requirements for the threshold guarantee as described in the preceding paragraph;
34. Accepts for the milk sector the principle of a quota system limited in time;
Urges flexibility in the application of such a system as it applies to small farmers and disadvantaged regions;
Urges further that mountain areas, where natural constraints mean that only very limited quantities can be produced and where agriculture needs to be safeguarded for environmental reasons and to protect the countryside, should be exempt from the application of quotas;
Considers that these exemptions should not increase total Community production;
35. Considers that the linear basic co-responsibility levy has not resulted in a limitation of surplus production but has - on the contrary - created a stimulus for increased production, and that it has been accompanied by a fall rather than an increase in demand;
36. Stresses the social policy implications of price support in the milk sector and therefore advocates variable price support by means of a co-responsibility levy graduated according to the level of production so that the charge to the producer increases in proportion to the quantity produced;
37. Points out that an improvement of the marketing policy especially for Mediterranean products will make an essential contribution to the development of these regions and the reinforcement of Community preference;
38. Stresses the need to adopt measures designed to discourage the production resulting from activities not connected with the land area of the farm;
39. Rejects any solution based on the use of un-co-ordinated, unauthorized national financing since this would lead to a progressive breakdown of the common agricultural market, an increase in discrepancies in income, greater distortions in production and intolerable conditions of unfair competition;
40. Calls on the Commission to act more vigorously against national aids on the basis of an up-to-date inventory which states the actual aids paid and not merely those aids Member States find it convenient to notify to the Commission;

41. Calls upon the Commission to use its power to withhold advances to Member States when there are proven cases of deliberate infringement of regulations;
42. Calls for the strengthening of the internal market, among other things by the harmonization of veterinary and plant health regulations and by the removal of all other technical barriers to trade;
43. Recognizes the need to extend the regulation of markets to sectors which have so far been excluded and which are of great importance for the economy of certain regions of the Community;
44. Calls for the elaboration and application of a valid forestry policy, involving better use of existing timber, and the development of energy uses of wood, in order to provide a supplementary source of income for disadvantaged farms in peripheral regions, to exploit the massive potential for reducing the Community's external trade deficit and for contributing, above all through short-rotating forestry, to reducing consumption of imported energy;
45. Emphasizes the need for rapid development of a common fisheries policy putting the accent on the needs of the smaller fishermen in peripheral areas;
46. Instructs its President to forward this resolution to the Council and the Commission of the European Communities and to the European Council meeting in Athens.