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375

European Council Meeting in

EUROPEAN POLICY

The Hague 26 - 27 June 1986

Part 1: Oct 1979

Part 25: January 1986

In folder attached: "The Unfinished European Integration" - Netherlands Scientific Council for Government Policy

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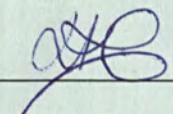
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TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(86) 26 th meeting, item 3	03/07/1986
CC(86) 24 th meeting, item 3	19/06/1986

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed  _____

Date 23/09/2004

PREM Records Team

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PRIME MINISTER'S

10 DOWNING STREET PERSONAL MESSAGE

SERIAL No. T138/86

THE PRIME MINISTER

21 July 1986

Dear Ruud,

Thank you for your letter of 26 June enclosing a copy of the Scientific Council for Government Policy's Report, "The Unfinished European Integration". Geoffrey Howe and I were most interested to see it. It is a well researched and well argued paper.

I thought the report combined a clear sense of direction about what the Community needs to achieve with a realistic appreciation of what is likely to prove politically possible over the next few years. The Single European Act, when it enters into force, should help us to make faster progress in completing the internal market. As the report recognises, reform of the Common Agricultural Policy is bound to be progressive but the need for it is inescapable. I know that our two countries will continue to work closely together to achieve both these objectives.

Yours ever

His Excellency Dr. Ruud F. M. Lubbers.

LRB



Foreign and Commonwealth Office

London SW1A 2AH

17 July 1986

Dear Charles,

Letter from Dutch Prime Minister

Your letter of 27 June asked for comments on Dr Lubbers' letter to the Prime Minister of 26 June enclosing a report entitled "The Unfinished European Integration".

The Scientific Council for Government Policy is the Dutch Prime Minister's official think tank. I enclose a detailed summary of the report, which is a thoughtful analysis of the practical problems involved in completing the internal market and reforming the CAP. The report is oriented towards the requirements of national policy making. Its approach is practical and its recommendations generally realistic. On tax approximation, for example, it argues that the proposals in the Commission's White Paper go much further than member states will be ready to accept, and that the Community will be compelled to move slowly and selectively (pp 82-84).

On the internal market its basic message is that progress must be speeded up if the Community is to compete with the US and Japan (pp 21-22).

On the CAP it argues that excessive reliance on the price fixing mechanism to achieve market stability and an acceptable level of income for farmers is the root cause of the problem of production surpluses. It argues that quota arrangements are politically difficult to negotiate and will not in any case resolve the central problems of the CAP in the long-term. It recommends a progressive shift towards a more market-oriented policy with a general reduction of prices towards world levels, backed by new instruments to help poorer agricultural areas and an effort to set aside agricultural areas and an effort to set aside agricultural land for other uses such as nature reserves, recreation areas and forestry (pp 123-146).

/The



The report is mostly in line with our own policy in the Community and is an illustration of the extent to which ideas we have been pursuing in the Community for years have come to be more widely accepted.

/ I enclose a draft reply to Dr Lubbers.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

"The Unfinished European Integration"

REPORT BY NETHERLANDS SCIENTIFIC COUNCIL FOR GOVERNMENT POLICY

The Scientific Council for Government Policy is an independent statutory body which advises the Netherlands Government on long-term policy issues, reporting directly to the Prime Minister. The "Unfinished European Integration" was submitted to Mr Lubbers in March 1986.

The report is a thoughtful analysis of the practical problems of economic integration in Europe. Although sometimes laden with academic jargon, the report is oriented towards the requirements of national policy making. It is more pragmatic and realistic than, for example, the Commission's White Paper on the internal market. Although in some respects it goes further than we would wish, for the most part it represents a common-sense assessment of what it is politically realistic to hope for over the next few years. The report's conclusions and recommendations are summarised on pp.8-14.

The basic message in the report is that the pace of economic integration needs to be stepped up if the Community is to compete with the US and Japan, and that a careful balance needs to be struck between the elimination of barriers to trade ("negative" integration) and the implementation of common policies ("positive" integration). Where these two get out of step the functioning of the common market is disrupted and tensions arise between the national policies pursued by individual member states and the Community policies which they have accepted (pps 21-23).

Internal Market

The report welcomes the Commission's 1985 White Paper (pp80-82) but argues that it devotes too little attention to how completing the internal market is likely to affect the geographical distribution of economic activities within the Community and the impact this will have on national policies (pp121-2). In some

respects, such as fiscal approximation, second or third-best solutions will have to suffice: member states may have to move at different speeds, and the Community may have to recognise that while harmonisation of some excise duties is important, eg mineral oils where tax differences create real obstacles to a common transport market, in other areas such as alcohol and tobacco the potential economic benefits are simply not worth the enormous political effort involved. The report does however support the Commission's proposals for a "standstill" on VAT rates (pp82-84). The report argues helpfully that the internal market for industrial products will not function properly until freedom of establishment and free movement of services have been achieved, and that a liberalising common transport policy is an essential part of this (pp89-95). The paper concludes that faster progress on the internal market requires abandonment of the unanimity principle in decision-making by the Council of Ministers (the Single European Act does not go far enough in this respect for the report's authors) and a comprehensive delegation of executive powers to the Commission (pp149-151).

Supporting Community Policies

The report argues that completing the internal market will require more effective Community action in associated policy areas, plus more effective coordination of national policies. It singles out:

- the common commercial policy (respect for the liberalising commitments undertaken in the GATT; need for self-restraint in anti-dumping policy to avoid a morass of import restrictions) (pps 95-98);
- competition policy including state aids (stricter application of Community rules, striking a sensible balance between Community and national powers) (pps 98-111);
- industry and technology (Council to confine itself to determining general objectives and allocating resources; programmes to be managerially self-reliant; Government support for

R&D to be assessed as critically as other forms of state aid; private sector innovation to remain largely a matter for member states) (pps 112-119).

Common Agriculture Policy

The report looks at three problems: surpluses, marginal areas and the environment. It argues that the CAP relies excessively on the price-fixing mechanism to achieve market stability and an acceptable level of income for the agricultural community (pp123-125). Production surpluses have to be contained; but quota arrangements are politically difficult to negotiate and will not in any case resolve the central problems of agricultural policy in the long term. The report recommends a progressive shift towards a more market-oriented policy, a general reduction of prices towards world levels, the development and funding of new instruments to help poorer agricultural areas, and the setting-aside of agricultural land for other uses such as nature reserves, recreation areas, forestry, etc. The report points out that the budgetary cost of encouraging such structural adjustments is small in comparison with the cost of disposing of surpluses (pps 132-146).

Institutional Problems

The report argues that completing the internal market and reforming the CAP will require a substantial enhancement of the Community's decision taking capability. The unanimity requirement needs to be reviewed from area to area of policy and, where appropriate, relaxed. In addition, policy powers will need to be delegated to the Commission on a much larger scale the European Parliament's supervisory powers over the Commission will need to be strengthened (pp147-152). The Commission must pay more attention to the impact of infractions on the unity and functioning of the common market. The report suggests that the Commission may need additional resources to cope with this and that consideration should be given to an accelerated procedure enabling it to appeal directly to the European Court against serious infractions without the delays inherent in the present

Article 169 procedure (pp152-157).

Implications for national policy

Interestingly, the report points out that the Dutch Government's record of compliance with its Community obligations is far from perfect, particularly in the state aids field (p160). Completion of the internal market will mean incursions on Dutch policy on trading standards, environmental protection, industrial safety, financial institutions, insurance companies and the liberal professions; and although member states have created substantial barriers to rapid progress on tax approximation by insisting on unanimity under Article 99, the paper argues that in the long run the retention of internal fiscal borders will come under great pressure as the last remaining barrier to the free movement of goods (pp160-161). The report comments that while some Ministries such as the Dutch MAFF are tightly locked into Community business, other Ministries which are less frequently in contact with the Community give much less priority to the EC aspects of their policies: they put much more effort into inter-departmental discussion and consultation of domestic interest groups than into tackling any EC aspects. They often go their own way until they are pulled up short by an ECJ ruling. The report argues that the decision-taking machinery in The Hague tends to result in inflexible positions which make it harder to play the Dutch negotiating hand in Brussels (pps 162-163).

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:
Prime Minister
DEPARTMENT:

TEL. NO:

Reference
LP6AAI

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

TO:

Copies to:

- Top Secret
- Secret
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- Unclassified

Dr R F M Lubbers

Prime Minister and Minister of
General Affairs of the Netherlands

SUBJECT:

LOS AFG

PRIVACY MARKING

..... In Confidence

CAVEAT

Thank you for your letter of 26 June enclosing a copy of the Scientific Council for Government Policy's Report, "The Unfinished European Integration". Geoffrey Howe and I were most interested to see it. It is a well researched and well argued paper.

I thought the report combined a clear sense of direction about what the Community needs to achieve with a realistic appreciation of what is likely to prove politically possible over the next few years. The Single European Act, when it enters into force, should help us to make faster progress in completing the internal market. As the report recognises, reform of the Common Agricultural Policy is bound to be progressive but the need for it is inescapable. I know that our two countries will continue to work closely together to achieve both these objectives.

Enclosures flag(s)

CA

EUROPOL

HAGUE

P 725

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BRITISH EMBASSY,
THE HAGUE.

Prime Minister
CDM

1 July 1986

C D Powell Esq
Private Secretary to
the Prime Minister
No. 10 Downing Street
LONDON SW1

Dear Charles,

It was good to see you at that hectic European Council at which there was really no time for any social enjoyment!

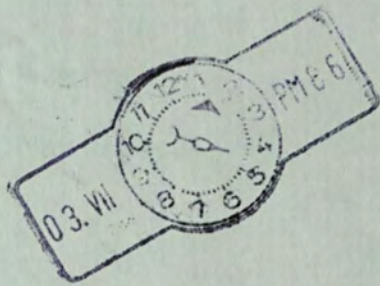
Miranda and I were delighted to receive the beautiful framed photograph of the Prime Minister, which now graces our drawing room. If there is an opportunity, would you please tell the Prime Minister how grateful we are for it.

Yours etc,

me

John Margetson

BRITISH EMBASSY
THE HAGUE



rsh, L.
 Claude of Stratford-upon-
 Avon, L.
 Merrivale, L.
 Mersey, V.
 Middleton, L.
 Milverton, L.
 Monson, L.
 Moran, L.
 Morris, L.
 Mountevans, L.
 Mowbray and Stourton, L.
 Munster, E.
 Murton of Lindisfarne, L.
 Newall, L.
 Norrie, L.
 Nugent of Guildford, L.
 Porritt, L.
 Portland, D.
 Reigate, L.
 Renton, L.
 Rochdale, V.
 Rugby, L.
 Saint Brides, L.
 St. Davids, V.

Sanderson of Bowden, L.
 Sandford, L.
 Sandys, L.
 Sempill, Ly.
 Shannon, E.
 Skelmersdale, L.
 Stodart of Leaston, L.
 Strathspey, L.
 Sudeley, L.
 Swansea, L.
 Swinton, E. [Teller.]
 Terrington, L.
 Teviot, L.
 Thorneycroft, L.
 Tranmire, L.
 Trumpington, B.
 Vaux of Harrowden, L.
 Vivian, L.
 Westbury, L.
 Whitelaw, V.
 Wolfson, L.
 Wynford, L.
 Young, B.
 Young of Graffham, L.

Resolved in the negative, and amendment disagreed to accordingly.

European Council Meeting, The Hague

4.3 p.m.

The Lord President of the Council (Viscount Whitelaw): My Lords, with the leave of the House I shall now repeat a Statement on the European Council in The Hague which is being made in another place by my right honourable friend the Prime Minister. The Statement reads as follows:

"With permission, Mr. Speaker, I should like to make a statement about the European Council of 26th-27th June, which I attended together with my right honourable and learned friend the Foreign and Commonwealth Secretary.

"The conclusions of the Council have been placed in the Library of the House.

"This Council concentrated on five main issues: the situation in South Africa; the creation of jobs within the Community; the completion of the Common Market; the international aspects of agriculture; and concerted action in the light of the nuclear accident at Chernobyl.

"On South Africa, the European Council expressed its grave concern at the imposition of censorship and the reimposition of the state of emergency by the South African Government and more generally at the deteriorating situation in the country at large. It reaffirmed that the goal of the Twelve is the total abolition of apartheid. It also agreed on a concerted programme of financial and material assistance from the Community and member governments to the victims of apartheid, in particular those affected by the disturbances in Crossroads, and to political prisoners, including those arrested under the recent state of emergency.

"In our own case we shall be making available a further £15 million over five years mainly for education and training of non-white South Africans and additional help for transport projects in neighbouring states. This is in addition to the £22 million which we are already giving.

"The Council called for the opening without delay of negotiations between the South African Government and leaders of the black people in South Africa. To make such a dialogue possible, it called on the South African Government unconditionally to release Nelson Mandela and other political prisoners and to lift the ban on the African National Congress and other political Parties.

"The Council also agreed that the Community should in the next three months enter into consultations with other industrialised countries on further measures which might be needed, covering a ban on new investment, and the import of coal, iron, steel and gold coins from South Africa.

"Finally, the Council asked my right honourable and learned friend the Foreign and Commonwealth Secretary, in his capacity as President of the Foreign Ministers of the Twelve from today, to visit southern Africa in a further effort to establish conditions in which the necessary negotiations can commence.

"On job creation, the European Council welcomed the programme put forward by the United Kingdom and some other member states for creating the conditions for employment growth. This calls for the job-creating capacity of small businesses to be maximised by reducing the burden of unnecessary regulations; for improved training; and for measures to help the long-term unemployed back into work.

"We want to see greater attention given to the matters within the Community and priority given to them in the operation of the social fund. This will be of particular value to the United Kingdom. Our proposals were clearly reflected in the Council's conclusions. We shall concentrate on implementing them during the United Kingdom's presidency.

"On the Common Market, the European Council urged more rapid decisions if the timetable of completing removal of the barriers to a genuine single market in the Community by 1992 is to be achieved. This will be another priority for the United Kingdom presidency because of the contribution which completion of the market can make to creating jobs. The Council selected some areas for early progress which are of particular interest to the United Kingdom, such as liberalisation of transport and of capital movements.

"On agriculture, the European Council recognised—as had the Economic Summit Seven in Tokyo—the need to look at agricultural subsidies and protectionism on a world-wide basis. It agreed: that the problem of agricultural trade must be dealt with in the forthcoming round of international trade negotiations; that agricultural production in the European Community should be better adjusted to the market situation, so that the share of public expenditure claimed by agriculture can be reduced; and that there should be bilateral discussions with other major agricultural suppliers to try to eliminate the problems of chronic surpluses and competitive subsidies.

[VISCOUNT WHITELAW.]

