

European Communities

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Working Documents

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Report

drawn up on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc.212/78) for a decision authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland.

Rapporteur: Mr R. HOWELL

PE 54.223/fin.

12.1.

By letter of 28 June 1978 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 proposal from the Commission of the European Communities to the Council for a decision authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible.

The Committee on Agriculture appointed Mr Howell rapporteur on 4 July 1978.

It considered this proposal at its meeting of 4 July 1978.

At the same meeting the Committee unanimously adopted the motion for a resolution and explanatory statement.

Present: Mr Kofoed, chairman, Mr Liogier and Mr Hughes, vice-chairmen, Mr Howell, rapporteur, Mr Andersen, Mr Brégégère, Mr Corrie, Mr Dewulf, Mrs Dunwoody, Mr Durand, Mr Früh, Mr Klinker, Mrs Krouwel-Vlam, Mr Scott-Hopkins

CONTENTS

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	6

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a decision authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(78) 273 final),
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 212/78),
 - having regard to the report of the Committee on Agriculture (Doc. 226/78),
1. Approves the Commission's proposal only as a temporary measure limited in duration until the end of the 1978/79 marketing year;
 2. Emphasizes once more the very serious market and social problems being created by the present system and level of monetary compensatory amounts;
 3. Calls therefore upon the Commission of the European Communities and the Council to implement effective and lasting solutions to the problems created in the agricultural sector by monetary fluctuations and to the market problems facing the dairy sector, so as to avoid the need for recourse to unsatisfactory temporary expediciencies which do nothing to solve the true problems.

EXPLANATORY STATEMENT

1. As from 1 January 1978 the production subsidies granted as part of the British system of guaranteed prices came to an end.
2. This has resulted in particular problems for Northern Ireland which for reasons of its isolated position geographically and more rural character is not able to sell such a high percentage of its milk for direct human consumption as the remainder of the United Kingdom. This places Northern Ireland producers at a serious disadvantage, since a higher price is paid for milk sold for human consumption. This situation is exacerbated by the different price levels for dairy products effective in Northern Ireland and the Republic of Ireland, due to the different representative rates fixed for the £ sterling and the Irish £.
3. In view of the economic and political situation in Northern Ireland the Commission proposes that the United Kingdom be authorised to grant Northern Ireland producers a temporary national aid until the end of the 1978/79 marketing year. The granting of such an aid would otherwise be in contradiction of Article 24(1) of the basic Regulation No. 804/68¹, which states that aids fixed on the basis of price or quantity shall be prohibited.

¹OJ No. L 148, 28.6.68, p.13

Conclusions

4. The Commission proposes that the United Kingdom be authorised to grant a national aid to Northern Ireland milk producers until the end of the 1978/79 marketing year. Northern Ireland producers face a geographical disadvantage: its isolation and rural character prevents Northern Ireland producers from selling as great proportion of milk as the remainder of the United Kingdom on the better priced human consumption market.

5. The Committee on Agriculture approves this proposal as a purely temporary measure but points out, at the same time, that it emphasises the need for effective solutions to the problems caused in the agricultural sector by monetary fluctuations and the market problems facing the dairy sector.

