

Annex

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### Debates of the European Parliament

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Report of Proceedings  
on 7 March 1983  
Europe House, Strasbourg

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## 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.

*Resolutions adopted at sitting of 7 March 1983 appear in the Official Journal of the European Communities C 96 of 11. 4. 1983.*

## SITTING OF MONDAY, 7 MARCH 1983

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<sup>1</sup> English version only.

IN THE CHAIR: MR DANKERT

*President*

*(The sitting was opened at 4 p.m.)*

### 1. Resumption of the session

**President.** — I declare resumed the session of the European Parliament adjourned on 11 February 1981.<sup>1</sup>

<sup>1</sup> Approval of Minutes — Membership of Parliament — Motions for resolutions (Rule 49 of the Rules of Procedure) — Petitions — Referral to committee — Authorization of reports — Referral to committee — Documents received — Texts of Treaties forwarded by the Council: see Minutes.

**Mr Pannella (CDI).** — (FR) Mr President, from one part-session to another things sometimes happen which I find it difficult to understand. Most of our colleagues may not be aware that you have made a certain decision, concerning which I would like to say a few words. You, Mr President, made the unprecedented decision to attend the Congress of a political party; you spoke there as a party member — naturally — and you made a very important speech, one that I could have made myself. In my opinion this speech was strongly partisan in nature, and unbefitting a President of Parliament.

*(Applause by Mr Glinne)*

I wonder, Mr Glinne, if it is not the approach of the 20 May 1984 elections which is making you adopt a more conciliatory attitude, particularly after the results of yesterday's elections.

**Pannella**

Despite your wisdom, Mr President, I feel that you have made a mistake this time.

**President.** — Mr Pannella, I shall be very happy to accept your invitation if I can fit it into my schedule. I shall also reply to the letter you sent me.

**2. Agenda**

**President.** — At its meeting of 16 February 1983 the enlarged Bureau drew up the draft agenda which has been distributed. At a meeting held this morning the chairmen of the political groups instructed me to propose a number of amendments to the House:

**Monday**

The report by Mr Maher on the level of incomes in agriculture has been entered for joint discussion with Mr Mouchel's report on agricultural prices.

**Mr Gautier (S).** — (DE) Mr President, I would not wish to question the Bureau's wisdom, but I am not sure whether you have read this report which we adopted, last week I think, in the Committee on Agriculture. It deals with a highly complex matter. If the Bureau decides today to add this report to the agenda, although it was not on the draft agenda and we had no chance to table proper amendments to it, I will protest, for that is not a reasonable proposal. I request that this item be deferred to next month so that we do not discuss such an important report merely by the way. I personally, at any rate, am not able to table meaningful amendments to it by 6 p.m. tonight or whenever you set the deadline.

**Mr Provan (ED).** — Mr President, my group's views are obviously very similar to those put forward by Mr Gautier. We feel that this report has in fact been rather rushed through the Committee on Agriculture. As you are aware, I am sure, Mr President, it does say that it is an interim report.

The Committee on Agriculture has recently had a public hearing on this matter of inflation because we do feel quite strongly that it is one of the most important aspects regarding agricultural policy and its development at the present time. The Commission at that time said that it felt that some of the considerations on the bases of which this report had been drawn up were factually not correct.

For the Parliament to go ahead at this time and actually deliberate upon this matter and put it along with the current price proposals would, we feel, be totally wrong.

In fact, if you look at the facts, it is evident that some countries have been benefiting more because of inflation in the Community than is borne out by what the Maher report says.

We feel, therefore, like Mr Gautier, that we would like this report deferred and for the full report to come before the Parliament in the proper logical manner so that it can be given due deliberation and proper amendments can be tabled, as Mr Gautier has suggested. Therefore we would support Mr Gautier's move to have it deferred, Mr President.

**President.** — Mr Provan, I assume you have spoken for Mr Gautier's proposal not to place the report on this week's agenda.

Mr Maher asked for the floor — I suppose he wants to speak against Mr Gautier's proposal. I have to say that it was on the express wish of the Committee on Agriculture that we decided to add it to this week's agenda.

**Mr Maher (L).** — Mr President, you are right. That does not prevent Parliament from considering this matter on a future occasion because, of course, it has implications above and beyond the question of prices for this particular year. But nobody can deny that inflation is important where the fixing of the prices is concerned and it is important that the Parliament should have before it all the relevant information when it comes to make a decision on the prices next Thursday.

I would submit to you, Mr President, that my report is adding to the information in relation to the prices. I think Parliament will be in a better position to come to a better decision having considered my report. On that basis, Mr President, I recommend very strongly that the report stay on the agenda. It can anyway be considered at a later stage, and I am proposing that.

*(Parliament approved Mr Gautier's request)*

**President.** — With regard to the agenda for:

**Tuesday**

I wish to point out that there is a mistake in the text of the draft agenda which has been distributed. Tomorrow's afternoon sitting will close at 8 p.m. as the enlarged Bureau originally proposed, and not at 7 p.m.

Pursuant to Rule 56 of the Rules of Procedure, I have received from Mr Mertens and 20 others a request to delete the questions with debate on relations with Turkey from Tuesday's agenda and to hold them over until a later part-session.

**Mr von Hassel (EPP).** — *(DE)* Mr President, I am one of the signatories to this request, in a letter duely addressed to you. In it we ask that the three oral questions with debate on Turkey scheduled for tomorrow be deferred. As the Members of the Political Affairs Committee are aware, Mr Genscher, President-in-office of the Council, and Mr Thorn, President of the Commission, were invited to report on the question of Turkey and to discuss it with us in that committee.

The meeting is scheduled for next week. Now, presumably we all agree that the authors of the three questions will want the matter to be discussed very carefully and not under pressure of time. So no one will dispute that there are good grounds for dealing initially with such questions in the committees responsible, before we consider them here in the Chamber. That is why we ask for the three oral questions to be taken off the agenda.

**President.** — I am somewhat surprised since we originally decided, in response to Mr Genscher's request, to enter this item on tomorrow's agenda.

**Mr Glinne (S).** — *(FR)* Mr President, in two words you have just made a point it would certainly have taken me much longer to make. Since Mr Genscher has accepted this engagement, it is perfectly normal for this week's agenda to include a discussion of the situation in Turkey after the so-called electoral reforms which have taken place there.

*(Parliament rejected the request)*

**President.** — With regard to the agenda for:

*Wednesday*

The report by Mr Saby on Parliament's accounts for 1982 has not been adopted in committee and is therefore withdrawn from the agenda.

Mr Hopper's report on imports of 'traditional' rum produced in the Overseas Departments has been entered on Thursday's agenda in place of Mr Purvis' report on recycling petrodollars. Mr Purvis's report will be taken on Wednesday in place of Mr Hopper's report.

An oral question to the Commission by Mr von Bismarck and others on the world financial and monetary situation has been included in the debate on Mr Purvis's report on recycling petrodollars.

**Mr Saby (S).** — *(FR)* I would simply like to clarify one point. My report on Parliament's accounts was not adopted because we lacked certain items of information to be obtained from the parliamentary depart-

ments. I do not want people to think that the report was rejected in committee.

**President.** — With regard to the agenda for:

*Thursday*

Pursuant to Rule 56 of the Rules of Procedure I have received the following requests to amend the agenda. Mr Sherlock and 9 others have requested that Miss Hooper's report on containers of liquids, Mrs Schleicher's report on the labelling of foodstuffs and Mr Mertens' report on the protection of the Irish bogs should be entered immediately after the topical and urgent debate.

**Mr Forth (ED).** — Mr President, Mr Sherlock has asked me to speak on his behalf on this matter, as he is still in transit to Strasbourg.

One of the reasons why we have made this request is that matters dealt with by the Committee on the Environment, Public Health and Consumer Protection, which bear more directly on the people of Europe than, I suggest, anything else which is done by this Parliament and by the Community, are repeatedly pushed to the end of the agenda for a Thursday or a Friday, and matters in which the electorate of the Community should be, and is, most interested are therefore given the least public exposure in this House. For this reason, Mr Sherlock and many other colleagues wish to ask the House whether, on this occasion and, it is hoped, on future occasions, we will give a much more prominent position on our agenda to matters which bear directly on the great bulk of the people of the Community than to other matters which are, shall we say, somewhat more remote. It is for this reason that we have made this request and for this reason that I ask this House to give it its support.

*(Parliament adopted the proposal)*

**Mr Rogalla (S).** — *(DE)* I have a question on item 14 of Thursday's agenda. Under 'urgent debate' it says

'three hours including statements by the Council and the Commission',

although the second sentence of Rule 48(3) states that

'should the Council or Commission wish to take the floor, their speaking time shall not be included in the time set aside for such debates'.

May I point out that I raised this matter at the last urgent debate and I would be grateful if you could inform me whether this note in brackets in the draft agenda is a binding interpretation of Rule 48(3), now that the responsible committee has been consulted, or whether it is in no way binding.

**President.** — The urgent and topical debate will not last longer than three hours. During this period the Council and the Commission will be able to speak, should they so request. This will mean that the speaking time for other speakers will be curtailed.

There is also a possibility that the urgent and topical debate on Thursday may begin earlier than scheduled since, because fewer amendments have been tabled to the report on agricultural prices, the vote will not take up the whole of the morning.

**Mr Rogalla (S).** — (DE) Mr President, there appears to be a misunderstanding here. If what you say is correct — i.e. that the three-hour urgent debate includes the statements by the Commission and the Council, which I can well imagine, then clearly the second sentence of Rule 48(3) is wrong. It states specifically that

‘should the Council or Commission wish to take the floor, their speaking time shall *not* be included in the time set aside for such debates’.

I would be grateful if you could explain this matter to me.

**President.** — Rule 48(3) sets an upper limit on overall speaking time irrespective of whether Members, the Commission or the Council speak. We might perhaps reach agreement to the effect that there should be two hours — including the vote — for Members and one hour for the Commission and the Council.

**Mr von der Vring (S).** — (DE) Mr President, it has become clear that the vote on agricultural prices can easily be held during this week without producing any problems. Are you prepared to advise the Bureau to be particularly careful about special sessions in future and not to believe everything you are told?

(Laughter)

**President.** — I received from Mr Wurtz and 11 others a request to include an oral question with debate by Mr Piquet and Mr Thareau on the sale of agricultural products to Egypt on the agenda for this part-session. The request does not stipulate on which day this question should be entered.

However we must first find out whether the Commission can answer such a question this week.

**Mr Andriessen, Member of the Commission.** — (NL) Should the House decide to place this oral question with debate on this week's agenda, the Commission is quite prepared to answer it.

**Mr Wurtz (COM).** — (FR) Mr President, the problem posed by what Mr Block himself described the

aggressive export policy for agricultural products adopted by the United States, was thought to be important enough to warrant an urgent debate during the previous part-session on the contract for the sale of a million tonnes of wheat to Egypt. Due to lack of time, however, we were not able to discuss this question. We are forced to acknowledge that since that time no solution has been found for this problem — far from it. It is already having serious consequences for a number of large mills, particularly in France. Other agricultural products are threatened, and on a more general level relations between the Community and the United States have been affected.

This is why we hope that this issue will be the subject of a debate, and that the Commission will tell Parliament what has already been done and what future action it intends to take in order to provide a concrete response to the concern expressed by the Council on this matter.

**President.** — When do you wish this debate to be held, Mr Wurtz?

**Mr Wurtz (COM).** — (FR) I submit the matter to the wisdom of the House and of its President.

**Mr Glinne (S).** — (FR) Mr President, I believe I can inform the Assembly that a director-general of the Commission presented to the Committee on Agriculture a fairly detailed statement on the new developments in the impending trade war between the United States and the Community in the agricultural foodstuffs sector.

We believe that this statement contains some important information which should be amplified and added to. At the previous part-session of Parliament we were among those who thought that an urgent debate was justified, and we made a request to this effect. This request could not be complied with, but we thought this morning — a little naïvely, perhaps — that it would be left to tomorrow's new meeting of group chairmen to decide whether to invoke Rule 27, on the basis of which the competent committee would ask for the information from Mr Dalsager or from the director-general to be updated, or whether to invoke Rule 48.

We are a bit surprised at the oral question, and we have some reservations concerning the form of the question, though not its content.

**President.** — I propose to put to the vote Mr Wurtz's request to include an oral question with debate on sales of agricultural products to Egypt on the agenda. Hitherto no one has proposed a precise time for the debate. I therefore propose that if Mr Wurtz's proposal is adopted, this debate should be held on Thursday

**President**

afternoon immediately after the topical and urgent debate.

*(Parliament rejected the request — the President read the amendments to Friday's agenda.<sup>1</sup> — Parliament adopted the agenda as amended<sup>2</sup> )*

**3. Welcome**

**President.** — Colleagues, I now have the pleasure, on your behalf, to extend a very warm welcome to the delegation of the Common Market Committee of the Danish Parliament under the leadership of its President, Mr Arne Christiansen.

*(Applause)*

I hope that during their brief stay in Strasbourg, our Danish colleagues will have all the contacts they need in order to strengthen their work and in order to lead to a very fruitful cooperation with our different competent committees.

I think it is always good to have fruitful contacts with representatives of national parliaments and it is in that spirit that I would especially like to welcome you here today. Have a good stay.

*(Applause)*

**4. Action taken on the opinions of Parliament**

**President.** — The next item is the statement by the Commission of the European Communities on the action taken on the opinions and resolutions of the European Parliament.<sup>3</sup>

**Mr Pranchère (COM).** — *(FR)* Mr President, during the February part-session, the European Parliament adopted the Baduel Glorioso resolution on the importation of substitute products. The resolution proposes the stabilization of imports of maize gluten from the United States. Has the Commission begun the negotiations with the United States? If so, what proposals has the Commission advanced in these negotiations and what have been the initial results? Since we have just been speaking of the problems in agricultural relations between the EEC and the United States, I hope that the Commission can give us precise and encouraging information in this regard.

**Mr Andriessen, Member of the Commission.** — *(NL)* Mr President, the information at the Commission's disposal was communicated to the House during the February part-session. As matters stand there is no specific Commission action to report in this sphere. Any change in the state of affairs will be communicated to the House in accordance with the usual procedure.

**Sir James Scott-Hopkins (ED).** — Mr President, on the question of Mr Vernimmen's report concerning horticulture, I see from the Commission's reactions that they are congratulating themselves on what they have done over the double tariff system in the Netherlands. And I congratulate them too. But that was not really the point of the debate, was it? The point was: Will they intervene more as far as unacceptable national support measures are concerned, and can we have a report from the Commissioner at his earliest convenience as to what are the unacceptable national support measures which other countries — such as France, Belgium, Germany and my own country — are actually taking which are contravening the Treaty of Rome? It is very important that we should get this clear and on the table.

**Mr Andriessen, Member of the Commission.** — *(NL)* Mr President, the Commission has not yet rounded off its deliberations on this subject and we are still busy with the presentation of the report to the House on action taken by the Commission on the opinions of Parliament. During the February part-session it was agreed that certain subjects dealt with in own-initiative resolutions could be dealt with in the plenary part-sessions under the item 'action taken on the opinion of Parliament', others not. Consequently I have been caught somewhat off guard by Sir James Scott-Hopkins's specific question. However, its subject matter conforms fully to the contents of a letter I addressed to you, Mr President, just a few days ago. In that letter I conveyed the Commission's intention of keeping the relevant parliamentary committees fully informed of any action it undertakes. I can therefore assure the honourable Member that the Commission will shortly be informing the appropriate committee on measures taken in the matter raised by him.

**Mr Boyes (S).** — Mr President, at the last part-session a resolution was passed, tabled by Miss Quin and others, on the crisis in the shipbuilding industry. Unfortunately, that resolution was tabled partly because of the threat to 2 000 jobs in the United Kingdom, a number of which are in my constituency.

Since that resolution was passed, I have had a letter from the Chairman of British Shipbuilders regarding the low pricing policy of the South Koreans. With your indulgence, I would like to read two sentences from his letter. It says: 'I agree very much with the thrust of your argument that Korean prices, and cur-

<sup>1</sup> See Minutes.

<sup>2</sup> Deadline for tabling amendments — speaking time: see Minutes.

<sup>3</sup> See Annex II.

**Boyes**

rently Japanese prices, represent a virtual dumping price. However, you will appreciate that it is extremely difficult, particularly in shipbuilding, to prove that dumping has occurred in the precise technical sense in which the word is used. Nevertheless, I have for some time been pressing Her Majesty's Government and the EEC Commission to take up this question of the artificially low pricing of ships by Koreans and Japanese which is threatening the very existence of the Western European shipbuilding industry. Whilst I am concerned about the threat to the Western European shipbuilding industry, my immediate fear is that time is running out very quickly for a number of men in the North East region.

**President.** — Please put your question, Mr Boyes.

**Mr Boyes (S).** — I am asking the Commission if, in fact, it is looking at the artificially low pricing policy of the Koreans and whether or not, even in the broadest sense, it could be considered as contravening the anti-dumping regulations of the Commission?

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, to preclude any misunderstanding on this matter let me confirm that this was one of the subjects the Commission agreed in discussions with your cabinet to deal with under this item of the agenda. The answer to the first question is 'yes', the Commission is prepared to conduct an inquiry. Whether we can speak of dumping prices in this context will only be revealed when the Commission's inquiry has been set up.