"The Council discussed the lessons to be learned from the nuclear accident at Chernobyl. It agreed on the need for better international collaboration on nuclear safety under the aegis of the International Atomic Energy Authority. It called for general contamination tolerance levels for the Community to be established quickly on a scientific basis. The Council recognised that nuclear power would continue to have a vital role in meeting energy needs in the Community in future.

"The Council also called for rapid progress: on the easing of restrictions on passenger traffic across Community frontiers; on mutual recognition of professional qualifications; and on the action programme against cancer.

"The Council welcomed the intention of the British presidency to hold a Conference of Interior Ministers in the autumn to discuss ways of improving the Community's defences against terrorism, drug trafficking and illegal immigration.

"Mr. Speaker, this European Council set useful priorities for the United Kingdom's presidency of the European Community over the next six months, particularly in the creation of jobs. It also adopted a positive and constructive approach to the bitterly difficult problem of South Africa. We are well aware of the magnitude of the task facing my right honourable and learned friend in the mission on which he embarks. But all who genuinely want a peaceful solution will wish him well".

My Lords, that concludes the Statement.

Lord Cledwyn of Penrhos: My Lords, we are grateful to the noble Viscount for repeating that detailed Statement. The meeting of the Council, as the Statement makes plain, was overshadowed by the crisis in South Africa, but as this subject is to be debated in full in the House next Friday I do not propose to go into any detail upon it today. I shall merely say that while we support the Council's general attitude we are deeply concerned and disappointed by the immediate reaction of Her Majesty's Government to the grave situation there.

I wish to ask one or two questions on fact. First, will the noble Viscount confirm that the Foreign Secretary is to visit Washington, or is a representative from the United States Administration to visit this country to discuss the Foreign Secretary's forthcoming visit to South Africa? Secondly, of course we wish Sir Geoffrey Howe well on his mission. Is he planning to see in South Africa Mr. Nelson Mandela and other leaders of the African National Congress? Will he see Chief Buthelezi? Will he specifically try to arrange a meeting involving the Government of South Africa and the African National Congress in the light of what is said in the statement from the Council?

Finally, do Her Majesty's Government support the Council's proposed sanctions? The Statement that the noble Viscount has just read refers to:

"further measures which might be needed, covering a ban on new investment, and the import of coal, iron, steel and gold coins from South Africa". Presumably those are measures to be taken in three months if Sir Geoffrey's mission is a failure. Can the noble Viscount make plain that the British Government subscribe to those measures?

On other matters in the Statement—and there are several—we hope that the British presidency will be a fruitful and successful one, and we welcome some of the decisions made by the Foreign Ministers at their meeting. Of course we regard employment as crucial. Can the noble Viscount say whether the Anglo-Irish-Italian paper on unemployment growth into the 1990s was discussed at the meeting, and whether specific measures were proposed?

We also welcome the new campaign against drugs abuse. Can the noble Viscount say whether any EC moneys will be provided to assist this campaign in terms of treatment facilities, and so on? We note the reference to the Chernobyl disaster. Can the noble Viscount say whether any specific action through the Atomic Energy Authority is to be taken—action which would involve the Soviet Union as well as Western countries? Finally, on the essential and important point of the common agricultural policy can the noble Viscount say whether France subscribed totally to the proposals in the Statement?

Baroness Seear: My Lords, we on these Benches also wish to thank the Leader of the House for repeating this important Statement about a full meeting in The Hague covering issues of the highest importance. Like the noble Lord, Lord Cledwyn, I think that as we are to have a debate on Africa on Friday it would be inappropriate to raise a large number of issues, but there are of course certain matters that we shall have to raise immediately as a result of this Statement.

We are glad that the Government went as far as they apparently did, according to the Statement that we have been given, in the total condemnation of apartheid. Can we take it that this means, as was suggested in the meeting that the Minister, Mrs. Lynda Chalker, had last week, that this includes support for one man, one vote, without which I suspect there is precious little chance that we shall be able to establish any confidence in the leadership of the Africans that we really mean business in getting rid of apartheid?

The Foreign Secretary is going to South Africa, and of course we hope that he will be successful. But we must regret that there is a three-months delay period. This is a time in which events in South Africa are moving extremely fast, and it is a time when the moderate, restrained leaders of the African community are under very heavy pressure indeed. Unless they can be convinced that the Western democracies are really behind them in their struggle for the abolition of apartheid, combined with a minimum degree of violence, there is a serious danger that their leadership will pass to people with whom it would be a great deal more difficult to negotiate.

When the Foreign Secretary goes to South Africa after this three-months delay will he really be in a position to negotiate from strength? In order to get the agreement that he wants, is he prepared if necessary to use sanctions of a sufficient degree of severity to mean business? Otherwise, if the South African Government believe that he is negotiating from a weak position, with little determination to take action if he is unable to get a satisfactory agreement, obviously the chance of success on that mission will be slight. Not only do I greatly wish that the Foreign Secretary will be successful, but I am also convinced that if there is anybody in

present Government who would wish to make a success of this mission, it is the present Foreign Secretary.

Turning from the question of South Africa to the other matters mentioned in the Statement, of course we are all in support of job creation schemes backed by the Community, but the proposals put forward have a depressingly familiar ring. They are precisely the proposals that we have heard repeatedly in your Lordships' House—the importance of small businesses, and removal of the burdens on business. There will not be economic recovery in Europe simply through small businesses.

It is regrettable that there was apparently no discussion of what is to be done to strengthen the basic industries, the established industries, particularly by seeing that they are able to make the best possible use of the high technology that is becoming increasingly available. Small businesses, without recovery of the major industries, are not going to get us far. One can give only a qualified welcome to the recommendations that have been put forward in relation to job creation. In our view they do not go anywhere near far enough.

We are of course glad that the Government have backed the idea of reducing subsidisation to agriculture in order that more of the available resources should be put into industrial development. But we have heard this rather often. We shall be more impressed when we are able to record that there has been a reduction of the proportion of money going to agriculture. So much has been said about this in the past and so little seems in fact to have been done.

We welcome the attack that may have been made on protectionism. This is probably the greatest danger facing the economies of the world at the present time. The EC has not in the past had the best possible reputation in the fight against protectionism, and it needs to set an example in that field. If it was really intended at The Hague to stand up against protectionist forces in the world as a whole, that would be very welcome indeed.

Viscount Whitelaw: My Lords, I am grateful to the noble Lord, Lord Cledwyn, and the noble Baroness, Lady Seear, for their reception of the Statement. I am grateful to them both as well for suggesting that we pursue many of the matters concerning South Africa more fruitfully in the full debate that we are to have on Friday. Perhaps for once I may say that maybe in the discussions through the usual channels, in which both the noble Lord and the noble Baroness took part, we have chosen rather a good time for our particular debate on that account, following the European Council.

The noble Lord, Lord Cledwyn, said he was disappointed at the reaction. I do not quite see why he should be; after all, it was made abundantly clear unanimously by all the nations in the Community that they totally abhorred apartheid and wished to see it ended at the earliest possible moment. It was made very clear that every effort should be made to that end. Of course there are differences about how that may best be achieved, and these can be argued, but of the need to achieve it there was no doubt at all.

The noble Lord, Lord Cledwyn, asked me about my right honourable and learned friend's visit. First, will

he visit Washington? Secondly, was he planning to see Mr. Nelson Mandela and Chief Buthelezi? At this stage the plans for my right honourable and learned friend's visit on both counts are still being discussed and I cannot give that information this afternoon. Perhaps by Friday I may be able to give the House a little more information. I shall certainly ask my right honourable and learned friend to give as much information as possible to both me and my noble friend Lady Young so that we can acquaint the House on Friday if there is more to be said. The arrangements are being made as urgently as possible.

As to the position of the British Government on sanctions, it was made very clear in the communiqué, to which all the Twelve subscribed, that exactly what happens will depend and must depend on the outcome of the mission. On employment the reference to "our plans" in the Statement refers to the Anglo-Irish paper. With regard to the question on France and agriculture, yes, France did subscribe to the agricultural part of the Statement. On Chernobyl I was asked whether the Soviet Union will take part in any action. I can perhaps stray from my brief for a moment to say that when I was in Russia I found Mr. Gorbachev extremely keen to take some part and I am sure that if he is approached by the Community, he will be most anxious to do so. He took a positive attitude towards that. If I have strayed from my brief, I hope that I may be forgiven my Lords.

The noble Baroness, Lady Seear, wanted to know more about the debate; she wanted to know whether the condemnation of apartheid went as far as the one man, one vote question. At this stage I must stick to the terms of the communiqué and make it clear that it was totally for the abolition of apartheid. The noble Baroness was extremely generous about my right honourable and learned friend the Foreign Secretary. I am extremely grateful to her and so will he be for the remarks she made. He undertakes an extremely difficult and touchy task and many there are who simply prophesy that it will fail, which is a very disappointing attitude. I am all the more grateful to the noble Baroness. She regretted that there was to be a three months' delay. This was decided no doubt on the basis that it was very important fully to explore the possibility of dialogue. After all, that is what is to be done.

On the question of job creation proposals, the noble Baroness was disappointed because they were very much the same plans as before. One can say with some reasons that the other countries of the Twelve have in many cases decided to fall in with the efforts that the British Government are making; and that is some credit to what the British Government are seeking to do in an extremely difficult world situation.

When it comes to the question of reductions in agricultural expenditure, the noble Baroness will know, if she visits some parts of the country, that there is already evidence of reduction in agricultural expenditure which has not proved comfortable to those who are suffering from it or who are probably having to endure it. I hope I have answered most of the points made by the noble Lord and by the noble Baroness.

Lord Kennet: My Lords, will the Leader of the House accept that if there is to be the achievement of a full Common Market by 1992, the European Council will have to urge greater priority for this aim? Can he comment on the apparent paradox of a gathering of the Heads of Governments of the Twelve urging the Twelve to meet their own aims? On whom were they urging the desirability of greater priority? Is the European Commission not the Civil Service of the Community? Is it not the government of the Community, when all is said and done? Would it not have been more appropriate for it to instruct its own governments to co-operate at all levels ever afterwards to achieve this priority?

Viscount Whitelaw: My Lords, I am grateful for the first comment of the noble Lord. On his second point, I think it is a clear declaration of intention. Perhaps when one wants those who work for one in a commission or civil service to do something the first thing one should do is give them a declaration of intent. That is what I think the leaders of the countries concerned have done.

Lord Molloy: My Lords, does the Leader of the House agree that the EC Statement seems to be at some variance with the views of members of the British Commonwealth of Nations? Does he not further agree that in so far as all of us wish sincere best wishes to the right honourable and learned gentleman the Foreign Secretary, is it not possible that when Pretoria learnt that Sir Geoffrey Howe was going it stated that there was not much point in his visit? In view of that is it not fairly absurd for the British Foreign Secretary to visit a country that does not even wish to talk to him? Ought we not to try to secure from South Africa an agreement that it will be prepared to speak to our Foreign Secretary?

Viscount Whitelaw: In reply to the noble Lord, first, we have the communique from the Community. As yet we have had no meeting of the Commonwealth and no communique from the Commonwealth. The only judgment which the noble Lord has, to which he is entitled, is based on various statements made by various members of the Commonwealth, perhaps in relation to Pretoria and other matters. If everything in the world were governed by immediate statements by people all over the world, and perhaps by ourselves, before anything happened, we should not get very far. It is good to try to see what one can achieve and in some cases it is better to seek it that way than to go down the road of instant statements of one sort or another. I know the noble Lord will appreciate that it is important to do everything we can to try to overcome some of the prejudices. No doubt statements will be made which may not be the whole truth when it comes to the moment.

Lord Monson: My Lords, will the noble Viscount agree that if certain political figures in South Africa refuse to meet his right honourable and learned friend the Foreign Secretary, there is a great deal to be said instead for trying to meet as many ordinary members of the public as possible, particularly members of those ethnic groups who currently have the vote and are therefore in a position to influence events, so as to

assess their hopes and fears—I stress the word “fears”—rather than trying to meet politicians whose views are already well documented?

Viscount Whitelaw: My Lords, if I were to respond to the noble Lord in too much detail I might fall into the very trap I was previously lecturing the noble Lord, Lord Molloy, about. It would be unwise for me to make any other comment except to say that I very much hope that when the plans are made for my right honourable and learned friend's visit, those whom it would be profitable for him to see will be prepared to see him and to discuss the problems in a very difficult situation. Many problems face all the people in that country.

Lord Hatch of Lusby: My Lords, the measures discussed by the EC about sanctions against South Africa can be represented as a feather duster. As the noble Viscount well knows, new investment in South Africa virtually does not exist. Is he telling the House that the Foreign Secretary is going to South Africa even without the feather duster in his baggage? Is he saying that the British Government are not committed to take any new measures if this mission fails?

Furthermore, the Foreign Secretary has said that he has major weapons in his armoury, and he described them as commonsense and moral justice. Have not commonsense and moral justice been present in relations with South Africa for 70 years? Have they ever worked? Certainly, they were present during the visit of the Commonwealth Eminent Persons Group. What reason have the Government to suppose that where the Eminent Persons Group found that there was no desire and no intention on behalf of Pretoria to move away from basic racial discrimination, another visit by the British Foreign Secretary can have any more positive results? Is it not just a means of procrastination and delaying the inevitable?

4.30 p.m.

Viscount Whitelaw: My Lords, first of all, I do not accept the noble Lord's description of the measures proposed as a feather duster. Secondly, I think I should make it clear that my right honourable and learned friend is going with the full authority of the whole Community as the Foreign Secretary of the country which has the presidency at this time. It is very important to say that. It is therefore their view that there is value in this visit; otherwise, they would not have unanimously backed it.

Therefore, I must say simply to the noble Lord that the difference between his attitude, the attitude of the Community and that of the Government is perfectly simple. He believes the mission will fail; he has made up his mind in advance that it will fail. I reject that as an extremely defeatist point of view and a very serious point of view, because if the opportunities for dialogue are not going to succeed I am not at all sure—and I do not believe that the noble Lord either is sure—what is likely to succeed in the very difficult situation that we face.

Lord Hatch of Lusby: My Lords, I was not quoting my words. I was not saying that I believe that the mission would not succeed. I was quoting the words of

the Eminent Persons Group. They said virtually that there is nothing more to be done because Pretoria has no intention whatever of changing the basic racial discrimination of the country. Those are their words, not mine. The noble Viscount has not answered the question as to whether the British Government are committed to further measures if this mission does not succeed.

Viscount Whitelaw: My Lords, first, I must make it perfectly clear that we wish to see what will be the outcome of the mission. That was made very clear in the communique and that remains the position of the British Government. As to what the noble Lord believes or does not believe, or as to what the Eminent Persons Group believe, my experience of politics over a long period of time is that when people quote somebody else they usually mean that they agree with that point of view. That is what I assumed the noble Lord did.

EC Transport Ministers' Meeting, Luxembourg

4.35 p.m.

