



**PRESSE-MEDDELELSE • MITTEILUNG AN DIE PRESSE • PRESS-RELEASE • INFORMATION A LA PRESSE
ΑΝΑΚΟΙΝΩΣΗ ΓΙΑ ΤΟΝ ΤΥΠΟ • INFORMAZIONE ALLA STAMPA • MEDEDELING AAN DE PERS**

Brussels, 24 March 1983

EXTRACTS FROM A SPEECH BY MR. CHRISTOPHER TUGENDHAT,
VICE-PRESIDENT OF THE COMMISSION OF THE EUROPEAN
COMMUNITIES, AT A LUNCHEON ORGANIZED BY THE LONDON
CENTRAL CONSERVATIVE EURO-CONSTITUENCY, ON THURSDAY,
24 MARCH 1983.

AGRICULTURE EXPENDITURE

EUROPE'S SPENDING ON AGRICULTURE IS RISING AT A RATE THAT COULD ENDANGER THE VERY EXISTENCE OF ALL COMMUNITY EXPENDITURE POLICIES INCLUDING THE COMMON AGRICULTURAL POLICY ITSELF. WHEN AGRICULTURE MINISTERS FROM THE TEN MEMBER STATES MEET SHORTLY TO DECIDE ON THE COMMISSION'S PROPOSALS FOR NEW FARM PRICES AND MEASURES TO CURB EXCESS PRODUCTION THEY MUST BEAR THIS FACT IN MIND.

THE FIGURES FOR THE APRIL ADVANCES FOR CAP EXPENDITURE PAID BY THE COMMISSION TO THE INTERVENTION AGENCIES IN THE MEMBER STATES HAVE JUST BECOME AVAILABLE. THEY SHOW THAT THE OVER-SPENDING ALREADY APPARENT IN THE FIRST QUARTER OF THIS YEAR IS GATHERING MOMENTUM.

THE TOTAL FOR THE FIRST FOUR MONTHS INCLUDING APRIL IS £3350 MILLION. THAT IS ABOUT £800M MORE THAN IN THE SAME PERIOD LAST YEAR AND NEARLY £400M MORE THAN WE HAVE BUDGETED FOR.

THE COMMISSION HAS PROPOSED A 5.5% AVERAGE PRICE INCREASE WITH LESS FOR THE SURPLUS COMMODITIES. IT HAS ALSO PROPOSED PRODUCTION THRESHOLDS IN ORDER TO DISCOURAGE FURTHER INCREASES IN OUTPUT OF SURPLUS COMMODITIES. THIS IS A BALANCED PROPOSAL DESIGNED TO MAINTAIN THE ECONOMIC WELL-BEING AND FUTURE VIABILITY OF THE AGRICULTURAL SECTOR ON THE ONE HAND, AND TO TACKLE THE PROBLEM OF SURPLUSES ON THE OTHER.

EARLIER THIS MONTH THE EUROPEAN PARLIAMENT DEALT THIS PRUDENT STRATEGY A DOUBLE BLOW. NOT ONLY DID THEY VOTE TO PUT UP PRICES BY A MINIMUM OF SEVEN PERCENT BUT THEY ALSO VOTED TO REJECT MEASURES TO CUT DOWN THE PROBLEMS OF OVER PRODUCTION AND SURPLUSES.

IF AGRICULTURE MINISTERS WERE TO FOLLOW THE ADVICE OF THE EUROPEAN PARLIAMENT, THE COST TO THE COMMUNITY BUDGET WOULD BE NEARLY THREE TIMES THAT OF THE COMMISSION'S PROPOSAL. THE COMMUNITY WOULD THUS BE TAKING A BIG STEP TOWARDS EXHAUSTING ITS FINANCIAL RESOURCES AND THEREBY UNDERMINING ITS OWN POLICIES. SUCH A DECISION WOULD ALSO BE INCONSISTENT WITH THE NEED TO RESTRAIN THE GROWTH OF PUBLIC SECTOR SPENDING WHICH IMPOSES LIMITATIONS ON MOST OTHER AREAS OF ACTIVITY IN ALL MEMBER STATES.

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(1) Sterling conversion at current rate = £ 0.63 = 1 ECU