

Ref. A08315

PRIME MINISTER

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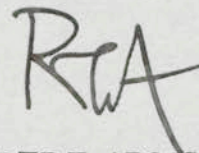
Cabinet: Community Affairs

The Minister of Agriculture might report on the outcome of the 28-30 April Agriculture Council. Seven member states reached agreement on a price package and arrangements for the reform of the wine regime; apart from a number of detailed reservations the United Kingdom placed a general reserve on the whole package until the budget problem was solved, Greece maintained a general reserve and Italy reserved on wine. The package provides for an average increase in common prices of 10.3 per cent and is estimated by the Commission to be twice as costly as their original proposals. It does not include any provision for the revaluation of the green pound, nor any specific measures for tackling the milk surplus. The Council agreed to meet again on 10-11 May.

2. Since you plan to discuss the mandate with the Ministers directly concerned at your ad hoc meeting later on 6 May you may prefer not to go too far into the implications of the Common Agricultural Policy price package in Cabinet.

3. The Secretary of State for Industry might report on the 4 May Industry Council, whose most useful result from the United Kingdom's viewpoint was agreement in principle to the extension for twelve months of the Article 58 regime for mandatory production quotas on steel. It also agreed in principle the Commission's proposals on steel prices. It is hoped that firm decisions will be taken on these issues, and the proposals on the social measures, at the Council's next meeting on 26 May. The Council also had a first discussion of a Committee paper on industrial strategy.

4. There will be an informal meeting of Foreign Ministers on 8-9 May and of Agricultural Ministers on 11 May (following the 10 May Agriculture Council).



ROBERT ARMSTRONG

5 May 1982