The Parliamentary Under-Secretary of State, Department of Transport (The Earl of Caithness): My Lords, with the leave of the House, I shall repeat a Statement being made in another place by my right honourable friend the Secretary of State for Transport. The Statement is as follows:

"With permission, Mr. Speaker, I will make a Statement about the meeting of transport Ministers which took place in Luxembourg on 30th June and which discussed road haulage and aviation.

"In advance of the Council, I submitted to the Select Committees on European Legislation last week an explanatory memorandum about a Community standard for drive axle weights. I was most grateful to them for their speedy response and this Statement responds to the suggestion that, following the Council, I should report progress to the House.

"On road haulage, the Council agreed on a Community standard of 11.5 tonnes for the drive axle of 5- and 6-axled vehicles, to apply from 1992. As the House may recall, a 1984 directive set agreed standards for most of the weights and dimensions for road haulage vehicles operating between Community countries. The drive axle weight for these larger vehicles was left outstanding with a requirement that it should be agreed as a matter of urgency. This is the decision which has now been taken.

"As in the case of the earlier directive, which set some overall vehicle weights which exceeded our maximum of 38 tonnes, we successfully negotiated a derogation of unspecified length for the United Kingdom, to enable us to keep our current drive axle weight maximum of 10.5 tonnes. The directive states categorically that the duration of this derogation will be decided by unanimity, which means that our agreement is needed to what is decided. As my predecessor made clear, we remain committed to the undertaking that there should be

no increase in the maximum weight until Parliament agrees and our roads are suitable.

"To accompany the agreement on a drive axle weight standard, we successfully obtained Council agreement on the main lines of the way forward to fill international road haulage liberalisation within the Community. First, and most important, the Council agreed on a cumulative increase in the Community quota of 40 per cent. per annum between now and 1992. Community permits are valid throughout the Community giving road haulage vehicles valuable freedom to travel in any Community country. This will therefore provide new opportunities for our hauliers to compete freely on equal terms, and will progressively liberate them from the cumbersome bureaucracy of the present bilateral permit system.

"Secondly, it was agreed that, while bilateral quotas exist, they will be adjusted to meet traffic needs, including the full requirements of transit traffic. Thirdly, the Council confirmed that from the end of 1992 the bilateral permit system will disappear altogether. The detailed arrangements to implement these principles will now be worked out within the Community, and our aim will be to finalise the necessary Community instruments so far as possible by the end of our presidency.

"On aviation, the meeting confirmed that there remains a wide divergence of views. But the Council did agree on two important principles. First, there needs to be a package of measures to promote increased competition, covering market entry, air fares and the capacity that airlines can operate. Secondly, these measures are elements in the process of completing the internal market by 1992. As with road haulage, there will need to be a gradual movement to fully liberal arrangements, but the need to complete that process by the end of 1992 has been established.

"These are useful starting points. There remains a great deal to do, and we must not underestimate the difficulties that lie ahead. My aim, in the British presidency which starts today, will be to build on these basic principles and, if possible, to reach agreement on the content of a first stage in the process towards the 1992 target. But success in this will depend on whether member states collectively are willing to put aside the restrictive practices to which they are accustomed. I put this question to the Council but did not get a clear answer. I shall need to pursue it during the British presidency. If the answer is that, despite the principles agreed yesterday, member states are not willing to make the effort, then they will have to accept that the alternative is increasing court action and other steps to seek direct application of the Treaty of Rome, particularly its competition rules."

My Lords, that concludes the Statement.

Lord Underhill: My Lords, the House will be grateful to the noble Earl for repeating the Statement, which covers three very important points. On the question of road haulage, I am pleased to note that the Transport Minister negotiated successfully the continuation of United Kingdom derogation for our

[LORD UNDERHILL.]

lorry maximum of 38 tonnes and for the drive axle weight maximum of 10.5 tonnes. The Statement says:

"We remain committed to the undertaking that there should be no increase in the maximum weight until Parliament agrees and our roads are suitable".

The Opposition stands quite clear against 40-tonne lorries. Will the Minister confirm that that opposition also remains the view of Her Majesty's Government?

Although welcoming the second part of the document regarding road haulage, referring to the proposed cumulative increase in Community permits, there are a few questions that I should like to put. Will haulage vehicles coming into the United Kingdom continue to be confined to a maximum of 38 tonnes, as are our own lorries? What account was taken of any effect that the increase of Community permits may have on the British road haulage industry and job security?

Reference was also made in the document to opportunities for our hauliers to compete freely on equal terms. Was regard paid to the social conditions of haulage crews, bearing in mind that one of the complaints of your Lordships' own EC Committee in one of its reports was that social conditions are never taken into account by the Community in determining directives?

On the failure to agree on aviation fares and competition policies, I note that the Statement refers to implementation of "fully liberal arrangements" by 1992. What do the Government mean by "fully liberal arrangements"? Does the Minister recall the use by your Lordships' Select Committee of the term "controlled liberalisation"? How far do the Government really intend to go, bearing in mind the consequences and bankruptcies which have followed deregulation in the United States of America? How will full liberalisation, if achieved, affect clauses of the Airports Bill, which is still before Parliament, particularly with regard to the Secretary of State's powers to make directives on traffic distribution rules, limits on aircraft movements, allocation of aircraft capacity at certain airports and, also, the development of civil aviation throughout the United Kingdom?

Although everyone would like to have lower fares, will the Government in future negotiations keep in mind certain aspects which happen to be Labour Party policy? These are the sensible use of capacity, the maintenance of a network of services, the highest possible safety standards and the development of employment on terms and conditions which will enable investment for future development? Finally, how far does the Minister believe that fares could decrease? What effect would such a decrease have on British airlines and, in particular, on the possible British Airways flotation?

Lord Kennet: My Lords, on axle weights the noble Lord, Lord Underhill, has asked questions that we would ask. They can all be summed up in one: what is the maximum permitted weight of lorries from now on? Has it changed? Has the future prospect for that figure changed? Will the Government bear in mind that, in order to achieve a unified market, you do not need to have absolute uniformity of regulation throughout the area of the intended market? We do

not at the moment have absolute uniformity of maximum weights for vehicles throughout the United Kingdom, which is, we commonly suppose, a unified market; there are bridges and so on where there is a maximum weight. That being a fact of economic and social life, it is surely just as readily applicable to the larger unified market that we intend to create in the Community, so that we could forever, without infringing commonsense, stick out for lower weight limits for lorries which come to this country.

On air fares, are the Government aware that we at least shall strongly support them if they go even faster than they say in the last sentence of this Statement, about bringing suits before the European instruments of justice about getting on with it? Can the Government confirm that it is at least 20 years since the cheapest available return ticket to Brussels has been mile for mile, about eight times the price of the cheapest available return ticket to New York? This is no way to treat a serious project like establishing a European Community.

Is it not the case that governments which resist change and liberalisation are shown by that mere fact to be quite flippant about the future of the European Community? Can the Government hold out a hope—even a corner of a hope—that we, in the exercise of our presidency, will be a little more ruthless on this point than the Statement says we will be?

4.45 p.m.

The Earl of Caithness: My Lords, I am grateful for the welcome to the Statement that the noble Lord, Lord Underhill, gave. I will pass on his remarks about what good news it was that we still maintain our derogation to my right honourable friend the Secretary of State. I can confirm to the noble Lord, Lord Underhill, and to the noble Lord, Lord Kennet, that the maximum weight of 38 tonnes or 10.5 tonnes drive axle weight will be the limit for this country, unless Parliament decides otherwise and until our roads and bridges are in a satisfactory condition to bear other lorries, should Parliament decide that those are the lorries that would be suitable for this country.

I can assure the noble Lord, Lord Underhill, that we will continue our monitoring of lorries coming into the country, either at ports of entry or roadside checks in the normal fashion, as we have been doing up to now. That will continue to make sure that other countries are not bringing in heavier lorries than 38 tonnes or 10.5 tonnes drive axle weight. With regard to the social conditions, these are always borne in mind. The directive that we are talking about related to the drive axle weight of the lorries and was an extension of the directive of 1984. The noble Lord will remember that a 1985 directive dealt more broadly with the points that he mentioned.

With regard to aviation, we will proceed to achieve a more liberal market, which we believe to be beneficial. I can tell the noble Lord that this Government would like to see four key ingredients that cannot be taken separately: first, scope for real competition on fares, covering types of fare as well as fare levels, so as to give the consumer a better deal; secondly, scope for airlines to mount capacity on a basis of commercial judgment; thirdly, airlines should be able to enter the market so as to compete on routes

now been extended to the whole country. I believe that most people will welcome its operation and that it will help most people who have hitherto been unemployed.

Q7. Mr. James Hamilton asked the Prime Minister if she will list her official engagements for Tuesday 1 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hamilton: Has the right hon. Lady taken time to study the System Three poll report that was carried out in Scotland, which states that one person in four in Scotland is bitterly opposed to the administration of the Health Service in Scotland? Is the right hon. Lady aware that one in three people have stated quite categorically that they disagree with the privatising of the ancillary services? Will she now align her Government with the people of Scotland, who are bitterly opposed to her Administration and have voted solidly against the Tory Government in Scotland?

The Prime Minister: More is spent per person on the health service in Scotland than is spent south of the border. I believe that far more is spent under this Government and that there is far better patient service in Scotland, more doctors and more nurses, than under the previous Administration. I believe that in general most people in Scotland are very grateful for the Health Service.

Q8. Mr. Latham asked the Prime Minister if she will list her official engagements for Tuesday 1 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Latham: Would we need all these difficult decisions on defence spending if untold billions of pounds had not been wasted over the years by the Ministry of Defence on weapons systems on which there is hopeless overspending and which then do not work? Will my right hon. Friend read the reports of the Public Accounts Committee and ensure that the fullest possible backing is given to Mr. Peter Levene in giving the whole sleepy system a jolly good shake-up?

The Prime Minister: My hon. Friend is aware of the enormous increases in expenditure on defence under the present Government. I agree with him that it is absolutely vital to secure effective expenditure on those resources and in particular to have regard to competition in procurement. I will pass on my hon. Friend's excellent message.

Q9. Mr. Wigley asked the Prime Minister if she will list her official engagements for Tuesday 1 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Wigley: In view of the Prime Minister's belief that she should enter negotiations about disarmament from a position of strength, why is she willing for her Government to enter negotiations with the South African Government from a position of weakness, without any threat of sanctions whatsoever? Will the Prime Minister tell the House when she is going to stop appeasing apartheid?

The Prime Minister: The hon. Gentleman is a little confused. We are not talking about a battle in defence with South Africa—[HON. MEMBERS: "We are."]

Mr. Douglas Hogg: Reverting to the question of South Africa, would the Prime Minister accept that, while there is very considerable support for the Foreign Secretary on his mission, if the South African Government fail to introduce major concessions as a result of that mission, we would look to Her Majesty's Government to introduce additional measures as a mark of our very great disapproval of what is going on in South Africa?

The Prime Minister: My hon. Friend is aware that we have already introduced some measures first, as a result of an earlier Community meeting and then as a result of a Commonwealth meeting. I am sure he will join me in saying that we hope that my right hon. and learned Friend's mission as the President of the Twelve in Europe will meet with success. Then we can reconsider the position.

Mr. Allen McKay: While the Prime Minister is talking about the record, would she like to put on record and comment on the fact that the rules of guidance delivered to social security officers have deprived miner's widows and miners who are sick and injured of £2 to £3 a week as the concessionary coal allowance must now be considered in rent rebates?

The Prime Minister: As I said when the matter first came up, I am not aware of any changes in the instructions that have been given by the Government to those officers. As the hon. Gentleman is aware, if there is any dispute it can be taken to an appeal tribunal, of which I am sure his constituents will avail themselves.

European Council

3.30 pm

The Prime Minister (Mrs. Margaret Thatcher):

With permission, Mr. Speaker, I should like to make a statement about the European Council of 26-27 June, which I attended together with my right hon. and learned Friend the Foreign and Commonwealth Secretary. The conclusions of the Council have been placed in the Library of the House.

The Council concentrated on five main issues: the situation in South Africa; the creation of jobs within the Community; the completion of the Common Market; the international aspects of agriculture; and concerted action in the light of the nuclear accident at Chernobyl.

On South Africa the European Council expressed its grave concern at the imposition of censorship and the reimposition of the state of emergency by the South African Government and, more generally, at the deteriorating situation in the country at large. It reaffirmed that the goal of the Twelve is the total abolition of apartheid. It also agreed on a concerted programme of financial and material assistance from the Community and member Governments to the victims of apartheid, in particular those affected by the disturbances in Crossroads, and to political prisoners, including those arrested under the recent state of emergency.

In our own case we shall be making available a further £15 million over five years, mainly for education and training of non-white South Africans, and additional help for transport projects in neighbouring states. This is in addition to the £22 million which we are already giving.

The Council called for the opening without delay of negotiations between the South African Government and leaders of the black people in South Africa. To make such a dialogue possible, it called on the South African Government unconditionally to release Nelson Mandela and other political prisoners and to lift the ban on the African National Congress and other political parties. The Council also agreed that the Community should in the next three months enter into consultations with other industrialised countries on further measures which might be needed, covering a ban on new investment, and the import of coal, iron, steel and gold coins from South Africa.

Finally, the Council asked my right hon. and learned Friend the Foreign and Commonwealth Secretary, in his capacity as President of the Foreign Ministers of the Twelve from today, to visit southern Africa in a further effort to establish conditions in which the necessary negotiations can commence.

On job creation the European Council welcomed the programme put forward by the United Kingdom and some other member states for creating the conditions for employment growth. This calls for the job-creating capacity of small businesses to be maximised by reducing the burden of unnecessary regulations; for improved training; and for measures to help the long-term unemployed back into work. We want to see greater attention given to those matters within the Community and priority given to them in the operation of the social fund. This will be of particular value to the United Kingdom. Our proposals were clearly reflected in the Council's conclusions. We shall concentrate on implementing them during the United Kingdom's Presidency.

On the Common Market, the European Council urged more rapid decisions if the timetable of completing removal of the barriers to a genuine single market in the Community by 1992 is to be achieved. This will be another priority for the United Kingdom presidency because of the contribution which completion of the Market can make to creating jobs.

The Council selected some areas for early progress which are of particular interest to the United Kingdom, such as liberalisation of transport and of capital movements. On agriculture, the European Council recognised, as had the economic summit Seven in Tokyo, the need to look at agricultural subsidies and protectionism on a worldwide basis. It agreed that the problem of agricultural trade must be dealt with in the forthcoming round of international trade negotiations; that agricultural production in the European Community should be better adjusted to the market situation so that the share of public expenditure claimed by agriculture can be reduced; and that there should be bilateral discussions with other major agricultural suppliers to try to eliminate the problems of chronic surpluses and competitive subsidies.

