

* DESKBY 230730Z *

IMMEDIATE

PS/LORD PRIVY SEAL
PS/IPS

RESIDENT CLERK

PLUS FCO

GC D(I)

MR ~~ELLARD~~ FRILUSSON

* HD/EID(I) (4)

MR. FAULKNER

LORD BRIDGES

HD/NEWS
HD/FRD
HD/....
HD/....
HD/....

CABINET OFFICE

D.O.T.

PLUS CGDS

* MR M D M FRANKLIN
MR D M ELLIOTT
MR M A C WILKINS
MR MORNING
* MR WANSK

* MR. VINANK

NO 10 DS.

~~* MR. ALEXANDER~~

DAFS

* MR CLAMMONT

H.M. TREASURY

M.A.F. *PS/MINISTER
*PS/PS

DAVI

SIR K COUZENS
MR ASHFORD

SIR MR B D HAYES

* MR. YOUNG

* MR. ROBERTS

* MRS. PICKERING
* MRS BLOWN
* MR. MORDUE

WELSH OFFICE

* ADI MR. S. J. DAVIES

* MR. L.A. RICHARDS

CONFIDENTIAL

FRAME AGRICULTURE

FRAME ECONOMIC

DESKBY 230730Z

IMMEDIATE

FM UKREP BRUSSELS 221727Z APR 80
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ADVANCE COPY

TELEGRAM NUMBER 2020 OF 22 APRIL.

INFO PRIORITY BRUSSELS, COPENHAGEN, THE HAGUE, ROME, LUXEMBOURG,
DUBLIN, PARIS AND BONN.

COUNCIL OF MINISTERS (AGRICULTURE) 21/22/23 APRIL 1980.

PREPARATION FOR THE EUROPEAN COUNCIL

SUMMARY

1. TUESDAY AFTERNOON'S SESSION OF THE COUNCIL WAS DEVOTED TO A DISCUSSION OF THE DESIRABILITY OF PUTTING A PAPER ON THE POSSIBILITIES FOR PRICE FIXING TO THE EUROPEAN COUNCIL AND ON ITS POSSIBLE CONTENTS. MOST FELT THAT THE COUNCIL WOULD BE FAILING IN ITS DUTY IF IT DID NOT PRODUCE SOMETHING, AND FAVOURED A BRIEF PAPER GIVING ONLY THE HEADS ON WHICH DECISIONS WERE NECESSARY WITH THE BUDGETARY IMPLICATIONS OF POSSIBLE OPTIONS. FRANCE ALONE ARGUED FOR A COMPREHENSIVE DOCUMENT FROM THE COMMISSION WHICH WOULD

COMPREHENSIVE DOCUMENT FROM THE COMMISSION WHICH WOULD THEN BE FURTHER DISCUSSED WITH A VIEW TO RECORDING THE MAXIMUM AGREEMENT POSSIBLE ON ALL SUBJECTS. THE COUNCIL BROKE AT 5 PM AND THE REST OF THE EVENING WILL BE SPENT IN PRESIDENCY AND COMMISSION BILATERALS. THE COMMISSION WILL THEN PREPARE A PAPER TO BE READY FOR MINISTERS BY THE TIME THE COUNCIL RESUMES AT 3 PM TOMORROW.

