

February 24, 1984

JOHN MACGREGOR SPEAKS ON FUTURE CAP NEGOTIATIONS

Speaking in Diss, Norfolk, today Mr John MacGregor, MP, Minister of State, Ministry of Agriculture, Fisheries and Food, said:

"Ever since coming to the Ministry of Agriculture, I have been acutely aware that one of the greatest anxieties among Britain's farmers is uncertainty about the future because of the EEC negotiations. This anxiety bubbled to the surface time and again at last week's NFU annual meeting.

"I totally share that concern. Uncertainty, created by factors outside farmers' direct control, inhibits planning. It damages confidence. That is why we British Ministers have been urging in the Council of Ministers as speedy an agreement as possible on the CAP reforms.

"But I suspect that some of the critics have been heading in another direction, looking for escape hatches, hoping that the Budget crunch can yet again be postponed, believing that by shouting loud enough they can persuade 'imaginative leadership' to wish away the surpluses.

"In response to that line some things need to be firmly re-stated.

"First, the Budget crunch has come. On the surpluses and the costs of disposing of them, there are no escape hatches.

"That is because there really is a limit on the funds available for agriculture in 1984 and we have to recognise and accept that. Because for the future the Budget problem for Agriculture Ministers remains and will not go away when conclusions are reached on the issue of Britain's Budgetary refunds and any increase in resources. Because fundamentally what we are dealing with is not only a cash crisis but a market crisis, namely that in the critical sectors the Community is now

producing simply far too much for the market place.

"True leadership means facing up to this real situation as it exists; taking the necessary decisions; and then creating the conditions in which farmers can plan constructively for the future. It means recognising that there will have to be some changes and that this will need the imagination, flexibility and enterprise for which British agriculture is renowned to think them through.

"Second, while facing up to this challenge, British Ministers are in there fighting to reach a settlement which is wholly fair to British farmers and which does not discriminate against our interest. The Government is determined to maintain a healthy farming industry, satisfying as large a share of the Community market as it can, and competing on fair terms.

"Third, we recognise that this will mean a period of adjustment and difficulty for some sectors and some individual farmers. Indeed some will face as severe a challenge as badly hit parts of our manufacturing industry have gone through in the past five years of tough economic adjustment. So let me state firmly that this is in no way the time to snipe at our highly successful and productive agriculture, as in the ill-considered attacks over recent months in certain sections of the media.

"Farmers must have a basis of confidence from which to plan to meet the changes ahead. In that context I re-affirm today our commitment that we do not propose to re-open the question of the rating of agricultural land and buildings.

"It is for these reasons that we want to see decisions taken swiftly, decisions which face up to the real problems. Our own agricultural progress and profitability over the years ahead can then proceed on a more realistic and certain basis than we have at present, and I am sure that it will be done successfully."