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ORAL QUESTION (O-71/78)

with debate pursuant to Rule 47 of the
Rules of Procedure

by Mr SOURY, Mr ANSART, Mr BORDU, Mr EBERHARD and
Mr PORCU

to the Commission of the European Communities

Subject: Possibility of a price freeze on dairy products
On 26 September the Commission presented its latest
report on milk to the Council of Agriculture Ministers.

The report comments on the continuing imbalances between
supply and demand in dairy products, which has led the
Commission to propose measures as drastic as a price
freeze combined, if necessary, with social aids.

Can the Commission reply to the following questions:

1. Has it taken into account the fact that the surpluses
of dairy products are confined to particular
Member States, (of the 900,000 metric tons of milk
powder at present stocked in the Community, almost
600,000 are in the Federal Republic of Germany and
only 32,000 in France)?

Has it studied the causes, particularly in the
monetary sphere, of this situation and ways of
remedying it?

2. Does it consider it necessary to penalize all the Community's milk producers indiscriminately, including those who can only keep going on their small farms thanks to milk production, such as the vast majority of French producers?

Is it aware that:

- (a) a price freeze would result in the departure of thousands of small dairy farmers from regions already severely affected by the flight from the land and unemployment,
 - (b) the kind of social aids it is promising have never proved effective in safeguarding farmers' incomes and keeping them on the land,
 - (c) a price freeze would result in chaos in economic, social and human terms?
3. Has it considered the following ways of dealing radically with the problems of dairy surpluses?
- (a) Promoting consumption of dairy products, not only by prompt sales at reduced prices, but above all by improving the purchasing power, in particular of the lower income groups, contrary to what is envisaged in the austerity plans of the different Member States which have been approved by the Community institutions.
 - (b) Action to eliminate unfair competition against Community dairy products?

Is it, for example, intending to press in the GATT negotiations for measures to stop margarine from being allowed into the Community virtually exempt from duties?

4. Does it envisage basing the price paid to the producers on production costs, which are increasing all the time, particularly in France, following the unfreezing of industrial prices?
5. Can it confirm that the plan to enlarge the Community would mean an increase in the supply of dairy products, a conclusion that can be drawn from the 50% increase in Spanish milk production in the last three years?