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Press Release

Billions in EU Funding at Stake in Crucial Talks

"New Labour's position jeopardises key funding"

SNP Euro-MP Alyn Smith is to mount a robust defence for the continuation of key EU funding for disadvantaged parts of Scotland and elsewhere in crucial talks on the future EU budget that get underway in Brussels today (Wednesday).

Alyn Smith MEP is the only Scottish representative on the new European Parliament body that will examine the future finances of the recently enlarged European Union for the period 2007 - 2013. There is growing concern in Brussels that the UK Government's proposals to limit the total EU budget to 1% of GNI (Gross National Income) would force massive cuts in some areas, seriously reducing money available to support economic development in Scotland and elsewhere.

Speaking ahead of today's meeting, Alyn Smith MEP said:

"The consequences for Scotland if Tony Blair gets his way are potentially very serious indeed. New Labour are obsessed with limiting the EU's budget to 1% of GNI, this conflicts with the European Commission who propose a limit of 1.14%. In a budget of hundreds of billions of pounds this would represent massive cuts and my fear is that it will be hard pressed communities in Scotland and elsewhere that will suffer as a result.

There is growing concern in Brussels that the cuts would have to come from key areas like structural funds, funding to support new job creation, training, telecommunications, research and development and rural development. These are exactly the sort of areas where we need to see strong ongoing support rather than cuts.

New Labour wants to cut billions from funding key areas but at the same time can find billions to fight an illegal and immoral war in Iraq. And let's not forget that they want to seize control of structural funding in London and eventually do away with it altogether. All of this at a time when they're failing to make any progress on reforming the massively wasteful common agricultural policy. If

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ALYN SMITH MEP

FIGHTING FOR AN INDEPENDENT SCOTLAND IN EUROPE

it's a choice between reforming the wasteful CAP or doing away with key European funding, I know which one most people would choose.

It is utter vandalism for Tony Blair to try to force these massive cuts. I will be fighting hard to oppose these Labour cuts which will be as bad for Scotland as they would be for Europe.

I asked the Scottish Executive for their view on the issue - I'm still waiting for an answer."

Referring to the future of European Structural funds, Alyn Smith MEP added:

"I received an assurance from incoming EU Commissioner Danuta Hubner that she would look again at the botched way Scotland narrowly missed out on ongoing Objective One funding. But if Tony Blair gets his way and seizes control of structural funds in London this wouldn't even get off the starting blocks and Scotland would miss out on a potential windfall as a result."

Ends

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