

Euro PD

Reference

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Plumb

CONFIDENTIAL

NOTE OF A MEETING BETWEEN THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD AND SIR HENRY PLUMB MEP, CHAIRMAN OF THE AGRICULTURE COMMITTEE OF THE EUROPEAN PARLIAMENT: 20 MARCH 1980

1. I was present when Sir Henry Plumb called on the Minister in his room at the House of Commons yesterday. The Minister had asked him to come to be briefed for his forthcoming meeting with the French Prime Minister.
2. The Minister said that he was concerned at a report that he had received from the British Ambassador to Italy about Mr Mehaignerie's view of Sir Henry Plumb. Mr Mehaignerie had said to the British Ambassador at the Verona Fair that he found it impossible to negotiate with the Minister and that he thought he could easily settle the lamb dispute with Sir Henry Plumb. The Minister said that he had heard too that the French Prime Minister had asked to see Sir Henry. There could be but one reason for this invitation - to line up Sir Henry on the French side.
3. The Minister explained that France had all other eight Member States against her over her refusal to accept the compromise tabled at the last Agriculture Ministers Council. That would have allowed Community financed premiums and French financed intervention, but France had refused it. Her only friend was the journalist Cherrington of the Financial Times on whom French hospitality had been lavished. It would be disastrous if the French Prime Minister were to succeed in putting Sir Henry in a position where he could be quoted as having said that the United Kingdom was in the wrong.
4. Sir Henry said that the implication that he had talked to Mr Mehaignerie was absolutely false. He had met the junior French Foreign Minister (M. Reymond) in Strasbourg and had been asked for his views, as a British farmer, on the CAP, sheepmeat and milk. Sir Henry had said that there was a wide difference of view on sheepmeat and had promised him a report from the Scottish rapporteur of the European Parliament which concluded that there was no room for intervention in a sheepmeat régime, though it conceded a place for private storage as well as premiums. Sir Henry said that he had warned the French Minister that the French insistence on intervention would attract British lamb to the French market in masses. He had also said that British farmers could not tolerate the French behaviour.
5. Sir Henry said that he had subsequently asked the Scottish rapporteur, Mr Provan, to withdraw the report, despite Mr Scott-Hopkins' displeasure, because he feared that it would get lost in the European Parliament and attract only counter-productive publicity.

6. The Minister said that the implication that Mr Mehaignerie and Mr Plumb had met was obviously wrong. Nevertheless he repeated that it would be disastrous if the French were able to nail Sir Henry to a statement that the British position was wrong. Clearly the British Prime Minister might wish to extract an advantage from France by some concession on sheepmeat, but her position would be undermined if the French Prime Minister was able to say that Sir Henry had admitted to him that the British were in the wrong. It was clear that Sir Henry's conversation with the junior French Foreign Minister had been reported to the French Government and to Mr Mehaignerie, and that there was one object only in the invitation to Sir Henry to see the French Prime Minister.
7. Turning to the allegation that Mr Mehaignerie had made of Mr Walker's refusal to negotiate, the Minister pointed out that it was Mr Mehaignerie who had consistently refused to negotiate and he recalled the bizarre series of moves which led to the meeting of the two Ministers in the British Embassy in Paris at which Mr Mehaignerie had dumbly insisted on intervention.
8. The Minister advised Sir Henry to say to the French Prime Minister that he saw no need for intervention in the sheepmeat sector: that a reasonable deal could be done and that a compromise had been available at the last Council. It was important to keep the position eight to one against France. On present form, the interim Court measures would be taken against France on the day before the Summit meeting.
9. Sir Henry Plumb again insisted that he had not spoken to Mr Mehaignerie. He said that the meeting with the French Prime Minister would be attended by others. Mr Mehaignerie's view that he could do a deal with Sir Henry probably stemmed from conversations that had taken place between French and British members of the European Parliament. The Minister suggested that it would be helpful if Sir Henry could say before the Summit, perhaps in his constituency or in his meeting with the French Prime Minister, that it was tragic that France would not act reasonably. He warned that the French Government might make play of the fact that Sir Henry had withdrawn the rapporteur's report on sheepmeat.
10. Turning to prospects for the price settlement, Sir Henry said that he expected the European Parliament to go for a 5% increase in common prices. He confirmed that one of the Conservative MEPs, Mr Paul Howell, had voted in favour of the 7.9% price increase demanded by COPA. Sir Henry did not dissent from the Minister's description of Mr Gundelach as one of the most dishonest and unreliable persons that he had met.
11. Sir Henry asked how British farmers were to be helped if common prices were frozen. The Minister replied that the freeze would be maintained only if no deal were struck over the budget. He thought that returns from the lamb market would be better this year, that producers' returns from milk would be better and that farmers would save on fodder because

the winter had been good. There were thus several factors operating to the advantage of farmers as well as ones adverse to them. However, the position was very uncertain at the moment. If all went well, he would not need to ask for assistance for farmers from his Cabinet colleagues. If it did not he would. However, the position might be changed if Britain were offered, say, £600 million across the exchanges. In that case a 4% or 5% common price increase might be possible.

Finally, the Minister told Sir Henry that he would be announcing an increase in the fat sheep guarantee of 155p per kilo. Sir Henry reported that many people had said to him that the Minister had done extraordinarily well for the hill farmers to increase the hill livestock compensatory allowances at a time when public expenditure was being cut back.

G R Waters

G R WATERS
21 March 1980
Principal Private
Secretary

Mrs Brock + 1

cc Miss Rabagliati
Mr Steel
Mr Sadowski
PS SOSFA
Mr Alexander - No 10
PS/SS Scotland
PS/SS Wales
PS/SS Northern Ireland
Mr J H V Davies
Mr Andrews
Mr Wilson
PS Cabinet Secretary