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Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

From the Minister's  
Private Office

Charles Powell Esq  
10 Downing Street  
London SW1

30 April 1985

Dear Charles

1985 CAP PRICE FIXING: GERMAN ATTITUDE

I understand that you may not yet have received the brief for a possible meeting between Herr Kohl and the Prime Ministers referred to in my Minister's minute today. You may ... find it helpful to have the enclosed copy.

*attached*

Yours ever  
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C I LLEWELYN  
Private Secretary

NOTE FOR MEETING WITH MR KOHL

1985 CAP PRICE FIXING

Line to Take

1. Very much hope that German attitude at this year's price fixing particularly on cereals will be moderated so as to allow scope for a compromise to be found.
2. All member states have to compromise at the price fixing so that an overall solution can be found. Not acceptable for any member state simply to refuse to do so.
3. The cost of the CAP is of great concern both to Germany and to the UK. The cost will never be contained if member states shy away from difficult decisions to reduce prices in line with market realities.

Background

4. The German Minister, Kiechle, has adopted an extreme stance in this year's price fixing discussions. In particular he has refused to accept any reduction in the common cereals price even though a 5% reduction from what would otherwise have been agreed is required under the terms of the agreed guarantee threshold. Given the Community's large surplus of cereals it is essential to reduce support prices so as to contain costs and give a clear signal to producers.
5. Kiechle has apparently so far been acting with the full support of the German cabinet. On occasion he has hinted that he might be prepared to invoke the Luxembourg compromise to prevent a reduction in cereals prices, though whether he would actually do so and/or be backed up by his Government if he did remains to be seen.
6. The Agriculture Council meets on 2 May and the President has stated that the meeting will continue until a price settlement is found.