The Council discussed the lessons to be learned from the nuclear accident at Chernobyl. It agreed on the need for better international collaboration on nuclear safety under the aegis of the International Atomic Energy Agency. It called for general contamination tolerance levels for the Community to be established quickly on a scientific basis. The Council recognised that nuclear power would continue to have a vital role in meeting energy needs in the Community in future.

The Council also called for rapid progress on the easing of restrictions on passenger traffic across Community frontiers; on mutual recognition of professional qualifications; and on the action programme against cancer. It welcomed the intention of the British presidency to hold a conference of Interior Ministers in the autumn to discuss ways of improving the Community's defences against terrorism, drug trafficking and illegal immigration. This European Council set useful priorities for the United Kingdom's presidency of the European Community over the next six months, particularly in the creation of jobs.

The Council adopted a positive and constructive approach to the bitterly difficult problem of South Africa. We are well aware of the magnitude of the task facing my right hon. and learned Friend the Foreign Secretary in the mission on which he embarks, but all who genuinely want a peaceful solution will wish him well.

Mr. Neil Kinnock (Islwyn): I can at least endorse the Prime Minister's last sentence. We wish the Foreign Secretary well and regret that the actions of the Prime Minister herself have added hugely to the magnitude of the Foreign Secretary's task. Is it not shamefully obvious that in The Hague last week the Prime Minister was continuing her Nassau habit of first participating in an agreement at a Heads of Government conference and then using the first press conference to raton that agreement?

Does the Prime Minister recall that the Eminent Persons Group, including her nominee, Lord Barber, gave the clear view that

"the Botha regime is not prepared to negotiate fundamental change",

has

"moved consciously away from any realistic negotiating process" and has been

"moving in the opposite direction"

from lifting bans on political organisations?

Does the Prime Minister not further recognise that the members of the EPG concluded that they could not "see merit in further discussions" and said:

"the Government of South Africa made it impossible for us to proceed further"?

In the mere four weeks since the EPG wrote that, what has changed in South Africa other than the passing of two further Acts of tyrannical legislation, the imposition of totalitarian controls on reporting, thousands more detentions and disappearances, and at least 100 more violent deaths?

Against that background, why does the Prime Minister believe that the Foreign Secretary can succeed with pleading where so many others have signally failed over the past few years? Can she not recognise, as the EPG recognised, that the absence of sanctions measures defers change and accelerates the descent into violence? Does she not recognise that her resistance to action does not reduce violence but makes it even more certain, both inside South Africa and against South Africa's neighbouring states? Is she aware that the mission of the Foreign Secretary might be more credible if she did not have a record as the appeaser of apartheid? By her record she has ensured that she, and the Foreign Secretary are seen as nothing more than glove puppets without even the weapon of sanctions to back up the views of the EEC?

I must ask the Prime Minister a question which is in the minds of many people, of all colours, in many countries: if the atrocities of apartheid were committed by a black minority against a white majority, would she respond to that horror and injustice with obstruction and evasion as she is at present? In these matters, those who stand aside, like the Prime Minister, stand condemned.

The Prime Minister: The decision taken at the Hague last week was a decision of 12 nations of the Community. They were united on the position. Our approach remains to promote peaceful change in South Africa. The mission of my right hon. and learned Friend has that objective. It was supported by all 12 nations of the Community and it should be supported by every hon. Member.

The right hon. Gentleman talked about sanctions. The last Labour Government in power were against sanctions. The present responsible Governments of all 12 nations are also against sanctions. The deputy leader of the Labour party is against sanctions. Sanctions have never been known to bring about internal change. Sanctions in Rhodesia did not bring about internal change. The matter had to be resolved by negotiation. My right hon. and learned Friend will try to help to resolve the matter by negotiation. All people of good will will wish him well.

Sir Peter Tapsell (East Lindsey): In view of Britain's unique position in being, simultaneously, a member of the Security Council, the General Assembly, the EEC, the Commonwealth, and the Anglo-American alliance, is it not clear that my right hon. Friend is particularly well placed to play a constructive role in advising southern Africa on her affairs, and that she is wise to continue as she has in this long historical process—to retain her room for manoeuvre and negotiation at this stage rather than to indulge in the empty posturings of some right hon. Gentlemen opposite?

The Prime Minister: Yes, I am grateful to my hon. Friend. Mandatory sanctions were imposed on Rhodesia

for nearly 15 years. They did not bring about internal change. They have never been known to bring about internal change.

Ms. Clare Short (Birmingham, Ladywood): What did?

The Prime Minister: The matter of Rhodesia had to be resolved by negotiations. How much better it would be to try to embark on negotiations now and to bend one's efforts to persuading the South African Government that that would be the wise course.

Dr. David Owen (Plymouth, Devonport): Does not the Prime Minister accept that there is a widespread view in the Commonwealth and in the other western industrialised countries that some sanctions need to be applied; the question is, what sanctions? Since the Prime Minister believes in negotiating from strength with the Soviet Union, why does she believe in negotiating from weakness with President Botha?

The Prime Minister: I do not believe that we are negotiating from weakness in any way. Certain measures have been taken against South Africa. Certain contingency plans outlined in the communiqué are being made. We are not negotiating from weakness. We are negotiating in a way which we believe will have the best chance of success. We do not think that threatening further sanctions immediately or automatically will help to bring about the negotiations that we desire between the South African Government and the representatives of the black South African people?

Mr. Michael Grylls (Surrey, North-West): My right hon. Friend spent a lot of time, rightly, in the summit considering the question of creating new jobs in the Community and reducing unemployment. Has it occurred to her that if she had allowed the Community to take trade and industrial sanctions, they would have reduced jobs in Britain as well as jobs for moderate blacks in South Africa? That would be the arch-hypocritical position to follow. Will my right hon. Friend keep up her good work, maintain her stand, and do everything she can to encourage the South African Government to keep up the momentum of internal reform which they have already started?

The Prime Minister: We shall follow my hon. Friend's advice. If there were ever any question of going for total economic sanctions, such measures would cause much more unemployment here and in South Africa as well as other fundamental strategic problems, putting the supply of raw materials into the hands of the Soviet Union and causing strategic defence problems. It would not bring about the change which we all wish to see.

Mr. Guy Barnett (Greenwich): As the right hon. Lady clearly regards economic sanctions as almost totally ineffective in putting pressure on the South African regime, why does she not recommend the use of force?

The Prime Minister: I do not recommend the use of force. I recommend the use of negotiation. Is the use of force now the policy of the Labour party?

Sir Ian Lloyd (Havant): Did the Council at any stage in the Brussels discussions attempt to define precisely what it meant by the abolition of apartheid? Did it mean merely the abolition of the appalling legislation to which the Leader of the Opposition referred and the legislation

[Sir Ian Lloyd]

which has appeared on the statute book since 1948, or did the definition imply that the standard of living—social, economic and political—of 20 million people should be raised in a short time to that of 5 million people? If it was the latter, surely it is a resource-intensive problem, unprecedented in scale, which will require billions, not millions, of pounds in aid? Is the West prepared to put its money where its mouth is?

The Prime Minister: In wanting to get rid of apartheid, we wish to get rid of the appalling difficulties which the black South Africans are made to suffer by virtue of the colour of their skin. The results of negotiations on a new constitution for South Africa would, of course, be a matter for those who took part in them. We should like to see those negotiations start. We should like them to succeed against a background of keeping the economic success of South Africa which exists now.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the right hon. Lady failing or refusing to see the obvious parallels between the South African regime today and the regime in Germany in the mid-1930s, with its belief in no democracy, no free speech, a super-race, inferior citizens and police repression? Will the right hon. Lady recognise that her appeasement—that is what it is—which is using almost precisely the same excuses as were used in 1938 and 1939, will be received with the same amused contempt in Pretoria as Chamberlain's appeasement was in Germany?

The Prime Minister: I do not think that many of us find a parallel in that. The right hon. Gentleman seems to be pursuing the previous question and wanting us to embark on force against South Africa. That might be the new Labour policy; it is not ours.

Sir John Farr (Harborough): Despite all the pressure which my right hon. Friend will be under in the coming weeks to apply sanctions against South Africa, will she bear in mind that sanctions not only did not work in Rhodesia but, during that time, strengthened that country's economy?

The Prime Minister: I believe that that is so. There could be no way in which economic sanctions would work in South Africa, with its enormous coastline and with considerable numbers of countries and people who would bend all their efforts to conducting trade with South Africa which other countries would forgo. We should be embarking upon the whole thing for nothing. We should have more unemployment here, only to see the jobs picked up elsewhere. It would damage the cause of black South Africans, the economy of South Africa and the prospect of a peaceful South Africa finally emerging.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): The Prime Minister has announced that the Secretary of State must make two specific demands: first, the freedom of Nelson Mandela and secondly, the legitimisation of the African National Congress. Will that be the Foreign Secretary's remit when he goes to South Africa?

The Prime Minister: Yes, of course, in accordance with the communiqué which states:

"In this context the European Council calls on the South African government:

—to unconditionally release Nelson Mandela and the other political prisoners;

/to lift the ban on the African National Congress, the Pan African Congress of Azania and other political parties.

In the meantime in the next three months the Community will enter into consultations".

That was clearly and explicitly set out in the communiqué. Many of us believe that that is the key to getting negotiations started, which is what most of us desire.

Mr. Nicholas Winterton (Macclesfield): Is my right hon. Friend aware that, despite the criticism that is frequently levelled against her for her uncaring attitude to peoples of the world and especially people of this country, in this instance she is showing an understanding of the reality of the position in southern Africa which should be appreciated by many other countries in the world? Would she sustain her opposition to sanctions, which will help nobody in this country or in South Africa? Will she use her ability to negotiate and consult, which the Opposition so often advise Her Majesty's Government to use when dealing with the Soviet Union and other such countries, as the basis of progress in what can be achieved towards the reform that we require in the Republic of South Africa?

The Prime Minister: We shall maintain our opposition to general economic sanctions on the basis that they would not produce the changes in South Africa that we would like to see. We shall maintain our efforts to try to get negotiations going because we believe that they would produce the results, if they could be got going, that we too want to see in abolishing apartheid and having a strong economy in South Africa.

Mr. Tom Clarke (Monklands, West): The Prime Minister referred to the liberalisation of capital movements. Will she tell the House what she and the Council had in mind?

The Prime Minister: The hon. Gentleman will be aware that from this country we have liberalisation of capital movements. That is not so with regard to some other countries in the European Economic Community, some of which still maintain controls on their foreign exchange movements. A number of us do not and we wish to have free movement of capital throughout the Community.

Mr. John Browne (Winchester): Would my right hon. Friend accept that any peaceful solution in South Africa must, in the end be acceptable to those in power? If so, why does she support proposals that offer no protection whatsoever to the white or coloured minorities rather than proposals for a universal franchise based on cantonal power that would offer protection to the minorities, and therefore be acceptable to those in power and have at least a chance of a peaceful solution?

The Prime Minister: May I make our view clear? It was a view also accepted by the Commonwealth at Nassau. It is not for us or anyone else to say what arrangements would come out of those negotiations for protection of minorities and what would result from a wider constitutional convention. The arrangements will not be decided until the negotiations start. We believe that we may be able to help in promoting those negotiations. That was the view the Commonwealth took. Once they are promoted, it will be for all the people of South Africa—the black South Africans, the white South Africans, the Indians and the Cape coloureds—to decide on the future constitution they would like.

Mr. A. J. Beith (Berwick-upon-Tweed): Why is it that the Prime Minister answers all the questions about sanctions with a condemnation of general or total sanctions without reference to specific sanctions? Is that an accidental confusion on her part or is she preserving her room for manoeuvre so that she can support specific economic sanctions if they are recommended by the Foreign Secretary on his return?

The Prime Minister: Ah—so the hon. Gentleman is against general economic sanctions as well. We are getting somewhere. The hon. Gentleman is against general economic sanctions, but he may be in favour of selective sanctions. A number of selective and particular sanctions are already in place, as the hon. Gentleman is aware, through the action of the Community. *[Interruption.]* I hear the right hon. Member for Leeds, East (Mr. Healey) interrupting. When the right hon. Gentleman was in the Labour Government he wanted to sell defence weapons to South Africa.

Mr. Denis Healey (Leeds, East): No! Absolute nonsense!

Mr. Speaker: Order. I will call the right hon. Gentleman at the end.

The Prime Minister: Perhaps I may finish. The Crossman diaries, in dealing with whether armaments should be sold to South Africa, which I understand the then Prime Minister was very much against, said:

"George Brown began the attack saying that though he realized it was very painful one couldn't really go on being so unrealistic about the sale of arms. He was then supported by Denis Healey, who said one must surely make a distinction between arms which could be used for suppressing insurrection . . . and strategic arms—That is to say, the Air Force and the Navy which are needed for our own Commonwealth interests. He said we need the Simonstown base to be kept going by South Africa in our own interest and therefore we should sell South Africa maritime arms but not arms for domestic use."

If the right hon. Member for Leeds, East denies that, I will be happy to accept his denial.

Hon. Members: Answer!

Mr. Patrick McLoughlin (Derbyshire, West): Will my right hon. Friend agree that, while we all abhor the situation in South Africa—

Ms. Clare Short: No, you do not.

Mr. McLoughlin:—in relation to apartheid in South Africa, many people in this country believe—I hope that the Council of Ministers considered this—that we should not forget the abuses of human rights in other countries, such as the Soviet Union, which has invaded Afghanistan? Will my right hon. Friend the Prime Minister bear that point in mind when she considers these issues abroad?

The Prime Minister: We are very much aware of the abuses of human rights and of the problems elsewhere in the Commonwealth. We still wish to be instrumental in trying to bring about the end of apartheid in South Africa and to bring about negotiations which will maintain the economic success of South Africa, to the benefit of the people there and to the rest of Southern Africa, which benefits tremendously from the success of the South African economy. That is the view which we will continue to pursue.

Mr. Willie W. Hamilton (Fyfe, Central): How does the Prime Minister explain the fact that the great majority

of the British people and almost all members of the Commonwealth believe that she is the greatest friend in the West of the barbaric Government in South Africa? How does she hope to persuade the Commonwealth in August that she is on the right course?

The Prime Minister: As I said, the mission which my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs undertakes when he travels to South Africa in an attempt to establish conditions under which negotiations can be brought about, is in a way a continuation of the Nassau mission which was very nearly successful. The Eminent Persons Group made much progress and it is the wish of the 12 countries of the Community that our Foreign Secretary should go to South Africa to represent them. I would have thought that that should be a matter of pride for this country.

Mr. Julian Amery (Brighton, Pavilion): Will my right hon. Friend agree that, while personalities and parties are significant in these matters, the dismantling of apartheid really calls for the removal of the Group Areas Act and the inclusion of representative black Africans in the political process? Will my right hon. Friend ask her right hon. and learned Friend the Foreign Secretary to concentrate on those two principles rather than on personalities and parties?