**Mr Purvis (ED).** — Mr President, I refer to Mr Jackson's report on the regulation establishing specific measures of Community interest relating to energy strategy and I would ask the Commission, in view of the relatively short time-scale that is involved, how far they have got in negotiating projects with the British and German Governments? What do these projects look like being and will they refer to the Parliament at any point in this process?

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, it is obvious that there has been a slight disruption in the proceedings. I believe I can give an assurance, on behalf of my fellow Commissioner, Mr Tugendhat and myself that the Commission is working hard to implement the matters dealt with in the Jackson report and to honour the undertakings made as a result of its passage in the committee stage. The Commission has nothing further to report at this time but it remains at Parliament's disposal with regard to the communication of further developments as they arise.

**Mrs Tove Nielsen (L).** — (DA) Mr President, some months ago the European Parliament adopted a reso-

lution on the directive about multi-national companies, the so-called Vredeling proposal. As you all know, Commissioner Richard would not then inform the Parliament whether or not the Commission was prepared to comply with the result that emerged from the vote in the Parliament. We know that the Parliament was subjected to enormous pressure, and we were accused of procrastinating, but, as you know, we have now finished. However, we have not yet received any information from the Commission about which proposals it is going to put before the Council of Ministers. And therefore I would like to ask the Commission if it has sorted out its thoughts, and if it has had factual and serious negotiations with both parties in the labour market, as promised by Mr Richard? Has one progressed so far now, that the Commission knows its own position in this matter? If a final decision has not yet been reached within the Commission, can the Commissioner then tell us approximately how long it will take before any information about this matter can be expected from the Commission?

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, extensive parliamentary experience in my own country has taught me to fight shy of invoking procedural motives with any great enthusiasm. Nevertheless, I must point out that this question lies outside the agenda of this part-session as agreed between the Commission and Parliament. Notwithstanding this, and in view of the importance of the subject, I shall gladly reply to some of the matters raised by the honourable Member.

1. Discussions have taken place and are continuing between the Commission and both sides of industry.
2. I seem to remember my colleague, Commissioner Richard giving an exhaustive reply — albeit somewhat later than originally intended — concerning the Commission's future action on Parliament's recommendations.
3. Commissioner Richard's statement takes considerable account of the wishes expressed by the House. Furthermore he expressed the Commission's intention of presenting additional specific proposals some time around April this year. That remains the Commission's intention.

**Mrs Ewing (DEP).** — Mr President, may I ask the Commission to refer to page 15 of the English text relating to the Arfe document — the measures in favour of minority languages and cultures — and ask how it was that the Commission was able to stand up in the first major debate on this subject and announce that an institute in Italy is going to deal with the ethnic languages, albeit in collaboration with an existing organization in Ireland? With whom did the Commission consult? Is this going to take up the whole line in the budget, employing people to talk about a subject when those of us with minority languages under threat



**Ewing**

of dying have many proposals here and now for spending the money without people talking about it? Could we please have some enlightenment?

Unfortunately, my speech came before the Commissioner's or I would have raised it in the debate. It struck us all dumb when the Commissioner came up with this in his speech because, as far as we know, he consulted with no one about this.

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, I am gradually getting myself into difficulties since this seems to be the third or fourth matter to come before us under this item on the agenda, although strictly speaking it is outside the terms agreed between the Commission and the enlarged Bureau of Parliament. Surely it was never the intention of using the item 'action taken on the opinions of Parliament' in order to pursue a debate which took place at a previous part-session? If I have understood the honourable Member correctly that would appear to be more or less her intention.

I therefore regret to be unable to provide an answer.

**President.** — I feel that within the context of the discussions between the enlarged Bureau and the Commission the Commissioner is right. Of course, the procedure will have to be made more precise but the position of principle has been established and we must try to abide by it.

**Mrs Ewing (DEP).** — On a point of order, Mr President. That reply in no way meets the point I raised, nor does the Commission's comment meet the resolution which was passed by the European Parliament. So, really, is it worth having this item on the agenda since we really do not get our questions dealt with?

**Mr Seligman (ED).** — Concerning the crisis in oil prices, Parliament at the last part-session called on the Commission to take action to prevent violent fluctuations in oil prices. Can the Commission report any action to bring producers and consumers together or is it just going to leave this to OPEC to settle on its own, which seems quite wrong?

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, the Commission certainly has no intention of leaving matters exclusively in the hands of OPEC. However, I need hardly remind the honourable Member of the difficulty of entering into a constructive dialogue with that group at a time when OPEC itself is in the process of elaborating a strategy.

In other words the Commission has abandoned, for the time being, any attempt to pursue a dialogue with OPEC, but it remains committed to its declared

policy, as reiterated during the February part-session, of consultation with the principal oil supplying countries with a view to eliminating the type of violent price gyrations to which the honourable Member refers. Furthermore the Commission is continuing its efforts in the context of its global energy policy with a view to reducing the Community's energy dependence on outside suppliers as much as possible.

**Mr Provan (ED).** — Mr President, I refer to the urgent debate we had during the last part-session on a motion tabled in my name regarding job losses at Timex in Dundee, and I wonder if the Commission has yet had detailed information about the assistance being granted for the setting up of research and development of the Nimslow camera in Besançon in France. Have they had a reply from the French Government on this matter? If not, what action do they propose taking about it and when do they propose to take that action?

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, I am eagerly awaiting the Bureau's response to the Commission's proposals concerning the latter's treatment of own-initiative recommendations emanating from the House. I look forward to an early agreement on this somewhat thorny issue for the Commission.

There are two documents involved here, issued by Parliament and the Commission respectively. The former is a compilation of all proposals adopted by the House during a specific part-session whereas a careful perusal of the latter reveals it to be confined to action taken on specific opinions of Parliament, as mutually agreed between the institutions.

Having clarified this point, Mr President, and given that Mr Provan's question just happens to fall within my area of responsibility — which would not necessarily be true for other questions — I am fortunately better prepared. The Commission has already consulted the appropriate British Government authorities and is currently deliberating with the French authorities with a view to verifying whether the Nimslow camera research and development project in Besançon complies with Community norms on investment schemes within the overall context of the regional policy or whether we are in fact dealing with a specific set of circumstances. It is far from clear at the moment. Rest assured that the Commission is acutely aware of the situation because it feels that outbidding by Member States in order to attract investment projects, thereby creating employment, is detrimental to the wider Community interests.

**President.** — Yes, I should like to stress that new difficulties have arisen while we were waiting on your letter on the procedure for dealing with relations between the Commission and the parliamentary com-

**President**

mittees where action taken on the proposals of the Parliament is concerned. However, I hope that this problem can be solved in the near future.

**Sir James Scott-Hopkins (ED).** — Mr President, could you possibly consult with the President of the Commission to try to improve the way in which this item is dealt with. It is no fault of Commissioner Andriessen, who is a very good Commissioner. However, he cannot possibly know the briefs of each of the other 13 Commissioners. Surely there ought to be a better way of doing this. You yourself have talked about it. I am not going to make suggestions now, but surely consultation with the President of the Commission can devise some better way in which Parliament can satisfy itself as to what action has been taken by the Commissioners in their various fields of activity. What we are doing right now is a waste of time!

**President.** — Sir James, that is what we are trying to do, to get agreement that in the plenary we will only deal with what I would call the consultations. All the other elements are dealt with in the contacts between the relevant Commissioners and the relevant committees. But it is somewhat difficult for Parliament to get used to that new formula so that it can really work. We shall try to make it work as soon as possible.

**Mr Purvis (ED).** — Mr President, because of the long pause that ensued after my question and before the answer was forthcoming and because of the discussion between Mr Tugendhat and Mr Andriessen, I got the impression that they actually did not know what the situation was regarding these energy projects. I wonder if perhaps they could be asked to give us an answer later in the week. If not, I would ask the right next month to go back two months and put questions on items that were not answered satisfactorily the previous month. Otherwise, as Sir James says, we shall not be getting our due pound of flesh out of this little session.

**President.** — Mr Purvis, you can get more than your pound of flesh through the procedure provided for between the competent authorities of the Commission and the relevant committees of the European Parliament.

**Mr Purvis (ED).** — This was a consultation, Mr President, on a regulation.

**Mr Patterson (ED).** — Could I suggest, Mr President, that an exception be made to the rule that committees are the appropriate body in the case of urgency resolutions. Urgency resolutions, by their definition, concern urgent matters, and to send it back to the committee might delay things a great deal. So if this

particular session we are having here could deal with consultation procedures and matters which the last session considered urgent, that, I think, would satisfy the House.

**President.** — Mr Patterson, in general committees meet between part-sessions so that if the committees take into account what was decided and what is of relevance to the committees, I think you can get information earlier through that procedure than from this one.

### 5. Parliamentary immunity

**President.** — The next item is the report by Mr Donnez (Doc. 1-1311/82), on behalf of the Legal Affairs Committee, on the request for the parliamentary immunity of a Member to be waived.

**Mr Donnez (L), rapporteur.** — (FR) Mr President, ladies and gentlemen, we have received a request from the Italian legal authorities to waive Mr Almirante's parliamentary immunity. Mr Almirante is accused of 'favoreggiamento personale,' in other words, of assisting a person who has committed a punishable offence. The perpetrator of the offence in question is one Mr Cicutini, who, in Peteano in 1972, was the instigator of a series of killings in the course of which three Italian carabinieri lost their lives.

You are thoroughly familiar with our principles concerning the waiving of parliamentary immunity. Parliament's jurisprudence in this regard is now fully established. They are drawn from the terms of Article 4, paragraph 2 of the Act on the election of the Members of the European Parliament. I have summarized these principles very quickly, as follows: firstly, it is not only a question of protecting the parliamentarian as such, but it is also and especially a question of protecting our parliamentary institution so that it can maintain a total independence in respect to any other authority. Secondly, even when the Member concerned has consented to waive his parliamentary immunity — and this has happened twice recently in the case of Mr Pannella — we are not bound by this consent: we have decided to preserve complete independence in these matters. Thirdly and finally, in the event of a dual mandate — which is the case for Mr Almirante, a Member of both the European Parliament and the Italian National Assembly — our precedent calls for us to await the decision of the national parliament concerned.

This is what we have done for Mr Almirante. The decision of the Camera dei Deputati, the Italian National Assembly, was delivered on 1 July, 1981. We were apprised of this only after a considerable lapse of time, which explains why we are dealing with this mat-

**Donnez**

ter only today. Our Italian colleagues decided to waive Mr Almirante's immunity. We are naturally not bound by this decision. We are totally free, and we could very well conclude that Mr Almirante should continue to enjoy the parliamentary immunity which is our prerogative. However, the Committee on Legal Affairs — I feel obliged to inform you immediately of this fact — has unanimously decided that, for reasons of propriety — a moral rule, certainly, but a rule nonetheless — we should examine the decision of the national parliament very carefully and support it insofar as this is possible. Specifically, we considered that the decision of the Camera dei Deputati exactly corresponded with our own view of the matter, which was that the affair was a particularly serious one. As I mentioned a moment ago, Mr Ciccuttini has been accused of a multiple murder, and Mr Almirante — I will not go into further detail here, but you can rest assured that I do not in any way consider Mr Almirante to be guilty — has been accused of having assisted Mr Ciccuttini by providing him with the funds necessary for an operation on his vocal cords, thus allowing him to change the tone of his voice. I should explain that Mr Ciccuttini telephoned the Italian authorities shortly before the killings, and that afterwards, being strongly suspected in connection with the crime, he underwent an operation on his vocal cords in Spain. The Italian authorities believe that the funds necessary for this operation were directly or indirectly provided by Mr Almirante.

I stress that I in no way accept the accusation directed at Mr Almirante by the Italian authorities. I am merely stating the facts, namely, that Mr Almirante is accused of a form of complicity after the fact in order to conceal not merely an offence, but a common law crime. In this case, the implications of the issue extend far beyond the political arena.

On the basis of these considerations, and for two compelling reasons which, in my opinion, deserve Parliament's full attention, the Legal Affairs Committee has unanimously decided to waive Mr Almirante's parliamentary immunity. The first reason is, as I said, that the accusation made against Mr Almirante raises issues which transcend the normal political activity of a Member of the European Parliament. This being so, it is obvious that Parliament cannot in any way conceal or appear to conceal facts of this nature by preserving Mr Almirante's immunity. Our institutional honour is involved. I do not think there is any need to belabour this point.

The second reason is that Mr Almirante himself has asked Parliament, as he asked the Italian National Assembly, to waive his parliamentary immunity in order to permit him to establish his innocence. Mr Almirante protests that he is innocent, and I naturally trust that this is indeed the case; if so, his honour demands that the truth be brought to light.

For these two reasons, which, as I said, are particularly compelling, I ask Parliament to give its unanimous

support to the Legal Affairs Committee and to waive Mr Almirante's parliamentary immunity.

**Mr Almirante (NI).** — *(IT)* Mr President, I thank Mr Donnez and the entire Legal Affairs Committee for their report.

In fact — and I could prove this, but I do not wish to take up any more of the Assembly's time — this affair is a disgraceful political ploy invented in Italy in order to discredit me and the party I have the honour to lead and represent.

It is precisely for this reason that I voted in the Italian parliament to waive my parliamentary immunity. I will vote in the same manner here, in the European Parliament, and I urge all my colleagues to do likewise, for I wish to entrust my case to the judicial system of my country.

**Mr Pannella (CDI).** — *(IT)* Mr President, I will vote in favour of the decision of the Legal Affairs Committee, above all on the grounds of a constitutional presumption of innocence, and therefore with the hope — indeed the certainty, until proof of the contrary — that none of us would involve himself in such atrocious and disgraceful crimes.

As Mr Donnez pointed out, and I fully agree, the right of a Member of Parliament to prove his innocence should unquestionably be taken into account by this Assembly.

In conclusion, I would like to make an observation: the Peteano killings took place in 1972. Nevertheless we had to make two appeals to the President of the Chamber of Deputies in order to receive — after 16 months — the decision reached by the Chamber.

It seems obvious to me that at all levels of the Italian Government there has been some obscure and inexplicable behaviour, considering that only after repeated requests from our Parliament did the President of the Italian Chamber of Deputies decide, after 16 months, to inform us of the Italian Parliament's position.

**Mr Sieglerschmidt (S).** — *(DE)* Mr President, I am certainly not criticizing the rapporteur. He has simply performed his duty and has done so extremely well. But every one of these reports about the waiving of parliamentary immunity makes me feel more uneasy. We are making public reproaches which may then in the course of the proceedings prove untenable, and yet this Parliament will not be able fully to rehabilitate the good name of the person involved. I think the Legal Affairs Committee and the Committee on the Rules of Procedure and Petitions, especially the former, should consider without delay a different procedure for waiving or not waiving immunity.

**President.** — The debate is closed.

*(Parliament adopted the proposal for a decision)*

### 6. Agricultural prices

**President.** — The next item is the report by Mr Mouchel (Doc. 1-1325/82) on behalf of the Committee on Agriculture on

the proposals from the Commission to the Council concerning:

- I. a regulation altering, with effect from 1 April 1983, the intervention price for butter, skimmed-milk powder and Grana Padano and Parmigiano Reggiano cheeses (Doc. 1-970/82 - COM(82) 748 final)
- II. regulations relating to the fixing of prices for certain agricultural prices and on certain related measures (1983/84) (Doc. 1-1206/82 - COM(82) 650 final).

**Mr Mouchel (DEP), rapporteur.** — (FR) Mr President, last November Parliament adopted a guideline report concerning the fixing of agricultural prices and certain related measures for the agricultural year 1983-84. I will not review the main points set out in this report. I have been scrupulous in following the guidelines adopted.

The Committee on Agriculture studied this report, amended it, and approved it by a large majority. I will therefore adhere to the proposals which were adopted by the Committee on Agriculture. Firstly, we noted with regret that the Commission has not sufficiently respected the guidelines approved by Parliament last November.

We particularly insist that the 1 April date be respected for the fixing of agricultural prices, and we ask that this year no other issue be appended to this problem, which is sufficiently complicated in itself.

The price increase proposed by the Commission — 5.5% — producing in real terms an increase of 4.4%, is glaringly inadequate. It is contrary to Parliament's guidelines because it does not permit the maintenance of the current level of farm incomes, let alone make up for the income lag which has built up over the last ten years.

We propose to the European Parliament that the minimum price increase be fixed at 7%. Concurrently, we propose the complete suppression of the negative monetary compensatory amounts and the similar suppression of the positive MCAs as soon as possible, naturally allowing for the price level to be established,

so that farmers from countries with strong currencies will not be penalized.

I would also like to say that, on the suggestion of the British European Democrats, the Committee on Agriculture adopted a text calling for the membership of the United Kingdom in the European Monetary System, so as to attain a better harmonization of the economic policies of the Member States.

For the last three years we have witnessed a divergence in the development of incomes in the Community countries, partly for reasons connected with differences in the rates of inflation. In order to remedy this situation, we propose transitional measures in favour of countries with high inflation rates, which could take the form of interest rate subsidies or variations in the co-responsibility levy.

The Committee on Agriculture refuses to extend this co-responsibility levy to new sectors. In fact, the budgetary expenditures for the export of cereals are due in great measure to the importation at reduced rates of duty or even the duty-free importation of substitute products, and this in derogation from Community preference. In 1981, these imports represented the equivalent of 14 500 000 tonnes of cereals. The production thresholds, particularly for cereals, should be reviewed in order to better allow for the impact of these substitute products.

