



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

From the Minister's Private Office

R B Bone Esq  
Foreign and Commonwealth Office  
London SW1

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N.B.P.R.

A.S.C. 4/1.

Dear Roger

Mr Jopling had lunch with M. Rocard after the Agriculture Council yesterday. Rocard had with him Souchon, his Secrétaire d'état (who acted as French spokesman in the Council), Lachaux, the directeur in charge of agricultural commodities in the Ministry of Agriculture and Chevauchez, conseiller technique for European matters in his cabinet. My Minister was accompanied by Mr MacGregor, Sir Michael Franklin and myself. This was a relaxed and friendly occasion, and the atmosphere throughout was excellent.

Rocard said that Mitterrand was determined to reach a settlement in March. He described Mitterrand as a man who was best in adversity, and one who was accustomed to retrieving near hopeless situations. He was a fighter and self-confident; he relied little on his subordinates and expected to have to step in and retrieve their mistakes. He would not, therefore, be too concerned if matters were inadequately prepared in March, and would be confident that he could negotiate a satisfactory settlement on his own. Rocard went on to say that although he shared Mitterrand's desire to reach agreement in March, his own methods were rather different; he recognised the need for proper preparation, which was why he was proposing such an intensive programme for meetings of the Agriculture Council. He felt that an agriculture agreement was possible, particularly now that a solution to the MCA issue was in sight; Ministers would, however, have to approach the issues logically and isolate the key difficulties.

Commenting on Dumas, Rocard said that he had known him for a long time, although he would not claim to know him particularly well. Dumas was a lawyer, and his background would lead him to concentrate on specific issues rather than on general principles. He knew little of European affairs. It seemed likely that Cheysson would chair the Foreign Affairs Council, with Dumas as the French spokesman. He disclosed that Cheysson, Dumas and he had had a working breakfast, lasting two hours, last Saturday to discuss the overall handling of the negotiations.

/Turning to procedure, ...

Turning to procedure, Rocard said that he had originally thought that the Special Council would work well and would safeguard France's interests, since those chiefly involved in the French side, in particular Cheysson, were well versed in Community matters and in agriculture. In the event, he had been disillusioned, and this is why he had proposed that Agriculture Ministers should play the predominant role in negotiations on reform of the CAP.

Rocard claimed that our ideas for a financial guideline on agricultural expenditure were unrealistically strict; he said that France accepted that the upward trend in expenditure on agriculture had to be flattened out, but they did not believe that it was possible to go beyond this and reduce agricultural expenditure in real terms (which would be to the effect of our proposal). He went on to argue that a number of member states shared the French view that it would be a mistake to do anything that would damage the Community's agricultural infrastructure for the sake of short term savings; agriculture remained an industry with immense potential and the Community must retain the ability to exploit this, possibly in new directions (he mentioned increased exports to the third world and renewable energy resources). Despite the predominant role that Agriculture Ministers would play in discussions on the reform of the CAP, he appeared to accept that they would not be asked to discuss the financial guideline. In an earlier discussion with Sir Michael Franklin, Rocard had pointed out that the Delors proposal applied to all Community expenditure.

Rocard questioned, on traditional French lines but with <sup>out</sup> aggression, our calculation of the UK's net contribution. He did not challenge my Minister's response that whatever the theology of this issue, the political situation in Parliament made it unrealistic to expect us to agree to any increase in Own Resources without an acceptable solution to the budget problem. He went on to comment, however, that as the high level group seemed to work well for agriculture, a similar body, composed of senior officials from capitals intimately involved with the points under discussion, might prove effective on the budget (my impression was that he was floating an idea of his own here, and that he had not discussed it with his colleagues).

Turning to specifically agricultural issues, Rocard said that the Commission proposal for a milk super levy based on individual farm quotas would be impossible to administer in France; there would be a real danger of rural insurrection. There had been trouble on a number of occasions recently in Brittany over imports of pigmeat, but milk was economically far more significant than pigmeat and milk producers were more militant than those raising pigs. It was partly for reasons of public order, therefore, that they were pressing for national quotas; under their plan it would be for the individual member states to decide how the levy on production in excess of the national quota would be passed on to individual producers. In France, they would probably choose a general increase in the co-responsibility levy combined with some sort of super levy on top of this. Neither Rocard, nor his officials, could, however, clarify why a system of this sort would prove easier to administer than one on the lines proposed by the Commission and Lachaux confessed that the Council Legal Service

thought that a system which involved different rules in different parts of the Community would be open to challenge in the European Court.

On New Zealand butter, Rocard stressed that France would insist that this be linked to the external part of the sheepmeat negotiations. However, he made it plain that their principal objective here was an extension of the sensitive areas provisions for sheepmeat; provided that they obtained these, they would not be too difficult on butter. He added that France, the UK and New Zealand ought to be able to reach a satisfactory agreement on these points. Mr Muldoon's visit to Paris early in February would provide an opportunity to achieve this. He warned us, however, that a deal of this sort would not necessarily buy off the Irish, who had made a link of their own between New Zealand butter and the super levy.

My Minister had dinner the previous evening with Braks, the Netherland Minister of Agriculture. Again, the atmosphere was relaxed and the meeting confirmed that, so far as agriculture is concerned, we have few differences with the Dutch on Community matters. On milk, Braks asked why we were so opposed to the co-responsibility levy. He seemed to accept the points we made in reply, but said that he was in a somewhat difficult position as his Prime Minister had accepted the idea of an increase in the levy in Athens. He left us with the impression that he would be trying to alter this line. At the end of the meeting it was agreed that we should continue to keep in close touch during the course of the current negotiations.

I am copying this letter to John Coales (No. 10), John Kerr (H M Treasury), David Williamson (Cabinet Office), John Shepherd and Julian Anderson (UKREP), Rosemary Spencer (Paris) and Ian Blackley (Hague).

C I LLEWELYN  
Private Secretary

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