Prime Minister (2)
To note before leaving for Athens. This has been acknowledged. Advice is being sought on a reply, which will, of course go out after Athens.
AT 30/11

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THE NATIONAL FARMERS' UNION

FROM THE PRESIDENT
SIR RICHARD BUTLER

Put in folder for briefing meeting

30, November, 1983

The Rt. Hon. Mrs. Margaret Thatcher, PC., MP.,
Prime Minister,
10 Downing Street,
London.
S W 1

Dear Prime Minister

HEADS OF GOVERNMENT MEETING - ADAPTION OF THE CAP

I believe the overwhelming majority of British farmers are solidly behind you in your fight to get a fair and lasting formula for the UK contribution to the EEC budget. They recognise the justice of the case and they know that cementing Britain's position within the EEC is in the interests of the nation generally. They also accept that expenditure on the CAP must be cost-effective and that where surplus production gives rise to undue expenditure it must be brought under control.

But farmers are deeply concerned that decisions which may be taken in Athens could discriminate against the UK and cause lasting damage to our agriculture. I do not have to remind you of the immense contribution which farming makes to the British economy. In your speech at the Royal Show in 1982 you paid tribute to the achievements of the industry. It would be a major setback for the country if decisions were to be taken which undermined those achievements.

There are two matters of particular concern: milk and MCAs. Heads of Government may be invited to take decisions in principle for the introduction of a penal "super levy" on milk produced over and above a certain quantity; and for this to be applied to the individual farmer through a system of quotas.

/..

The super levy idea itself is very harmful to the UK dairy industry, which has been winning a bigger share of the milk products market since we joined the EEC and which needs more rather than less milk in order to cut its overheads and compete more effectively. I do recognise, however, that the super levy idea may now have become the only negotiable option. If so, it is most important that it is not implemented in such a way as to heighten the inherent discrimination against this country. There are three points which I would like to emphasise. First, the basic reference quantity should be set at a recent level of production, preferably actual levels in 1983. Secondly, farmers should get a fair price for milk produced within the reference quantity. Thirdly, the Council of Ministers should be instructed to ensure that the levy is implemented fairly throughout the EEC with no exemptions.

This latter point is crucial. In the NFU we believe it could best be achieved by setting national standard quantities for production and making individual Member States responsible for deciding, within set rules, how to raise the levy from the farmer. This would have the added advantage of enabling those countries for whom the very small dairy farmer is a social problem to make special provision within their own territory. It would also help to ensure that the super levy applied to all milk produced and not just to deliveries to dairies, which in this country account for a much higher percentage of total supplies than is the case elsewhere. The arrangements for implementing a quota system in fact would be of crucial importance and it is vital that whatever decisions are taken at Athens, there is opportunity for further detailed consideration over the coming weeks.

The operation of the green currency system, as you know, is crucial to the well-being of British agriculture. The Government up to now, despite great pressure from the EEC Commission and other Member States, has maintained a positive monetary compensatory amount in the UK. Farmers recognise the Government's courage and determination in taking this line. It is now proposed by the Greek Presidency that existing positive MCAs should be phased out over a three or four year period; that the basis should be changed so that only negative MCAs would be created in future; and that there should be some detailed changes in the application of the system. The net effect of these changes would be to reduce the ability of British agriculture to meet the European competition over the next few years and to starve our industry of the financial resources which it needs for recovery. I should therefore like to urge you to insist that any decisions of principle that may be taken about the MCA system in Athens should recognise that the MCAs of countries with floating currencies are subject to special considerations, and should be excluded from any general rules.

/..

I believe that the Summit may also discuss cereals. The NFU cannot accept the principle that EEC cereal prices should be aligned with those of other exporting countries which in some cases are not economic. We do, however, accept that support prices for cereals should continue to increase less than those for livestock products generally. But steps must be taken towards limiting imports of cereals substitutes which exacerbate the cost of the CAP and distort competition in the livestock sector.

There are two other important proposals which are not expected to arise at the Summit meeting but which are of great concern. For both beef and lamb the Commission is proposing changes in the regimes which would hit at both consumers and farmers in this country. For beef, they want to discontinue our variable premium scheme; for lamb, to introduce severe limitations. Both proposals are totally unacceptable.

If you would like to discuss any of these matters with me I should be very glad to do so.