The Committee on Agriculture insists on the need to have an overall coherent policy in the fats and protein sector, in order to avoid penalizing our own European products with respect to imported ones. Without overlooking the importance of trade with third countries, we propose that Parliament reaffirm its support for the return to the system of Community preference, firstly because this is one of the basic principles of the Common Agricultural Policy and secondly because imports made possible by an excessive number of exemptions compete with our own products and lead to useless and ill-considered budgetary expenditure.

The failure to respect the principle of Community preference for milk and milk products has led to an apparent over-production in this area; this is one of the essential reasons why it is urgently necessary to find a definitive solution to this problem. Such a solution is not to be found in discontinuing the support for milk products; this would lead the most dynamic farmers to increase their production to make up for the losses in revenue, and obviously this would not solve the problem of balanced production. Naturally, the weakest and most poorly equipped farmers would face a drop in production and find themselves forced to retire to avoid ruin or unemployment; we should not forget that it costs four times as much to support an unemployed person as it does to maintain a farmer in his business.

For this reason, but also because milk producers pay a sizeable co-responsibility levy, the Committee on

**Mouchel**

Agriculture rejected the idea of reducing the intervention price for milk products *vis-à-vis* the target price. Under these conditions, what good would a target price be if its only justification were a psychological one? The increase in expenditure which would result from the proposals of the Committee on Agriculture would be compensated for by the revenue deriving from the taxation of vegetable fats and by the reaffirmation of Community preference.

For beef and veal, the basic regulation initially provided for an intervention price and an activating threshold for intervention established at a level of 93% of the target price. The Committee on Agriculture suggests that we adhere to this provision.

I could also have dealt with many other sectors of production, but I purposely restricted my remarks to certain problems and certain essential products in order to avoid becoming too technical over matters which can be studied in the report. I would, however, like to say that in the cases of olive oil, wine, and fruits and vegetables, we refer Parliament to the resolutions it has recently adopted.

I will add that the Community is very dependent upon third countries for its supplies of proteins for animal feed. We believe it is important to pursue a dynamic policy encouraging production in this sector, which could take the place of surplus production in other areas.

Finally, we urge the Council to extend the common agricultural policy to products not yet subject to a common market organization, and call upon the Commission to present in due course a draft supplementary budget for 1983, the need for which is already quite clear.

I need hardly say that the Committee on Agriculture hopes that this report, which possesses a certain degree of coherence, will be adopted without any essential modification. Although agricultural incomes rose in 1982 due to particularly favourable weather conditions, it is nonetheless true that we are far from having made up the income lag accumulated over a long period of time. Since we are always ready to make concessions elsewhere, even to the Americans, could we not for once act in favour of the farmers of the Community, who are the only citizens living under a common policy?

(Applause)

**Mr Gouthier (COM)**, *draftsman of an opinion for the Committee on Budgets*. — (IT) Mr President, ladies and gentlemen, on 17 February the Committee on Budgets adopted its opinion on the fixing of agricultural prices, at the same time instructing me to present in plenary session the main points which emerged during the committee's discussion of my text.

I would remind you that these points include: the fact that agricultural incomes were higher in 1982 than in previous years, registering an increase in real terms; the need to detach agricultural price increases from an automatic adjustment to the mean inflation rate in the Community and to replace this mechanism with modulated increases to promote conversion from surplus crops to deficit crops; the need to contain the rate of increase for agricultural expenditure within the rate of increase for own resources; the need to apply for 1983-84 the limits of guarantee for the surplus products defined when prices were fixed for 1982-83; the possibility of funding at least part of the expenditure occasioned by the increase in agricultural prices — about 312 million ECU for 1983 — using the balance from 1982.

In the course of the discussion in the Committee on Budgets we were brought to realize that it is vital to maintain the relationship between agricultural expenditure and own resources.

Although the committee notes that, between 1979 and 1983, there was an overall equilibrium in this area, we cannot ignore the fact that in the last two financial years, 1982 and 1983, the rate of increase for agricultural expenditure again outstripped the rate of increase for own resources. This awareness led us to organize an in-depth debate within the Committee on Budgets concerning the choices to be made in agricultural policy and the accompanying budgetary consequences. This was done in order to prevent Parliament from contradicting itself on this fundamental question, and in the process jeopardizing its own credibility in the conciliation negotiations with the Council.

Other questions touched upon in the discussion concern the need to protect the common agricultural policy, particularly in regard to its export markets, now threatened by the agricultural policy of the United States, and the need to maintain farm incomes at an adequate level.

Within the committee there also developed a minority view that the control of surplus production cannot be effected by means of price reductions. As for the quantitative data on the effects of agricultural price increases and related measures, I will again point out that the budget expenditure is estimated at 312 million ECU for 1983; if the limits of guarantee are not applied, this figure would have to be increased by 124 million ECU.

For the 1984 financial year, the additional expenditure occasioned by the measures in question would represent a net budgetary amount of 640 million ECU. If the limits of guarantee were not to be applied, the expenditures would increase from 759 million to 1 123 million ECU, implying therefore a considerable increase in budgetary expenditure.

There is one final point concerning the funding of budget expenditure for the 1983 financial year. As you

**Gauthier**

know, during the 1983 budgetary procedure, Parliament decided at the first reading that the Commission's estimates of expenditure in 1983 were too high for certain products. For this reason it established a reserve in the EAGGF Guarantee Section to be used eventually for other policies. This decision was not accepted by the Council, and it subsequently lapsed.

Another fact to be taken into account is that only part of the balance from the 1982 financial year was used to fund the supplementary and amending budget of 1983. As a result, on the financial level the Commission should benefit from a certain margin in funding the additional expenditures occasioned by the measures in question. The committee has certain reservations about funding the 1983 budget outlay by using the balance from 1982, since, of the 312 million ECU needed, only about 150 million would be available. This information cannot but strengthen our appeal to the Commission to administer these funds with the greatest economy and efficiency. I will conclude, therefore, by stressing that the Commission's proposals which call for an average price increase of 5.5% or 4.4%, — discounting the effect of the co-responsibility measures — have received a positive overall evaluation from the Committee on Budgets.

**Mr Dalsager, Member of the Commission.** — (DA) Mr President, I would like to take the opportunity to express my appreciation of the work which Mr Mouchel, Mr Maher, and the other rapporteurs have done in their respective committees, in particular in connection with agricultural prices. I regret that the Maher report on agricultural incomes and inflation has not been included in the agenda for this debate. Mr Maher's report deals with a subject of very great importance which is relevant for price fixing, and even if I, therefore, cannot comment on the Maher report itself, I naturally cannot omit to comment on the problems concerning incomes and inflation.

Agricultural prices is one of the most important items that the Parliament is going to discuss. Therefore, maybe too little time has been allotted to the Commission, since the 20 minutes at our disposal do not enable us to respond to all the proposals mentioned in the Mouchel report. There are at any rate at least 30 important individual points in his proposals. What I can do today, is to comment on the major points, and my remarks will fall into two major categories.

Firstly: what is the political and economic basis for the Commission's proposals? Secondly: to what extent can the Commission comply with the motion for a resolution on the prices submitted by Mr Mouchel and the Committee on Agriculture? So, let me remind you of the major points in our price proposals, namely an increase by 5.5% of the common prices for most products. That is the norm of our price package. Cereals and sugar are somewhat under the norm, and Mediterranean products such as cotton and tobacco

are somewhat above the norm. Secondly, a partial dismantling of the positive MCAs, and finally, a decrease of the rising of intervention prices in those cases where the threshold prices fixed by the Council for 1982 have been exceeded. This is the case as regards milk, cereals and colza.

We put forward these proposals in view of the difficult situation for the general economy in the Member States and in the Community. Practically speaking, there has been no economic growth in real prices; unemployment is growing, and public spending is seriously curbed. The only favourable factor at present is that the rate of inflation continues to slow down, i.e. that it has fallen from approximately 10% last year to about 8.9% this year. But what is the situation like in the agricultural sector? The increase of agricultural incomes in the Community for last year is estimated to have been 9% in real prices after deduction for inflation. I would like to make it perfectly clear, that this is not a figure invented by the Commission, but a figure which has been calculated by the Statistical Office on the basis of official figures originating from the Member States. It is higher than the original estimate of 5%, and it is higher than the later estimate of 8.6%, as the Member States forwarded new figures in January and February, and consequently the Statistical Office has updated this figure.

May I add, that if — as Mr Maher suggests — we disregard rents, payment of interests, and wages to hired help, then the increase in agricultural incomes for last year amounted to 16% in real prices. That is not a bad result for agricultural incomes. After a three year period with falling incomes this is indeed very good news. It is partly due to a very good harvest last year, partly due to the price increases that the Council had fixed during the past two years. In the agricultural markets, however, the situation is not encouraging. Most agricultural sectors had a record high production last year because of the advantageous weather. A corresponding increase in demand for agricultural products does not exist within the Community or on the world market. The imbalance between supply and demand is thus steadily increasing, and the stocks in the Community are growing.

I have no wish to be a pessimist or to exaggerate the present situation, but I must stress very clearly to the House that the market situation is much more difficult now than was the case only six months ago. We are witnessing not a transitional problem. Taking all these factors into consideration, the Commission then proposed a norm price increase of 5.5%. We thought then — and we are still of the opinion — that this is a well-considered and reasonable proposal.

Naturally our figures are lower than the 7% which would result from the so-called objective method. As I explained last year, the results arrived at by the objective method are to be taken with some reservation. This method can give more than one result, depending

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on how the monetary factors are included in the calculations. But let me briefly and simply state that our norm is lower than that which would result from the objective method, and it is lower than the expected rate of inflation for 1983. However, I must remind you of the fact that we are obliged in our price proposals, to take into consideration income development, agricultural markets, the budget, and the general economic situation. We are obliged to try and find a balance between all these factors. If the Commission did not have to take the agricultural incomes into consideration, then the matter would be very much simpler. The market situation would then force us to propose that there should be no price increases for a large number of products in the coming year, which, by the way, the consumer organizations have demanded. But it is because we do want to further the farm incomes, and because we do not want to endanger last year's positive results, that we are proposing an increase.

The Commission is opposed to a 'stop/go policy'. We are not of the opinion that prices should be frozen for the coming year, just because incomes rose sharply last year. We are for a middle of the road solution between a modest and reasonable increase in prices, so that we have arrived at a norm of 5.5%.

These then are our proposals. Last week the Commission examined a report from its services, which showed that the increase in milk deliveries had in actual fact been 3.5% in 1982, i.e., considerably higher than the estimate of 2.7% which was put forward in December. As you know, in connection with the fixing of prices last year the Council already decided that action should be taken if the increase in deliveries in 1982 exceeded 0.5%. It was in the light of this that we originally proposed a lower increase in the intervention prices for milk, reducing the norm from 5.5% to 3.2%. In light of the new figures the Commission has decided to propose an even lower increase, namely 2.3%.

However, we have started a quick investigation into the possibilities for further sales of dairy products both inside and outside the Community. For instance, we are of the opinion that the subsidies for school milk now ought to be financed completely via the Community's budget, and we shall consult the Parliament on this proposal in the near future. I am convinced that this proposal will be received favourably, and that it will make the school milk programme more efficient.

As regards exports, the Commission shall soon make certain decisions about its market management in order to improve the system. Export subsidies will be utilized for the export of butter to all destinations. However — in order to safeguard that the conditions of Parliament's decision of 15th October 1982 are respected — it will be necessary for the exporters to declare the point of destination of the export. Furthermore there will be the normal period of reflection of 5 day before the preconditions are accepted. In this

way the Commission will continuously safeguard that the sales of butter to the Soviet Union will be controlled as regards quality, and that the prices will be no more favourable than to other destinations.

I shall now move on to the Mouchel report drawn up on behalf of the Committee on Agriculture and also to the opinions on agricultural prices from the other committees. When I read these reports, my first reaction was that what the Commission had proposed probably was not quite unsatisfactory. When the Committee on Agriculture demands higher prices, and the Committee on Consumer Protection lower prices, while the Committee on Budgets states that our proposals are acceptable, then I think that I may conclude that the Commission has taken quite a well-balanced position. The situation in Parliament corresponds in fact quite a lot to that which exists in the Council, where some Member States want more, some less, and others again prefer the Commission's proposals. I can only say that this must confirm our opinion that this year the Commission has worked out quite a good price package. Everyone knows that the decisions on agricultural prices are political decisions. They are the result of negotiations. Under such circumstances everyone must make concessions with a view to achieving a solution which is generally acceptable. The Commission will also do what it can. We have submitted our proposals in good time, and we have worked out a simple streamlined price package. That is a good basis, and we shall be flexible in altering our proposals if necessary.

May I quote an example. In the price package we included a reduction in the positive MCAs for the Federal Republic of Germany, the Netherlands, and the United Kingdom, but we declared that we were ready to revise our proposals because of the currency development. Since then the exchange rate for the pound has changed, so that there are no longer any positive MCAs in the case of the United Kingdom; and now there are almost negative MCAs. If this situation continues, it is obvious that our proposals as regards the MCAs for the green pound no longer apply. Furthermore, since we put forward our proposals the drachma has been devalued, and thus Greece has negative MCAs. A green devaluation took place in February, and a further green devaluation for Greece in the price package would be logical and normal; and the Commission has indeed proposed to do just so. The Commission will also have to consider whether other negative MCAs for France and Italy ought to be abolished now.

I have mentioned these agricultural-monetary questions in order to demonstrate that the Commission is flexible and ready to follow the line proposed by the rapporteur. I must say to the rapporteur that I believe that the adjustment in the green exchange rates will constitute a great problem in this price package.

As regards the common prices it will be no surprise to Mr Mouchel that the Commission finds that his 7%

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increase is too high, and that we, for all the reasons I have mentioned, find the 5.5% level more correct. However, what we regret most in the report submitted by Mr Mouchel is not so much the price level, as the rejection of all the measures connected with the guarantee thresholds. The Commission very much regrets that the Committee on Agriculture has adopted this attitude. Our proposals on guarantee thresholds and extended co-responsibility is no figment of the Commission's imagination. It is the essence of our endeavours to adapt and improve the common agricultural policy. And on top of this, they are directly inspired by Parliament's decision on improvement of the common agricultural policy. In June 1981 there was an extensive debate in this Parliament on the basis of a report from the Committee on Agriculture. You adopted a resolution requesting that a collective EC-quantity be introduced for each sector in relation to the aims set up for the Community's agricultural production. On exceeding this collective quantity the co-responsibility measures should be implemented. This is the principle that the Parliament adopted, and which the Commission has implemented in the form of guarantee thresholds. The title may be ours, but the idea is the Parliament's. Therefore I ask all Members of Parliament to consider that section of the Mouchel report where guarantee thresholds and co-responsibility are rejected. The Council accepted these ideas in principle last year. Now we must convert them into practice, and we need the Parliament's help to convince the Council that this is the correct policy. They are your ideas — their aim is to protect the CAP. I must ask the Parliament not to betray its own ideas and the Commission and to give us the cooperation we now need.

This brings me to my last remark on the Mouchel report. I have so far deliberately omitted to mention that the costs to the budget in connection with the fixing of prices, because I am not of the opinion that the agricultural policy can be judged solely from a budgetary viewpoint, or that the budgetary constraints alone should be decisive for our decisions. Nevertheless these constraints do exist. It would be dangerous to disregard them. Above all they must be of significance to the Parliament. When you vote on farm prices this week you ought to remember that later on in the year you are to vote on a supplementary budget for agriculture.

My colleague, Mr Tugendhat, will mention these aspects later on in the debate, and in this connection he will give an estimate of the budgetary consequences of the Mouchel resolution. However, let me say this: it is not surprising that the rapporteur's proposal costs more than the Commission's proposal. Not so much because he advocates higher prices, but because he rejects those measures — guarantee thresholds — which could bring the budgetary consequences under control by limiting the price guarantees. It is this aspect of the report which I particularly request the Parliament to evaluate.

Mr President, I have two more things to say on price fixing for this year. Firstly: the Commission has made its price proposal as simple as possible. It is a balanced package. It includes guarantee thresholds which are meant to ensure better control of the agricultural policy. These changes are of fundamental significance for the future health of the CAP. They are essential if this policy is to survive the coming years. Those who wish to maintain a sound policy will have every reason to support these changes. Changes are difficult and at times painful, but let it never be said that the Parliament is opposed to change.

Secondly, I would like to say that the Commission attaches the greatest importance to the fact that a decision be made on agricultural prices before 1 April. We have done our part by submitting the proposals in good time. We ask the Parliament to do its part by giving its opinion later on this week. After that it is up to the Council to take the important decision in reasonable and good time before the harvest year is over.

*(Applause)*

IN THE CHAIR: MR ESTGEN

*Vice-President*

**Mr von der Vring (S).** — (DE) Mr President, could you please inform us when the Commission representative will state his position on the budgetary implications of the proposal. I had understood that Mr Tugendhat was to make a statement on this.

**President.** — Mr Tugendhat is on tomorrow's list of speakers.

**Mr Tolman (PPE).** — (NL) Mr President, I believe I am entitled to raise a point of order. According to the notes I took during the Commissioner's statement on the reduction of the monetary compensatory amounts, he said literally: 'It may become necessary to review the situation in the light of monetary developments.' Given its crucial importance to this debate and in the determination of our respective standpoints would the Commissioner be kind enough to go into the matter in greater detail? May we expect interim arrangements? I consider it a matter of great importance . . . .

