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MR POWELL (10 Downing Street)

Pine Minister
For once the

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European Assembly has
shown some common sense.
I wish I believed that
it would last.

EUROPEAN COMMUNITY : RESOLUTION OF THE EUROPEAN PARLIAMENT ON AGRICULTURAL PRICES

CDP 21/4

Over a period of years the European Parliament has passed a number of resolutions in favour of agricultural prices higher than those recommended by the Commission or acceptable to the United Kingdom government. It is worth noting that this year, against the opposition of most French and Irish members, the resolution broadly supports a price freeze; endorses the view that agricultural spending must grow less rapidly than own resources (the agricultural guideline); suggests that more agricultural expenditure should be from the guidance section (structural measures) rather than from the guarantee section, thus supporting a bigger element of national financing; recommends limits on the volume of cereals going into intervention, together with a limit on export refunds; and suggests a further cut in milk quotas. Other elements of the resolution - for example, special measures for small farmers - are not satisfactory for United Kingdom interests. Nonetheless, the change in the general approach is quite marked. The European Democratic Group, which provided the rapporteur (Mr James Provan), campaigned hard on this issue.

I am sending copies to Colin Budd (FCO), Ivor Llewelyn (MAFF) and Sir Robert Armstrong.

DF Williamson

D F WILLIAMSON

21 April 1986