Yours sincerely

Richard Butler

30 NOV 1983

Bre

file

10 DOWNING STREET

From the Private Secretary

30 November 1983

I am writing on behalf of the Prime Minister to thank you for your letter of 30 November.

I will show this to the Prime Minister before she leaves for Athens.

(Andrew Turnbull)

Sir Richard Butler

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CONFIDENTIAL

Ref. No: AG (83) 17
29.11.83

Debate on the European Commissions Proposals for the Reform of the Common Agricultural Policy.

Thursday 1st December 1983

House of Commons

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Enquiries on this brief to:
Robbie Browne-Clayton

Reform of the Common Agricultural Policy

1. Introduction

(a) The Problems of the Common Agricultural Policy

Today's crisis on Europe in which Thursday's Debate is based, has been foreseen by successive Ministers of Agriculture for a long time. It is not just that the European Community is running out of money. The whole political and economic future of the Community is at risk and the root cause of the problem is to all intense and purpose, the Common Agricultural Policy, one of only two firm Community Policies, the other being the Common Fisheries Policy.

(i) The Success

The primary problem of the CAP is that it has been too successful since its inception two decades ago. The advance of technical progress and productivity in agriculture has been rapid. The long-term trend of increase in the volume of agricultural production in the Community has been between 1.5 per cent and 2.0 per cent a year, while consumption has only increased by about 0.5 per cent a year. As a result, the Community has become more than self-sufficient for many of the principle products, and has come to rely increasingly on exports, or on subsidised sales within the Community, for the disposal of its production. Even so, the Community is still the World's largest importer of food.

(ii) Employment

Employment in agriculture has been falling since the War. Today, there are approximately 8 million people employed in Agriculture out of a total population (ten member states) of about 260 million, and about 5 million farms of 1 hectare or more. This development has been accompanied by an increase in part-time farming. Also, this structural change of European Agriculture has broadened the extremes of efficiency with parts of Central Europe made up of small uneconomic farms compared with the steady increase in average farm size in other parts of the Community, notably the United Kingdom.

(iii) CAP Finance

The CAP has traditionally been the major cost of the European Budget, because it has been up till 1983, the only fully flegged policy of the Community. Expenditure has been fluctuating between 80 per cent and 65 per cent of the total European Budget, the high point being in the late 1970's under Labour and the low in 1982/83 under the Conservatives in Britain.

The Annual Review of Agriculture carried out by the European Commission either side of Christmas which each year has led to a Council of

Agricultural Ministers decision to increase support prices to farmers, has been one of the major factors leading to the Community running out of resources. Expenditure under this policy of open-ended support for virtually all agricultural products together with the cost of disposal of surpluses on the world market and subsidised sales within the Community, has outstripped EEC income from import levies and the one per cent of VAT revenue. Twice before Europe nearly ran out of money resulting primarily from excessive increases in support prices only to be saved by World shortages which enable the Community to dispose of their surpluses at not too great a cost.

However, this year despite a low increase in support prices agreed in May by the Council CAP expenditure is expected to be 30 per cent higher than last year - hence the crisis.

Conclusion

Given that demand for food within the Community is likely to be static or at best to increase less rapidly than in the past; that World Markets will vary considerably year by year thereby creating uncertainity on the disposal of surplus produce and last that developments in breeding, crop production, machinery and the techniques of modern farming will continue and should be allowed to continue, the problem is here to stay and must be tackled now. The European Commission has at last seen this crisis in the clearest of terms.

"It cannot be the Community's aim to stop the development of its agriculture. But in view of the future perspectives, the Community has no choice but to adapt its policy of guarantees for production. If Community agriculture is to succeed - as it should - in expanding its exports and maintaining its share of world markets, it must increasingly accept the market disciplines to which other sectors of the Community's economy are subject. In this dynamic approach, which rejects any Mathusian limitation of agriculture's potential, the accent must be placed more and more on production at a competitive price. Hitherto, the price guarantees for most products have been unlimited in nature. This situation cannot continue, if the CAP is to develop on a rational basis."