DETAIL

2. THE CHAIR (MARCOPA) ASKED FOR A TOUR DE TABLE ON WHETHER THE COUNCIL SHOULD ADJOURN OR WORK TOWARDS SOME PAPER TO PUT TO THE EUROPEAN COUNCIL. HE FAVOURED THE LATTER.
3. GERMANY (ERTL) THOUGHT A 'STATEMENT' ^{IS} WORTH TRYING FOR. HOWEVER, THE RESOURCES AVAILABLE FOR THE PRICE FIXING WOULD ONLY BE KNOWN AFTER THE EUROPEAN COUNCIL SO ONLY A BRIEF REPORT WAS NECESSARY LAYING DOWN THE PRINCIPLES WITHIN WHICH THE AGRICULTURE COUNCIL WOULD PROPOSE TO FIX PRICES, PROBABLY IN MAY.
4. FRANCE (MEHAIGNERIE) INSISTED THAT THE AGRICULTURE COUNCIL TAKE THE RESPONSIBILITY FOR SETTLING PRICES. THE EUROPEAN COUNCIL WOULD ONLY BE FRUITFUL IF IT HAD BEFORE IT A SHORT BUT CLEAR ACCOUNT OF ALL THE MAJOR POINTS AND THE EXTENT OF CONSENSUS OR DIVERGENCE ON THEM.
5. NETHERLANDS (BRAKS) WANTED A FURTHER EFFORT ON MILK IN THE AGRICULTURE COUNCIL AND THEN ADVICE FROM THE EUROPEAN COUNCIL ON THE PRINCIPLES TO BE FOLLOWED IN THE PRICE FIXING. HE THOUGHT ERTL'S APPROACH WAS SOUND.
6. DENMARK (DALSGER) AGREED WITH BRAKS ABOUT MILK. THERE SHOULD BE A COMPROMISE PROPOSAL EITHER FROM THE PRESIDENCY OR THE COMMISSION.
7. IRELAND (MACSHARRY), LUXEMBOURG (NEY), ITALY (PISONI) AND BELGIUM (LAVENS) ALL FELL IN WITH THE 'STATEMENT' APPROACH, ITALY SUGGESTING THAT MINISTERS SHOULD SPECIFY THE PRICE INCREASES THEY WANTED FOR EACH COMMODITY AS WELL.
8. THE UK (MR WALKER) SUPPORTED ERTL, COUNSELLING LIKE HIM AGAINST GOING INTO TOO MUCH DETAIL, WHICH WOULD ONLY SPLIT THE COUNCIL. HE WAS SCEPTICAL OF THE VALUE OF HAMMERING AWAY ANY MORE AT MILK, WHERE THERE WERE FIVE COUNTRIES ON ONE SIDE AND FOUR ON THE OTHER. THERE WAS NEITHER SCOPE NOR POSSIBILITY FOR AN EASY COMPROMISE AT HIGH COST TO THE

POSSIBILITY FOR AN EASY COMPROMISE AT HIGH COST TO THE BUDGET. ERTL ENDORSED.

10. MEHAIGNERIE TRIED AGAIN FOR SOMETHING MORE SUBSTANTIAL, REPEATING THAT THE EUROPEAN COUNCIL COULDN'T MAKE PROGRESS UNLESS THE COUNCILS FEEDING IT HAD CLEARED THE GROUND. AGRICULTURE MINISTERS MUST DECIDE, IF NOT ON ABSOLUTE PRICE LEVELS, THEN ON ALL THE RELATIVITIES.

11. MARCORA SUMMED UP THAT A DOCUMENT SHOULD BE PRODUCED REPORTING THE ISSUES TO BE RESOLVED AND THE PRINCIPLES BY WHICH MINISTERS AGREED TO BE GUIDED IN RESOLVING THEM.

12. THE COMMISSION (GUNDELACH) AGREED WITH THE COUNCIL THAT SPEED WAS IMPORTANT. HE WAS READY TO HELP REACH A COMPROMISE BUT STRESSED THAT IT MUST "RESPECT BUDGETARY CONSTRAINTS" AS TO THE AMOUNT OF DETAIL, THERE SHOULD BE VERY LITTLE. THE EUROPEAN COUNCIL WAS NOT EQUIPPED, NOR WOULD IT HAVE THE TIME, TO CRAWL OVER CAP TECHNICALITIES. THE PAPER WOULD EMPHASISE AREAS OF AGREEMENT NOT AREAS OF DISCORD. IT WOULD NOT BE A COMPROMISE, BUT A FIRST STEP TOWARDS ONE. ON KEY ISSUES, THE OPTIONS WOULD BE SPECIFIED AND THERE WOULD BE FIGURES ON BUDGETARY IMPLICATIONS. AGREEMENTS ALREADY REACHED WOULD BE NOTED.

13. MARCORA WONDERED IF ANYONE WOULD LIKE TO TALK ABOUT SPEEPMEAT. MEHAIGNERIE IMMEDIATELY STARTED TALKING ABOUT PRICE LEVELS AGAIN BUT NO ONE PICKED UP THAT BALL. THE CHAIR ADJOURNED THE COUNCIL UNTIL 3 PM WEDNESDAY 23 APRIL, ASKING DELEGATIONS TO HOLD THEMSELVES AVAILABLE FOR BILATERALS, SO THAT GUNDELACH'S PAPER COULD BE AS SOUNDLY BASED AS POSSIBLE.

FCO ADVANCE DESKBY TO:-

FCO - PS/SOFS, PS/LPS, PS/PUS, SPRECKLEY, FAULKNER
CAB - FRANKLIN, WALSH
NO 10 - ALEXANDER
DOT - VINALL
MAFF - PS/MIN, PS/PS, MRS PICKERING, MISS BROWN, MORDUE
TSY - ROBERTS
DAFS - CRAMMOND
DANI - YOUNG
WOAD I - J I DAVIES
WOAD (ABER) - I A RICHARDS