**President.** — Mr Tolman, that is not a point of order.

**Mr Tolman (PPE).** — (NL) Let us call it a difference in interpretation, Mr President. I always thought we



### Tolman

had the right to ask a question on specific points. And it is of great significance to the debate now taking place, but I am prepared to let you be the judge of that.

**President.** — Points of order are only concerned with procedure. If there are questions, these must be put during the debate.

**Mr Woltjer (S).** — (NL) Mr President, fellow Members, '... the Community farmer ploughed on and his rich harvests gradually resulted in mountains of butter, milk powder, cereals and sugar under which the Community agricultural policy threatened to collapse'. A Dutch newspaper paraphrased in these words the state of Community agricultural markets at the beginning of 1981.

Such a description is more than ever applicable today. 1982 will be remembered as a year in which bumper harvests in agricultural products, especially cereals and dairy produce substantially boosted the Community's existing surpluses. The previous year's price increase of 10% in the agricultural sector would appear to have convinced the Community farmer of the continuing desirability of increasing output in 1982 with the result that the common agricultural policy is now more than ever faced with collapse.

World market prices are under considerable pressure. Community relations are strained, not only with the United States, with the danger even of an impending trade war, but also with Australia, Brazil and Canada. New Zealand is threatened with summary elimination from Community agricultural markets and all that remains for the developing countries is the possibility of playing a waiting game to forestall their own demise.

Reports of an anticipated shortfall of 500 million ECU in the agricultural budget for the first quarter of 1983 presage ominous cracks in the Community structure and reveal just how shaky the financial situation has become. 'Will we make it to 1984?' is a question one hears increasingly.

Now that the Mandate proposals have been thrown into the rubbish bin by the Council and the British budget contribution for 1982 has been resolved, albeit on an *ad hoc* basis and only after much wrangling and some fisticuffs by the European Parliament, we are presented with the green book with a view to resolving the financial problems confronting the Community.

'And the farmer ploughs forth relentlessly'. What other option has he got? He too increasingly views the Community as a remote institution in which the solution elaborated by the technocrats are forced to give way in the harsh climate of national self interest. The debate on agriculture in this House has gradually

degenerated into a ritual dance around the sacred cow which was once hailed as the golden calf of the Community.

An examination of the agricultural debates over the past four years leads one to the interesting conclusion that we are dealing with what clearly amounts to a 'hog cycle'. Whereas in 1980 the expectations were very sombre, the outlook appears to have become brighter in 1981 and 1982. No sooner has the Commission rejoiced at its success in curbing expenditure in the agricultural sector than Parliament displays renewed anxiety over the hardship encountered by its rural electorate, and Council adopts a 10% price hike. No more than lip service is paid to the need to reform the CAP.

The course of the debates devoted to agriculture by this House over the years is also instructive. In 1979, in the immediate aftermath of Parliament's rejection of the Commission's budget proposals this House declared itself in favour of limiting agricultural surpluses, through its adoption of the Delatte report. We wished to give absolute priority to this aim and we refused to consider price increases in the agricultural sector, of whatever nature.

Agricultural organizations were furious. They considered, and indeed still do, that limitations on production was one of the subjects farthest from their minds. It sufficed, they thought, to have faith in the good times just around the corner. And, just as before, the petrodollars would be transformed into milk and honey. Time was on their side. Indeed the divisions within their own ranks left them with little option.

As a result large protest demonstrations were organized during the course of 1981. Farmers marched from their farms to protest against increasing income erosion as a result of the price stability policy then being practised by the Council. Indeed that policy was the sole compromise formula on which the Council could agree at that time. The efforts of Commissioner Gundelach to render Community agricultural price policy more equitable on an income basis on the one hand, and to raise a levy on excess production above a specific level, on the other, were summarily rejected by the demonstrators.

Shocked by the intensity of the demonstrations, the agricultural experts of the European People's Party, the Liberals and the European Progressive Democrats committed themselves to seeking a price increase in the Community agricultural sector. The exclusion of the French Communists from such a pact remains a mystery to me. It is worth noting that those Members of the House who had consistently declared their willingness to vote in favour of substantial price increases, provided the overproduction could be curbed in one way or another, were themselves excluded from the consultations. The debates in the House in 1981 and 1982 were confined to statements lamenting the fact

**Woltjer**

that the hoped-for price increases of 15.3% and 16.3% respectively had to give way to actual increases of 12% and 14%. Warnings that price increases of this size, without complementary measures to place a ceiling on production, would lead to calamity were rejected as utter pessimism and contrary to the interests of agricultural solidarity. Only the personal prestige of the Committee on Agriculture's then chairman, Sir Henry Plumb, enabled a majority of 146 against 76 to be found for the adoption of his report's recommendation on limiting surplus production and the introduction of ceilings. Such a personal prestige effect was short-lived and one now hears from a majority on the Committee on Agriculture that the Plumb report is a dead letter.

Mr President, fellow Members, if I have tended to dwell on past agricultural debates, my intention has been less one of vindication than of situating the current difficulties in a proper context. I am well aware that there exists a world of difference between being proved right and being done right by. The inconsistent attitude of this Parliament is causing me great concern. For the past year and a half we, as Members of the European Parliament, are being asked to account for our actions, and not just by the farming community but by the citizens at large. Will it suffice to tell them: 'We have flooded you with milk, buried you in meal and superfluous sugar'? Even the relatively few Community farmers who manage to survive such a policy will not thank us for it since they will be left with the alternative of borrowing from the banks or going on the dole.

Community finances are running out. Tapping the Member States for additional funds to pursue such a policy is not very realistic. Nothing short of a miracle seems capable of breaking the deadlock. As a sceptic, at least concerning the likelihood of a self-imposed reduction of surplus agricultural production, may I reiterate my urgent appeal to the Members of this House to draw up a joint solution.

The Commission is proposing an increase of 5.5% in agricultural prices for the 1983-1984 marketing year. Such an increase would not be applicable to milk, cereals, sugar, tomatoes and rapeseed as their production thresholds were exceeded in 1982. As a result Community farmers are now confronted with a price reduction of between 1.5% and 3% for products in this group.

I fail to understand why the Commission has resorted to reducing the intervention price for these products instead of simply stating that market forces render impossible any increase above 2.5%-4% for this group of products. As matters now stand Community farmers feel threatened by this sword of Damocles and fear that the Council will resort to it as a bargaining posture.

In the meantime COPA has declared its opposition to the Commission's proposals. It is demanding a 7%

increase for its members and it rejects any reductions in the intervention prices. Alternative suggestions for stemming excess production are absent once again this year. I share COPA's view that reductions in intervention prices will certainly cause income problems in the long run. The absence of streamlining measures in the agricultural sector has caused the COPA to consider the EAGGF as a lucky dip in which there is something for everyone, and that is simply not realistic.

I must flatly describe the Mouchel report before, as a COPA report. Even the rapporteur's own suggestion of a price increase of 8% has disappeared from the report. Frankly I am not sorry about that. My foregoing remarks should be ample proof of the unrealistic nature of this report. The financial resources are utterly lacking as has been confirmed in the opinion of the Committee on Budgets.

Far be it from me to endorse any attempt by the Committee on Budgets to dictate Community agricultural policy. Its role is that of setting the financial framework within which the Committee on Agriculture must operate. On the basis of the Commission's own estimation that expenditure in the agricultural sector in 1983, which includes its own proposed price increases, will increase to such an extent as to almost attain the limit of the available Community resources we have now almost certainly exceeded that limit as a result of the recently announced shortfalls. An increase of 250 million ECU as recommended in the Mouchel report is therefore unacceptable. On an annual basis this would represent as much as 650 million ECU. I would be interested in hearing whether Commissioner Tugendhat could confirm these figures.

Mr President, ladies and gentlemen, if we cannot attain a majority in this House for reasonable alternative measures to stem excess production my group will see itself obliged to support the Commission's proposals as they now stand. We have tabled a number of amendments in which we suggest some practical modifications within the confines of the inherent financial constraints. These include an additional price increase for Community regions particularly hardhit by inflation. Such aid would be earmarked for restructuring schemes in the first place. In addition the measures contain specific proposals aimed at assisting such regions in general, and of resolving the problems of their smaller farmers at the grass roots level.

We believe an increase in Community funds allocated to smaller farmers in less privileged regions from 120 million ECU to 150 million ECU would be a step in the right direction. Longer-term measures for resolving the problems of such regions would have to include credit facilities and structural improvements. Exemption of the initial 60 000 litres from the co-responsibility levy in the milk sector accompanied by the simultaneous introduction of the excess production levy would endow the CAP with a measure of social justice.

**Woltjer**

We recognize that positive monetary compensatory amounts distort the market mechanism and as such ought to be scrapped. In this connection we would draw attention once again to the formula worked out by the Council. We expect that agreement to be respected. While recognizing that reductions in the intervention prices for excess production will result in very serious hardship in the long run, we see it as the only viable means of coming to grips with this problem in the short-term. Furthermore we urge Commissioner Dalsager to elaborate measures to relieve hardship in 1984.

Our group is opposed to the proposed levies on oils, fats and cereal substitutes. We can, however, accept and are prepared to support, negotiations with a view to stabilizing the imports of such products into the Community from third countries. I shall end by appealing once again to all Members of the House to devote their utmost attention in the course of this week to resolving the problems I have outlined.

**Mr Dalsass (EPP).** — (DE) Mr President, honourable Members, the fixing of agricultural producer prices is one of the most important decisions that must be taken every year in the framework of and in implementation of the common agricultural policy. It often depends on these producer prices and the related measures whether the farmers in the various Community countries will be able to produce and to some extent cover their costs in the subsequent marketing year or whether they will have to accept a fall in their real income. For these reasons the farmers look with anxiety to Strasbourg and expect the Commission, Parliament and the Council to respond to their real needs.

Much could be said about the price package and the related measures. Because of the restricted speaking time I am forced, however, to confine my statement to a few important points. Above all I must stress that the Council must decide on the price package during the month of March, so that the new prices can enter into force on 1 April. Should this not be the case, then many farmers, especially in the dairy sector, would suffer greatly, as was the case last year. That is why I am glad that Parliament is delivering its opinion now. It means the Council will have enough time — it still has three weeks — to deliberate and to come to a prompt decision. If necessary, it should agree to a majority decision as it did last year, since majority decisions are provided for in the Treaty of Rome.

As regards the average price increase, I can only say that. But prices alone cannot respond equitably in all the countries to the needs of the farmers. Their economies are too disparate and the levels of inflation differ too greatly; so uniform prices must be supplemented by accompanying measures. Short-term measures should be taken in the countries especially hard-hit by inflation, with a view to lowering their production costs.

The Committee on Agriculture has made an appropriate proposal to this end too. Very briefly, I am thinking here of the proposed agricultural credit facilities for farm managers and for the purchase of agricultural equipment, and of the premiums for calves applicable in Italy, Ireland and Greece, which are quite rightly being retained, although two years ago it was announced that they must now be abolished. I think these premiums must be retained in future too.

A brief remark on the surpluses. They must certainly be reduced to prevent them from becoming a quite insoluble problem. We have been trying for years to achieve this via the co-responsibility levy, in particular in the dairy sector.

Yet the levy had no positive effects, which is why the Commission proposed further measures. But the Committee on Agriculture did not regard these measures as structural or likely to achieve their aim and therefore rejected them.

I think this matter must be discussed between the Commission and the Committee on Agriculture, or Parliament, at length and *in toto*, with a view to drafting a proposal for a solution that must not be regarded simply as a penalization of Community farmers; to this end the Commission should submit proposals to the Committee on Agriculture — not only now, in connection with the price package, but later too. My idea is that proposals should be submitted to Parliament in April or May, which we could then consider at leisure. But I think that a further braking mechanism to reduce the surpluses can be proposed even during the consideration of the agricultural price package. We are in favour of this, provided the correct procedure can be found, for we do not want to lose credibility.

In any case, milk production should be curbed in the case of undertakings where it is not linked to surface area, for one can scarcely use the term farming activity in such cases. It should also be slowed down in the case of undertakings which produce large quantities. On the other hand, those undertakings which produce little and do not contribute to the production of surpluses, but which must be preserved, should continue to receive the appropriate aid. So we can only welcome the fact that dairy undertakings in mountain areas are to be exempt from the co-responsibility levy. This exemption must continue in future too, to prevent any damage to hill and mountain farming. It is equally necessary — and here I agree with the previous speaker, Mr Woltjer — that small dairy farms should receive aid, for they need help to survive at all in agriculture. The proposal of the Committee on Agriculture — and here I differ, of course, with the previous speaker and with Commissioner Dalsager — to raise the prices by 7% can be regarded as correct and appropriate. The Commission proposal is completely inadequate. Only a sharper rise in prices can prevent real farm income from falling again. We are well aware that real income rose in recent years, and

**Dalsass**

according to the Commission it rose by an average 9%, but the level varied greatly from country to country, ranging from 1.4% in Italy to 24% in Denmark. So those who did well can be satisfied. But those who did less well will be less satisfied. But we also know that real income has fallen in all the Community countries in the last four or five years, in some even by up to 50%, i.e. Ireland.

A higher price is designed to prevent the recurrence of a decline in incomes. Higher price rises can and should lead to a greater dismantling of positive monetary compensatory amounts, so that we will be able totally to dismantle them at an earlier date. They only hinder free trade in agricultural produce in the Community; so they are an obstacle, although I suppose we must also admit that failing a common monetary policy and because of the very different levels of development in the various Community countries, such corrective measures are necessary. It is quite correct for the Committee on Agriculture to call for the total dismantling of negative MCAs and a further reduction in positive MCAs. I think the proposals from the Committee on Agriculture are generally acceptable.

**Mr Provan (ED).** — Mr President, first of all may I apologize to you, to the Commission and to Members of the House for the absence of the chairman of the Committee on Agriculture, Mr David Curry, who unfortunately has not been able to come to Strasbourg today. — although he hopes to be here tomorrow — because his wife has been taken ill and he has had to take her to hospital.

Mr President, I have to say right at the outset that my group cannot accept the general idea of what Mr Mouchel is trying to achieve. We do, however, have a great deal of understanding for the problems that the Commission is encountering in facing up to the present state of European agriculture, and during this debate, we shall be developing the theme that we support the Commission and the proposals it has put before us and before the Council of Ministers. Whilst European agriculture in the last year or two has not imposed on the European budget the great demands that were originally expected, we now realize that this year, with the massive increase in production that the Community has seen, thanks to the advantageous weather and various other factors that have come into play, is going to see a massive increase in the budgetary consequences for agriculture.

We also realize that the farmers themselves have received some benefit from that increased production. Farm incomes in the Community have, in fact, taken a consequential rise, which we approve of and we can naturally support. It is necessary for the agricultural sector upstream and downstream to have the purchasing power of agriculture at its back, and this would not happen if there were massive reductions in agricultural incomes.

If we look at the guidelines for agriculture which the Commission has proposed, we realize that there has to be a limit to the resources available to the agricultural sector. To go over the guidelines and exceed the Community's own resources will not be to the long-term interests of farmers or producers within the Community, and that is the main reason why we believe we are being realistic in our approach to the Commission's proposals. We want to make certain that there is a long-term future for agriculture in this Community and not go for jam today, which would ultimately cause a crisis in the Community within the next 12 or 18 months. Therefore we have to be realistic, and we believe that the Commission is being realistic; and that is why we want to support the Commission as strongly as we possibly can at this time.

We note that the Commission has made its proposals in the light of the first Mouchel report, which came to this Parliament in December, and taken account of all our points of view expressed at that time. We too like Mr Woltjer, recall the resolution of this Parliament of 17 June 1981 — the Plumb report — in which we recognized that something had to be done in the long-term interests of European agriculture, and that a change of emphasis was necessary.

Let me say, before I go any further, Mr President, that one of the main problems facing the agricultural sector in the Community is the different rates of inflation applying in the different countries.

I have a great deal of sympathy with Mr Maher and his report. It is not being discussed today, but if it had been discussed today I believe it would not have done any good in the long term, because the basis of that report is, in fact, the basis of the future development of the agricultural policy itself, and if an interim report had been submitted at this stage, we would not have been able to support it. We, as a group, want to contribute to the Maher report and to be able to support it at the end of the day. Therefore a full report going right to the root of the problem is what we want to see rather than an interim solution, which would not be acceptable because it would not necessarily be based on the full facts.

I would like to assure the House that we do realize some of the consequences of having said that. If we take the years 1973-75 as a reference basis for agricultural income in real terms, Germany has only 94% of that income today: France has 91%; Italy, 104%; the Netherlands, 114%; Belgium, 112%; Luxembourg, 127%; the United Kingdom, 92%; and Ireland, 86%. Ireland is at the bottom of the league, and we accept that Ireland has a problem and will need some form of assistance. The basis of their gross national product is, of course, agriculture. Moreover, their great problem is that 18% of their gross national product has to go to pay the interest rates on monies they have borrowed from the world. They have a real problem and it has to be resolved; but it is necessarily right that the common

**Provan**

agricultural policy should be doing it? How the common agricultural policy can contribute to a solution is, I believe, one of the major fundamental problems that Ireland and the Community are facing, and we want to be able to have full discussions on that point. In that same index, of course, Denmark and Greece are coming out at the top quite significantly at 136% and 105% respectively. I think those are interesting figures and part of the inflationary problem that we face.

