

GRS 340

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FRAME AGRICULTURE

FM BONN 011645Z FEB 85

TO ROUTINE FCO

TELEGRAM NUMBER 90 OF 1 FEBRUARY

INFO ROUTINE UKREP BRUSSELS

1985 CAP PRICE FIXING: GERMAN REACTION TO COMMISSION PROPOSALS

SUMMARY

1. THE GOVERNMENT AND MAIN OPPOSITION PARTIES AS WELL AS FARMERS' LEADERS HAVE REACTED STRONGLY AGAINST THE COMMISSION PROPOSALS. THE CONSUMERS' AND WHOLESALERS' ORGANISATIONS TAKE THE OPPOSITE VIEW. A NUMBER OF NEWSPAPER ARTICLES DRAW ATTENTION TO THE CONTRADICTION BETWEEN GERMAN POSITIONS ON THE EC BUDGET AND AGRICULTURAL PRICES.

DETAIL

2. KIECHLE HAS DISMISSED THE COMMISSION'S PROPOSALS FOR 1985/86 AGRICULTURAL PRICES AS UNACCEPTABLE AND AS ASKING TOO MUCH OF THE FARMERS. HIS SHARPEST CRITICISM HAS BEEN LEVELLED AT THE PROPOSED REDUCTION IN CEREALS PRICES AND AT THE FURTHER MOVE TO ABOLISH MCAS. BACKING FOR HIS STANCE HAS COME FROM THE AGRICULTURE SPOKESMAN OF THE CDU/CSU PARLIAMENTARY PARTY, EGON SUSSET, WHO SAID THAT THE PROPOSALS EXCEEDED HIS WORST FEARS AND WERE UNJUSTIFIABLE EVEN TAKING ACCOUNT OF THE BUDGETARY POSITION AND THE NEED TO DEAL WITH SURPLUSES. SPD AGRICULTURE SPOKESMAN MARTIN SCHMIDT TALKED OF A COLD SHOWER FOR GERMAN AGRICULTURE. THE FARMERS' UNION, WHICH HAD PREVIOUSLY CALLED FOR ALL-ROUND PRICE INCREASES OF 5 PER CENT, CHARACTERISED THE PROPOSALS AS A MIXTURE OF PROVOCATION AND CHICANERY.

3. BOTH THE CONSUMERS' ASSOCIATION AND THE WHOLESALERS' AND EXPORTERS' ASSOCIATION WELCOMED THE PROPOSALS AS A MODEST ALTHOUGH INADEQUATE STEP IN THE RIGHT DIRECTION, A HESITANT ATTEMPT TO TAKE GREATER ACCOUNT OF MARKET REALITIES.

4. UNDER THE HEADING QUOTE FORKED TONGUE UNQUOTE THE STUTTGARTER ZEITUNG ARGUES THAT ON THE ONE HAND IT IS THE GERMANS WHO ARE THE MOST VOCAL IN DEMANDING BUDGETARY DISCIPLINE WHILE ON THE OTHER THE GERMAN AGRICULTURE MINISTER LEADS THE FIGHT AGAINST THE MEASURES NECESSARY TO BRING SPENDING UNDER CONTROL. AS A RESULT THE GERMAN POSITION IN THE COMMUNITY LACKS ALL CREDIBILITY. THE SAME POINT IS MADE IN AN ARTICLE IN DIE WELT WHICH SEES THE REAL BATTLE AT THIS YEAR'S PRICE FIXING AS BETWEEN AGRICULTURE AND FINANCE MINISTERS. THE BONN GOVERNMENT IT SAYS MUST CHOOSE: IT CANNOT EXPECT BOTH TO REDUCE AGRICULTURAL SPENDING AND TO LEAVE ITS FARMERS UNSCATHED.

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