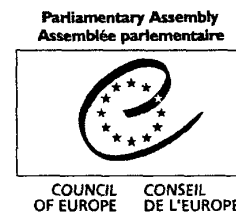


**Parliamentary Assembly**  
**Assemblée parlementaire**



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(Fourth part)

**REPORT**

Thirty-second sitting

Friday 7 October 2005 at 10 a.m.

**ADDENDUM 1**

**The costs of the common agricultural policy**

The following texts were submitted for inclusion in the official report by members who were present in the Chamber but were prevented by lack of time from delivering them.

Mr A. HÖGMARK (*Sweden*). – I thank the rapporteur for an excellent report. It is not a weak report but rather a frank and critical one. I do not fully agree with every line, but as a whole it is ok.

The character of the report reflects the work done in the committee – especially when we voted for the amendments. The results – 12-11, 11-9, 10-10, including the opinion of the Chairman – give a good illustration of that.

Some say that it is an unfair report. The report has been a platform for the British delegation to demonstrate their negative opinion about the CAP system. Indeed, I think it is very unfair to say so.

We must remember that there are lots of critical voices all around Europe – not only from Britain and Sweden. Of course there are different reasons for the criticism. Too much money goes to the agricultural sector. The distribution of money is not faire. Large farms get too much money. Less favoured areas get too little. There is also a rather high degree of uncertainty after the mid-term review. How does the reform work in practice? What will be the effect on the individual farmer? No one knows.

I think the most relevant objections against CAP concern its bad influence on trade with agricultural products from the developing countries. I will come back to that issue.

Within the EU there are now deep discussions concerning the financial perspective for the period 2007-2013 and, of course, the costs and the construction of the CAP system is an important factor to find solutions on those matters.

Sometimes I have heard people say that when I criticise parts of the CAP system, it is typical for young people without real experience of agriculture and farming. I must say I am not young any longer and I have much experience.

As a boy and teenager I remember the milking in the morning and even how to take the horse and wagon some kilometres with the milk lorry to the dairy, and after some hours go back and pick up the milk cans again with milk for the calves and pigs. I remember how important it was to handle the milk carefully, to chill it fast and to clean the equipment and the cans. If you did not handle all those things in a proper way, you got claims for compensation. But if you were successful in doing so for 23 years – a long time – you were invited to get a special gold medal from His Majesty the King of Sweden in Stockholm. You can imagine the thoughts in early dark mornings during milking. I had neighbours who talked about this possibility for years – getting a medal from the king!

In the report, Mr Flynn illustrates these issues very clearly with examples from the sugar regime – a very open, frank and critical description which gives a brutal illustration of one very negative side of the CAP system?

The fact that other countries also try to protect their sugar industry and other agricultural branches gives no legitimacy to this part of the CAP system. It must be changed very soon. Such a process has now started. I hope it will continue and lead to a better and more faire CAP system.

During our committee work, amendments were proposed to delete sentences describing the negative effects for the developing countries with the present CAP system.

I do not like most of those amendments. When we voted for them in our committee there was a very tough fight. I remember that our Chairman had to declare his opinion to find a majority. He then was in favour of deleting the important international aspects concerning the problem for the developing countries.

May I say I find it rather surprising and felt sorrow in my heart? I hope the result here in the plenary will be the opposite when we vote for the draft resolution.

Thank you.

Mrs MILNE (*Canada*). – Thank you President. I want to declare that I own a 30 hectare tree farm in Canada and I have not taken a crop off it for the past 10 years, and do not expect to for the next 10 years.

I am here to speak in favour of many of the proposals in the report authored by Mr Flynn on the common agricultural policy that was reviewed yesterday by the Committee on the Environment, Agriculture and Local and Regional Affairs. The approach taken in this report largely reflects the direction that Canada wants to take in the management of agricultural trade.

Canada believes that free and open trade in agriculture will bring huge benefits to both developed and developing countries. As we all know, for the last few years the world's attention has turned to Africa in an attempt to help to develop the African economy and address the many health problems – especially Aids – that are affecting the continent.

Reform of the CAP would have far more impact than any form of direct aid to Africa. The key to building an economy is to find markets for goods that you can produce at a competitive advantage. African countries have a significant competitive advantage in many of the agricultural products which are in demand in both Europe and North America. However, agricultural policies in Canada, the US and Europe have systematically kept those products out of the markets of the developed world. Canada is not innocent in this matter, but we believe that the fastest way to build the African economy will be to remove barriers to trade in agriculture.

If we take real steps to open up opportunities in agriculture for African and other developing countries, the citizens of Europe and Canada will reap significant benefits. First, it would allow us to offer either tax relief to our own citizens or continue to invest in other social programmes. By creating a competitive market for agricultural products, we will also drive down the cost of food, helping the poorest families in our own countries more than anyone else. This will be a win-win situation because, as the African economy improves and hard currency flows in that continent, there will be demand from African for European and Canadian manufactured products and other goods. This will create jobs in Europe and Canada. Without question, everyone will win.

I know that the CAP has for the last half-century played a key role in the establishment and emergence of Europe as one united continent. CAP has had a significant symbolic role in this regard. Securing a high quality and abundant food supply is without doubt a key role of government. The fact of the matter, however, is that the CAP has achieved its goals. Europe's food supply is secure and there certainly are no worries about its abilities to feed itself. There are, however, tens of millions in Africa who want to build better lives. We can help by fundamentally changing the way we handle agriculture. I believe that we can do that in Canada and I hope that you will do that in Europe as well.

This assembly is in danger of losing an important chance to send a clear message to the European Union and to developing nations. Unfortunately, in the Committee on the Environment, Agriculture and Local and Regional Affairs yesterday, 25 amendments were proposed to this fine report. Fourteen of them were passed, most by a fairly narrow margin. If these same 4 amendments pass here today they will effectively gut this report of any references to the debilitating effect that the CAP has on the countries of the developing world. As we all know, the poorest countries are mainly agricultural. The subsistence farmers of those countries are the ones who need our help the most. They need this help not to buy the newest and largest tractors, but to feed their families tomorrow.

I urge this assembly to be brave, to look to the future and towards future prosperity not only for Europe, but for those who need it the most. I strongly urge you to vote against the amendments and to support the original report.