Mr President, I must move on. In view of the increased farm production costs, the agricultural sector must have some recompense this year, as I have said, for the upstream and downstream effects. The 1983 costs to the budget are going to be highly significant. The Commission estimates 330 million pounds for their proposals. If we were to follow the Mouchel proposals, it would be way up at 1.5 billion, the Commission informs us. That would not be acceptable because it would break the 1% ceiling of VAT, and one may ask whether this Parliament is really prepared on this year's price proposals to go to that extent and so put the Community into complete and utter crisis at a time when we have many other aspects of the total European economy that we have got to consider as well. We must not, in fact, allow this to undermine the whole of the European Community; we must allow only a moderate increase in farm prices, so that we can re-establish the unity of the market and avoid national aids coming in to such an extent that lesser price increases would cause.

The main thrust of the Commission's proposals, and of what we hope the Council of Ministers will deliberate on, are the guarantee thresholds. If we do not have these, we shall be moving into uncharted waters as regards the way that we shall have to dispose of our products on the world market. We must get some form of control into these measures; otherwise we shall, as I say, find ourselves in an extremely difficult position. Linear co-responsibility in the milk sector really must go, and what we have to achieve is that the consumer of milk products is offered these products at the right price, so that he can increase his consumption. Everybody wants to make sure that we get rid of the surpluses. Why do we not allow the European consumer an opportunity to take charge of these surpluses and consume them within the Community?

Mr President, my time is up. I would go on for many hours, but let me conclude by saying that the thresholds and the price mechanism that the Commission have proposed have our full support this year.

**Mr Pranchère (COM).** — (FR) Mr President, in the presentation of its price proposals for the 1983-84 agricultural season, the Commission claims to have taken into account the guidelines indicated by the European Parliament in 1982.

It is making fun of us. In most cases, it acted in direct opposition to these guidelines, both for price increases

and for co-responsibility. It even wants to penalize milk producers still more, through a new reduction of the intervention price. This is a real provocation if we think of the penalty payments and the difficulties experienced by small and medium-sized producers in this sector.

Unfortunately, the Commission has many supporters in this Assembly, and we heard evidence of this a moment ago. During the last budget debate they wanted to make certain transfers from the EAGGF to other sectors. In this they failed, but they have not given up trying to attain their objectives.

Because they do not know how to bring Europe out of its deepening crisis, they are trying to finance the implementation of new Community policies at the expense of the farmers. If we are aware that for the last 20 years the EEC has been losing one farmer per minute, how can we claim to be fighting unemployment when we are driving the farmers from their land?

After having tried to short-cut the debates on agricultural prices by cancelling the extraordinary session, they have already begun a campaign against a supplementary budget already needed to finance agricultural expenditure for 1983.

The French members of the Communist and Allies Group do not favour an unlimited increase in agricultural expenditure. We are aware that the common agricultural market has contributed towards the creation of disparities in production and of differences from one farm or region to another.

Our proposals are aimed at checking this trend through adjustments in favour of Mediterranean crops and small and middle-sized agricultural undertakings.

Let us take the example of the dairy sector, which is at the heart of the inconsistencies of the CAP. The way in which prices are fixed, the application of a uniform co-responsibility levy, and numerous derogations from the principle of Community preference have contributed towards accelerating the disappearance of family farms, reinforcing the pattern of the milk factories of Northern Europe.

Although it represents only 20% of total production, milk production received 35% of EAGGF expenditure. Who benefited from this? Let us turn to the statistics. In 1981, on the average, a French farmer received 1 800 ECU, while his colleagues in Great Britain, Denmark, and the Netherlands received 4 930 ECU, 6 520 ECU, and 10 790 ECU respectively. It is in order to fight against these disparities that we propose the taxation of imported vegetable fats and the substitution of the co-responsibility levy paid by all producers with a special levy on 'milk factories'.

After having tried it out on milk, the Commission wants to extend the co-responsibility levy to new sec-

**Pranchère**

tors of production, and this with a two-fold purpose: to strengthen its pressure on farm incomes and to limit Community production. This generalized co-responsibility, which the Commission wants to establish as a fourth principle of the CAP, is not in the Treaty of Rome, and it is unacceptable.

We are pleased that the Committee on Agriculture rejected this proposal at our request. In so doing it demonstrated its sense of responsibility, and we appreciate this, in spite of your displeasure, Mr Dalsager.

This is not the only positive aspect of the resolution which rejects the Commission's proposals and makes ample allowance for our own: a greater respect of Community principles; the fixing of prices before 1 April, without involving other issues; the strengthening of the market organizations so that the price increases will be fully transmitted to the producers; the improvement of guarantees in many sectors of production (maize, oils and fats, proteins, tobacco, beef and veal, pigmeat, sheepmeat); a limitation on derogations from Community preference, which every year cost more than 20 thousand million French francs on the Community budget; the implementation of a true policy on fats, with the application of an import levy on vegetable fats originating in third countries other than the developing countries; the abolition in 1984 of the preferential system enjoyed by Great Britain for the importation of butter from New Zealand, while it continues to export butter to the other countries of the EEC.

Although the resolution has many positive aspects — and we have made a sizeable contribution in this respect — it still has gaps and inadequacies which we sought to rectify through our amendments.

First, on the level of price increases, the objective method must be taken into account, but it is equally necessary to start making up for the losses in income accumulated over the last few years. This is why we propose an 8.5% increase, which should also make it possible to abolish the positive monetary compensatory amounts, intolerable privileges for certain countries. We must put an end to all these artificial distortions of competition among Member States and abolish the MCAs, both positive and negative.

There is another area where the resolution lacks decision: this is in respect of the American trade offensive, which has not materialized by chance. It is particularly significant that this initiative has arisen at the very moment of the debate on prices, just in time to influence the development of the CAP, and that it is systematically directed at the EEC's traditional markets. Unfortunately, the Commission has not shown a strength of resolution in proportion to what is at stake. Why should we begin negotiations and draw up compromises, multiplying our proofs of good faith? Why should we propose to limit production by means of an

extension of co-responsibility and the alignment of certain Community prices with world prices?

Why should we hesitate to strike back after the sale of American wheat flour to Egypt? Instead of restraining the United States, this passivity encourages them. In fact, Mr Block, the Secretary of Agriculture, is launching a more aggressive export policy than ever, and he is soliciting Senate approval for further appropriations to implement it in the dairy sector.

We will not allow ourselves to be buried in flour by the Americans. This is why we intervened with the Commission and the Council to respond to this offensive and establish a more dynamic export policy. In 1982, it was our objective to halt the drop in income which had been affecting the proprietors of family farms since 1974. Our campaign, carried out in conjunction with the efforts of the farmers and seconded by the determination of the French Government, was successful: the fall in agricultural income was checked and the disparity between agricultural prices and industrial prices was reduced. We will not retreat from this position. In 1983, the restoration of incomes for family farms must continue: this is indispensable for the development of our production through the reconquest of our internal market. Our proposals and the action we have resolved upon in this battle over agricultural prices are both directed to this end.

**Mr Delatte (L).** — (FR) Mr President, ladies and gentlemen, the large majority obtained in favour of the Mouchel report in the Committee on Agriculture demonstrates the consistency of this text, and my group supports the proposals presented in it.

The 7% average rate of price increase corresponds to the figure obtained by the so-called objective method. This reference provides the best approach to the question of farm incomes, and this reasonable proposal allows for the imperative need to maintain a decent income for producers without putting too great a strain on the budget estimates, contrary to what some members have asserted on the basis of purely hypothetical calculations. In fact, the figures we are quoting today cannot be verified, as the experience of the previous years clearly demonstrates.

Mr President, ladies and gentlemen, every year at this time the discussion on agricultural prices leads us into a vehement debate which often takes on a rather mercantile tone. Personally, I reject this mercantile aspect, for the economic and social issues at stake are of paramount importance for the future of the Community.

My speaking time is very brief, so I will focus my remarks on only two key points of the Mouchel report.

The first has to do with the monetary compensatory amounts. The negative MCAs must be abolished. This

**Delatte**

would allow producers in countries suffering from the depreciation of their currency to obtain price increases corresponding to the growth in their overhead costs caused by this depreciation. At the same time the substantial reduction of positive MCAs for strong currency countries could be effected without injuring the farmers in these countries. This is why we consider a 7% price increase to be a necessary minimum. I insist on the point that the use of compensatory amounts creates a disparity in farm income throughout the Community which justifies the elimination of this practice.

The second point is that the fixing of prices is a basic factor in establishing farm incomes, but export market conditions also play a decisive role, both for farm incomes and for the Community budget. We must acknowledge that market conditions were less favourable in 1982 than in 1981 and that large stocks of certain products are now in existence.

An aggressive export policy is indispensable, and I was interested in what Mr Dalsager just said about the search for markets for dairy products. It is absolutely necessary to sell our dairy products and to avoid building up stocks which subsequently become unsaleable.

I would also stress the need expressed in the Mouchel report to pursue a coherent global policy in the sectors of fats and proteins. The rapporteur does well to underline the distortion inherent in penalizing the oils and fats produced in the Community through co-responsibility levies or reductions in the intervention price while at the same time favouring imported products through exemptions or reduced entry duties. As a result of this we favour imports without procuring revenue for the Community budget, and we encourage the creation of surpluses by the massive importation of proteins and substitute products used in the Community as animal feedstuffs, surpluses which must be subsidized for export in order to compensate for world prices, which, as everyone knows, are at dumping level.

I am aware that in raising this problem I am bringing up a very delicate issue, but a vital one for the balance and the future of the CAP. The proposal formulated in the report is perfectly reasonable and in conformity with commercial regulations.

I remind you that the GATT agreements were passed at a time when we had a production deficit for all food products. We are now self-sufficient, and we even have surpluses for certain products. We should adapt to this situation; urgent action is needed, in the interests of both the CAP and of the European economy.

**Mr Davern (DEP).** — Mr President, honourable Members, I would like to express my sincere congratulations and thanks to my friend and colleague, Mr

Mouchel, for his excellent report from the Committee on Agriculture to this House.

In November last year this Parliament approved by a considerable majority the Mouchel guidelines for the 1983/84 price lines. The report which we are examining here today constitutes Parliament's formal opinion and scrupulously respects the orientations and the wishes already expressed by Parliament last November. If we in this Parliament want to be taken seriously by both Council and Commission then we have to be consistent, something which we have not been too often in the past. If we want to be consistent on this occasion when attention is directed towards us, then we have to vote for the Mouchel report.

From the outset let me say that my group totally supports the principles and mechanisms of the common agricultural policy. Bearing in mind that its first objective is to safeguard farmers' income, the CAP ensures security of food supplies, not to mention its role in solving the problems of the Third World and world hunger as we know it today. Furthermore, let nobody underestimate the importance of the CAP in safeguarding employment within the Community. Let me remind those who constantly repudiate the CAP that it costs less to maintain four farmers on the land than it does one person on the dole queue. The CAP does, in fact, help to keep employed the eight and a half million in this Community who are engaged directly and indirectly in farming.

For the first time in three years Irish farm incomes have shown an increase in real terms in 1982. The increase, however, was the lowest in the Community at a little over 2%. Despite this mediocre growth, it is estimated that farm incomes in 1982 were in real terms 36% below their 1978 level and 21.5% below the level in 1973. This is how the Community is losing its popularity in countries that voted overwhelmingly to join the Community. Irish farm incomes are now lower by far than when we joined this Community.

It cannot be stressed enough that agriculture is more important to Ireland than to any other Community country with the exception of Greece. The Irish national economy depends heavily on agricultural growth, employment and trade. In 1980 Irish agriculture accounted for 11.3% of gross national product compared with a Community average of 3.7%. 18.9% of Irish employment is in the agricultural sector compared with a Community average of 8.2%. Agriculture accounts for 38% of the exports of the country, whereas the Community average is 9%. These figures speak for themselves. In this respect I am pleased that the Committee on Agriculture has supported the rapporteur's request for special and specific measures to assist countries particularly affected by inflation, notably my own country.

The fact that we have had one good year does not mean that we should now reverse the progress that has been made. A policy of stop/go for agricultural prices

**Davern**

and incomes would be an error. I fully subscribe to that statement, which is not mine but Commissioner Dalsager's. In 1982 the Commission brought forward what we now call the Thatcher proposals. We all know the issue, i.e. using savings of 1.7 billion ECU to give Mrs Thatcher back her money. So as not to disappoint anyone in the Conservative group here in front of me, I will come back to that issue later!

This year we have now come forward with what I would like to term the Reagan proposals. We cannot afford to offend America, and that has been the consistent attitude of this Commission in the approach to the farm prices this year. The outcome to date is catastrophic. The so-called world price that we are continually hearing about is a total mockery. The US, in total defiance of the GATT rules, have robbed this Community of a traditional market in Egypt for wheat flour by offering it at \$ 25 a tonne less than the so-called world market price. The same has happened to our traditional market for butter and cheese in Egypt. This is also happening in cereals in Morocco, Algeria and for many other countries which were traditional outlets for us and are essential for the export of the Community's agricultural produce. We can expect more of the same from the Americans during the next couple of months, because as time goes on the language of the American negotiators and the language of the American Secretary of State is getting far more aggressive. At the same time the EEC continues to create surpluses by importing from the land of America itself. Millions of tonnes of duty-free and levy free US maize, gluten, feed and soya continue to flow into this Community and are a major factor contributing to Community surpluses. So the Commission concludes that it must penalize even further the Community farmers — but not the American farmers who are giving us these commodities at enormous prices. It wants to abandon our traditional markets for the benefit of the USA and create barriers so that the export of Community dairy produce to Russia is virtually impossible.

At this point I would like to put a specific question to the Commission, and I will be expecting a reply before the end of the debate. Can the Commission confirm that the Russians have signed contracts for substantial quantities of butter with New Zealand and Canada, thereby eliminating any possibilities of EEC exports and a subsequent reduction in Community stocks? This rumour is not only rife but is very widely believed in many countries of the Community at the present time. Can the Commission spell out clearly what its current attitude to the USA is? Further, what is its latest thinking on EEC imports of butter from New Zealand which are subsidized by Community taxpayers to the benefit of one Member State?

This brings me back to the attitude of the United Kingdom. On the one hand Mr Walker is fighting for a price freeze on a number of agricultural products, while on the other the British Government is yet again

asking for its money back. In the 10 years since the United Kingdom joined the EEC, industrial exports have added 19 000 million pounds to the economy. Agricultural payments have cost it 7 000 million pounds, leaving a net gain of 12 000 million pounds sterling. On figures alone, trade with the EEC appears to have moved in Britain's favour over the decade. Exports to the EEC rose from 30% to 43% in total, an annual rate of increase of 3.4% as against 2.8% for imports from the EEC. The impact of the food protection policy on inflation in the UK is small. The real United Kingdom farm prices were 17% lower in 1981 than in 1972, and the real food prices were only 3% higher. Farm prices are about one-third of the total food prices. Other costs and profits in the food chain have risen far more. Only 2.7% of the 244% rise in the retail price index between 1972 and 1981 was due to the EEC farm price policy.

These facts and figures are not a figment of my imagination. They are the conclusions of an exhaustive study by Mr Christopher Johnson, Group Economic Adviser to one of the largest commercial banks in the United Kingdom, who is regarded as one of that country's outstanding economists. More interestingly, Mr Johnson points out that the true net cost to the UK economy of the common agricultural policy is about half the cost of keeping British troops in Germany and, more important, 2.6% less than the cost of keeping British troops in my country, in Northern Ireland.

According to the Commission's explanatory statement, this year's price proposal for farm structures will be an increasingly important element in farm incomes in the years to come. Much could be said on this issue, but I will have to limit myself to other specific questions.

Is it true that the Agriculture Commissioner has refused the draft proposed modifications to existing agricultural structure directives drawn up by his service?

Is it true that Commissioner Dalsager is partisan to abolishing at least one of the existing directives in the present set-up?

I would ask the Commissioner what he thinks of the Irish Government's proposal to suspend for a prolonged period the farm modernization directive which is a vitally important element in the much needed development of Irish agriculture, not to mention the reduction of the considerable disparities between my country and other Member States.

Mr President, I would ask my colleagues and friends here to vote for the Mouchel report as the only policy that will help to keep this Community together over the long and difficult period ahead.

**Mr Skovmand (CDI).** — (DA) Mr President, the agricultural systems of the EEC are a swamp and a



**Skovmand**

morass, and will continue to be so regardless of whether one implements the Commission's proposal or the somewhat more expensive proposal advocated by the Committee on Agriculture. On a long-term basis it simply is not feasible to have a system with prices that are substantially higher than those of the world market. That will lead to the production of surpluses, which will strangle those economic advantages that were achieved at the beginning. The situation will become worse if Spain and Portugal join the Community. Surpluses will become astronomical, and the EEC's expenses will rise even more.

The logical solution to this problem is naturally to change the system and make it more rational. But one does not operate that way in the EEC. Instead one attempts to push the problem into the future by increasing the EEC's taxation of the Member States, as suggested by the Commission in its green paper. But even the implementation of the Commission's proposal for a higher rate of VAT would only mean a short reprieve. The only thing that is certain to emerge from that will be that it will become more expensive to be a member of the EEC.

Lastly, I shall try to undo the misunderstandings still held by many, namely that Denmark is making an awful lot of money out of being a member of the EEC thanks to our large agricultural exports. There is still a surplus, but measured in Danish kroner terms it was smaller in 1981 than it was in 1973, and this in spite of the fact that the price levels have more than doubled in the meantime. So in a few years time Denmark can presumably count on being a net contributor to the EEC. That is not even the full story. Because, trusting in the wildly exaggerated EEC advantages, Danish agriculture has made a great number of completely uneconomical investments, which have now resulted in farmers going bankrupt by the thousands.