(CAP - Proposals of the Commission (Com(83500 final) para 2.14)

2. Agriculture in the United Kingdom

The British Economy and Agriculture have on the whole benefitted from Membership of the European Community as the following shows:-

Self-Sufficiency	Now	Increase since 1973
In all food consumed	62%	10%
In indigenous-type food	76%	11%

	1973	1982 (prov)
Agriculture's contribution to gross domestic product	£1,770 million	£5420 million

	1973	1982 (prov)
Agriculture's share of gross fixed capital formation	£441 million	£1150 million
Imports of food, feed and alcoholic beverages	£3205 million	£5699 million
	+77.8%	
Exports of food, feed and alcoholic beverages	£853 million	£2539 million
	+197.7%	
Farming Income	£952 million	£1849 million
Index of net product (at constant prices (1975=100)	110	142
Labour productivity index (1975=100)	104	146

Even though farm incomes rose last year by an AVERAGE of 45 per cent, they are still below those achieved in the mid to late 1970s. This year incomes are expected to fall by an average of about 15 per cent.

The problems. Britain, because of the structure of her agricultural industry when compared with the rest of Europe, (large farms compared with small continental farms) has not benefitted quite as much from the CAP in financial terms as the rest of Europe. This when compared with her gross contribution to the European Budget is one of the major problems that need to be tackled It is not possible at present to increase agricultural spending in the United Kingdom and therefore, it is fair that our gross contribution should be adjusted to take in this fact or by increasing expenditure in other areas of the United Kingdom economy.

As the United Kingdom increases her self-sufficiency in agricultural products, so will her receipts increase from the CAP Budget on the disposal of surpluses. This, however, is not a solution to the problem.

3. The Commission Proposals

These are clearly stated in the Commission document Comm(83) final of the 28th July 1983. Below are the main points to be noted:-

(a) Aim

"The adaptation of the agricultural policy must be made in accordance with the market conditions prevailing in each product sector; the aim must be not to achieve economies irrespective of the economic and social conditions particular to agriculture, but to streamline expenditure in such a way that the financial resources available are concentrated on the areas where those resources are most needed, where the interest of Community action is most clearly demonstrated, and where budgetary intervention can be cost-effective."

(b) How?

(i) Guarantee Thresholds

Guarantee thresholds can be applied by different procedures according to the product concerned. For example, thresholds can be applied by

(a) lowering the increase in the target price or intervention price if production exceeds a global quantum;

(b) limiting the aids paid under the market regulation to a global quantum;

(c) participation of producers, by means of a levy, in the cost of disposing of additional production (or in the cost of net exports);

(d) quotas at national level, or at the level of the enterprise.

A choice is therefore necessary, in the light of the situation in each sector, as to which procedures should be applied.

All these various modalities have in fact been used, in differing degrees, in the context of the existing market organisations. For example, the approach at (a) was followed in the decisions taken by the Council concerning the common prices for cereals and milk for 1983/84; the modality under (b) exists in the market organisation for cotton (and has been proposed for dried raisins); the coresponsibility levy introduced for milk in 1977 goes in the direction of (c); and quotas on the model of (d) have existed for sugar since the inception of the market organisation.

(ii) Prices

Alongside the introduction of guarantee thresholds, the Commission considers it necessary to pursue a restrictive price policy. Its annual price proposals will continue to take account not only of the development of agricultural incomes in the Community, but also of the agricultural market situation, the budgetary situation, and other general economic factors.

As regards the level of Community agricultural prices in relation to those applied internally by its competitiors on the world market, the Commission notes that in many cases (particularly for milk) the common prices are at about the same level (or in some cases lower) than in other countries. However, particularly in the case of cereals, it continues to advocate a progressive reduction in the gap between Community prices and those of its principal competitors, not only in the interest of a more competitive production of Community cereals.

The applicaiton of such a price policy in future years cannot exclude the possibility that, in certain cases where the market situation is particularly difficult, or where the effective application of a guarantee threshold so requires, the common prices expressed in ECU may be frozen or even reduced; and consequently that the Community support prices expressed in national currency may be reduced in nominal terms.

(iii) Incomes of small producers

The Commission will propose, in those cases where it would be necessary, further measures to alleviate the possible consequences for the incomes of certain small producers, or producers in certain less-favoured regions. Such measures, which would be defined on a Community basis and limited to producers whose principal income is from agriculture, and whose opportunity for other economic activity is limited, could be financed totally or partly by the Community budget.

