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*Original on
Fisheries Policy*

PRIME MINISTER

Community Affairs

The Minister of Agriculture might report on the outcome of the 21st July Fisheries Council, which did little more than conduct a first reading of the Commission's proposals for 1980 quotas, access and technical conservation measures. The United Kingdom was not isolated. Discussion will resume in September.

2. The Minister of Agriculture might report on the outcome of the 22nd July Agriculture Council. Agreement was reached on a deal for New Zealand butter imports in 1980, under which a reduction in quantity was traded for an increase in price. The post-1980 arrangements were not discussed. On sheepmeat, the French held out against a settlement, arguing for a 15 per cent tariff. The United Kingdom was alone in pressing for a tariff of 8 per cent. The aim now is to conclude the negotiations with New Zealand and other suppliers in September, so that both the internal and external regimes can enter into force on 1st October.

3. The Foreign and Commonwealth Secretary might be invited to report on the 21st-22nd July Foreign Affairs Council. On the main items in a long agenda, the Council reached agreement on the principle of pre-accession aid for Portugal, but without figures for the present; agreed on a formula for the automatic extension of the amended Financial Mechanism to 1982 if still required; accepted that work on the Article 235 Regulation should proceed with a view to a decision in principle in September; and agreed that a mandate for negotiations with Zimbabwe should be adopted by the September Council.

ROBERT ARMSTRONG

(Robert Armstrong)

23rd July, 1980

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