

European Communities

EUROPEAN PARLIAMENT

Working Documents

1975-1976

30 April 1975

DOCUMENT 50/75

LD4

Report

drawn up on behalf of the Committee on Development and Cooperation

on the proposal from the Commission of the European Communities to the Council (Doc. 19/75) for a regulation establishing the general rules concerning the /supply of skimmed milk powder as food aid to certain developing countries and international organizations under the 1975 programme

Rapporteur: Mr Jorgen Brøndlund NIELSEN



By letter of 25 March 1975, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on establishing the general rules concerning the supply of skimmed milk powder as food aid to certain developing countries and international organizations under the 1975 programme.

At the sitting of the European Parliament of 7 April 1975, the President referred this proposal to the Committee on Development and Cooperation as the committee responsible and to the Committee on Budgets for its opinion.

The Committee on Development and Cooperation appointed Mr Jørgen Brøndlund Nielsen rapporteur on 22 April 1975.

At the same meeting it considered the draft report.

After detailed examination, the motion for a resolution and explanatory statement were unanimously adopted.

Present: Mr Deschamps and Mr Sandri, vice-chairmen; Mr Jørgen Brøndlund Nielsen, rapporteur; Mr Bersani, Mr Härzschel, Mrs Kellett-Bowman, Mr Lagorce, Mr Laudrin, Lord Reay, Mr Seefeld, Mr Schwörer and Mr Zeller.

The opinion of the Committee on Budgets will be published separately.

CONTENTS

	<u>Page</u>
A. MOTION FOR A RESOLUTION.....	5
B. EXPLANATORY STATEMENT.....	7

The Committee on Development and Cooperation 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 regulation on establishing the general rules concerning the supply of skimmed milk powder as food aid to certain developing countries and international organizations under the 1975 programme

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council (COM(75) 98 final);
 - having been consulted by the Council (Doc. 19/75);
 - having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on Budgets (Doc. 50/75);
 - having regard to the fact that the food situation in certain areas of the world has further deteriorated;
 - having regard to earlier resolutions and reports;
1. Approves the Commission's proposal to make 43,600 metric tons of skimmed milk powder available to developing countries and international organizations as food aid under the 1975 programme;
 2. Agrees also that of the 43,600 metric tons of skimmed milk powder a reserve of 4,500 metric tons should be constituted to be used in cases of disaster in 1975; is also convinced that in certain cases the use of this reserve could alleviate or help to overcome emergencies;
 3. Agrees with the Commission that if the Community's stocks of skimmed milk powder are insufficient, the extra quantity needed should be obtained on the Community market;
 4. Calls upon the Commission, however, to ensure that any purchases which may be necessary do not disturb the Community market;

5. Takes the view that a system of tenders should be laid down for the procurement of the skimmed milk powder, in order to obtain supplies at the most favourable price; if this is not possible, particularly in cases of urgent need, a non-bureaucratic method should be adopted to ensure the delivery of supplies in a rapid and flexible manner;
6. Calls upon the Commission to ensure that the skimmed milk powder is delivered to its destination so that help actually reaches the persons in need;
7. Agrees that when the aid programme for skimmed milk powder is drawn up emphasis should be placed on particularly needy areas, e.g. the Indian sub-continent, the Sahel zone and the poorest countries of East Africa;
8. Regards aid to Asia as particularly important, because it is there that the largest food deficit has occurred since 1974;
9. Regrets that the requests received so far greatly exceed the quantities available, and therefore calls upon the Council to maintain the proposed appropriations for 72,000 tons in the 1975 budget;
10. Points out that the question of increasing the amount to 72,000 metric tons must be re-examined in the context of the discussions soon to take place in the Council on the execution of the World Food Conference's resolution, especially as the shortage of protein in developing countries is posing a particularly acute problem.
11. Is of the opinion that discussions must be held with the World Food Programme (WFP) and FAO in order to achieve better coordination of the Community's direct measures and the measures planned and carried out by those organizations;
12. Considers it important, also, to make a comprehensive appraisal of the world food situation and to draw up in cooperation with the WFP and FAO an international food aid plan;
13. Takes this opportunity of pointing out that in addition to the association policy a global development aid policy and food aid programme for non-associated countries are of the greatest importance, because a stable economy cannot be achieved in the developing countries unless the population is properly fed;
14. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities and to the WFP and FAO.

EXPLANATORY STATEMENT

1. This report is not concerned with general aspects of the Community's food aid policy or with future developments in the world food situation, but solely with the general rules concerning the supply of skimmed milk powder as food aid to certain developing countries and international organizations under the 1975 programme. Nevertheless, the rapporteur feels it appropriate to make a few background observations.

2. The year 1974 was an exception in terms of food production in that the cereal harvest was almost 2% below that of 1973. Considering that in 1974 almost 70 million more people had to be fed, this decrease is clearly of very great importance.

3. Between 1972 and 1974 food prices rose rapidly, a consequence of the growth of excess demand in the world and the depletion of world food reserves. There is no doubt that the steep increase in food prices played an important part in fanning worldwide inflation. For wealthy countries, high food prices and food shortages are unpleasant, but those countries - recently referred to as the 'Fourth World' - which are not only poor, in terms of their gross national product, but must also pay twice as much because they have no raw materials and remain dependent on both the expensive products of the rich industrial countries and on the oil-producing countries, are feeling the consequences in a drastic manner and now face a dangerous emergency situation. High prices are partly responsible for the fact that large groups of the world population who must spend 80% of their incomes on food, cannot now cover their food needs. A doubling of food prices cannot be met by an increase in expenditure on the part of the poor countries; it can only result in a barely adequate food level sinking below subsistence level.