(iv) Aids and Premiums

The Commission has made a systematic examination of the aids and premiums under the market organisations covered by this report, in order to verify their economic justification and to see if their objectives are properly attained. In some cases, the market situation which existed at the time of the original introduction of the measures has changed, and their justification is no longer evident. The Commission therefore makes specific proposals for improvement or discontinuation, as indicated in the product-by-product examination. In addition, the Commission will pursue the examination of the other aids and premiums, particularly those under market organisations not covered in this report, and will propose appropriate measures.

(v) External Trade

As regards agricultural imports, the Community is obliged to re-examine the regimes applicable for the different products, with a view to adapting them to the market situation. In some cases, the Community has contracted international commitments concerning agricultural imports in exchange for reciprocal concessions in the agricultural sector, or other sectors; in these cases, an adjustment of the import regime must take account of the possibilities of negotiation and of the reactions of the Community's trading partners. In other cases, autonomous concessions have been granted for reasons of general commercial policy and foreign policy. Nevertheless, if the Community is to demand greater disciplines of its own agricultural producers, it must be prepared to take parallel action in respect of imports and to ensure a satisfactory observance of Community preference.

(vi) Market Managment and delegation of powers

In response to the solemn declaration adopted by the Heads of State and Government in Stuttgart on 19 June 1983, which "confirmed the value of making more frequent use of the possibility of delegating powers to the Commission within the framework of the Treaties", it is the intention of the Commission to propose, in appropriate cases, the delegation by the Council of further powers in the context of agricultural management. The objective is to make the management of the policy more flexible and less automatic, with a view to the most efficient use of the instruments and of the financial resources.

(c) Individual Sectors

The Commission examined the economic context of each market organization for which adaptions appear to be required, taking account of all market organisations with a share of more than 2.0 per cent of the expenditure of the Guarantee Section:

Milk

Cereals and Rice

Beef

Sheepmeat

Fruit and Vegetables

Oilseeds

Olive Oil

Tobacco

Wine

This Brief covers those commodities that are particularly relevant to the United Kingdom giving the outline of the important proposals.

(i) Milk

By far the most important sector is the Dairy Sector. The trend here is for production to increase rapidly whilst consumption stagnates or even falls. The trend of annual increase of milk deliveries was about 2.5 per cent in the period 1973 to 1981 but has increased in 1982 and 1983 to about 3.5 per cent. Meanwhile, consumption which showed an annual increase of 0.5 per cent in the 1970's is now tending to stagnate at present levels.

"The Commission, having taken into account the gravity of the inbalance in the milk sector, and the economic and social aspects of the situation, is of the view that in future the principle of the guarantee threshold in this sector should be implemented through a quota system, accompanied by a restrictive price policy."

"This system should be applied by means of a supplementary levy, analogous to that already suggested by the Commission in its memorandum of October 1981. A reference quantity (quota), corresponding to the concept of the guarantee threshold, would be established for each diary, based on deliveries in 1981. All deliveries in excess of this quantity would be subject to a supplementary levy, calculated in such a way as to cover the full cost of disposal of the additional milk. The dairies in turn would apply the charge to producers, according to criteria to be fixed in Community legislation.

Intensive Production

"The Commission is concerned that the possibility of increasing output through purchases of concentrated animal feed is leading to the development of "milk factories" where the connection with the land is diminished. The Commission already suggested in its memorandum of October 1981 the introduction of a special levy on milk from intensive farms, for example those which deliver more than 15.000 kg per hectare of forage.

The Commission now proposes a levy of this kind, and will submit the detailed measures to the Council at a later stage."

Butter Subsidy

"The Commission proposes to eliminate, in two steps, the special subsidy for butter consumption. This will result in some loss of butter consumption, but compensating increases in disposal of milk fat can be obtained by more cost-efficient measures (extension to other foods of the aid for butter used in pastry and ice-cream, introduction of a special aid for whole concentrated milk). The disposal possibilities should also be increased by an increase in the fat content of whole milk for human consumption."

(ii) Cereals and Rice

"A guarantee threshold was first fixed in this sector for 1982/83, at the level of 119,5 million tonnes. The Council decided that, if average production of cereals (excluding durum wheat) in the three most recent seasons exceeded the threshold, the intervention price would be abated. However, it also decided that, if imports of cereals susbstitutes exceeded 15 million tonnes, the guarantee threshold would be increased accordingly. Since the threshold for 1982/83 was exceeded, the increase in the intervention price for 1983/84 was abated by 1 per cent.

