



Ref. A086/667

PRIME MINISTER

Cabinet: Community Affairs

The Minister of Agriculture, Fisheries and Food will report on the Agriculture Council which took place on 24-25 February. For part of the second day Mr Jopling took the chair (the Dutch Chairman was attending the funeral of the Dutch Interior Minister). This was the first Agriculture Council after the presentation of the Commission's price proposals for 1986-87. Traditionally Agriculture Ministers make statements for home consumption. Although the Chairman concluded that differences of view were wide, these do not appear to be worse than normal and there seems some chance that the price freeze will stick. The German Minister seemed ready to support a price freeze overall. The Mediterranean countries argued that the proposals are biased against them. Member states expressed concern about the social consequences for small producers of too tough an approach on prices and looked to proposals on structural policy which have been promised by the Commission. Mr Jopling argued against unfair differentiation against large and efficient producers in some elements of the Commission's proposals on cereals, beef and sheep. Denmark and the Netherlands supported him. The French Minister generally took the view that the Commission's proposals were not an acceptable basis for discussion, this approach being primarily intended to protect their own political position until after their election in March. The process of bringing nearer together the wide range of views is likely to be long and difficult. But progress was made in developing a common position on the proposed milk outgoers scheme which aims to purchase and then cancel 3 per cent of the present Community quota. This measure is necessary and must be applied fully and fairly across the Community if



milk production is to be brought further under control; and it is likely to be part of the eventual price package.

2. The Agriculture Council also reached agreement on arrangements on starch and sugar for the chemical industry; on a range of technical changes in the agricultural regimes triggered by the entry of Spain, which was voted down on trading arrangements for fruit and vegetables, and Portugal into the Community; and on a package of structural measures which include provision for an agricultural development programme for the Scottish Isles (to which the Secretary of State for Scotland attached much importance) to be carried out over the next five years.

3. The Secretary of State for Employment may refer to the judgment of the European Court of Justice that relates to the compulsory retirement age for women (case of Miss Marshall, former employee of the Southampton and South West Hampshire Area Health Authority). The Court held that dismissing a woman on the ground that she had passed the State retirement age in the circumstances where a man would not be dismissed was discriminatory. The case is solely concerned with discrimination with regard to dismissal. It is not concerned with conditions for the payment of retirement pension and it would be undesirable for any speculation on this point to develop. There may be implications for our sex discrimination legislation, which are being studied urgently. It is too early to say whether amending legislation will be required.

4. The Chancellor of the Exchequer may inform the Cabinet that on the Community budget the date for the hearing of the United Kingdom application against the European Parliament in the European Court of Justice is 10 March.

CONFIDENTIAL



5. There will be a meeting of the Industry Council on 3 March and of the Environment Council (we have succeeded in putting off discussion of acid rain and large combustion plants) on 6 March.

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ROBERT ARMSTRONG

26 February 1986