



CONFIDENTIAL

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Prime Minister

CDP 16/5

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Qz.04457

MR POWELL

EUROPEAN COMMUNITY: AGRICULTURE

I understand from our delegation at the Agriculture Council that they expect the Council to conclude soon with the following result:-

(i) when the Council resumed for its formal session this afternoon the Chairman made quite clear that the position of Herr Kiechle in the preceding informal meeting amounted to the invocation by him of the Luxembourg compromise. It seems to me, therefore, that, although the Germans may wriggle in their later presentation of the results of this Council, there is no real doubt elsewhere in the Community that the Luxembourg compromise has been used;

(ii) the Council then worked through the numerous points in the latest Presidency compromise and is expected to agree unanimously on all of them except cereals (and rapeseed);

(iii) agreement will not be reached on cereals (and rapeseed) and no vote will be taken because of Herr Kiechle's position. Consequently the current proposals on cereals (and rapeseed) will remain on the table and these matters will have to be resolved later.

The fact that all other issues will have been agreed by the Council and cereals (and rapeseed) left over without a vote is a further confirmation that in fact the Luxembourg compromise is being used. Otherwise it is evident that the package would have been completed by a vote on cereals (and rapeseed).

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I am sending copies to Colin Budd (FCO), Rachel Lomax (Treasury) and to Sir Robert Armstrong.

*D F Williamson*

D F WILLIAMSON

16 May 1985

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