The Prime Minister: I agree with my right hon. Friend about the removal of the Group Areas Act. That is absolutely crucial. I also agree that black South Africans should take part in the process of government. My right hon. and learned Friend's task was defined in paragraph 6 of the Communiqué.

"The European Council decided to ask the UK Presidency Foreign Minister to visit southern Africa, in a further effort to establish conditions in which the necessary dialogue can commence."

That is my right hon. and learned Friend's particular role, not to specify what should happen when negotiations commence.

Mr. Gordon Brown (Dunfermline, East): Will the Prime Minister confirm that, like her hon. Friend the Minister of State, Foreign and Commonwealth Office, she personally supports one person, one vote, black majority rule in South Africa?

The Prime Minister: I have already said—[HON. MEMBERS: "Yes or no?"]—that what comes out of the negotiations is not for us to determine. We will attempt to bring about the negotiations which we believe will lead to a system of government in South Africa that is acceptable to all people of whatever background.

Mr. John Carlisle (Luton, North): Should not my right hon. Friend's brave initiative and the lifeline that she has now offered to all South African people be welcomed by Conservative Members, the public, and in particular by those in South Africa? Do they not contrast sharply with the words of the right hon. Member for Leeds, East (Mr. Healey), who is deliberately stirring up violence and racial hatred in South Africa through his comments? Will she advise my right hon. and learned Friend the Foreign Secretary to look for more positive measures and that if progress is slow, the gun should not be held at the head of the South African Government by saying that economic sanctions will be imposed at the end of the day?

The Prime Minister: I have already outlined the role of my right hon. and learned Friend the Foreign Secretary. I agree that the Opposition are behaving disgracefully in trying to undermine his mission.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Does the Prime Minister not understand that Governments who wish to negotiate with their own people do not imprison every leader with whom they could talk, and do not impose public order Acts, making it impossible for anyone to speak on behalf of any section of the black community? Does she not understand that her hypocrisy is totally unacceptable to many people in this country?

The Prime Minister: The decision to which I have referred was a decision made by 12 countries of the Community. They recognised in the communiqué that a dialogue cannot take place as long as recognised leaders of the black community are detained and their organisations are proscribed. That is why the communiqué went on to make statements about the release of Nelson Mandela and about lifting the ban on the African National Congress as being the view of 12 Community countries. There are, of course, many black leaders in addition to those who are detained, but if a dialogue is to take place, those who are detained should also be released and could take part in the negotiations. I had hoped that the hon. Lady might think that the views of 12 countries were worthy of consideration and of following up.

Mr. Michael Alison (Selby): On a point of order, Mr. Speaker. I distinctly heard the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), use the word "hypocrisy" about my right hon. friend the Prime Minister. May I suggest that you ask her to withdraw it?

Mr. Speaker: I did not hear that, but the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) is a respected parliamentarian, and if she used that word, I am sure that she would wish to withdraw it.

Mrs. Dunwoody: My respect for you, Mr. Speaker, is very great; I withdraw the word "hypocrisy" and substitute for it "a total lack of standards".

Several Hon. Members *rose*—

Mr. Speaker: Order. I must bear in mind that there is another statement this afternoon, followed by a ten-minute Bill, an application under Standing Order No. 10 and an important debate. Accordingly, I shall allow questions on this statement to continue for a further eight minutes. We must then move on.

Mr. Henry Bellingham (Norfolk, North-West): When my right hon. Friend was in The Hague, did she have a chance to consider the recent poll of blacks in South Africa, which showed that 76 per cent. of them were against the present violence? Does she agree that the Shadow Foreign Secretary's failure to meet Chief Buthelezi, who is the representative of many millions of blacks in South Africa, was a grave omission, and indicative of his bias and narrow mindedness?

The Prime Minister: It was because we were anxious to avoid a further escalation of violence that the 12 countries wished negotiations to be entered into. That is why they asked my right hon. and learned Friend the Foreign Secretary to go. I am sure that most people in South Africa are overwhelming against violence. They want to see change brought about peacefully, with a

successful economy in South Africa. I agree about the importance of talking to Chief Buthelezi, who represents the largest group of black South Africans—about 7 million Zulus.

Mr. Andrew MacKay (Berkshire, East): Does my right hon. Friend agree that Chief Buthelezi represents a very significant section of black opinion in South Africa? If so, in the difficult weeks ahead, will she bear in mind his speech last weekend, when he said that it was not in the interests of South Africa or of black people in that country to introduce mandatory sanctions?

The Prime Minister: I believe that that is the view held by many, and probably by the majority of, South Africans, when they realise just how much poverty and hardship sanctions would cause to almost all people in South Africa. It would be a very retrograde step, that would bring hardship there and here. It is not a moral but an immoral solution.

Mr. David Winnick (Walsall, North): Has the Prime Minister any idea how much she has disgraced and humiliated the reputation and honour of this country by her appalling behaviour over South Africa? Is it any wonder that she is held in such great respect by the South African authorities, when they know that on every occasion she can be relied on in western Europe to resist measures to upset and undermine their tyranny? Is it any wonder that some people compare her with one of her predecessors, who could always be relied on in the 1930s to do anything to comfort Nazism, and who was known as the most notorious appeaser of his time?

The Prime Minister: The hon. Gentleman is trying hard, but he is uttering the sternest of strictures against Socialist Governments in Europe, who wholeheartedly agree with the conclusion that we have just reached. Socialist Governments in power, even Socialist Governments in Britain, have also come out against mandatory economic sanctions. As the deputy Leader of the Opposition said when he was in a position of responsibility—which I hope he will never be again—

"I do not believe that a policy of general economic sanctions would be in the interests either of the British people or of South Africa."—[*Official Report*, 7 July 1976; Vol. 914, c. 1354.]

Mr. Frank Field (Birkenhead): When the Prime Minister is searching for effective selective sanctions, will she bear in mind an instance when such sanctions were effective? I refer to the fact that the Americans were prepared to use sanctions against Britain at the time of Suez, and that that led, within days, to a reversal of our policy.

The Prime Minister: The hon. Gentleman will be the first to realise that South Africa's position is totally and utterly different. South Africa has enormous internal resources of agricultural products and materials, and could go on maintaining itself. It could sell its raw materials and finished products through third countries while still maintaining quite a good bit of trade.

Mr. Ivor Stanbrook (Orpington): As everyone knows that my right hon. Friend hates apartheid and wants to see it brought to an early end, and as everyone understands her view that economic sanctions may not prove effective, is there not an even greater duty on her and the British Government to propose positive alternative steps in order to bring that evil doctrine and detestable regime to an early end?

The Prime Minister: My hon. Friend will be aware that we proposed positive steps to help the black South Africans. The sum of £22 million is already being dispersed in South Africa and in the front-line states in order to help black South Africans with education and to supply alternative transport routes. We are adding to that about £15 million as a positive way of helping those whom we wish to help most.

Mr. Jeremy Corbyn (Islington, North): At the Council meeting, did the Prime Minister take the opportunity to contrast her approval of the South African regime by not imposing sanctions against it, with her refusal to condemn the United States for its act of war against the people of Nicaragua? Are not the utmost double standards at work if she is prepared to support apartheid but not to do anything to prevent the democratic Government of Nicaragua from being overthrown?

The Prime Minister: As the hon. Gentleman knows, we are trying to help to bring apartheid to an end in South Africa through negotiation. I should have thought that the hon. Gentleman was in favour of peaceful change and would have noticed that there have been some movements that deserve his applause. I refer, for example, to bringing to an end forced resettlements and getting rid of the morality laws. The hon. Gentleman goes on about Nicaragua, but he knows that the Nicaraguan Government have decided to implement the existing state of emergency more severely, and have just closed the main independent newspaper.—[*Interruption.*]

Mr. Speaker: Order. I am listening to the questions, not to what is going on below the Gangway.

Sir Peter Emery (Honiton): Will my right hon. Friend provide some balance and try to show that a vast number of matters other than South Africa are debated and dealt with at The Hague? Will she assure the House that, during the six months of Britain's presidency, we shall massively

pursue the need to attempt to establish international standards for nuclear energy safety, both by the establishment of nuclear energy plants and by the reporting of nuclear energy accidents? This is of major importance for the whole world.

The Prime Minister: We discussed the Chernobyl accident and decided to pursue our efforts to improve the safety of nuclear installations through the International Atomic Energy Agency, which is the only authority that has the requisite power to deal with the safety of nuclear installations. As to the safety of those who work in nuclear installations, we shall pursue that matter through the Community, under article 3 of the Euratom treaty.

Dr. Oonagh McDonald (Thurrock): Will not the Prime Minister accept that, by her actions, at the Hague, she has bought time for herself, not for South Africa? Will she not further accept that, as a first step towards full economic sanctions, financial sanctions on a debtor country such as South Africa will push Pretoria to negotiate and ultimately bring about democracy in that country.

The Prime Minister: I am not at all sure what, precisely, the hon. Lady is proposing. The retaliation on the resources that belong to other countries inside South Africa that would result from the hon. Lady's proposal could give an enormous financial benefit to South Africa.

Mr. Allan Roberts (Bootle): On a point of order, Mr. Speaker.

Mr. Speaker: I shall take the points of order at the end, in the usual place.

Mr. Roberts: It will be too late then.

Mr. Speaker: Order. the hon. Gentleman will have to wait.

Mr. Roberts: On a point of order, Mr. Speaker.

Mr. Speaker: Order!

Transport Council

4.11 pm

The Secretary of State for Transport (Mr. John Moore): With permission, Mr. Speaker, I will make a statement about the meeting of Transport Ministers which took place in Luxembourg on 30 June and which discussed road haulage and aviation. In advance of the Council I submitted to the Select Committees on European Legislation last week an explanatory memorandum about a Community standard for drive axle weights. I was most grateful to them for their speedy response, and this statement responds to the suggestion that, following the Council, I should report progress to the House.

On road haulage, the Council agreed on a Community standard of 11.5 tonnes for the drive axle of five and six-axled vehicles, to apply from 1992. As the House may recall, a 1984 directive set agreed standards for most of the weights and dimensions for road haulage vehicles operating between Community countries. The drive axle weight for these larger vehicles was left outstanding, with a requirement that it should be agreed as a matter of urgency. This is the decision which has now been taken.

As in the case of the earlier directive, which set some overall vehicle weights which exceeded our maximum of 38 tonnes, I was able successfully to negotiate, a derogation of unspecified length for the United Kingdom, to enable us to keep our current drive axle weight maximum of 10.5 tonnes. The directive states categorically that the duration of this derogation will be decided by unanimity, which means that our agreement is needed to what is decided. As my predecessor made clear, we remain committed to the undertaking that there should be no increase in the maximum weight until Parliament agrees and our roads are suitable.

To accompany the agreement on a drive axle weight standard, we successfully obtained Council agreement on the main lines of the way forward to full international road haulage liberalisation within the Community. First, and most important, the Council agreed on a cumulative increase in the Community quota of 40 per cent. per annum between now and 1992. Community permits are valid throughout the Community, giving road haulage vehicles valuable freedom to travel in any Community country. This will therefore provide new opportunities for our hauliers to compete freely on equal terms, and will progressively liberate them from the cumbersome bureaucracy of the present bilateral permit system.

Secondly, it was agreed that, while bilateral quotas exist, they will be adjusted to meet traffic needs, including the full requirements of transit traffic. Thirdly, the Council confirmed that from the end of 1992 the bilateral permit system will disappear altogether. The detailed arrangements to implement these principles will now be worked out within the Community, and our aim will be to finalise the necessary Community instruments so far as possible by the end of our presidency.

On aviation, the meeting confirmed that there remains a wide divergence of views, but the Council agreed on two important principles. First, there needs to be a package of measures to promote increased competition, covering market entry, air fares and the capacity that airlines can operate. Secondly, these measures are elements in the process of completing the internal market by 1992.

As with road haulage, there will need to be a gradual movement to fully liberal arrangements, but the need to complete that process by the end of 1992 has been established.

These are useful starting points. There remains a great deal to be done, and we must not underestimate the difficulties that lie ahead. My aim in the British presidency, which starts today, will be to build on these basic principles and, if possible, to reach agreement on the content of a first stage in the process towards the 1992 target. But success in this will depend on whether member states collectively are willing to put aside the restrictive practices to which they are accustomed. I put this question to the Council but did not get a clear answer. I shall need to pursue it during the British presidency. If the answer is that, despite the principles agreed yesterday, member states are not willing to make the effort, they will have to accept that the alternative is increasing court action and other steps to seek direct application of the treaty of Rome, particularly its competition rules.

Mr. Robert Hughes (Aberdeen, North): I thank the Secretary of State for coming to the House to make this statement.

On the question of axle weights, will he make it clear and confirm that the derogation to which he has agreed is unaffected by the European Communities (Amendment) Bill, which is currently going through Parliament? Secondly, will he confirm his opposition to any increase in lorry weights above 38 tonnes and above the axle weights in the derogation, and that the phrase in his statement.

"no increase in the maximum weight until Parliament agrees and our roads are suitable"

is not a precursor for a change in policy?

Is the 38-tonne limit for European vehicles coming to this country still protected under the liberalisation of road haulage? Is the Secretary of State able to say what steps he has taken, or will take, to protect United Kingdom jobs under liberalisation if unfair competition emerges, especially in the context of social conditions for those who are employed in the road haulage industry?

On the question of aviation, will the Secretary of State say precisely what he means by "fully liberal arrangements"? Is this deregulation under another name? He will know that deregulation in the United States has led to lower safety standards, bankruptcies and a chaotic situation. I am sure that the Secretary of State would not want that situation to be paralleled in this country. Therefore, will he give a categorical assurance that he will make safety of paramount importance and that he will retain licensing arrangements to control the safety provisions?

How will the impending liberalisation affect the proposed sell-off of British Airways? Would it not be much better for the Secretary of State to concede that the privatisation of British Airways is now dead and finished with? Is he able to say how his regulatory system and the wide powers that are contained in the Airports Bill, which is currently going through the House, are consistent with liberalisation? For example, will he be able to control air traffic movements to different airports? Will the Secretary of State be able to pursue a policy of that kind if air traffic is to be liberalised? Does the right hon. Gentleman intend to abandon that policy, which is contained in the Airports Bill?

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E U R O P E A N C O U N C I L

The Hague, 26/27 June 1986

PRESIDENCY CONCLUSIONS

SN 2178/2/86

Social and Economic situation

General

The European Council considered the economic and social situation within the European Community and concluded that, in spite of substantial progress in establishing sounder structural conditions for economic growth, present levels of economic performance and investment are by themselves unlikely to permit further substantial reductions in unemployment. It confirmed therefore the necessity of continuing macro and micro economic policies aimed at structural improvement, in combination with additional efforts to generate gainful employment. The Council expressed the opinion that economic growth is not only a responsibility of individual Member States, but also of the Community as a whole.

