CONFIDENTIAL

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PRIME MINISTER

Cabinet: Community Affairs

The Foreign and Commonwealth Secretary might be invited to report on the outcome of the 24th July Foreign Affairs Council, the first to take place under the newly installed Irish Presidency. The Council disposed of a long agenda ahead of the summer break in Brussels, in the course of which Mr. Jenkins accepted that the Commission's reference paper on the Budget should be ready in time for the 17th September Finance Council; but nothing arose which is likely to call for substantive discussion by the Cabinet.

Agriculture Council, at which the resumed debate on a sheepmeat regime made little progress in the face of divergent national positions, including insistence by the United Kingdom that any compensation for disadvantaged producers should be limited to France and Ireland, should be degressive, and should be paid from national funds.

John Hunt)

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25th July, 1979