The threshold fixed for 1983/84 is 120,56 million tonnes. Taking acount of the harvest prospects, and the level of imports of cereals substitutes, it is unlikely that the thresholds will be exceeded in the coming season."

Cereal Substitutes

The Community has already stabilised the impact of manioc and brans. On corn gluten feen and citrus pellets, the Commission proposes by using its rights under GATT to use either

- a quantitive restriction of imports (Article 11)
- the safeguard ie injury to domestic producers of similar or competing products via compensation (Article 19)
- or a modification of a binding compensation

Pricing Policy

"The Commission proposes that the speeding-up of the narrowing of the gap between its prices and those applied by its main competitors should be an objective in its future proposals for common prices for cereals.

If this objective is not attained by the prices policy, the Community will then have to consider, in spite of the administrative difficulties which such a solution would create, imposing a levy on cereals to cover all or part of the cost of exports.

To achieve a proper price relationship between different qualities of wheat, and thus obtain economies in expenditure on intervention and exports, there should be a reduction in the gap between the intervention price for minimum quality bread-making wheat and feed wheat. The present gap is 10 per cent, and the correct gap (taking into account nutritional value) would be 5 per cent. With the same objective, there should be a reinforcement of quality standards for barley and wheat for use inside the Community and for export."

(iii) Beef

Intervention

The intervention measures should be adapted, so as to conform more to market realities. The Commission will submit proposals to:

(a) Restrict purchases to whole and half-carcases during 2 autumn months (peak period for slaughtering); limit purchases of fore-quarters to 5 summer months, and of hindquarters to 5 winter months.

(b) Apply the carcase classification grid to purchases from 1.1.1984, on the basis of the prices already proposed by the Commission in March 1983. This will have the effect of reducing purchase prices in Member States now having high coefficients and possibly increasing prices in those having low coefficients.

(c) Terminate all national exemptions (exemptioms for "stop" and "go", for packaging etc.)

Premiums

(a) Non-renewal of the Calf Premiums

(b) Temination of the Variable Premium applied in the United Kingdom

(c) Continuation of the Suckler Cow Premium at its current level

(iv) Sheepmeat

Premiums

The Commission proposes that, as from the 1984/85 marketing year, the system of premiums should be adapted in the following way:

(i) Limitation of the variable premium applied in the United Kingdom to a certain proportion of the reference price. This would result in a corresponding increase in market prices, sufficient to maintain producers' revenue.

(ii) Application of the ewe premium according to strict criteria. There should be no advance payment of the premium.

(v) Oils and Fats

"In order to restore balance on the market of Fats, ie Butter and margarine, the Community has already applied remedial measures in the form of a coresponsibility levy on milk and a guarantee threshold for milk and oilseeds, which has resulted in a lowering of institutional prices.

Similarly, it has restricted aids for the production of olive oil to trees planted before a certain date.

If the Community reinforces these measures by introducing a supplementary levy on milk, and thus an internal check on butter production, it must supplement its measures for re-establishing balance on the market in oils and fats by introducing a non-discriminatory internal tax on the consumption of oils and fats other than butter, irrespective of their origin. Such a tax would be in conformity with the international commitments of the Community."

(vi) Monetary Compensatory Amounts

Any monetary compensatory amount introduced after the entry into force of the new regulation would be eliminated in three stages by altering the green rate. The stages would be as follows:-

- one-third would be eliminated on the introduction of new monetary compensatory amounts;
- one-third at the beginning of the marketing year immediately following the introduction of new MCAs; and
- one-third at the beginning of the second marketing year following the introduction of the MCAs.

MCAs existing at the time of entry into force of the new regulation would be dismantled by altering the green rate in two identical stages at the beginning of the two following marketing years.

By way of derogation from the provisions set out above, the Commission could propose to the Council the more speedy dismantling of negative compensatory amounts.

4. The Government's Attitude to the Proposals

The Government has two separate aims during the negotiations for improving the existing Common Agricultural Policy:

- To organise the market regimes of the CAP and the financial system of the Community so that the cost of the CAP rises slower than the income of the Community;

- and to ensure that the package that is finally worked out is one where Britain is not treated unfairly.

As Michael Jopling said at the Party Conference in Blackpool this year:-

"There is a simple truth, that EEC farmers cannot go on and on producing more and more food which we neither eat at home nor sell abroad." (Thursday 13th October 198)

Further on in his speech, the Minister outlined his views on the Commission's Proposals.