There are still people who believe that the agricultural systems of the EEC are the most valuable achievement within the EEC. Those people would be well advised to go home and study the figures more closely.

**Mrs Spaak (NI).** — (FR) Mr President, first of all, I see with satisfaction that, in general, the incomes of agricultural workers did not continue to drop as they have done over the last few years; on the contrary, they increased by 5% in real terms. This increase, however, is not sufficient to render the difference in respect to the other sectors of production acceptable. It certainly cannot be said that farmers were favoured this year. Although the Community average is encouraging to a certain extent, it masks great regional disparities and wide variations between the profit margins attained by small-scale producers of raw materials and those attained by the large producers and the agri-foodstuffs industry. Should not the small farmers receive direct aid?

In this regard, we addressed two questions to the Commission last year. The first: 'Is the 120 million ECU spent in 1982 — and found again this year — for income support for small-scale milk producers paid directly to the intended recipients?' Second question: 'Does the Commission believe that this measure contributes effectively towards preserving farms which would otherwise disappear from the map of European agriculture? Can the Commission, after this one-year experiment, provide us with additional information?'

Although it is quite understandable that the European Community should support farms which are judged to be viable, we should not overlook the fact that small family undertakings are viable too, as long as they are not taken over by the agri-foodstuff giants. 60% of the modernization plans assisted by the Community concern such family undertakings. Could not this percentage be further increased, especially in order to help young farmers wishing to take over the family farm, and this without damaging the capacity for hiring and innovation peculiar to the large undertakings?

In regard to surplus production, particularly in the dairy sector, and in order to conciliate the interests of producers and consumers, we believe that the co-responsibility levies should be modulated according to the volume of production in such a way that the small-scale producers would pay in proportion to their production and would be exempted from payment if the circumstances warranted it. This would also encourage the large-scale producers to diversify their production.

The programmes of integrated development are aimed at improving the socio-economic situation of certain less-favoured regions. It is vital for a productive region such as the Walloon area to be active at all points in the agri-foodstuffs chain, from the production of raw materials to the marketing of products. We believe, Mr Commissioner, that the purchasing power of farmers in the Walloon region has dropped by 25% over the last three years. Can the Commission confirm this figure? If so, can it tell us if it has accepted one or more programmes of integrated development for this region?

Finally, support for the development of advanced techniques such as bio-technology would also provide rich opportunities for this region. This is my last question: 'Could the Commission tell me if there are any such projects?'

**Mr Fich (S).** — (DA) Mr President, on behalf of the Socialist Group I would like to say a few words on budgetary aspects connected with the price package for 1983/1984. Firstly I would like to stress that it is not the budget which should decide this. I believe that there is a reason for stating this point time and again. But at the same time I believe that it is equally important to maintain that one cannot decide on a budget-

## Fich

ary policy without having regard to the resources available, and to whether or not these resources are used effectively. This is intended as a starting point for the following.

In reality there are two proposals before us. We have the proposal submitted by the Commission on a price increase of approximately 5% plus certain measures to prevent surplus production. And we have the proposal which Mr Mouchel has submitted to the Committee on Agriculture containing a greater increase in prices and above all — and this is the most important point — no measures against surplus production. These are the two proposals we have to choose between. I would like to say right away, that as far as Mr Mouchel's proposal is concerned, we simply cannot afford it. If we look at the picture for the two years we are dealing with, the situation is such that that we already have financial problems in 1983. We have only 280 thousand million u.a. left before we reach the famous ceiling. We know that we are going to have a supplementary budget. Nobody knows yet how large it is going to be, but if one looks at the advances for the first three months of 1983, there are signs of excess spending in the region of 2 000 million u.a. Thus we have a mere 800 million u.a. left to finance the price increase, plus whatever else may turn up. We can manage this on the basis of the Commission's proposal, but not — or only barely — on the basis of Mr Mouchel's proposal. Moreover it should be borne in mind that then there will be no refund for the United Kingdom — there will then be no money left for that.

The picture for 1984 leaves no room for doubt. Even if we have some increase in our own resources, it is perfectly clear that by 1984 we shall already have difficulty paying for the Commission's proposal, and we certainly shall not be able to pay for Mr Mouchel's proposal. This is an assertion which I dare to make, and one which I would like Mr Tugendhat to confirm in his speech tomorrow. It would be very interesting to hear this directly from the Commission.

Furthermore I must stress that we can, of course, afford it in 1984 if we do away with the Regional Fund, the Social Fund, development aid, energy research and other things. Then we will have enough money to pay for this. But unless Parliament is prepared to abolish these things at the same time, it is hypocritical to vote for such an increase of prices and for the abolition of the co-responsibility measures, which is what Mr Mouchel really wants. When I say this, the answer is always that what we simply need is new own resources. That, of course, is open to discussion — and we are to discuss this later on — but I would like to stress that such revenue will not be available before 1985, and certainly not in 1984.

Let me stress that there is a difference between agricultural spending and farmers incomes — these two things are not identical. If we opt for unlimited prod-

uction, we pass the expenses on to surplus production, which means that there will be less money for incomes. Only if one chooses to limit production, by one means or another, will there be money left to establish reasonable agricultural prices. I shall finish by saying that it is those who are paving the way for anarchy within the agricultural policy — and I think that the Committee on Agriculture has done just so — who will have to bear the responsibility if the agricultural policy breaks down.

**Mr Tolman (PPE).** — (NL) Mr President, heretofore the crucial question in the agricultural debates has been that of price-fixing. However, such is not the case this year. We would appear to be preoccupied with the overall approach as personified by the measures dealing with pricing policy. The level of production and its financial consequences continue to play a primary role. One has to say that Commission and Parliament are confronted with a formidable task. By coincidence — and I should like to emphasize that — agricultural production in almost all sectors witnessed a substantial increase throughout the world. This applies as much to United States agricultural production as to that of the Community and I look forward to a mutually agreed equitable solution to the problems besetting us, through an immediate and unconditional resumption of EEC-US agricultural negotiations. I fully appreciate that this in no way detracts from the considerable and ever-increasing tensions. We have reached an impasse. Mr President, neither Commission nor Parliament have reason to back away from their declared policy objectives. The CAP is the result of joint Community deliberation in due form some years ago. It remains for Commission and Parliament to continue to respect their original production goals.

I believe mistakes have been made by the Committee on Agriculture by the Commission and by Commissioner Dalsager. I cannot accept unreservedly the measures proposed by the Committee on Agriculture as set out in the Mouchel report. There are production limits, but the Mouchel report sweeps aside, in my opinion, far too many of the punitive measures for non-respect of these. My colleague, Mr Dalsass, has indicated my group's intention of rectifying this. Although we are not seeking to dismantle Community agricultural policy we feel that the Commission and the Committee on Agriculture should carry out a survey of the consequences for the Community of excess agricultural production, and of the respective merits of co-responsibility levies and unilateral reduction of the intervention prices in attempting to stem such over-production. For the moment the matter is far from clear.

Turning to the Commission, I feel it is pursuing an ambiguous policy. To stick to the production goals implies obligations since life clearly consists of a combination of rights and duties. A consequence of main-

**Tolman**

taining production levels within the limits is the granting of a satisfactory price increase. 5·5% is not exactly 7%. If the House approves the 5·5% increase proposed by the Commission for most products and the somewhat lesser percentage for a number of others it implies an overall decrease for some Member States and that, so far from speaking of an increase, we are really dealing with an obvious price decrease; I consider this erroneous reasoning. The CAP must remain consistent. We cannot on the one hand make every effort through structural policies in order to promote healthy viable family concerns in the agricultural sector while subsequently dismantling them through our pricing policy. To do this would only punish those healthy viable concerns.

The four minutes at my disposal being too short for any exhaustive analysis, my contribution had the modest objective of bringing to the attention of the House the need to accept the consequences for the policy for which the Community has opted. This applies both to Commission and Parliament.

**Miss Hooper (ED).** — Mr President, I consider that in a debate such as this Members, when speaking, should declare an interest. I dare say that many of the speakers so far are farmers, but I have not heard them declaring their interests. I would therefore like to make the point that I am representing consumers, not only in terms of every single person in our Community, but certainly in terms of every single member of my constituency. I can claim, I think, that mine is one of the few constituencies that does not have a single farmer in it.

Mr President, Parliament must at least try to be consistent. Time and again Members ask for a fairer budget distribution and increased expenditure in fields such as helping the disabled, the young or women, helping the manufacturing industries to deal with the current chronic unemployment figures, improving the environment or helping the starving in the Third World. Even Commissioner Dalsager earlier this afternoon made the point that although budget constraints should not be the only factor, they do exist, and Parliament must recognize this point.

From listening to Mr Mouchel and supporters of his report, one would think that agriculture was the only area of need in this Community. Nobody wants to jeopardize the living and future of farmers. What we want to achieve, Mr President, is a fair and proper balance in our budget; and this will never be done by supporting the Mouchel proposals. It will only just be achieved by supporting the Commission proposals.

The Committee on Agriculture calls for stricter observance of the principles of the CAP. It lists them all except one: reasonable prices for consumers. I consider it inexcusable that a responsible report such as this should misrepresent the aims of the CAP as set out in the Treaty of Rome.

I would have thought it was stating the obvious, Mr President, to have to remind this House that the producers are not the only people in the food chain. It is essential to remember that there are food processors and retailers as well as consumers to be taken into account.

One of the specific points I would like to criticize in the report is the fact that it is in favour of restricting cereal substitutes. Further restrictions would increase the damage being done to our already beleaguered pig industry and put up prices to consumers. It rejects all proposals which would curb overproduction, even in the dairy sector and, I would like to add, in the sugar sector. We must think not only of the consumers in this respect but of our ACP partners in the Third World.

The report even went so far as to invite the Council to extend the CAP to products not yet covered, including seed potatoes. This is quite unnecessary and again can only increase prices.

It invites the Commission to make margarine less competitive in relation to butter. It is difficult to see how this can mean anything other than a levy to raise the price of margarine; unless, of course, the Commission were to propose a butter subsidy, which we would all welcome as second best to a more reasonable milk support price.

Mr President, my time is not great and, therefore, I must conclude my remarks. But I would like to urge this House to consider the opinion drawn up by the Committee on the Environment, Public Health and Consumer Protection and to support in particular the demand for an average price freeze on products in surplus. I would like the House to remember in doing this that the consumer organizations — and we are very fortunate in having very efficient consumer representation — have researched this and produced very reasonable, sensible and responsible proposals. I would, therefore, urge this House to support the opinion of the Committee on the Environment, Public Health and Consumer Protection in this matter.

**Mr Kyrkos (COM).** — (GR) Mr President, the Mouchel report does contain positive elements. The Commission estimates that farming incomes in Greece rose by 2·5% last year, whereas the corresponding increase for European farmers was in the region of 8%. If we accept the accuracy of this figure, and note that it was recorded against an inflation rate of around 19% and a long-term downward trend in the level of farming incomes in Greece, we are obliged once again to see the particular crisis afflicting the Greek agricultural economy in the context of Mediterranean agriculture as a whole.

We consider, therefore, that the 5% increase in farm prices proposed by the Commission is inadequate. It is

**Kyrkos**

acknowledged that if prices are calculated on the basis of the objective method an increase of 7% is called for, and this figure has also been taken up by the producers' organizations. Consequently, the average increase in prices for Mediterranean products should be higher still, something which is of particular concern to Greece where the whole structure of agriculture is based on the Mediterranean model. We must point out that the issue of the devaluation of the green drachma and increases in drachma prices for the Greek producer, the cost of which will — in any case — be borne by Greece itself, and in particular by its consumers, should in no way be confused with a real increase in prices effected through the Community budget, and specifically through the EAGGF. But even supposing that the case for prices higher than those being proposed is accepted, this by itself will not be enough to ensure more effective support for small and medium-size farming incomes. If the Commission had wished to keep down the prices of agricultural products it should have gone ahead — as we recently requested in a motion for a resolution — with revising the directives on the restructuring of agriculture, particularly with regard to countries where the structure is backward, such as Greece, and should have intervened more effectively in the annual check on the prices of aids to production which essentially determine production costs. In our country, for example, fertilizers alone have increased in price this year by 40%. Who can fail to understand the effect of this on farming incomes? It is obvious, therefore, that other measures are called for, beyond an increase in prices, in order to provide real support for small and medium-size incomes in all Mediterranean countries.

One necessary condition for this is the more efficient application of Community preference for Mediterranean products, and we must condemn the fact, about which most probably there is ignorance, that for the second year running the Greek trading balance in agricultural products is in deficit, in contrast to the situation which pertained prior to accession. We are not against the Community having external relations, but it is a fact that whereas such relations mainly benefit manufacturing industry in the industrialized countries of the north the cost is borne by the Mediterranean countries which see the imports from third countries competing with their own agricultural products. In this respect we urge the Community to stand firm in the trade war being waged by the United States against its agricultural products, and to abandon any idea of abolishing or reducing export subsidies.

I conclude by saying that there is a need for the Mediterranean programmes to be implemented immediately, because these take on a special significance in the present conditions of economic crisis and mounting unemployment. Contribution towards the restructuring of Greek agriculture which is, as the Community itself must now be aware, a special case even within the framework of Mediterranean agriculture, also

hinges on a satisfactory outcome of the case put forward in the Greek memorandum.

**IN THE CHAIR: MR PFLIMLIN***Vice-President*

**Mr Maher (L).** — Mr President, maybe I should take a cue from what Miss Hooper said and declare my interest right away. I represent consumers. In fact I know of nobody in my constituency who is not a consumer although two-thirds of them are not farmers. I think it is something of an illusion to divide consumers from others. In fact farmers consume more than many other people because they consume inputs into their farms: fertilizers, planting equipment, labour and services. We would be delighted, Miss Hooper, if you could try to ensure that the prices of these inputs were lowered. If you could do that, then we would need to lower prices. That is the dilemma we are in. So I hope that the farmers, as so-called, and the consumers will get together and try and do something about this. There is little to be gained by having a confrontation with one another. I hope that Miss Hooper, in future, will not start drawing that distinction.

However, Mr President, I must at this point express serious regret about the conspiracy that I saw here earlier today when the Tories and the Socialists on the other side of the House got into bed together. Of course, they are prepared to do it in order to try and keep out of this Parliament a report dealing with inflation which is directly concerned with the question of farm prices and how they apply. I just cannot accept the argument put forward by Mr Provan. I think he is totally insincere when he suggests that that report has got nothing to do with prices and that it must be taken later on. Of course, I do not expect anything better from the Socialists because, by and large — not all of them, so I must make distinctions — they are the enemies of the farmer and they would try to eliminate him if possible in order to achieve their great socialist world which, of course, we have seen some examples of in different parts of the world as well as the grave consequences.

Having said that, Mr President, what I was trying to do, was to ensure that if we could arrive at a more equitable system for applying the farm prices, then the general increase would not have to be as high. According to the Commission's own figures, last year the impact of the prices on farm income went from 0,5% in Ireland to 24% in Denmark with 16,5% in Germany, 13,5% in the United Kingdom, 22% in Luxembourg and so on.

That is totally inequitable and it exists mainly because this Community still has not taken the fundamental

**Maher**

step of having a common monetary policy. If we had one currency, we could not have different rates of inflation throughout the Community. Yet there are some countries, in fact, who refuse that. Despite all the pious aspirations we hear from the Tories again and again, their government still steadfastly refuses to take even the first meagre step of joining the EMS. They are determined, in fact, to keep this Community disunited.

So, Mr President, if we can find a formula whereby the prices will be more equitable, so that if there is a decision to increase prices by 7% it will be 7% in the UK and 7% in Ireland and 7% in Ireland and 7% in Denmark, then in fact, the agriculture of all the Member States would be on an equal footing. What we have happening is the rich getting richer and the poor getting poorer because those countries with low levels of inflation are in a better position to compete in the market place and so take the market away from those weaker countries.

Might I also ask, Mr President, when we are going to come to the point when we stop the nonsense of deploring the surpluses that arise in the European Community. The very same people who deplore the surpluses still insist that we have got to have butter in from New Zealand — 100 000 tonnes of it — even though there is butter coming out through our ears, we are told, yet we have to bring it in. We have to have more surplus. Why? Why do we have to import large quantities of animal feed? Cheap animal feed without any duty whatever from Brazil, from Peru, from the USA, in order to convert it into more milk and more surplus products so that we send it back out again onto the world market. When are we going to get sensible? When are we going to decide to have an imports policy?

Mr President, I wish also that those people who proposed not long ago in the Parliament that we should not sell butter to the Russians will now answer the case because, you know, your friends in New Zealand have sold to the Russians. They have made the contract. They have stepped in. Was that what you were after? Were you trying to act on behalf of the New Zealanders? Were you trying to act on behalf of the Canadians to try to make sure that they got the market so that in fact you could still weaken the agricultural policy within the Community? Because that is exactly what we are doing.

Mr President, my last point is this. If the Americans are complaining about our exports on the world market and the competition they are meeting from us, I am afraid we will have to tell them: 'Right, if we do not send our milk and our meat onto the world market we do not need your grain anymore.' We are the largest importer of their grain. What do we need their grain for? To dump it in the rivers or the sea? Not at all. To convert it into meat and milk! Therefore the Americans cannot have it both ways. If they want to

have a market for their grain, then we buy their grain from them but they cannot complain if we meet them on the world market with our products.

