

STATEMENT BY MR. CHRISTOPHER TUGENDHAT,
VICE PRESIDENT OF THE EUROPEAN COMMISSION
IN THE EUROPEAN PARLIAMENT'S PLENARY SESSION
12TH OCTOBER, 1983

During the last day or so there have been numerous press and other media reports concerning FEOGA Guarantee expenditure in 1983. Many of these reports have been both inaccurate and misleading. The Commission therefore considers it necessary to inform the House now of the latest situation so that Parliament when voting on the draft supplementary budget for 1983 does so against a factual background.

The relevant facts are as follows:
The level of appropriations currently available for the last two months of this year amount to 635 MECU.

The sum is the difference between the appropriations in the budget of 14087 MECU and the advances paid to the Member States for the period January to October inclusive, of 13452 MECU. Parliament has been informed regularly on a monthly basis through its Committees on Agriculture and on Budgets of these advances.

The sum of appropriations currently available plus those in the draft budget established by the Council for FEOGA Guarantee amount to 2396 MECU.

The Commission in presenting its supplementary budget warned that tight financial management would still be required during the remainder of the year if CAP expenditure was to be contained within the proposed new budget.

I myself made statements to that effect in both the Budget Committee and the Agricultural Committee.

Recent analyses of the situation on the agricultural markets have confirmed this view. The Commission has therefore decided as a precautionary measure to take certain management measures within its competence in order to maintain expenditure in 1983 within the available credits, taking account of the supplementary budget now under examination by the Budget Authority. For the moment, after consulting the Management Committee the Commission has decided to suspend for the next ten days the payment of advances on restitutions and on certain premiums. Under difficult circumstances the Commission had to take this decision rapidly last night in order to avoid pre-emptive measures by third parties. The decision concerns the following products: olive oil, colza, rape and sun flower seed, soya beans, castor seed, cotton, peas and field beans, tobacco, milk, wine, sugar, dried fodder, starch products and export refunds on agricultural products. ~~The Commission will discuss at its next meetings / possibility of applying other measures in order to enhance budgetary discipline.~~

The very nature of FEOGA Guarantee expenditure makes it impossible, even at this relatively late stage in the year, to predict with certainty the level of appropriations which are necessary for the budget. There is consequently an inevitable risk of being somewhat over or under-estimated. The Commission wants to minimise the burden on the Community taxpayer in a manner consistent with ^{the} sound operation of the agricultural policy market mechanisms. In view of the known facts and the measures already taken, and being examined by the Commission, the Commission considers the level of appropriations for FEOGA Guarantee in the draft supplementary budget which amount to 1761 MECU to remain valid.

The Commission is firmly committed to remain within the resources created by the 1983 budget and the supplementary budget now before Parliament. We can achieve this objective without creating undue problems for the agricultural sector. It is urgent that the Community take swift decisions on the package of agricultural measures put forward by the Commission in July. It is only by making the necessary adjustment to the CAP that the confidence of the agricultural sector can be maintained.