

GPS 320

CONFIDENTIAL

FRAME AGRICULTURE

DESKBY 090800Z

FM UKREP BRUSSELS 081644Z MAY 85

TO IMMEDIATE FCO

TELEGRAM NUMBER 1689 OF 08 MAY 1985 -

INFO COPENHAGEN, THE HAGUE, ROME, DUBLIN, PARIS, BONN, LUXEMBOURG,
ATHENS, LISBON, MADRID, INFO SAVING BRUSSELS , WASHINGTON.

CAP PRICE FIXING: RUN-UP TO AGRICULTURE COUNCIL STARTING ON
13 MAY

SUMMARY

1. RELIABLE SOURCES IN THE BERLAYMONT REPORT THAT TODAY'S COMMISSION MEETING RESULTED IN ANDRIESEN BEING GIVEN A MANDATE TO PREPARE, FOR DISCUSSION AT THE AGRICULTURE COUNCIL STARTING ON 13 MAY, A COMMISSION COMPROMISE PRICES PROPOSAL. IT SHOULD BE FINANCIALLY NEUTRAL AND CONTAIN SUBSTANTIAL PRICE CUTS FOR CEREALS. ANDRIESEN IS WORKING ON THE BASIS THAT A VOTE, POSSIBLY ON INDIVIDUAL PRODUCTS, MAY BE NECESSARY.

DETAIL

2. WE UNDERSTAND THAT AT TODAY'S COMMISSION MEETING (CHAIRD BY NATALI IN DELORS' ABSENCE) ANDRIESEN SAID THAT THE CONDITIONS HAD NOT YET BEEN REACHED FOR A COMMISSION COMPROMISE PROPOSAL BUT THAT SUCH A PROPOSAL SHOULD NONETHELESS BE MADE AND SHOULD PROVIDE FOR THE POSSIBILITY OF VOTING ON INDIVIDUAL PRODUCTS. THE COMMISSION WAS NOT COMMITTED TO THE TERMS OF THE PRESIDENCY COMPROMISE OF 4 MAY (LUXEMBOURG TELNO 107) AND, IN PARTICULAR, SHOULD PROPOSE A CEREALS PRICE CUT LARGER THAN 1.8 PERCENT. THE COMPROMISE SHOULD TAKE ACCOUNT OF RELATIONS WITH THIRD COUNTRIES (AS REQUESTED BY DE CLERCQ) AND SHOULD FINANCIALLY NEUTRAL (AS REQUESTED BY CHRISTOPHERSON). THE PACKAGE SHOULD GIVE THE UK ''SOMETHING BUT NOT EVERYTHING'' ON THE BEEF VARIABLE PREMIUM SCHEME AND SHOULD NOT MOVE SUBSTANTIALLY FROM THE COMMISSION'S ORIGINAL PROPOSALS ON SHEEPMEAT, WHICH HE REGARDED AS A NON-COMMUNAUTAIRE REGIME.

3. WE UNDERSTAND THAT LORD COCKFIELD SUPPORTED BRITISH DEMANDS AND THAT MR CLINTON DAVIS ARGUED FOR STAYING CLOSE TO THE OVERALL SHAPE OF THE ORIGINAL PROPOSALS AND NOT ACCEPTING THE PRESIDENCY COMPROMISE.

4. IT WAS CONCLUDED THAT ANDRIESEN SHOULD PREPARE COMPROMISE PROPOSALS FOR TABLING ON 13 MAY, THAT ANY ADDED COSTS MUST BE COVERED IN THE PROPOSALS AND THAT THEY MUST INCLUDE A ''SUBSTANTIAL REDUCTION'' IN CEREAL PRICES.

CAP

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FCO ADVANCE TO:-

FCO - CLEMENTS

CAB - HARDING

MAFF - ATTRIDGE, HUNTER, LOWSON, PICKERING, D ROBERTS, PERRINS
WAY

TSY - BUTT

FCO PASS SAVING WASHINGTON

~~ADVANCED AS REQUESTED~~

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