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FRAME AGRICULTURE

FRG AND THE CAP: KOHL'S PRESS CONFERENCE

SUMMARY

1. AT A PRESS CONFERENCE YESTERDAY TO MARK THE THIRD ANNIVERSARY OF HIS GOVERNMENT'S ELECTION, KOHL REAFFIRMED THE FRG'S REJECTION OF CAP PRICE CUTS, AND IN ANSWER TO QUESTIONS SPOKE OF NATIONAL MEASURES IF THE FRG'S VIEWS DO NOT PREVAIL IN BRUSSELS.

DETAIL

2. KOHL SAID THAT EUROPEAN AGRICULTURE WAS SUFFERING FROM MISTAKES MADE IN THE 1970'S. SINCE HE HAD COME TO POWER THE MOST URGENT CORRECTIVE MEASURES HAD BEEN TAKEN: MILK QUOTAS HAD BEEN INTRODUCED AND THE FINANCIAL RESOURCES OF THE COMMUNITY HAD BEEN INCREASED SO THAT THE MARKET REGIMES COULD STILL BE FINANCED. THE EC WAS NOW EMBARKING ON A LONG AND DIFFICULT REORIENTATION OF THE CAP. HE STOOD BY THE FOLLOWING PRINCIPLES:

(A) MARKET AND PRICE POLICIES WERE THE MAIN BASIS FOR SECURING AGRICULTURAL INCOMES:

(B) HE THEREFORE REJECTED A POLICY OF DRASTIC PRICE CUTS TO REDUCE SURPLUSES:

(C) MEASURES MUST BE TAKEN TO SUPPORT THE MARKET REGIMES, INCLUDING NEW INDUSTRIAL PRODUCTS AND OUTLETS, AND SET-ASIDE SCHEMES IN THE INTERESTS OF ENVIRONMENTAL PROTECTION:

(D) SINCE REDIRECTION OF THE MARKET REGIMES WAS NOT POSSIBLE IN THE SHORT TERM, FARM INCOMES MUST BE SUPPORTED BY SUPPLEMENTARY MEASURES. THE EC, FEDERAL GOVERNMENT, AND LAENDER ALL HAD A ROLE TO PLAY:

(E) SOCIAL AND TAX POLICY SHOULD ALSO BENEFIT FARMERS.

13. KOHL

3. KOHL ANNOUNCED THAT THE CDU/CSU PAPER ON THE CAP (MY TELNO 196) WOULD BE DISCUSSED ON 16 APRIL, AND WOULD FORM THE BASIS OF NEGOTIATIONS IN BRUSSELS. THE FEDERAL GOVERNMENT WOULD NOT LET THE FARMERS DOWN. IT WANTED A SECURE FUTURE FOR THEIR SMALL FAMILY FARMS.

4. IN ANSWER TO QUESTIONS KOHL SAID THAT IF THE FEDERAL GOVERNMENT'S APPROACH MADE NO HEADWAY IN THE EC, THEY WOULD ADOPT CAREFULLY TARGETTED NATIONAL MEASURES, AS THEY HAD DONE BEFORE.

BULLARD

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ECO (1)

(REPEATED AS REQUESTED)