

CONFIDENTIAL

Ref. A01209

PRIME MINISTER

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Cabinet: Community Affairs

The Lord Privy Seal might be invited to report briefly on the final stages of his bilateral consultations on the follow-up to the Dublin European Council discussions on our budget problem. Since the Cabinet last met he will have been to Bonn, Dublin, Copenhagen and Paris. He will make a full report to OD on 25th January.

2. The Minister of Agriculture might be invited to report on the 21st-22nd January Agriculture Council. In the absence of any move from France to comply with the European Court ruling on sheepmeat, no progress was made towards agreement on an internal regime. Discussion of the Commission's economy package for the CAP revealed widespread opposition to the proposed super-levy on surplus milk production and is unlikely to make further headway until the Commission produce their 1980-81 price-fixing proposals.

3. OD(E) will have met immediately before Cabinet to consider how the energy, sheepmeat and fisheries issues should be handled in relation to our budget objective, and the approach we should adopt towards forthcoming discussions with the European Parliament on a new 1980 Community budget. The Foreign and Commonwealth Secretary might be invited to report to Cabinet on the latter; on the former he will report to OD on 25th January.

REA

ROBERT ARMSTRONG

23rd January, 1980