"I am certain that, given prudent and realistic management of the CAP it can fulfill its entirely worthy principles.....While the Commission has put forward some useful proposals it has not really grasped the nettle. The immediate areas of concern are milk, cereals, wine and a number of other Mediterranean commodities. Here we must make use of the fundamental devices of price discipline linked to the Commission's own guarantee prices, extended as necessary to other problem areas. There is some support for the Commission's proposal for a super levy on milk. It is a poor substitute for a realistic price level and could easily become a device to favour small, inefficient farmers in various regions of the Community. It is not for the CAP market regime either to penalise large-scale efficient farmers, as they are proposing, or to subsidise their small, inefficient counterparts. If individual states want to do that let it be done principally through controlled, nationally based funds................... We shall especially resist some of the easy options that the Commission has proposed. Many add up to a package that discriminates against United Kingdom interests. They have made an attack on our beef and sheepmeat premia and the butter subsidy. The attack is ill-conceived, particularly because these aids help consumers and reduce the need for intervention buying. The Commission has proposed the ridiculous tax on oils and fats. We reject that. It would be a triple folly, taxing consumers, particularly the less well-off, adding costs to our highly efficient food manufacturers who do so much to improve the marketing of British food and infuriating third countries."

Below are some specific comments on the proposals which outline the Government's attitude.

(a) Milk

"I consider the best way to solve the problem in the milk sector is firm action in the level of milk price support.

A supplementary levy based on 1981 figures would not suit us at all well.

My Hon friend might like to know that the Presidency recently suggested taking the average for 1981/82 and 1983 minus 2 per cent. That also would not be satisfactory to us. To be acceptable, a supplementary levy would have to be on a more satisfactory basis than either of these suggested.

My Hon friend would do well to consider the implications of national quotas. In practice, it would mean operating a scheme on similar lines to the co-responsibility levy, which is so unpopular in this country and has been ineffective in dealing with the growing milk surpluses. I have severe reservations about the national quota idea.

We have consistently said that the best way to deal with surplus milk is to use the mechanism of price and the discipline of threshold guarantees. That view is supported by the Milk Marketing Board................"

(Hansard, 17th November 1983, col 971/2)

In a speech in London in October, the Minister said:-

"It would in principle have the advantage of halting the growth of milk production in its tracks. But it would also be difficult to administer and enforce effectively. In particular diversion of milk away from dairies could provide a significant loophole, and this could affect the marketing arrangements thoughout the Community and hence the effectiveness of the levy." (26th October 1983)

A third option has been put forward that if there is to be a superlevy, it should be based on 1983 production levels minus up to 6 per cent. This would get near the target level of 97.2 million tonnes of milk produced.

(b) Butter Subsidy

"........the Commission propose that the butter subsidy should be phased out in two stages. When greater consumption is what we need as part of the solution to the surplus problem, this does not make sense. I think it would have a more damaging effect on the United Kingdom butter market and of course in the operation here on our Danish and Irish friends than the Commission anticipate. We cannot overlook the fact that butter consumption has fallen some 40 per cent in the past 10 years, even though there are recent signs of some stability."

(Michael Jopling, London, 26th October 1983)

(c) Tax on Oils and Fats

"As the Minister, Mr Michael Jopling, and I have already made very clear on several occasions, we are entirely opposed to this proposal which would do nothing to solve the difficulties facing the CAP and would have serious consequencies for consumers, for manufacturers and for the Community's relations with our overseas suppliers."

(John MacGregor, London, 3 November 1983)

In a written answer on this proposal, Mr MacGregor said:-

"A tax at the rate proposed would,if passed on in full to consumers, cost the average United Kingdom household about £2.80 per year.........At the proposed rates it is estimated that about £58 million would be raised in the United Kingdom. It is not, however, possible to estimate with certainity how much of the economic impact would fall on oils and fats processors as opposed to suppliers and consumers."

(Hansard, 23rd November 1983, col 199/200)

(d) Cereal Subsidies

"The Commission proposes that steps should be taken to stabilise the Community's imports of cereals substitutes, and of maize gluten feed and citrus pulp in particular. These materials are used by the livestock sector to the extent, when they are cheaper than alternative ingredients. Any restrictions on their availability are liable to have some adverse effect when relevant on feed costs."

(John Macgregor, Hansard 17th November 1983, col 561)

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29.11.83