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MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

*No progress to be agreed until we settle the budget issue*

10 April 1980

PRIME MINISTER

*F<sub>4</sub> 12/4/80*

THE CAP AND THE EUROPEAN SUMMIT

It may be helpful to you and our colleagues if, before our meeting on Tuesday, I set out the current position on the agricultural price-fixing and on sheepmeat, as I see it.

My general conclusion from the last meeting of agricultural Ministers was that there was little prospect of settling the agricultural prices before the European Council, but since then the French and the Germans appear to be requesting that we make some move towards higher prices before the European Council takes place. I do not see any good reason for moving from the position on which we have agreed until we have made positive progress in solving our budget problems. If I make concessions at the April Council of Agricultural Ministers and the European Council is not as helpful as we hope, it will be very difficult indeed to recall them. I do not think I should go beyond making it clear to my colleagues unofficially that if the European Council is successful, I could probably accept something like the Commission's proposals. I do not, however, believe that this will satisfy any of the other Member States, all of whom are now committed to increases of the order of 4-5%. At the present time there is no sign of any agreement on the question of milk levies.

*No*

On sheepmeat, I might in the last resort be prepared to agree to Community-financed premiums on the basis of the Commission's proposals provided they were aligned to a common market-related level within two years. I would also agree, on certain conditions, to the introduction of limited intervention, preferably in the form of storage aids to public intervention agencies. It is possible that, after a certain amount of negotiation, we might get the French to agree to something on these lines. But again I am reluctant to go too far until we have made irreversible progress on the budget.

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I suggest that this minute is read in conjunction with my paper OD(E)(80)15. Flag B

I am sending copies of this minute to the members of OD(E) and to Sir Robert Armstrong.

*D.E. Jones*

PETER WALKER  
Approved by the Minister  
and signed in his absence

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