4. The last few years seem to show that we have entered a period of relatively chronic shortages and high food prices. This change has been brought about by fluctuations in demand as well as supply. In the past, increases in demand for food were almost always the result of population growth; since MALTHUS, the food question has been regarded as one of the relationship between food availability and the size of the population. The rapid population growth is continuing, but now the increasing prosperity of the rich countries is also a factor, placing higher demands on the world's food sources. In addition, a situation has now arisen where none of the key agricultural factors - land, water, energy, fertilizers - is available in abundant quantities, to say nothing of the enormous increase in the cost of fertilizers.

5. For years statistics and figures have been pointing to a catastrophic over-population of the Earth and a corresponding world food shortage, but there is still no international solidarity and many aid measures are inadequate. Parliament therefore welcomes the aid measures of the European Communities, which help to alleviate the greatest need in the poorest countries. It calls, however, for further steps to be taken which will allow joint action with world aid organizations and may one day form the basis of a more humane policy at world level.

6. The committee is in agreement with the Commission's aim of concentrating on particularly needy areas when drawing up the aid programme for skimmed milk powder. For example, it is proposed to reserve 82% of direct aid for the Indian subcontinent, the Sahel zone and the poorest countries of East Africa (Ethiopia, Somalia and Tanzania). In particular, aid for Asia is of exceptional importance, because since 1974 that area has suffered the greatest food deficit ever known in any continent in history. In Bangladesh - the figures vary - between 350,000 and half a million people are said to have starved. We hear of hunger in the Indian Federal States of Bihar and Uttar Pradesh. If the present rate of growth continues, the population of India, at present almost 600 million, will have reached 1,000 million in 25 years. The Indian subcontinent is also an example of an over-strained environment. The greater the increase in population and cattle, the more forest clearance is undertaken; this results in frequent large-scale floods. In April 1973 came the news that Pakistan had been hit by the worst floods in its history. Quite recently, almost half of Bangladesh was under water, which wiped out most of the rice harvest. Since the forest clearance process is continuing, we must anticipate that in future there will be even more destructive floods in the Indian subcontinent, resulting in even greater famines.

7. The Community has an urgent task to fulfil its obligations to those Third World countries which are associated with it. At present, however, the Community is also preparing the rules for a global development policy and some initial decisions have already been taken. The Community development policy is to be supplemented by financial and technical aid to non-associated countries and implementing provisions to harmonize and coordinate national policies in this area. Since the Community's financial resources are limited, however, certain priorities must be established. In view of the fact that about 1,000 million people are threatened with hunger and are living at subsistence level, greater efforts must in particular be made in the field of food aid, in order to alleviate the acute famine in some parts of the world. In addition, it must be constantly emphasized that the construction of a stable economy in developing countries is

dependent on the success of attempts to provide adequate nourishment for the population. In addition to supplying food, the Community must therefore make further efforts to encourage investments in agriculture in the developing countries. Until those countries are able to provide sufficient food for themselves, food aid will not only have to be maintained but even increased in future. It seems time to undertake a comprehensive stock-taking of the world food situation and to draw up an international food aid plan.

8. Parliament is in agreement with the Commission's concrete proposal to the Council to make available to developing countries and international organizations 43,600 metric tons of skimmed milk powder under the 1975 food programme. It also agrees that of the 43,600 tons a reserve of 4,500 tons should be set up to be used in 1975 in cases of natural disasters or conflicts. Parliament is convinced that the use of this reserve in certain cases could alleviate or help to overcome sudden emergencies.

The Commission should consider storing these reserves in known crisis areas now, so that they could be immediately available should the emergency become more acute.

9. It must be emphasized that the proposed supply of skimmed milk powder will be effected basically from the quantities available in the Community. If the delivery of skimmed milk powder cannot be made from Community stocks, Parliament agrees that the supply should be ensured through purchases on the Community market. If such purchases have to be made, however, Parliament calls upon the Commission to take the necessary steps to ensure that there is no great disturbance of the Community market.

10. Since supplies should be obtained at the most favourable price, it seems appropriate to make provision for a system of tenders. Parliament takes the view, however, that in particularly urgent cases, especially when the survival of thousands of human beings is at stake, it should also be possible to use unbureaucratic methods so that deliveries can be effected in a rapid and flexible manner.

11. In order to ensure that the aid actually reaches the persons in need, the stipulated quantities of skimmed milk powder should be financed by the Community all the way to their destination. Care must also be taken to ensure that distribution at the destination is effected in an orderly fashion. In several cases in the past aid materials have remained unused in certain emergency areas because of financial and transport difficulties, and thus deteriorated.

12. The Community has so far received 32 requests for food aid in the form of skimmed milk powder, corresponding to a total volume of 214,000 tons. This means that the quantity actually available is insufficient, and Parliament therefore supports the Commission's view that the proposed quantity actually available is insufficient, and Parliament therefore supports the Commission's view that the proposed quantity of 72,000 tons should be retained in the 1975 budget. The Council must therefore be urgently requested to maintain the appropriations at the level proposed by the Commission. The World Food Conference also confirmed the need to maintain stocks of food aid of this type. The question of raising the volume to 72,000 metric tons must therefore be re-examined during the discussions soon to take place in the Council on the execution of the World Food Conference's resolution. Since the question of food aid is one of quality as well as quantity, and since the Community is one of the most important suppliers of protein food under the terms of food aid, the emphasis should be on efforts to increase supplies of foodstuffs with a high protein content, since the lack of protein is the most important food problem in the developing countries.

13. Detailed discussions should be held with the WFP to achieve in future a better coordination of the Community's direct measures and the measures implemented by that organization. There should also be a comprehensive exchange of ideas with the FAO, in order to ascertain which countries have the greatest need for skimmed milk powder.