

EMBARGO : JEUDI 21.1.1982 - 20H00

Speech by Member of the European Commission,

Mr Poul Dalsager

at the opening of International Green Week

in Berlin on 21 January 1982

Your Excellencies, Ladies and Gentlemen:

It was with great pleasure that I accepted your invitation to speak to you here today. As the Member of the Commission responsible for agricultural policy, I attach particular importance to Green Week. It occupies an important place in the life of the Community. And I always enjoy coming to Berlin. Green Week is an outstanding meeting place of the nations. It brings together the representatives of all the interests directly or indirectly concerned with food production, trade and consumption. It is the shop window for the whole range of agricultural, horticultural and food products available. There is an exceptionally wide variety of goods, everything the consumer could possibly wish for. It is evidence of the advantages of the large home market of the Community, which is also so rich in culinary traditions. It is also evidence of the Community's power of attraction for other countries, which send their products here from near and far.

Berlin is also in the political sense a striking example of the unique advantages of a democratic Community. That is what makes Green Week so attractive to many politicians as well.

Agriculture, Ladies and Gentlemen, plays an important role in the world. Daily we hear about widespread food shortages, some of them on our own doorstep. The Community can count itself lucky that it has not experienced these problems for decades but rather has been able to make an active contribution to combatting hunger in the world. The Community's food aid has been growing steadily in recent years. It accounts for almost the entire world volume of some products such as skimmed-milk powder and butter supplied as food aid. Our contribution towards the aid for the Polish people is a large one. We have so far undertaken to send produce worth about 220 million Deutsche Marks, mainly butter, beef and cereals, to Poland. We are able to do this because Community agriculture is so productive.

The Community is the largest market place in the world. Our exports have recently been increasing somewhat more substantially than our imports, but the Community remains the world's largest importer. It imports a good quarter of the agricultural produce put onto the world market, whereas it accounts for only about one tenth of world exports. This ratio cannot be stressed often enough to those who criticize our policy. It shows clearly that we are well aware of our world responsibilities. It also shows how open our market is. Our agricultural policy is no more protectionist than are those of comparable states and groups of states.

Agriculture has always played an important role in the life of the Community. Some 40 million people, or about 15% of the total population, depend on farming for their livelihood. They too are affected by many of the economic and social problems confronting us at this time. Generally speaking, their outgoings are rising faster than their incomes. Now that unemployment is at such a high level, it is important not to oblige people to leave the land. Nor must we jeopardize jobs in the food industry or in commerce. And, last but not least, one of the essential aims of the agricultural policy is to ensure that adequate supplies reach the Community's 270 million consumers at reasonable prices.

When difficulties arise, the agricultural policy has to be subjected to careful analysis and constantly adjusted to changing circumstances.

In this respect, 1981 was a significant year. The Commission laid down guidelines for agricultural policy. The European Parliament debated the issue very thoroughly. Even the European Council discussed matters of agricultural policy. The next phase comes with the fixing of farm prices for 1982/83. The Commission will be putting forward its proposals within the next few days: they will reflect the guidelines adopted earlier.

I sincerely hope that the Council will be able to reach the appropriate decisions in good time, that is, before 1 April.

The guidelines set forth by the Commission in its Report on the Mandate were based on the following considerations.

- agricultural policy must be more fully integrated into an overall policy designed to revive the economy;

- more account should be taken of the long-term prospects when agricultural policy decisions are made;
- given the present economic situation, a prudent price policy is still necessary;
- in view of the divergent trends in the production and consumption of foodstuffs, some modulation of price guarantees is required;
- wider use should be made of specific development programmes to tackle the problems facing the underdeveloped regions of the Community;
- national aids must be scrutinized and weeded out;
- quality control should be intensified;
- the increase in expenditure on the agricultural policy must be less than the increase in revenue.

I do not have time, Ladies and Gentlemen, to explain all the proposals in the Commission's Report on the Mandate, but I should like to mention the most important of them:

1. The Commission believes that the Community can increase its exports of certain products. This would help to stabilize incomes and would help the balance of trade. Account must be taken, however, of the need to secure long-term markets and to keep down expenditure under the agricultural policy. This limits the number of products which could be exported in greater quantities, apart from food aid. The most suitable products are those for which there is a real or potential demand on the world market.

For some products, I consider that there should be a gradual alignment of Community prices on those of our main competitors on the world market.

It should be made clear, however, that the Commission is not thinking of a decrease in the nominal price for grain. We do nonetheless think it is reasonable that in future cereal prices should rise less quickly than those of other products. Over a number of years this would bring about such an alignment of prices.

Farms specializing in cereal production will be able to live with such a policy, which will also bring the ratio between prices of cereals and livestock products more into line with market realities. This is necessary because livestock production is so important for our economy.

Long-term security of markets ought to be supported by framework agreements with importing countries. The Commission has put appropriate proposals to the Council.

2. How we are to improve our control over levels of production is a further vital element in the Commission's proposals. So far most organizations of the market have lacked any mechanisms for regulating quantities. The Commission has proposed that in the case of sensitive products long-term output objectives should be laid down. These should take into account the Community's degree of

self-sufficiency and its external trade. Should Community output exceed these levels, producers should then make an appropriate contribution to getting rid of the surpluses. The precise form of this producer co-responsibility is to vary from product to product. It must be able to be incorporated in market mechanisms without great bureaucratic intervention. The Commission does not therefore envisage introducing any system of quotas for individual farms. We believe that our proposals incorporate the best ways of achieving the desired end in each particular case.

3. Improving farm structures and the life of the rural population will have to remain among our essential concerns. The stress here should be laid on integrated regional development programmes.

This part of the common agricultural policy, Ladies and Gentlemen, shows clearly how difficult it is to carry out a plan conceived at Community level while national objectives continue to determine the circumstances in which this has to be done. The extent to which we have no common economic and monetary policy affects farm policy too. It is not possible or desirable for farm policy to replace a sense of the common weal. It cannot be weighed down with yet more problems not of its own making, and what we have achieved so far may well be jeopardized if we do not succeed in developing Community policies in other important areas.

The Community cannot be seen as a matter of bookkeeping alone! Along with all the Community's taxpayers, I am in favour of thrifty conduct of public affairs. Our farm policy is a good example of this: over the last year expenditure on this vital pillar of the Community has remained practically stationary. This means that in real terms it has fallen, that its share in total expenditure has been smaller. In comparison with what is asked and expected of the Community, its budget is very small. It is too easy to criticize every minor detail of expenditure by the taxpayer and then to dismiss in an aside the unequalled advantages of the Community for the citizen and the worker, and I consider it unreasonable to argue so.

Ladies and Gentlemen, we have seen in the last few weeks that when there is a threat from outside the citizen becomes more conscious of what the Community means. But let us not wait for such crises to occur! The Community was born of the realization that only a united Europe would be worth having in tomorrow's world. There is no alternative. What we need is action now, not a Europe of missed opportunities. To quote Carlo Schmid: "Building Europe is not merely a matter of deciding and being technically able to do so - it also requires determination and power". Let us use all the means at our disposal to strengthen the Community, in the interests of its citizens and of peace in the world.

The event at whose opening we are gathered together here today is an opportunity to do this. I hope that Green Week 1982 will be a complete success in this respect.