The European Council agreed that the opportunities offered by lower oil price levels should as much as possible be translated into additional economic growth. It asked the Council (ECO/FIN) to monitor the progress made in the framework of the cooperative growth strategy agreed at the end of 1985. The Council further agreed that action at the Community level should be taken to enable business to maximise its capacity to create prosperity and jobs, inter alia by examining the scope for improved access to innovative forms of risk capital and the efforts of the European Investment Bank and welcomed the measures introduced both at the Community and at the national level to limit the regulatory burdens of legislation. The European Council also called for a common strategy, to be discussed with social partners, to promote enterprise, to encourage flexible employment patterns, and help long-term unemployed people back into jobs.

The European Council agreed that permanent training and re-training have become a necessity. It also underlined that the services industry and small and medium-sized enterprises constitute major sources of employment growth. In this respect the European Council welcomed the Commission's intention to submit concrete proposals in the near future, in particular to simplify the fiscal regulations as applied to small and medium-sized enterprises.

The European Council asked the Commission, in the framework of the studies on the causes, nature and extent of unemployment, to undertake a thorough analysis of the phenomena of the underground economy and work falling outside the tax net, so as to arrive at intensive and coordinated actions to assist employment policies.

Long-term unemployment

With a view to supporting a convergent European policy aiming at the return of the long-term unemployed to the labour market, the European Council welcomed the Commission's proposals on exchanging information on successful national experiences, on conducting pilot actions under the European Social Fund and on coordinating actions under the Community structural instruments in regions in need of industrial restructuring. In this connection the possibility was also advocated of arriving at tripartite commitments of Governments and the social partners to stimulate the re-employment of those who have been out of work for a long time. Similar efforts should be made to encourage the absorption of school-leavers into the labour market.

Technological cooperation

The European Council stressed that technological co-operation and innovation at the Community level and in a wider European context will make an indispensable contribution to the ability to European industry to survive in a ruthlessly competitive world. Efforts in this direction should be closely geared

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to the perfection of the internal market, the application of uniform standards, the opening-up of public purchasing, the implementation of specific R & D programmes which also take account of the interests of small and medium sized businesses and the need to consult with the social partners who have their own responsibilities in this matter. The Council called on the Commission and the Council of Ministers (INDUSTRY/RESEARCH) to complete their deliberations on the next multi-annual programme for technological cooperation within the next few months and to see to it that momentum is not lost.

Capital market

Prospects for steady growth will also be enhanced by the creation of a truly free capital market. The European Council welcomed the proposals recently submitted by the Commission for the complete liberalization of capital markets and asked the Council of Ministers to treat these proposals on a priority basis.

INTERNAL MARKET

General

In view of the urgent need to make progress with regard to the introduction of an area without internal frontiers by 1992, as provided for in the Single European Act, the European Council requested those Member States which had not yet done so to make every effort to ensure that the Single European Act was ratified in time and could be implemented in full as from 1 January 1987.

The European Council reviewed the present situation as regards the completion of the internal market and concluded that, although the decision-making process has speeded up during the first half of 1986, it is still necessary to improve it substantially if the objectives fixed for the current year are to be attained and if the final objective is to be achieved.

The European Council considers that the strengthening of economic and social cohesion, in accordance with the Single European Act, is essential to ensure the correction of potential imbalances and the harmonious development of the Community as a whole. It took note of the Commission's intention to submit to the Council before the end of the year a report and proposals on strengthening structural policies and improving the operation of the structural funds, as provided for in the Single European Act.

Working method

The European Council noted that favourable results have been obtained in the joint efforts of successive Presidencies and voiced the hope that similar "rolling Presidency programmes" will continue to operate in the future. The members of the European Council undertook to instruct their Ministers in the appropriate Councils to:

- continue to give high priority to the measures in the current Presidency programme based on the Commission's White Paper;
- ensure that technical opposition to the harmonization of legislation does not hinder progress;
- guarantee adequate co-ordination of the meetings of the Council in its different compositions;
- convene, when necessary, special meetings of the Council, entirely or mainly devoted to the internal market.

The President of the European Commission stated that the Commission would endeavour to speed up the submission of its proposals, to evaluate activities in progress and to co-operate closely with successive Presidencies.

Areas of special interest

The European Council considered that the Council of Ministers (Transport) should make a further effort to overcome the difficulties which have recently appeared in relation to the liberalization and harmonization of land, sea and air transport, in the light of the relevant judgments of the European Court of Justice. With regard to air transport, the Council of Ministers should without delay adopt the appropriate decisions on air tariffs, capacity and access to markets, in accordance with the rules of competition of the Treaty.

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The European Council confirmed that a number of basic decisions needed to be taken rapidly in relation to the removal of fiscal barriers at the frontiers in order to achieve the goals set for 1992, and welcomed the work programme proposed to this end by the Commission and endorsed by the Council of Finance Ministers.

The European Council considered that public contracts are an essential feature of the internal market and that their liberalization is therefore a precondition for the completion of that market by 1992. Public contracts also have a crucial role to play in stimulating the industrial and technical performance of the European Community. For that reason the Council considered that progress in this area had to be stepped up and requested the Council to give urgent consideration to the Commission's report and proposals in this area.

In view of the fundamental importance which the European Council attaches to this question, it decided to evaluate at its next meeting the progress made in all the above sectors.

A People's Europe

The European Council considered that the implementation of the report on a People's Europe (ADONNINO report) was clearly not proceeding as quickly as had been expected. The Council of Ministers was asked to give further attention to carrying out the recommendations contained in this report and to submit a report on progress made at the next meeting of the European Council.

In particular it was considered desirable to make progress in the following areas:

- easing of restrictions on border area passenger traffic;
- right of residence;
- a general system of mutual recognition of diplomas.

The European Council also requested the Council of Ministers to reach agreement in the near future on programmes to promote:

- co-operation in the area of public health (action programme against cancer) and
- intra-Community contacts between students and universities (ERASMUS).

It will have to be ensured that the funds to be devoted to programmes of this kind are of benefit to as many people as possible and that bureaucracy is kept to the absolute minimum.

Agricultural policy in the international context

General

The European Council noted with satisfaction that decisions on agricultural prices and related measures were taken in good time this year, and that the Council of Ministers had recently adopted a constructive position vis-à-vis the possibility of trade policy measures by the United States against the Community.

The European Council also welcomed the decision of the Council of Ministers to adopt an overall approach for the forthcoming multilateral trade negotiations including agriculture in accordance with the positions previously adopted in the GATT, the OECD and at the Tokyo Summit. It noted that the Community was thus well prepared to deal with problems of agricultural policy on a balanced and mutually advantageous basis in the negotiations which would begin shortly.

Structural problems

In view of the importance of the common agricultural policy as a factor of integration for the European Community, the European Council reviewed the different agricultural policies currently in operation in the world. It noted that these policies continue to be hampered by contradictions such as the simultaneous existence of a large unsatisfied demand in certain developing countries and enormous surpluses in the developed countries, the increasing pace of technological innovation resulting in an increase in productivity, whilst the incomes of small farmers in some rural areas remained disappointing.

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The European Council considered that the European Community must continue to adapt the Common Agricultural Policy to the changed circumstances. Whilst retaining the objectives and principles of the common agricultural policy and taking into account the Community's interests as an exporter, a better control of total production must be ensured so that it is better adjusted to the market situation with the result that the share of public expenditure claimed by agriculture can be reduced.

Preservation of the environment and the countryside should be an integral part of a more flexible agricultural policy, more dynamic and better adapted to the market. The adjustment of the common agricultural policy must also take into account the specific nature of the European agricultural model and the need to safeguard the social fabric in rural areas.

International co-operation

The European Council pointed out that the problems of adaptation were certainly not confined to the Community; they were facing its principal partners in the OECD, chiefly the United States, just as much. For that reason it is in favour of international co-operation, both multilateral and bilateral, in order to facilitate the processes of adaptation and establishing new balances.

The situation after the Chernobyl disaster

In view of the deep concern for public health and safety and the fact that nuclear energy is being increasingly used in a number of countries, the European Council examined the work carried out since the Chernobyl disaster and decided that efforts should be made to improve co-ordination both at international level and within the Community.

Short-term consequences

As regards the short-term consequences of the disaster, the European Council considered it important that general contamination tolerance levels be determined on a scientific basis very quickly, in the framework of Chapter III of the EURATOM Treaty, in such a way that public health will be guaranteed and the unity of the Community's internal market ensured.

Medium and long-term consequences

As regards the medium and long-term aspects, the European Council considered that it was within the International Atomic Energy Agency that progress should primarily be made, inter alia in analysing the accident at Chernobyl, and that the Community and the Member States had to contribute actively to the decision-making process in that forum. The Community and the Member States will, in particular, have to promote the rapid preparation of international conventions guaranteeing the essential exchange of information and governing mutual assistance in the event of accidents as well as the implementation of the international responsibility of States.

They will also have to make a major contribution to the international conference on nuclear safety in September, whose importance is stressed by the European Council.

The European Council also considered that complementary action is possible and desirable within the European Community. The Community Institutions and the Member States, each within the limits of their powers, must concert their action so as to ensure its maximum effect. This particularly applies to:

- the protection of health and the environment;
- the safety of installations and of their use;
- the procedures to be followed in the event of a crisis;
- research, including the JET.

The European Council received with great interest in this connection the communication of 6 June 1986 from the European Commission and asked the Council to give priority to examining the programme of work incorporated in it.

Drugs

The European Council expressed itself gravely concerned about the serious problem of drug abuse. It pointed out that, for certain aspects of this problem, effective international co-operation exists, in particular within the "Pompidou Group" of the Council of Europe and the relevant U.N. Agencies, but that for other aspects there is every need to improve and intensify international collaboration, particularly as regards the production of, and traffic in drugs and demand for these products.

The European Council considered it advisable to organize ad hoc collaboration between the Member States and the European Commission to examine what initiatives could be taken in this area without there being any duplication with work carried out elsewhere. The European Council noted with approval that the Presidency intends to have this question examined by Ministers of the Interior in the autumn. The contribution which could be made to the Conference to be held under the auspices of the U.N. in the first half of 1987 should also be examined. The European Council decided to continue its examination of this serious matter at its next meeting.

LATIN AMERICA

The European Council discussed the situation regarding relations between the European Community and Latin America, in particular in the light of the enlargement of the Community to include Spain and Portugal.

It reaffirmed its desire to strengthen and develop these relations both on the political level and on the economic and technical level.

The European Council therefore asked the Commission to submit a document in accordance with the objectives set out in the Declaration annexed to the Accession Treaty. It also instructed the Ministers for Foreign Affairs to follow this matter closely and to submit reports to the European Council as and when necessary.

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10 DOWNING STREET

THE PRIME MINISTER

30 June 1986

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. ~~7118/86~~ T121/86

Dear Ruud,

I should like to thank you most warmly for the excellent arrangements made for the European Council in The Hague, and at the same time congratulate you and Hans van den Broek upon the successful work of the Netherlands Presidency of the European Community. I know what a great deal of effort you have both devoted to make such a success of the Presidency. My colleagues and I are all most grateful for what you have done, and look forward to continuing your work.

May I thank you in particular for so kindly coming to breakfast at our Ambassador's Residence on the second day of the Council. It was a most useful meeting.

I should be glad if you would pass on my thanks to all those concerned with the detailed arrangements for the European Council and in particular to those responsible for the security of participants. They did an outstanding job.

With warm regards,

Leicester
Royal

His Excellency Dr. Ruud F. M. Lubbers

SM



File
SSJ
CCFCO

10 DOWNING STREET

THE PRIME MINISTER

30 June 1986

Dear Sir John.

I am most grateful to you and your wife for your very kind hospitality during my visit to The Hague for the European Council. I was delighted to see the new Residence and think it is splendid. You made us all most welcome and comfortable and put up nobly with the invasion of your home by my office. Thank you both very much.

Would you also please pass on my thanks to all those in the Embassy concerned with the arrangements for my visit. I know how much work this involves and am most grateful for their efforts.

With best wishes,

Yours sincerely

Margaret Thatcher

Sir John Margetson, K.C.M.G.

SSJ

Prime Minister

YOUR PRESS CONFERENCE

This is going to be one of the trickier Euro-Council press conferences, even though you have been by no means isolated. It arises from the different approaches to South Africa both within and without the Government and your party and the media's capacity for widening and sharpening differences.

Moreover, the British media are showing no interest whatsoever in any other issue. They have exhibited a massive boredom with our forthcoming Presidency and your jobs, internal market and agriculture/GATT priorities. For political reasons, however, I think you should mention these in your opening remarks (see Annex I attached).

It will also be important for domestic reasons to include a short reference to post-Chernobyl action in your opening remarks.

Other Points to Watch

Four other issues which might arise are:

- the Guardian story today retailing Ministerial gossip about differences between yourself and the Foreign Secretary; (you will need to be clear how you both handle this on stage)

/- any

- any meeting with Dr Fitzgerald, and any mention in it of the Stalker affair (which I have played severely away from No 10);
- Nicaragua (International Court of Justice decision today; and the US move);
- your request to Sir Robert Armstrong to stay on until the next election (which has not so far been mentioned to us).

Mechanics

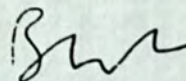
The press centre is across the road and your detectives will take you there. The press conference will be held in a tent-like structure which will be crowded and rather noisy if a police helicopter is in action.

We shall have to clear the tent immediately after the press conference in order that you may give your usual four radio and TV interviews.

In addition, on this occasion, I wonder whether I could ask you to give two more TV interviews:

- i) to TV-AM, the commercial breakfast programme; and
- ii) Euro-TV Channel who want to interview you on your forthcoming Presidency for broadcast in all Community countries next Tuesday.

I realise this is an additional burden and you could pass Euro-TV to the Foreign Secretary if you wish. But I think it would be useful for you politically to do TV AM



Bernard Ingham

DRAFT SPEAKING NOTE

This has been an important and very serious-minded European Council which has addressed a number of formidable issues in a constructive spirit.

The outcome will give the UK a great deal of work during its six month Presidency starting on 1 July - work which, over and above South Africa, will have major international significance.

I know your interest is understandably concentrated upon South Africa but I must first deal with other issues which are of direct interest to the people we represent in the Community.

We came to The Hague with a very clear idea of how we wanted to set the scene for our Presidency. With the help of the retiring President, Dr Lubbers, who has done an excellent job, we have been able to establish clear priorities.

First, jobs. We have cleared the decks for action on measures to create more jobs, through the encouragement of enterprise, and to help those who have been unemployed for a long time back into work. We expect Social Affairs Ministers to give their wholehearted attention to this mandate over the next six months.

Second, The Hague has given a political impetus to the task of completing the internal market. The clear message to Ministers is to get on with it - that is to get on with creating by 1992 a single European market of the kind enjoyed by the USA and Japan - but in our case an internal market as large as the USA and Japan put together. That in itself has great potential for jobs.