**Mr De Goede (NI).** — (NL) Mr President, we are alarmed at developments within the CAP. It would appear that the Community has reached a crisis point beyond which nothing short of a thorough revision of the CAP can hope to rectify the situation. We are equally alarmed that the Commission proposals do not go far enough towards a thorough policy revision while there is a clear recognition of apparently insurmountable structural problems. One cannot call into question the Commission's good intentions concerning price stability, but its proposals leave a lot to be desired. There is talk of wide-ranging market disruption affecting all of the principal agricultural products. This is not the result of unpredictable developments but of a half-hearted and inconsistent market and price policy.

In the present-day situation everyone is a loser: the farmers are faced with agricultural prices which are too low; the Community budget has to bear the brunt of ever-increasing excess production in a collapsed world market; Third World countries are unable to export any surplus agricultural produce because of diminishing world market prices. Furthermore, surplus agricultural produce is threatening to give rise to a trade war between the European Community and the United States.

The Community price policy for agricultural produce is no longer capable of fulfilling the dual function of income guarantor and market regulator. In reality the latter policy as practised by the Commission has been less one of effective production control than of resigned acceptance of the ever-mounting surpluses in the hope that the Community budget would be able to cover the guarantees and that world markets would be such as to enable the unloading of a reasonable share. Such hopes are illusory. The solution now being eeked out, consisting in a restrictive pricing policy and a lowering of the intervention prices means shifting the burden on to the farmers' incomes; meanwhile the market dislocation continues unchecked. A pricing policy designed to dampen production has failed in its objective and is having the inverse effect of increasing it.

My group believes that the Commission's price proposals are the maximum possible within the existing marked structure. One has to admit that the system is ill-founded; more substantial price increases would have been the logical outcome of another system. Penalizing increased production through lower intervention prices, levies in all but name, ultimately deprives the pricing policy of its function of guaranteeing incomes and does not achieve the objective of market control. We challenge the Commission to come forward with viable proposals on market regulation which would facilitate a pricing policy designed to guarantee farm incomes.

**De Goede**

I doubt that the Community budget can bear the brunt of the present price proposals, as has already been indicated. There are constant echoes in this House in favour of raising the ceiling on Community own resources beyond the 1% VAT level in order to finance increased agricultural expenditure. I too am a proponent of an increase in own resources, not to finance additional agricultural expenditure but to enable us to turn our attention to other Community sectors which have therefore been grossly neglected.

Whereas rapidly increasing agricultural expenditure ought to be an incentive to adopt an alternative policy they now seem to be perceived as a warning not to exceed the ceiling.

I note, somewhat reluctantly, that the Commission's price proposals are based on product differentiation. This is an undesirable development which could lead to the dislocation of the whole policy. We strongly appeal for a uniform global pricing policy and reject any policy based on differentiation, whether by product, producer or region. The very most we could accept is a relatively larger increase in extreme cases for non-surplus products. Where such a global policy failed to achieve the objective of guaranteeing reasonable incomes for certain producers or regions a supplementary social or structural policy would have to be developed such as the income supplements currently allocated to small dairy farmers. Such a supplementary policy would have to consist in direct income increments. We would like to see implementation of such a policy at Community level without any accompanying national implementing measures for the latter run contrary to the philosophy underpinning a Community policy. Similarly we appeal to the Commission to switch to a system of direct payments for the supplementary allocations to small dairy farmers.

We would like to see a market regulation policy which would ensure rational prices within the desired production limits and in which surplus production could be sold at world market prices. Such a policy would guarantee prices up to the pre-arranged production limits, any excess production being the sole responsibility of the producer. The various prices would have to be paid on a differential basis allowing the farmers the autonomy to produce only within the guaranteed quota. This would mean dropping the price mix policy currently in operation, and we would appeal to the Commission to refrain from leaving the choice between price differentiation and price mix to the individual Member States, as is currently the case with sugar cultivation, but instead to implement differential pricing at Community level. For sugar and milk we would favour a system of production quotas industry by industry.

This years' agricultural price proposals ought to take particular account of the impending accession to the Community of Spain and Portugal. In the final analysis their accession depends on a revision of the

so-called 'acquis communautaire' or special Community benefits for fruit, vegetables and olive oil. Only when this problem has been satisfactorily resolved will the Community be able to resume the accession negotiations. We subscribe to the increased discipline with which the fruit and vegetable sectors are to be regulated without wishing this to be an added barrier to Spanish accession. The current Community regulation of the olive oil sector would result in irresponsible expenditure in an enlarged Community and as such its revision needs to be completed prior to further enlargement. The impending olive oil surplus must be curbed; a fixed allocation per hectare to replace quantity-related payments for olive oil production ought to hold costs in check.

**Mr Cohen (S).** — (NL) Mr President, this is the third or fourth time I have spoken in Parliament's debates on the Commission's annual price proposals for the agricultural sector and it never ceases to amaze me.

I am always astounded when I see a conspiracy — which Mr Davern referred to — extending from the extreme left — represented by Mr Pranchere — to Mr Mouchel, from Mr Dalsass to Mr Davern and Mr Delatte beginning to emerge; it is an agricultural lobby conspiracy stretching right across the House from the left, through the Christian-Democrats to the right, and from the right to the left. For four years we have gone along with this but now Mr Mouchel is even trying to up the ante. Faced with such an unholy alliance, concerning which the Commission is becoming increasingly aware that there is 'something rotten in the State of Denmark', the Socialist Group has no other option but to unmask such practices for what they represent — a lack of credibility.

When one realizes that as far back as 1980 and 1981 this Parliament adopted reports dealing with the state of agriculture in the Community and with efforts to eliminate hunger in the Community in the course of which an agricultural policy was defended which stands diametrically opposed to that now favoured by Mr Mouchel, the Socialist Group has no choice but to table a number of amendments, in particular to the final paragraphs on Community relations with the Third World and with third countries in general.

Our action is motivated by a desire to reveal such practices. When the Mouchel report calls for a world conference on agricultural problems and world hunger he knows as well as I — and perhaps even better — that such a forum already exists. The Community participates in UNCTAD; it has participated in the conference held at Cancun; it is a proponent of the North-South dialogue; it is actively exploring ways to ensure food supplies for the Third World; we are attempting to boost purchasing in these countries through an equitable policy as opposed to a mere ban on Community imports from them; finally we are endeavouring to ensure that agriculture in the Third

## Cohen

World complies as fully as possible with their needs without being detrimental to our own. That is the kind of policy that we in the Socialist Group have always called for and we do not intend to depart from it in the course of this year's agricultural price debate.

Mr President, we find paragraphs 54, 55 and 56 of the Mouchel report unacceptable. They represent a retrograde step, they amount to forgetting everything that has been said in this House in the course of the past three years. These paragraphs exceed the bounds of the imagination. It reflects a philosophy which this House rejected four years ago and we shall do everything in our power to prevent a return to a state of affairs which we never wanted.

In conclusion I would like to sum up concisely what I have attempted to get across. We cannot allow a policy elaborated jointly by Parliament and Commission, and approved by Council over the years to be undone at a stroke by this almost unbelievable, despicable, malicious unholy alliance from extreme left to extreme right. The amendments tabled by the Socialist Group attempt to redress the balance and restore the measures we have always supported as being reasonable and which, this year, coincide with those put forward by the Commission.

**Mr Marck (PPE).** — (NL) Mr President, it would appear to be the Dutch speakers' half hour in the house but I think you would agree that there is variety. In the wake of Mr De Goede, and especially Mr Cohen's contributions I feel I ought to show my colours at the outset by saying that I can subscribe to the Mouchel report for the most part and that I congratulate him for his efforts in putting the final touches to the report over the past few months.

I agree with an average price increase of 7% applying, as I have done in preceding years, objective criteria in determining agricultural prices. The Commission appears to have opted for the opportunistic approach for, despite the universally favourable developments in the agricultural sector in 1982, there still remains substantial leeway to be made up between agricultural incomes and comparable incomes in other sectors. In my country, Belgium, agricultural incomes are 62% of those of other comparable incomes.

Mr President, I am aware of the problems confronting us, particularly those resulting from surplus production of certain products. I fully accept the idea of a producer's co-responsibility in cases where the Community contributes towards the financing of such surpluses. The question is rather, how, and to what extent? I shall be confining my remarks to this aspect. For the remaining agricultural areas I am in full agreement with Mr Dalsass's statement. In invoking co-responsibility for specific agricultural sectors we must be careful to safeguard the overall objectives as laid down in the CAP and to allocate them in a balanced and fair

way. Co-responsibility implies a voice in the implementation and burden-sharing according to the degree of real co-responsibility devolving on each producer. For all these reasons I am an outspoken opponent of the linear approach to intervention prices and a proponent of the maintenance of modulated co-responsibility duties.

The linear approach to intervention prices not only endangers the whole CAP edifice but it is unfair to those who cannot be held responsible for surplus production, namely small producers or those who simply have no other alternative. Furthermore by being applied across the board, anonymously and far removed from the producer, who in turn tends to feel the effects somewhat less and reacts by raising instead of lowering production to compensate for the resulting income loss, it signally fails to attain its objective. Furthermore such an approach applied to the dairy industry and agriculture in general represents a shifting of emphasis which would jeopardize employment at a time of massive expenditure to stem the flood.

The co-responsibility levy, on the other hand, offers the great advantage of being flexible in a time of changing circumstances, of taking account of, in particular, the favourable weather conditions, in 1982 with the in-built corrective mechanism that those really responsible for the increased production must pay a higher percentage per concern for such surplus production as compared with the past two to three annual marketing years. I believe flexible co-responsibility of this sort is more likely to attain our objectives, i.e. maintaining surplus production within reasonable limits.

In conclusion, I hope to have contributed to solving the budgetary problem. Any analysis of that issue must recognize that the Community's current resources must be allocated in the first place to those sectors where there is a Community policy. I note at the same time that those who depict the CAP as a heavy burden are themselves quick to resist any attempt to introduce a Community agreement on oils and fats and the new revenue which would accrue from such a policy.

**Mr Howell (ED).** — Mr President, I rise on behalf of my group to reiterate the words of my colleague, Mr Provan, and oppose the Mouchel amendment which calls for an award to the agriculture industry of not less than 7%. We are very keen indeed that the Commission's proposals become operational. We are very well aware of the position of our own government which we know full well is seeking a zero increase on those commodities in surplus. We would of course prefer, Mr President, to back our own government and to recognize the very real difficulties that surpluses are causing.

Recognizing the reality of the Community, recognizing the reality of problems in France and in Ireland,

**Howell**

we have to accept there has to be some increase. Therefore, we fully back, and would urge the House to back, an increase of 5,5%. Mr Chairman, I cannot ignore the opportunity of admonishing the Commission to some degree. The Commissioner in his opening remarks stated that the level of milk surpluses has increased by 3,5%. That is an increase over and above that which the Commission thought likely last September. If we look back upon the history of the milk problems, we can see that every single initiative that the Commission has taken, right back to the very early days of the Commission itself, has failed completely to control a milk surplus.

If I look back on the various awards, whether it be non-marketing premiums, whether it be conversion from dairy to beef, whether it be co-responsibility levies or whatever, there has been no control whatsoever of the biggest single expenditure item in the Commission's budget policy. Therefore I say to the Commissioner today that it seems to me once more that it is highly unlikely that even today's proposals for thresholds and a slight reduction in price coupled by the co-responsibility measures that they are adopting is likely to have any more of an effect than that which has taken place in the past. Indeed, I am somewhat horrified to see the Commission failing to learn by its own mistakes. It now proposes various threshold measures and various threshold ideas coupled with co-responsibility in the cereal sector. Clearly the Commission, like Parliament, recognizes the difficulties. Clearly the Commission has taken up the proposals Parliament made last year, and publicized in the Plumb report to some small degree. But a co-responsibility measure of any type can only do one thing and that is not reduce production, but increase it.

Mr President, I, as a wheat farmer, have no option when a co-responsibility levy or whatever is applied to wheat to look upon that co-responsibility levy simply as another cost, and in doing so, have to improve my productivity on the land I have so that I have no other option but to produce more wheat. So, rather than mitigating the problems, I fear sincerely that this will aggravate them. It will of course not help us with our problems with the United States. While I am not here to speak on behalf of the United States, I fully recognize that we have to take account of the difficulties of our allies.

Mr President, I also have to reply to Mr Davern. His country has benefited greatly from the Community. They benefited colossally in the early days of the Community from the common agricultural policy. Are we to believe today that Ireland joined the Community solely for short-term economic benefit, solely for instant financial gain, or are we to ask Ireland to take the rough with the smooth? I recognize Mr Maher's problems and Mr Davern's problems with their small farmers, but, sooner or later, Mr President, this Parliament and the Council of Ministers and the Commission have to come up with a radical solution to solve

the problems of the CAP once and for all. Until that is done, there can be no true Community and we cannot look forward to a united front especially with regard to the United Kingdom's problem.

Mr President, that I think, is the view of my group as well as my own personal view.

**Mr Brøndlund Nielsen (L).** — (DA) Mr President, there are two aspects the problems the first concerns the agricultural prices and the Mouchel report, which I can support; the second concerns the budgetary aspects. Later on I shall have the floor again, and then I will deal with the budgetary aspect. But now I will say something on the question of agricultural prices as such.

Quite a lot has been said about consumers. The way I look upon this is, that there is no natural or clearly defined discrepancy between the interests of the consumers and the interests of the farmers. I believe that it must clearly be in the consumer's interest to maintain an agriculture consisting of efficient, family-run farms, where good products are produced at reasonable prices; farms where other problems — e.g. environmental problems, educational problems concerning young people, etc. — are not just passed on to rest of the society or other groups. Such things can be dealt with in an agricultural sector which has a healthy balance. I believe that here is a realistic adjustment of prices, and by this I mean an adjustment in accordance with the objective method. I believe that this must be the right way in which to safeguard the existence of these farms. A calculation of a certain increase in productivity is also included in this objective method, and this demonstrates that this method also takes things that are in the consumers' interest into consideration. If such realistic price increases do not materialize — and it appears as if there will be a very strong pressure against this — then what will happen will be that there will be more national subsidies, and then maybe also an increasing number of social criteria introduced into the CAP. In my opinion this would not be in the interests either of the consumer, the agricultural sector or the general public. Therefore, I believe that it would be better to continue to operate this policy on the basis of the principal guidelines on which it has operated up to now.

I do not have time to deal here with the claim, which is often made, that production in the Community has grown so rapidly and a level of self-sufficiency has been achieved that it is necessary to draw up criteria for limiting production. However, I should like to ask Commissioner Dalsager why more serious consideration has not been given to quality criteria when it comes to differentiating between product prices and the products themselves. This approach could, I feel, offer distinct advantages. If an effort were made to take quality criteria into consideration it would simultaneously create more favourable conditions for those



**Brøndlund Nielsen**

involved in marketing in the agricultural and processing sectors and perhaps achieve better results than simply having recourse to intervention. Therefore I would like to see more attention paid to quality criteria, which is something the consumer would also welcome.

Time does not allow me to go into detail, but I should like to mention a few points to avoid being too theoretical. Take milk, for example: here we have the product itself, milk. One can count the number of bacteria...

**President.** — Not too many examples, if you please. You have exhausted your group's speaking time. I, therefore, hope that one or two examples will suffice.

**Mr Brøndlund Nielsen (S).** — (DA) Mr President, I simply wish to say, in conclusion, that it might be possible to find some objective criteria. For instance, one could examine how quickly milk is cooled thereby preserving its quality. I would just like to mention this as a concrete example of the fact that there are enough items to choose from. And I urge that this criteria be brought forward if one wants to start to differentiate, and this in relation to the product milk.

**Mr Pesmazoglou (NI).** — (GR) Mr President, I wish to support the general approach and proposals of Mr Mouchel in his report on behalf of the Committee on Agriculture. At the same time however, I would like to comment on some of the arguments put forward this evening.

The first of these arguments is that agricultural incomes are rising in real terms. I would like to ask Commissioner Dalsager to give, if possible, a few details about this, because I believe that, in effect, this increase is bound up with increasing disparities in agricultural incomes. In the case of Greece I cannot accept that there was an increase in the period 1981-82. I think that there has been some statistical mistake with regard to this, and I want to stress that the matter of accession by Greece to the European Community was always accompanied by the expectation of an increase in real agricultural incomes. This is something which ought to have been achieved, and indeed it should be achieved because if it is not, a grave problem will exist.

Secondly, the agricultural and industrial sectors do not stand in opposition. The main problem facing us at present is unemployment and the need to revive economic activity. Support for real income levels in agriculture is a sure way of giving a healthy boost to the Community's economy, and I think we ought to take this into account. I do not agree with several colleagues who have claimed to be representing consumer interests. More than anything else consumers are concerned for their employment, and support for agricultural incomes is of help in tackling the problem of unemployment.

My third point, Mr President, has to do with differing rates of inflation. Here I do not think that the usual proposal for an across-the-board increase in farm prices affords a solution unless other measures are taken in conjunction with the agricultural policy. I believe there must be an effective policy to coordinate and bring the various economic policies into line so that within a few years the inflation rate in the ten Community countries is roughly the same.

