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From the Minister
CONFIDENTIAL

PRIME MINISTER

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD WHITEHALL PLACE, LONDON S.W.1

I think it would be a bit coude to do this at once - I support you want a week or so and give The.

Luthers a clame to send his thank-you latter first!

Agree to write in line course?

A J. C. 3/3.

As - bester to speck to him come

At today's Cabinet meeting you stated that the Dutch Prime Minister had informed you that with their inflation rate at only 2% the Commission's price proposals were far too high.

As I commented, the Dutch Agriculture Minister has stated categorically in public in Holland, and at the Council of Ministers meeting, that the Commission's proposals are a reasonable starting point but that there are a number of spheres in which they are inadequate.

We have also had a bi-lateral with the Dutch Minister in which we went through all the commodities. There was none for which they were in favour of a lowering of the price increase proposed by the Commission.

Perhaps therefore you will consider writing to the Dutch Prime Minister describing to him what I have reported to you and asking him whether we in fact are going to have any support in advocating reductions in the increases proposed by the Commission in for example the cereal, sugar, wine and milk prices.

/ I am sending copies of this minute to the Chancellor of the Exchequer, the Foreign Secretary, and Sir Robert Armstrong.

PETER WALKER

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TIT Euro, Pol CONFIDENTIAL 10 DOWNING STREET From the Private Secretary 4 March, 1983. CAP Price Fixing The Prime Minister has seen your Minister's letter of 3 March suggesting that she consider writing to the Dutch Prime Minister about the discrepancy between Mr. Lubbers'

desire that the Commission's price proposals should be revised downwards, and the public statements of the Dutch Agriculture Minister to the effect that in a number of areas the prices proposed by the Commission are inadequate.

The Prime Minister's preference is to speak to Mr. Lubbers about this matter at the European Council later this month. I should be grateful if the briefs prepared for the Council could take this into account.

I am sending copies of this letter to John Kerr (HM Treasury), Roger Bone (Foreign and Commonwealth Office), and Richard Hatfield (Cabinet Office).

A. L. COLES

Robert Lowson, Esq., Ministry of Agriculture, Fisheries and Food.

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