/Third,

Third, we have recognised the need to look at agricultural subsidies and protectionism in an international context and to include this very real problem in the new GATT round.

Finally, we discussed nuclear power and its future. After Chernobyl we know clearly where the Community is going, under the umbrella of the IAEA in Vienna, to reassure the public about this indispensable form of energy and to secure effective international collaboration on nuclear safety.

Let me now turn to South Africa.

Again we came to The Hague with a clear idea about how the Community should try to move things forward. The Presidency's conclusions reflect our practical approach.

First, they express our grave concern about what is happening in South Africa and our fervent wish to see an end to apartheid.

Then they express the Community's support for non-violent change - change in the context of a suspension of violence - and the need for dialogue to bring that about.

We are all agreed that to this end we want the release of Nelson Mandela and other political prisoners and a lifting of the ban on the ANC and other political parties.

In the meantime, we are agreed that the Foreign Secretary, as the Presidency, should undertake a mission next month to South Africa to try to get talks going.

I am sure we all wish him well in his task. He will carry with him the hopes of millions who want to see change through dialogue in South Africa.

/While

While this is going on, the Community will consult with other industrial countries on measures which might be taken if regrettably there is no progress.

This, as I say, is a sensible outcome and my hope is that all concerned will respond to the Community's calculatedly restrained but constructive approach to this terrible problem.

CENTRAL AMERICA

ICJ Judgment: US v. Nicaragua

- Not yet seen text of Court's judgment. It will require careful study.
- Have invariably accepted judgments of Court in cases where British Government have been party.
- Not a party to this judgment. Obviously believe in importance of adhering to rules of international law.

Aid to Contras: House of Representatives Vote

- US right to be concerned about prospects for democracy in Central America. So would you if Nicaragua on your doorstep.
- That's why, with our European partners, we support the Contadora process. The aim must be negotiated settlement, stability and chance for democratic development for all countries in region.
- [If pressed.] Do not believe dispute can be settled by military means alone. Need for restraint on all sides.



Je SLH

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 June 1986

Thank you for your letter of 25 June enclosing briefing for the European Council for the Prime Minister on EC Aviation and Shipping issues. In the event the issue was not raised as a separate matter.

file in
separate folder
with all Briefing

C D POWELL

J. Cunliffe, Esq.,
Department of Transport

R.

Top copy filed on
S. AFRICA: Relations: Pt 10

TOP COPY

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PRIME MINISTER'S

PERSONAL MESSAGE

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EUROPEAN COUNCIL: SOUTH AFRICA

1. PLEASE GIVE THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO
PRESIDENT BOTHA JUST AS SOON AS POSSIBLE:

BEGINS

DEAR MR PRESIDENT,

I HAVE JUST GOT BACK TO LONDON FROM THE EUROPEAN COUNCIL IN
THE HAGUE AND WANT TO LET YOU HAVE STRAIGHTAWAY AN ACCOUNT OF OUR
DISCUSSION OF SOUTH AFRICA. I AM ASKING OUR AMBASSADOR TO HAND
OVER TO YOU THE TEXT OF THE COUNCIL'S CONCLUSIONS. THESE, AND
NOTHING ELSE, ARE WHAT ALL TWELVE GOVERNMENTS AGREED AND PUT
THEIR NAMES TO, WHATEVER OTHER CLAIMS YOU MAY HEAR.

OF COURSE, THERE ARE PASSAGES WHICH WILL BE UNWELCOME TO
YOU. BUT OVERALL THE THRUST AND INTENTION IS POSITIVE: A
DESIRE TO HELP FIND A PEACEFUL WAY FORWARD IN SOUTH AFRICA. WE
AGREED A NUMBER OF ADDITIONAL MEASURES TO ASSIST BLACK SOUTH
AFRICANS. THE COMMUNITY HAS ALSO ASKED GEOFFREY HOWE TO VISIT
SOUTH AFRICA TO SEE IN WHAT WAYS WE CAN HELP THE PROCESS OF
NEGOTIATION, ON WHICH YOU HAVE TOLD US YOU HOPE TO EMBARK.

DESPITE THE INITIAL WISH OF A MAJORITY OF MEMBER STATES TO
PROCEED IN IMMEDIATE ADOPTION OF MEASURES AGAINST SOUTH AFRICA,
HELMUT KOHL AND I - WITH HELP FROM MR CAVACO SILVA - RESISTED
THIS. WE BROUGHT OUR COLLEAGUES TO ACCEPT THAT CONSIDERATION

1

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46547 - 1

SHOULD BE DEFERRED, AND CONSULTATIONS HELD WITH THE US, JAPAN AND OTHERS. WE WERE EMPHATIC THAT YOU SHOULD NOT BE PRESENTED WITH AN ULTIMATUM.

A GREAT DEAL NOW TURNS ON THE SUCCESS OF GEOFFREY HOWE'S MISSION. NATURALLY I HOPE YOU WILL EXTEND A WELCOME TO HIM AND ASSUME THAT YOU WILL SEE HIM YOURSELF. HE WILL BE IN TOUCH WITH YOUR FOREIGN MINISTER TO DISCUSS ARRANGEMENTS AND TIMING. YOU WILL APPRECIATE THAT IT WILL BE ESSENTIAL FOR HIM TO HAVE ACCESS TO ALL SHADES OF OPINION IN SOUTH AFRICA, INCLUDING MR MANDELA.

I MOST EARNESTLY HOPE THAT DURING THIS PERIOD YOU WILL DO EVERYTHING POSSIBLE TO AVOID ANY ACTIONS THAT MIGHT HAZARD THE DELICATE PROCESS THAT WE ARE TRYING TO PUT IN PLACE. INDEED I HOPE YOU WILL BE ABLE TO ADOPT TANGIBLE MEASURES TO DEMONSTRATE THAT YOUR REFORMIST POLICIES ARE STILL ON COURSE, PARTICULARLY YOUR INTENTION TO GRANT POLITICAL RIGHTS TO BLACK SOUTH AFRICANS. THE STEP WHICH WOULD DO MORE THAN ANYTHING TO UNDERLINE THIS INTENTION WOULD BE THE RELEASE OF MR MANDELA. THIS WOULD ALSO DO MUCH TO REASSURE THE INTERNATIONAL COMMUNITY.

I HOPE THAT WE CAN USE THIS OPPORTUNITY TO ACHIEVE THE PEACEFUL NEGOTIATIONS WHICH I KNOW YOU EARNESTLY SEEK.

WITH BEST WISHES,
YOURS SINCERELY,
MARGARET THATCHER
ENDS

HOWE
LIMITED
HD/SAFD
PS
PS/MRS CHALKER
PS/PUS
MR. FERGUSSON
MR. REEVE

2

SECRET



*J. Sutt
cpc.*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

27 June 1986

EUROPEAN COUNCIL

*filed in
separate folder
with all Budgets* →

Thank you for your letter of 25 June about the possibility that the issue of the site for the Community Trade Marks Office might be raised in the margins of the European Council in the Hague.

In the event it was not raised.

I am copying this letter to Colin Budd (Foreign and Commonwealth Office), Tony Kuczys (H M Treasury) and Michael Stark (Cabinet Office).

C D POWELL

Miss Catherine Bradley,
Department of Trade and Industry

✓

copied to
South Africa; Relations
A10

SECRET



hite
S
1
C.C.P.

NB

BF ||

Message not T'd till copy of
final tel. received

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 June 1986

Dear Colm,

EUROPEAN COUNCIL: SOUTH AFRICA

I enclose a message from the Prime Minister to President Botha about the outcome of the discussions on South Africa at the European Council, together with the conclusions. I should be grateful if this could be telegraphed flash to Cape Town this evening for immediate delivery to President Botha late tonight or early tomorrow morning.

The text has not been seen by the Foreign Secretary though draws upon a draft which Tony Reeve prepared.

yes sorry
C D Powell

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

SECRET

MESSAGE FROM THE PRIME MINISTER TO THE HON. P. W. BOTHA

Dear Mr. President,

I have just got back to London from the European Council in the Hague and want to let you have straightaway an account of our discussion of South Africa. I am asking our Ambassador to hand over to you the text of the Council's conclusions. These, and nothing else, are what all twelve governments agreed and put their name to, whatever other claims you may hear.

Of course there are passages which will be unwelcome to you. But overall the thrust and intention is positive: a desire to help find a peaceful way forward in South Africa. We agreed a number of additional measures to assist black South Africans. The Community has also asked Geoffrey Howe to visit South Africa to see in what ways we can help the process of negotiation, on which you have told us you hope to embark.

Despite the initial wish of a majority of member states to proceed in immediate adoption of measures against South Africa, Helmut Kohl and I - with help from Mr. Cavaco Silva - resisted this. We brought our colleagues to accept that consideration should be deferred, and consultations held with the US, Japan and others. We were emphatic that you should not be presented with an ultimatum.

A great deal now turns on the success of Geoffrey Howe's mission. Naturally I hope you will extend a welcome to him and assume that you will see him yourself. He will be in touch with your Foreign Minister to discuss arrangements and timing. You will appreciate that it will be essential for

him to have access to all shades of opinion in South Africa, including Mr. Mandela.

I most earnestly hope that during this period you will be able to adopt tangible measures to demonstrate that your reformist policies are still on course, particularly your intention to grant political rights to black South Africans. The step which would do more than anything to underline this intention would be the release of Mr. Mandela,

This would also do much to reassure the international community.

I hope that we can use this opportunity to achieve the peaceful negotiations which I know you earnestly seek.

With best wishes.

Yours sincerely,

Margaret Thatcher

Statement on South Africa

1. The European Council is gravely concerned about the rapid deterioration of the situation and the increasing levels of violence in South Africa. The reimposition of the State of Emergency and the indiscriminate arrest of thousands of South Africans can only further delay the start of a genuine national dialogue on South Africa's future, which is so urgently needed if a peaceful solution of the country's problems is to be found. Furthermore extensive censorship has been imposed on the media. The European Council believes that the present policies of the South African government can only lead to increasing repression, polarisation and bloodshed.
2. Against this background, the European Council has re-examined the Twelve's policy towards South Africa. It reaffirms that the main goal of this policy is the total abolition of apartheid. To support the process of non-violent change in South Africa and to emphasize their deep concern about the recent course of events, the Heads of State and Government have decided to take additional action.
3. The European Council has declared itself in favour of a concerted European programme of assistance to the victims of apartheid, encompassing both Community and national action, in order to maximise the effectiveness of Europe's contribution in this field. In this connexion the European Council has agreed on an increase in financial and material assistance to the victims of apartheid, in particular those affected by the disturbances in Crossroads and to political prisoners, including those arrested in connection with the recent reimposition of the State of Emergency.
4. The European Council is convinced that the commencement without delay of a national dialogue with the authentic leaders of the black population is essential to halt a

further escalation of violence and allow negotiations leading to a truly democratic and non-racial South Africa.

This dialogue cannot take place as long as recognized leaders of the Black community are detained and their organizations are proscribed.

In this context the European Council calls on the South African government:

- to unconditionally release Nelson Mandela and other political prisoners;
- to lift the ban on the African National Congress, the Pan Africanist Congress of Azania and other political parties.

5. In the meantime in the next three months the Community will enter into consultations with the other industrialized countries on further measures which might be needed covering in particular a ban on new investments, the import of coal, iron, steel and gold coins from South Africa.
6. The European Council decided to ask the future UK Presidency Foreign Minister to visit southern Africa, in a further effort to establish conditions in which the necessary dialogue can commence.

The Hague, 26-27 June 1986

SUBJECT
cc MASTER

CONFIDENTIAL



File 46
a for PC

10 DOWNING STREET

From the Private Secretary

27 June 1986

SOUTH AFRICA: PRIME MINISTER'S MEETING WITH
MR. LUBBERS AND MR. VAN DEN BROEK

The Prime Minister met Mr. Lubbers and Mr. Van Den Broek early this morning to discuss the handling of the South African item on the second day of the European Council. The Foreign Secretary was also present.

Mr. Lubbers said that an approach was needed which would reflect adequately the broad spread of views within the Community. There was clearly no difficulty on positive measures or on the Community's aims, such as an end to the state of emergency and the release of Mandela. He also thought that there was general support for a Presidency mission to South Africa. The Prime Minister interjected that this would have a better chance of making progress if it was limited to the Foreign Secretary alone. Mr. Lubbers agreed. —

Mr. Lubbers continued that in the Presidency's view, a mission would succeed only if it was accompanied by a firm decision by the Twelve to take certain restrictive measures unless the Community's aims were achieved within a specific period, say two months. The measures which they had in mind were a ban on fruit and vegetables, coal, iron and steel and gold coins, to which might be added a ban on direct investment which had been proposed by Signor Craxi.

/Chancellor Kohl

CONFIDENTIAL

Chancellor Kohl had also mentioned the possibility that the Community might try to organise a meeting outside South Africa between all the interested parties, that is the various black representatives and the South African Government. He personally was sceptical.

Mr. Lubbers said that his impression was that Chancellor Kohl was ready for a compromise on the lines he had indicated as was M. Chirac. The Presidency would, therefore, propose a text including decisions on restrictive measures for immediate adoption, although with implementation delayed for a fixed period in order to allow the Twelve to assess the results of a mission to South Africa. If agreement could not be reached, he believed that the great majority of Member States would implement measures on these lines individually. He was bound to say that it was the Presidency's intention to put the matter to a vote if necessary.

The Prime Minister rehearsed the objections to reaching a decision now to implement measures before a mission went to South Africa. This would be seen by the South African Government as an ultimatum which would probably lead them to refuse to accept a mission at all. She made it crystal clear that she was not prepared to accept a ban on fruit and vegetables and wine. She doubted whether Chancellor Kohl's position was as flexible as Mr. Lubbers suggested. She also pointed out that the Presidency text made no provision for consultations with other industrialised countries. This was an essential element. The Prime Minister handed to Mr. Lubbers a text of her own which would provide for consultation with other industrialised countries on further measures which might be needed, covering in particular a ban on direct investment, on coal, iron, steel and gold coins. She made clear that a ban on direct investment would have to be voluntary.

/Mr. Lubbers

CONFIDENTIAL

Mr. Lubbers and Mr. Van Den Broek made clear that they did not believe that such a text went far enough. It was suggested that the Foreign Secretary and Mr. Van Den Broek should try to arrive at an acceptable compromise.

Subsequently, the Prime Minister showed her text to Chancellor Kohl and to the Portuguese Prime Minister, both of whom agreed to it.

CHARLES POWELL

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

booklet to be
returned from
FCO



file

SS

CCPC ✓

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 June 1986

I enclose a copy of a letter to the Prime Minister from Mr. Lubbers about the future of European integration, which in turn encloses a report entitled "The Unfinished European Integration". I should be grateful for a draft reply with some comments in due course.

BF ||

(SEE T1163/86
26.6.86)

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

✓



10 DOWNING STREET

Prime Minister

Two Telegrams

which you should

send.