Having said that, Mr President, I would like to propose to Parliament that the fixing of farm prices be accompanied by certain important policy initiatives as mentioned earlier in the debate by Mrs Spaak and Mr Woltjer. These policy initiatives are as follows:

Firstly, I wish to stress the need to provide essential income support for small producers. This is of very great importance for the Community and will help to even out disparities.

Secondly, the promotion of restructuring in agriculture, particularly in the Mediterranean south. I want to emphasize the importance of this policy and to stress the importance of increasing the funds available for this purpose.

Thirdly, as various other Members have themselves pointed out, there is a need to safeguard and strengthen the principle of Community preference. Chiefly, this means safeguarding Community preference for Mediterranean products in conformity with certain resolutions passed by the European Parliament. Such products are citrus fruits, wine, oil and, to mention a few products which are particularly important for large groupings of Greek farmers, raisins, olives and cotton.

I believe, Mr President, that by following the path indicated by Mr Mouchel we shall come to a solution that accords with the best interest of the Community.

**Mrs Van Hemeldonck (S).** — (NL) Mr President, the common agricultural policy is widely considered as the foundation of the Community integration process. This does not, however, imply that the CAP has been drawn up for the sole benefit of large-scale agricultural concerns. That policy should also take account of the small farmers, the poorer Community regions and the consumers. Unfortunately the CAP in its present form is giving rise to an ever-increasing concentration of large scale agricultural concerns, to constantly rising production at the expense of both the environment and the agricultural end products. Community agriculture is, regrettably, becoming more and more estranged from nature. Macro-agrarian interests are being sustained by chemistry and the biotechnical industry at the expense of environment and consumer. Excess fertilization, reckless use of herbicides, insecticides and pesticides, irradiation of agricultural products, addition of hormones and antibiotics to cattle

**Van Hemeldonck**

feed are all means of increasing production, but the end product may no longer be called natural food and is even a health hazard for consumers and detrimental to the environment.

Industrial agriculture is every bit as detrimental to the environment as the chemical industry as regards surface water pollution and earth poisoning. Less directly the policy of rationalization and high yields in agriculture can be considered catastrophic for the smaller farmers and for the farmers in the poorer Community regions for whom the high yields are unattainable and who are ultimately forced to abandon their farms and migrate. It is a scenario with familiar consequences: ever-widening geographical and social disparities, neglect of the poorer regions, a swelling of the insufficiently educated unemployed in the cities. These are sufficient reasons for the implementation of a new Community agricultural policy based on differential pricing per product, region, and size of the concern. Such an agricultural policy would also have to respect the environment.

Mr President, we also have a duty to defend the interests of the consumer and, more particularly, of the millions in our Community who have to subsist on an ever-diminishing substitute income. Unemployed families and dependents, pensioners, the sick and the handicapped whose income is constantly being eroded are having to devote an increasing proportion of their income to food but, as we are well aware, increasing agricultural prices lead to higher food prices because of the associated higher profit margins of the processing industry and distribution sector. In the course of the last 12 months food price increases outstripped the average rate of inflation. This is simply unbearable for the consumer. Hence the need, in addition to a rational agricultural policy, for a tighter control on price determination in the retail trade in general, and on food pricing in particular.

Mr President, Belgium has a production surplus of 7 000 tonnes of butter and almost 4 000 tonnes of milk powder. Over the past 5 years, milk production in Ireland has risen by 24.5%. Surely the existence of such stocks calls for measures to stimulate consumption by the Community's more needy citizens and to encourage consumption generally within the Community itself. The most recent sale of Christmas butter was a success. Why not, therefore, have more such Community schemes whereby dairy produce could be supplied to schools, old people's homes, and hospitals. In other words, a policy on agricultural products with social overtones.

**Mr Helms (EPP).** — (DE) Mr President, honourable Members, may I begin by making a few remarks on Mr Dalsager's statement and that of several Members and then make a proposal, for here we should be discussing proposals in order to gain a better perspective of the matter.

The report on the agricultural situation in the European Community and the Commission's proposal on agricultural prices for 1983/84 confirm that the rise in farm income as a result of last year's price rises is not sufficient, in spite of the good harvest in 1982, to offset the decline in income which occurred in the past and which in real terms now comes to more than 20% in relation to 1976/77. The relatively slight improvement in farm incomes in 1982 cannot hide the fact, and the Commission's price proposal for 1983/84 already proves this, that Community farmers will be faced with serious difficulties if the Commission succeeds in its plans for a low price rise and the slow adjustment of EEC farm prices to the so-called world market price.

Since the directly elected Parliament has submitted its own resolutions to the Council, the Commission's price proposals have never been accepted. I hope this will also be the case in 1983, in the interests of a balanced common agricultural policy, for this price proposal of the Commission would mean that the market organization prices in the Federal Republic of Germany, for instance, will fall by 3% or 4% in real terms, an intolerable situation for all full-time farmers.

My group therefore supports by a large majority the proposal submitted by Mr Mouchel on behalf of the Committee on Agriculture; and I think we will support by a large majority an increase in agricultural prices of an average of 7%.

We consider that farmers' incomes in the Community must be further stabilized or even slightly improved again in 1983/84 in order to make up at least in part and to some extent for the marked decline in income in recent years. We think that at least a part of the market organization prices that have been fixed must genuinely go to the farms! The Commission's price proposal and related measures, such as lowering the intervention prices and others, would not achieve this.

Without doubt there are marketing problems, which result specifically from the expansion of production, for instance in the case of milk and the record 1982 harvest. But to try to curb production by systematically lowering prices, as proposed by the Commission, seems an unsuitable remedy to me. Without higher cost participation and co-responsibility in milk production, it will be quite impossible to curb the run-away and constantly rising milk surpluses resulting from cheap imports of feedstuffs. But to date the Commission has not submitted any really incisive or practical proposal on this matter.

May I briefly put my proposal to the Commission. In the case of milk quantities above the 1981/82 production average, undertakings producing in excess of 120 000 l milk per year must pay an additional co-responsibility levy of 5%, those producing in excess of 160 000 l milk must pay an additional co-responsibility levy of 10% and those producing in excess of

**Helms**

200 000 l milk must pay an additional 15% co-responsibility levy. You should consider this model.

I ask the Commission to calculate the financial implications of my proposal. I also request my colleagues to consider this proposal. I expect the Commission to give its view, at the end of the debate, on how much it might put into our budget. Perhaps this proposal could help us in this Parliament to achieve a rapprochement, so that the Committee on Budgets too will be able to agree to a compromise in Parliament. In the interests of this matter, I think that would be an important step forward.

**Mr Notenboom (PPE).** — (NL) Mr President, ladies and gentlemen, I would like to add a few comments on behalf of a number of my group's members who have reservations about the Mouchel report.

If we regard the CAP as the focal point of Community cohesion then it must be viewed in the context of global developments which make allowances for exceptional circumstances in specific sectors, Member States or regions which call for particular attention. It is not always the case that those who appear to be assisting the farmer in the short term help to ensure the longer term viability of the CAP and thus of the farmer, his family and his workers. We must look more than a year ahead and base our policy on the general trend.

For the milk and cereal sectors we can safely predict production surpluses exceeding not only European but also world market requirements. I believe such a prospect justifies the introduction of production thresholds linked to the intervention prices, that is guarantee thresholds — a matter on which this House has voiced its approval. I further consider that those opposed to such a measure do not serve the interests of Community agriculture. Equitable norms will not of themselves suffice if we continue to neglect the rudimentary economic law of supply and demand. I have already referred to the mounting stocks and this is true not only in Europe but also in the United States. Furthermore, where world trade is concerned the role of the innocent as ill befits the United States as that of the villain ill befits the Community. However the enormous stocks of surplus agricultural production which both sides possess should be an incentive to open bilateral negotiations. Each side needs the other and such mutual interdependence should lead us to refrain as much as possible from introducing measures designed to shift the burden on to the other. But this is exactly what we are doing through higher price proposals and

the imposition of levies on the import of products for which the Community is not self-sufficient. Such measures must inexorably lead to counter measures from third countries. I believe a more restrained Community policy would better ensure the continuity of the CAP, even in difficult years as these would appear to be, and despite all the problems encountered by Member States with diverging inflation rates. Just three remarks on Member States with high inflation rates.

Recently the Greek government deemed it wise to resort to a unilateral 15% devaluation of the drachma. A devaluation of 15% means an increase in domestic prices of 20% approximately.

Concerning the Mediterranean Member States the most important package contained in the Commission's proposals — 6.6 thousand million ECU over 6 years — is earmarked for these areas, which includes southern France.

Concerning Ireland a number of us believe that the Commission ought to elaborate a new policy in the context of the Regional Fund and of the Guidance Fund. I would also be interested in hearing whether Commissioner Dalsager agrees with me that Ireland should be allocated a somewhat greater share of the 120 million ECU set aside for Community assistance to small dairy farmers and this could even be inflation-linked, for it is beset by the kind of problems which cannot be resolved through a system of guaranteed prices.

Moreover through a restrained policy with the emphasis on market equilibrium and by lending more weight to the GATT provisions we are automatically paying more attention to the budgetary guidelines and ensuring in the process that agricultural expenditure does not rise at a faster rate than that of inflation.

I would urge the members of the House not to give Council and Commission the opportunity of reproaching us for inconsistency. That, in a nutshell, is the background to a number of amendments tabled jointly by Mr Jonker, Mr Blumenfeld and I, or individually by myself, with the object of improving the Commission's proposals and of bringing them more into line with previous statements on the subject by this House.

**President.** — In view of the lateness of the hour, we shall interrupt our discussions. The debate will continue tomorrow.

*7. Closure of the session*

ANNEX I<sup>1</sup>
**Commission action on European Parliament opinions delivered on Commission proposals at the December 1982 and January 1983 part-sessions**

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the December 1982 and January 1983 part-sessions in the framework of parliamentary consultation, and of disaster aid granted.

**A. *Commission proposals to which Parliament proposed amendments that the Commission has accepted in whole or in part***  
(December 1982 and January 1983 part-sessions)

1. Report by Mr Moreau: Resolution closing the parliamentary consultation procedure on the proposal for a decision empowering the Commission to contract NCI loans with a view to promoting investment within the Community.

On 13 January 1983 the Commission forwarded to the Council an amended proposal embodying some changes which Parliament had called for, as it had indicated it would do at the debate on 15 December 1982.

2. Report by Mr von Wogau: Resolution closing the parliamentary consultation procedure on the Commission proposals to the Council for

- I. a directive on simplifying formalities and checks in the carriage of goods between Member States.

The Commission plans to submit a proposal under Article 149 EEC amending its proposal for a directive on simplifying formalities and checks in the carriage of goods between Member States, the new proposal embodying some changes called for by Parliament.

Parliament will be informed in due course;

- II. a regulation on simplifying formalities in intra-Community trade,
  - a regulation amending Regulation (EEC) No 2102/77 introducing a Community export declaration form,
  - a regulation amending for the fifth time Regulation (EEC) No 222/77 on Community transit.

The Commission plans to submit to the Council under Article 149 (2) EEC a proposal making to its original proposal the amendments desired by Parliament, save

- that to Article 4 (2), which could pose more legal problems than it resolved, although in substance the Commission agrees with Parliament's aim,
- that to Article 8, which in the Commission's view has more properly to do with the rules of application of Article 10 of the regulation,
- that to Article 14 (3), which raises an institutional problem needing to be dealt with in a more general framework.

Parliament will be informed in due course.

3. Report by Mr Ruffolo: Resolution closing the parliamentary consultation procedure on the proposal for a directive on the supervision of credit institutions on a consolidated basis

An amended proposal has been drawn up in the light of Parliament's opinion; it was adopted by the Commission on 25 January 1983 and forwarded to the Council and to Parliament for information.

<sup>1</sup> Omitted from Debates, Report of Proceedings of 7-11 February 1983.

4. Report by Mr Notenboom: Resolution closing the parliamentary consultation procedure on

- I. the proposal from the Commission of the European Communities to the Council (COM(82) 412 final) for a regulation (EEC, Euratom, ECSC) amending and extending Regulation (EEC, Euratom, ECSC) No 2892/77 implementing in respect of own resources accruing from value-added tax the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources;
- II. the proposal from the Commission of the European Communities to the Council (COM(82) 316 final) for a regulation (ECSC, EEC, Euratom) amending Regulation (EEC, Euratom, ECSC) No 2891/77 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources.

The amending proposals are in preparation, and the Commission expects to adopt them in February.

5. Report by Mr Schinzel: Resolution closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation on loans for projects under prospection programmes for non-energy mineral raw materials in Member States' territories.

The Commission has decided to submit an amended proposal for the above regulation to the Council. Parliament will be informed in due course.

The procedure is in progress.

B. *Commission proposals to which Parliament proposed amendments that the Commission has not felt able to accept*

6. Report by Mr Vgenopoulos: Resolution closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation amending Regulation No 136/66/EEC setting up a common organization of the markets in fats and olive oil.

Though the Commission has not felt able to accept Parliament's proposed amendments, honourable Members may care to note the following with regard to particular items in the resolution.

*Paragraph 6*

The Commission is aware of the problems in this connection, and is currently considering what more can be done to ensure effective monitoring.

*Paragraph 10*

The Commission will very shortly be proposing to the Council as part of the Mediterranean integrated programme measures for the restructuring and if necessary reconversion of Community olive-growing.

*Paragraph 11*

A first publicity campaign to promote consumption of olive oil has already been arranged by the Commission and is now in progress, a good deal of it devoted to impressing on the consumer the nutritional value of the product. Another campaign is to follow, starting in the spring of 1983.

7. Report by Mrs Squarcialupi: Resolution closing the parliamentary consultation procedure on the Commission proposal for a draft directive on limiting noise from helicopters

The Commission does not feel able to amend its proposal as urged by Parliament, nor can it go along with the suggestion that the implementation of the directive should be decided without reference to the Community. In its view, to leave out of the directive any provision as to when it was to take effect and

to have standards vary from Member State to Member State would so detract from the advantages of the internal market as to be gravely prejudicial to the future of the sector concerned: environmental aims and technical progress in helicopter design and manufacture should be pursued by way of the single European market.

It undertakes, however, to do its utmost to ensure that any change in the ICAO standard for helicopter noise consequent on technical development and economic constraints is allowed for in the directive.

C. *Commission proposals in respect of which Parliament delivered favourable opinions or did not request formal amendment*

8. Report by Mr von Wogau: Resolution closing the parliamentary consultation procedure on the Commission communication on the 1982 customs union programme.

- (1) As concerns paragraph 2 of the resolution, the Commission will shortly be submitting a report to the Council on tax allowances accorded to private individuals, in which the whole subject of tax allowances will be gone into in detail.
- (2) As concerns paragraph 6, the Commission on 17 January 1983 sent the Council its report on the transitional provisions applying in connection with the common VAT system.
- (3) As concerns the points in paragraphs 7 and 9, the Commission would stress that Article 28 (5) of the Sixth Directive cannot be implemented until the principle of taxing intra-Community passenger transport has been accepted in all the Member States.

The principle of taxing in the country of departure presupposes not only discontinuing present exemptions but discontinuing zero-rating.

Unless and until this looks like happening, it would be premature for the Commission to submit a proposal on the procedures for implementing a principle that will only become fully meaningful when temporary departures from it are no more.

D. *Disaster aid provided since the last part-session*

I. *Emergency aid within the Community*

300 000 ECU for landslide victims at Ancona, Italy

II. *Emergency aid to third countries*

a. Financial aid

100 000 ECU for flood victims in Ecuador

500 000 ECU for drought and civil-war victims in Chad

150 000 ECU for victims of Cyclone Elinah in Comoro

500 000 ECU for expellees from Nigeria

b. Food aid

1 350 tonnes flour for earthquake victims in Yemen

300 tonnes milk for drought victims in Swaziland

5 000 tonnes cereals for Mauritania (destruction of harvests)

5 000 tonnes cereals for flood victims in Ecuador

## ANNEX II

**Commission action on European Parliament opinions delivered on Commission proposals at the January and February 1983 part-session**

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the January and February 1983 part-sessions in the framework of Parliamentary consultation and of disaster aid granted.

- A. *Commission Proposals to which Parliament proposed amendments that the Commission accepted in whole or in part*  
(January and February 1983 part-sessions)

Report by Mr von Wogau: Resolution closing the parliamentary consultation procedure on the proposals from the Commission of the European Communities to the Council on:

- I. A directive on simplifying formalities and checks in the carriage of goods between Member States, in intra-Community trade,
- II. A regulation on simplifying formalities
  - a regulation amending Regulation (EEC) No 2102/77 introducing a Community export declaration form,
  - a regulation amending for the fifth time Regulation (EEC) No 222/77 on Community transit.

The Commission will shortly forward its amended proposal to the Council.

Parliament will be kept informed.

Report by Mr Schinzel: Resolution closing the Parliamentary consultation procedure on the Commission's proposal to the Council for a regulation on loans for projects under prospection programmes for non-energy mineral raw materials in Member States's territories.

The amended proposal will shortly be forwarded to the Council.

The European Parliament will be informed.

- B. *Disaster aid provided since the last part-session*

- I: *Emergency aid within the Community*

No remarks.

- II. *Emergency aid to third countries*

IIa. *Financial aid*

50 000 ECU to the victims of the cyclone in French Polynesia 5 million ECU for expellees from Nigeria of which: 240 000 for Benin  
450 000 for Ghana  
240 000 for Chad

IIb. *Food aid*

5 000 t. of cereals for expellees from Nigeria (to be distributed by the World Food Programme).









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