

European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

14 September 1974

DOCUMENT 248/74

Report

drawn up on behalf of the Committee on Agriculture

on the proposals from the Commission of the European Communities to the Council for

- I. a Regulation amending the prices applicable in agriculture for the 1974/75 marketing year
- II. a Regulation amending Regulation (EEC) No 974/71 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States
- III. a Regulation fixing a new representative exchange rate to be applied in agriculture for the pound sterling and the Irish pound
- IV. a Decision on the level of the interest rate subsidy referred to in Article 8(2) of Council Directive No 72/159/EEC of 17 April 1972
(doc. 240/74)
- V. a Regulation fixing the norm price for soya beans for the 1974/75 marketing year
(doc. 232/74)

Rapporteur: Mr Jan de KONING

PE 37.994/fin/Corr.

By letters of 2 and 6 September 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposals from the Commission of the European Communities to the Council for special measures to be taken in view of the present economic position in agriculture and for a regulation fixing the norm price for soya beans for the 1974/75 marketing year.

The President of the European Parliament forwarded these proposals to the Committee on Agriculture as the committee responsible and the Committee on Budgets for its opinion.

The Committee on Agriculture appointed Mr de Koning rapporteur on these proposals.

The committee considered the proposals at its meeting of 13 September 1974 and adopted the motion for a resolution by 10 votes for and 2 against.

The following were present: Mr Houdet, chairman; Mr Laban, vice-chairman; Mr de Koning, rapporteur; Mr Creed, Mr Dunne, Mr Früh, Mr Hansen, Mr Kavanagh, Mr Liogier, Mr Martens, Mr McDonald and Mr Scott-Hopkins.

The opinion of the Committee on Budgets will be given orally.

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for

- a regulation amending the prices applicable in agriculture for the 1974/75 marketing year
- a regulation amending Regulation (EEC) No 974/71 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States
- a regulation fixing a new representative exchange rate to be applied in agriculture for the pound sterling and the Irish pound
- a decision on the level of interest payment provided for in Article 8(2) of the Council Directive of 17 April 1972 No 72/159/EEC
- a regulation fixing the norm price for soya beans for the 1974/75 marketing year

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council (COM(74) 1446, 1445, 1444, 1443, 1241 final),
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 240/74 and 232/74),
- having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 248 /74),
- with reference to the resolution of the European Parliament of 1 February 1974 on the proposals for fixing agricultural prices for the 1974/75 marketing year,¹
- considering the further decline in income in large sectors of agriculture in recent months, due, in particular, to rapidly rising costs of fodder, fuels and gas, fertilizers and pesticides, and also to the unfavourable market situation for important agricultural products,
- concerned that a falling supply of maize and soya will lead to further price rises in feedstuffs in the near future,

¹OJ No C 23, 8 March 1974

- concerned that measures should be taken in agricultural policy which will tend at least in part to neutralize and alleviate the grave consequences for European agricultural incomes of the constant rise in production costs and the fall in producer prices,
- convinced that it is also necessary to guarantee producers a fair standard of living pursuant to Article 39 of the EEC Treaty and thus also to ensure that the consumer has a secure supply of food at reasonable prices,
- whereas the continuing monetary uncertainty within the Community threatens the basic structure of the common agricultural policy and further aggravates current problems,
- conscious that the common agricultural market can be safeguarded, or rather reestablished, only by joint anti-inflation measures and practical progress in the field of economic and monetary union,

As regards the price proposals

1. Considers it necessary to introduce rapidly an interim price rise of at least 4% in order to cover the exceptional cost rises in agriculture; this price rise shall apply to all products unless market relations oppose it;
2. Regards as a positive step the Commission's promise to submit in the near future price proposals for the 1975/76 marketing year to take into account the recent rises in the cost of almost all production factors in agriculture, and urges the Council to decide on these proposals in the near future;
3. Considers it necessary in view of the current situation, in which the supply of agricultural products on the world market in a number of sectors falls short of the demand for food, to introduce a price policy which will encourage European agriculture to contribute as much as possible to the solution of the world food problem;
4. Requests that this price policy be based on a market policy which on the one hand will ensure supplies on the common market and, on the other, compensate producers for rising costs and ensure them a reasonable income;
5. Is aware of the danger that, as a result of market relations on the world market and on the common market, the EEC may take unilateral measures to restrict imports or exports to the detriment of third countries; considers that, where such measures prove to be absolutely indispensable, they should be taken only in consultation with the third countries concerned, where necessary by offering adequate financial compensation;
6. Emphasises the importance for both producers and consumers of an increase in the production of high-quality produce and the need for more efficient marketing to ensure continuity of such supplies to the consumer and promote greater stability of price at the retail level;

7. Approves the norm price for soya beans proposed by the Commission for the 1974/75 marketing year;

As regards the monetary proposals

8. Considers it timely, in view of the current situation, to attempt to reduce the tensions in trade between Member States caused by monetary disparities;
9. Is of the opinion that the Commission's proposals are only a first step in restoring conditions of real competition and, as a result, a genuine common market;
10. Urges the Commission, therefore, to make still more efforts towards the final alignment of the green currencies in order to restore the common agricultural market;
11. Considers it necessary therefore to devalue the representative rate of the Irish pound by 15.3%;
12. Considers that the present situation on the world cereal market and the internal Community cereal market logically and necessarily requires the repeal of Article 4a (2) of Regulation (EEC) No 974/71;
13. Considers it desirable for the system of compensatory monetary amounts to be made more flexible and its effect limited by the application of a 2% exemption;
14. Considers it desirable, in the light of the proposed measures in the monetary field, to abolish the Italian surety, which tends to restrict imports, as soon as possible;
15. Agrees with the Commission that the adjustment of the English and Irish green pound does not only tie these two Member States more closely to the common agricultural market but also improves the position of Irish agricultural exports;

As regards structural policy measures

16. Considers that, in view of the sharp rise in interest rates and the differences in interest rates among the Member States, it should be possible to increase the interest subsidies further than the 6% maximum proposed by the Commission for undertakings which are modernizing themselves in the framework of the directives for the Community structural policy;
17. Considers that the income criteria used in the directives on structural policy for the modernization of farms and the cessation of agricultural activities should be adapted to the fall in the value of money and to the overall rise in income in other sectors;

18. Considers that rapid introduction of the regional policy is an essential precondition for the modernization of agriculture;
19. Considers that, in order to solve the problems of the farmers concerned, and for environmental reasons, the directive on hill-farming and less-favoured agricultural regions should come into effect as soon as possible;
20. Considers that current circumstances require special measures to solve the problems of young farmers and requests the Commission to submit practical proposals as soon as possible in accordance with its undertaking;
21. Considers that the directives on structural policy should be implemented rapidly in all Member States;

As regards national measures

22. Expresses concern that unilateral national measures have been taken, - in particular those linked to individual products - which involve contravention of Articles 92 and 94 of the Treaty of Rome;
23. Considers it imperative that the national aid measures taken in the recent crisis situation should be suspended as soon as possible or integrated into a Community policy;
24. Considers, however, that fiscal measures, such as, for example, a harmonized rise in the exemption in VAT for the most important agricultural inputs (machines, fertilizers, energy, etc.) and social measures with a purely internal effect, are justified in order to improve the income situation in agriculture;
25. Points out once again, moreover, that all such measures should be integrated as far as possible into a Community framework;
26. Instructs its President to forward this resolution to the Council and Commission of the European Communities.