

Ministry of Agriculture, Fisheries and Food Whitehall Place, London SW1A 2HH e 90

From the Minister

POLICY IN CONFIDENCE

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PRIME MINISTER

HOUSTON ECONOMIC SUMMIT: GATT URUGUAY ROUND

I have seen Nick Ridley's minute to you of 4 July concerning the handling of the agricultural aspects of the Uruguay round at Houston.

I am sure Nick is right that we should ensure that the Community respond to the de Zeeuw paper in a constructive fashion. Much of the progress which has already been made in securing a more reasonable Community negotiating position in recent months has been thanks to the United Kingdom's influence. We have achieved this largely by situating ourselves within the Community context, arguing our case as a committed member of the Community. This has helped to dispel suspicions among Member States that we were a stalking horse for the United States and it has given us a key role in forcing them to address the issues.

It will be important to build upon this at Houston if we are to retain our influence on the Community in the remaining stages of the negotiations. The psychology of this is crucial. If we are

/seen by other ...

mediator on agriculture at Houston, this could prejudice rather than help achieve the eventual successful outcome.

All this is very important since real difficulties remain not only on export refunds but also on de Zeeuw's espousal of the US/Cairns proposal on tariffication as well as the need to reach agreement on figures.

I am copying this minute to members of OD(E).

JSG

Ahdredt

(approved by the Minister and signed in his absence)

Ministry of Agriculture, Fisheries and Food 6 July 1990