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EXTRACT FROM A SPEECH BY MR CHRISTOPHER TUGENDHAT, VICE PRESIDENT OF
THE COMMISSION OF THE EUROPEAN COMMUNITIES, WHEN OPENING THE NEW
LONDON OFFICE OF THE COMMISSION ON FRIDAY 16 DECEMBER 1983

It gives me particular pleasure to open the new London Office of the European Commission at this time. After the failure of the European Summit at Athens to reach conclusive agreements, it is particularly appropriate for the Commission once again to demonstrate that it is working vigorously to keep the Community, and public support for it, buoyant.

I cannot, of course, hide my disappointment at the failure of the Athens Summit to make real headway towards resolving the financial and agricultural issues which continue to hijack the Community's agenda and to impede its progress. But Athens was never a "make or break" affair; and its failure should not plunge the Community into a paralysing state of gloom. I am confident that a solution to the linked problems of agricultural reform and the British and German budgetary contributions can and will be found.

My confidence springs from three facts:

First, an irresistible incentive now exists for governments to reach a solution in order to preserve the credibility of the Community, which is indispensable to their prosperity and international influence.

Second, the progress towards agreement which was made between the Summits at Stuttgart and Athens constitutes a

foundation upon which I believe it is possible to build a long term solution.

Third, the success of the Community's Foreign Ministers in reaching an interim solution to the problem of British contributions only six weeks after the failure of the Luxembourg Summit in 1980 should caution us against reflex pessimism and the abandonment of all hope for the Community.

However, if the Community is to resolve its current problems, it is essential not to overload its Summits either with too many issues at once or with excessive technical detail. I have seen, over past weeks, the risk that Foreign and Finance Ministers will be tempted to abdicate responsibility for taking hard decisions if they know that they can pass the buck to the Summit, even though the latter is far less suited to grappling with such technically complex issues.

Until a long-term solution is found, the Community will have to take tough decisions in order to live within the resources available to it. Even with the Supplementary Budget which was adopted in October, the measures which the European Commission then took to reduce current expenditure on agriculture, and the budget for 1984 which was passed by the European Parliament this week, the Community is unlikely to have enough money next year to afford all the policies agreed to by its governments unless they drastically curb expenditure on the Common Agricultural Policy. The Commission, for its part, will continue fully to exercise its responsibility for ensuring that Community spending remains within the legal limit.

As to a long term solution, I should like to make it clear that a decision to increase the Community's financial resources is not the same as a decision to spend more money. Once the resources available to the European Community have been increased, they can

only be spent after the Budget Authority - the Council of Ministers and the European Parliament - have taken the appropriate decisions on the basis of Commission proposals during the course of the annual budgetary procedure.

New resources must not be squandered on more agricultural surpluses. They must be used effectively and economically for industrial and technological research and development, the diversification of our energy supplies, the tackling of unemployment and regional problems and other priorities.

It must also be remembered that one of the most important challenges facing the Community is the breaking down of trade barriers and the creation of a real Common Market for both goods and services. This can be achieved without spending any money at all.