The story in the
Guardian about divisions

between you & the

FCS may cause the

rather some angst.

C.D.P.

27.6.86

UNCLASSIFIED

FM COIN LONDON

TO IMMEDIATE THE HAGUE

TELNO RETRACT 001

OF 270001Z JUNE 86

AND TO IMMEDIATE FCO, NO TEN

THE HAGUE - IMMEDIATE FOR THE PRIME MINISTER, THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS AND THE CHIEF PRESS SECRETARY

NO TEN - PRESS OFFICE AND PRIME MINISTERS PRIVATE OFFICE

FCO - NEWS DEPT AND SECRETARY OF STATES PRIVATE OFFICE

FOLLOWING IS LPS MEDIA SUMMARY OF FIRST EDITIONS OF NATIONAL NEWSPAPERS OF FRIDAY 27 JUNE 1986 AND RADIO AND TELEVISION NEWS REPORTS OF THURSDAY EVENING 26 JUNE 1986.

THE TOP STORY IS THE EUROPEAN COMMUNITY SUMMIT AND THE QUESTION OF SANCTIONS AGAINST SOUTH AFRICA. "EC SUMMIT DEADLOCK ON SANCTIONS" IS THE HEADLINE ON THE PAGE ONE LEAD STORY IN THE TIMES. THIS SAYS PRIME MINISTER MARGARET THATCHER AND OTHER EC LEADERS AGREED YESTERDAY IN THE HAGUE ON THE NEED TO SEND A "SIGNAL TO PRETORIA", BUT LAST NIGHT THEY WERE STILL DEADLOCKED OVER WHETHER TO IMPOSE SANCTIONS ON SOUTH AFRICA. IT ADDS THAT A POSSIBLE COMPROMISE SOLUTION, DISCUSSED BY EC LEADERS OVER DINNER, IS A DECLARATION OF INTENT COUPLED WITH A DIPLOMATIC DIALOGUE WITH THE SOUTH AFRICAN GOVERNMENT DESIGNED TO AVERT THE NEED FOR EC MEASURES. BUT IT SAYS THE MEASURES WOULD BE INTRODUCED IF PRETORIA DID NOT LIFT THE STATE OF EMERGENCY AND MAKE NECESSARY REFORMS, ACCORDING TO OFFICIALS. IT GOES ON TO REPORT THAT SOURCES SAID BRITAIN WAS NOT ISOLATED OVER THE ISSUE, AND MRS THATCHER WAS FAR FROM BEING THE ONLY EC LEADER TO RESIST SANCTIONS. THE SOURCES ADDED THAT BRITAIN WAS WILLING TO CONSIDER RELUCTANTLY LIMITED "NEGATIVE" SANCTIONS, PROVIDED THEY WERE COMBINED WITH POSITIVE MEASURES, SUCH AS LEGAL AND FINANCIAL

AID TO BLACK OPPOSITION GROUPS. IT NOTES THAT OFFICIALS SAID IRELAND, GREECE, SPAIN, DENMARK AND THE NETHERLANDS WERE ALL IN FAVOUR OF NEGATIVE SANCTIONS. A FRONT PAGE STORY IN THE FINANCIAL TIMES FTAYS A PROPOSAL BY THE DUTCH PRESIDENCY OF THE EC FOR AN IMPORT BAN ON SOUTH AFRICAN COAL, IRON, STEEL, WINE, FRUIT AND VEGETABLES THREATENED TO DIVIDE THE EC LEADERS LAST NIGHT. IT ADDS THAT MRS THATCHER AND WEST GERMANY'S CHANCELLOR KOHL MAINTAINED FIRM OPPOSITION TO ANY SWEEPING ECONOMIC SANCTIONS AS PART OF AN EFFORT TO PERSUADE THE SOUTH AFRICAN GOVERNMENT TO OPEN A DIALOGUE WITH GENUINE LEADERS OF THE BLACK COMMUNITY. IT GOES ON TO SAY THAT THE LEADERS WERE STRUGGLING LAST NIGHT TO FIND COMMON GROUND ON A "BALANCED PACKAGE" WHICH MOST MEMBER STATES BELIEVE SHOULD INCLUDE SOME RESTRICTIVE ECONOMIC MEASURES AS WELL AS POSITIVE ACTION. THE TIMES CARRIES A PAGE SEVEN PIECE ON SECURITY AT THE HAGUE WHICH SAYS THAT THE DUTCH APPEARED TO HAVE BEEN SEIZED WITH LAST-MINUTE ALARM AT THE THOUGHT OF AN OUTRAGE AT THE SUMMIT, WHICH MARKS THE END OF THE NETHERLANDS' PRESIDENCY. "THATCHER AND HOWE SPLIT ON SANCTIONS" IS THE HEADLINE ON THE FRONT PAGE LEAD STORY IN THE GUARDIAN. THE STORY SAYS THE PRIME MINISTER AND THE FOREIGN SECRETARY ARE REPORTED BY THEIR COLLEAGUES TO BE IN SERIOUS DISPUTE ABOUT SANCTIONS AND TO HAVE REACHED AN UNHAPPY STAGE IN THEIR LONG AND FORMERLY CLOSE POLITICAL RELATIONSHIP. IT ADDS THAT AS THEY LEFT FOR THE SUMMIT YESTERDAY, MRS THATCHER AND SIR GEOFFREY WERE STILL ARGUING ABOUT BRITAIN'S ROLE IN INTERNATIONAL ACTION AGAINST PRETORIA. IT GOES ON TO SAY THAT MINISTERS CLOSE TO BOTH OF THEM WERE CONCERNED ABOUT THE EFFECT OF THEIR DISAGREEMENT ON THE GOVERNMENT. THE STORY SAYS MRS THATCHER HAS BEEN EXPRESSING TO HER FRIENDS CONSIDERABLE IRRITATION AT THE FCO'S APPROACH TO THE SOUTH AFRICAN CRISIS. IT ADDS THAT THIS HAS RESULTED IN A SERIES OF SHARP EXCHANGES WITH SIR GEOFFREY, "WHO HAS NOT BEEN NOTED IN THE PAST FOR HIS ENTHUSIASM FOR FIGHTS WITH DOWNING STREET". IT SAYS DIFFICULTIES IN MRS THATCHER'S RELATIONSHIP WITH SIR GEOFFREY DATE FROM THE DISPUTE OVER THE SETTLEMENT OF THE FUTURE OF HONG KONG. THE DAILY TELEGRAPH REPORTS THE SUMMIT ON THE BACK PAGE, SAYING MRS THATCHER SAT DOWN TO DINNER LAT NIGHT AWARE THAT THE BRITISH IDEA OF SENDING A "TROIKA" OF FOREIGN MINISTERS, HEADED BY SIR GEOFFREY, WAS GETTING A COOL RECEPTION. "SUMMIT TRIUMPH" AND "MAGGIE WINS EC SUPPORT ON SOUTH AFRICAN SANCTIONS" ARE THE HEADLINES ON A PAGE 10 STORY IN THE DAILY MAIL. THIS SAYS THE PRIME MINISTER WON STRONG BACKING AT THE SUMMIT OVER HER OPPOSITION TO COMPREHENSIVE SANCTIONS AGAINST SOUTH AFRICA. "MARKET IN DEADLOCK ON SANCTIONS TUSSLE" IS THE HEADLINE ON A PAGE TWO PIECE IN THE DAILY EXPRESS. AND "SANCTIONS: MARKET GANG UP ON MAGGIE" IS THE HEADLINE ON A PAGE TWO STORY IN THE DAILY MIRROR.

BROADCASTING

THE SIX O'CLOCK NEWS ON RADIO 4 SAYS EC FOREIGN MINISTERS DISCUSSED SOUTH AFRICA IN THE HAGUE BUT THERE WAS NO AGREEMENT. STEPHEN JESSEL REPORTS THE FIRST DAY OF THE SUMMIT BEGAN WITH SOUTH AFRICA AND WILL END ON THE SAME TOPIC WHEN THE HEADS OF STATE MEET OVER DINNER. HE ADDS THAT A BAN ON THE IMPORTATION OF SOUTH AFRICAN FRUIT OR COAL HAS BEEN SUGGESTED BY SOME BUT THE OTHERS ARE NOT SURE ABOUT IT.

CHANNEL 4 TV NEWS SAYS MRS THATCHER, THE GERMANS, THE PORTUGUESE AND THE FRENCH DO NOT WANT SANCTIONS BUT THEY MAY BAN COAL, FRUIT, IRON AND STEEL. NICK GOWING REPORTS THAT THERE WAS A DEMONSTRATION AND SANCTIONS MAY COME. A DUTCH SPOKESPERSON SAYS: 'WE MUST GIVE A MESSAGE.'

THE NINE O'CLOCK NEWS ON BBC-1 SAYS THE EC FOREIGN MINISTERS FAILED TO REACH AGREEMENT EARLIER TODAY AND THE LEADERS WERE TRYING TO THRASH OUT THE SANCTIONS ISSUE AT DINNER. JOHN SIMPSON REPORTS THAT THE FOREIGN MINISTERS GAVE UP THEIR TALKS AS A BAD JOB., THEN THE LEADERS SWEEP IN TO TAKE OVER THE DISCUSSIONS. HE SAYS THE SMALLER MEMBERS THINK THE BIGGER ONES HAVE ALREADY DONE A DEAL OVER SOUTH AFRICA. HE ADDS THAT MRS THATCHER SAID IT WOULD BE A DISASTER TO BOYCOTT SOUTH AFRICAN GOLD AND PLUTONIUM BECAUSE THE SOVIETS ARE THE ONLY OTHER SOURCE. HE SAYS THE LEADERS TONIGHT WERE GETTING TO THE HEART OF THE MATTER AND TALKS WERE LIKELY TO CONTINUE INTO TOMORROW.

THE PM PROGRAMME ON RADIO 4 SAYS NO CONCLUSION WAS REACHED AT THE EARLIER TALKS BECAUSE THE FOREIGN MINISTERS OF FRANCE AND WEST GERMANY WERE NOT THERE. STEPHEN JESSEL REPORTS THAT HE THINKS THERE IS EVERY SIGN THAT THE SOUTH AFRICA ISSUE WILL DOMINATE THE SUMMIT, PERHAPS TO THE DETRIMENT OF OTHER ISSUES. HE SAYS THERE ARE DIVISIONS BUT THERE IS GENERAL APPROVAL FOR POSITIVE ACTION, SUCH AS MORE MONEY FOR BLACK EDUCATION, MORE MONEY FOR ANTI-APARTHEID GROUPS, BUT THE MORE CONTENTIOUS QUESTIONS ARE THINGS LIKE THE BANNING OF URANIUM IMPORTS OR CAPE FRUITS.

THE NEWS AT TEN ON ITV SAYS THE EC SPLIT ON SANCTIONS FOR SOUTH AFRICA. IT ADDS THAT MRS THATCHER WAS HOLDING OUT WITH THE WEST GERMANS AND PORTUGUESE, NOTING THAT THE PRIME MINISTER AND CHANCELLOR KOHL ARGUED FOR POSITIVE ACTION. MICHAEL BRUNSON REPORTS FROM THE HAGUE THAT THE SECURITY WAS UNREAL. HE SAYS THERE WERE SOME IDEAS OF BANNING FRUIT, COAL, IRON AND GOLD, HE ADDS THAT QUEEN BEATRIX, OPENING THE SUMMIT, SAID THE LEADERS SHOULD DISCUSS EUROPEAN MATTERS AND THEY DID FOR A LONG TIME. BRUNSON SAYS MRS THATCHER ASKED IF THE UK COULD GET CHROME AND TITANIUM FROM THE SOVIET UNION. HE ADDS THAT BELGIUM SUGGESTED THAT SIR GEOFFREY HOWE SHOULD GO TO SOUTH AFRICA ON A PEACE MISSION.

THE WORLD TONIGHT ON RADIO 4 SAYS THE HEADS OF STATE AND GOVERNMENT HAD THE SOUTH AFRICA ISSUE BEFORE THEM AFTER THE FOREIGN MINISTERS FAILED TO AGREE ON A COMMON POSITION. IT ADDS THAT HERR KOHL FIRST EXPRESSED DOUBTS ON NEGATIVE MEASURES, AND WAS BACKED BY BRITAIN AND PORTUGAL. STEPHEN JESSEL'S REPORT GOES ON TO SAY THAT THE LINEUP WITH THE LEADERS NOW APPEARS TO BE NINE TO THREE. HE SAYS THE PROBLEMS IS ACHIEVING A BALANCE BETWEEN POSITIVE AND NEGATIVE MEASURES, WITH THE MAJORITY THINKING SOME PUNITIVE MEASURES MUST BE INCLUDED IN THE PACKAGE IF PRETORIA IS TO GET A SIGNAL FROM THE EC. HE ADDS THAT, AS BRITAIN IS TO ASSUME THE PRESIDENCY ON TUESDAY, IT WOULD NOT WANT A DAMAGING ROW AT THIS STAGE. HE SAYS THE GERMANS ARE SAID TO BE A BIT SOFTER ON A FRUIT AND VEGETABLE EMBARGO, AND THE PORTUGUESE COULD PERHAPS BE BROUGHT ROUND. HE CONCLUDES THAT THERE WILL NOT BE A DECISION TONIGHT.

ON NEWSNIGHT ON BBC-2, NICK CLARKE REPORTS IT WOULD BE WRONG TO THINK THERE WAS NO AGREEMENT - ALL EXPRESSED A WISH TO TAKE SOME ACTION. HE ADDS THAT DENMARK HAS DEMANDED WIDESPREAD AND IMMEDIATE SANCTIONS, WHILE THE UK AND WEST GERMANY DO NOT LIKE THE IDEA OF SANCTIONS AT ALL.

OTHER NEWS

THE PAGE ONE LEAD STORY IN THE FINANCIAL TIMES SAYS THE PEACOCK COMPANY EXAMINING THE FINANCING OF BRITISH BROADCASTING HAS RECOMMENDED THAT ALL 15 INDEPENDENT TV FRANCHISES SHOULD BE PUT UP FOR AUCTION WHEN THE NEXT FRANCHISE ROUND IS DUE IN 1988.

A PROMINENT FRONT PAGE PIECE IN THE TIMES SAYS THE POLICE INVESTIGATION INTO JOHN STALKER, DEPUTY CHIEF CONSTABLE OF GREATER MANCHESTER, IS TO CONTINUE IN SPITE OF HIS PROTESTS THAT HE IS INNOCENT OF ANY WRONG DOING AND MOUNTING CONCERN FROM MP'S.

A STORY APPEARING IN SEVERAL PAPERS SAYS MRS THATCHER HAS ASKED SIR ROBERT ARMSTRONG, THE CABINET SECRETARY, TO STAY ON BEYOND HIS EXPECTED RETIREMENT DATE UNTIL THE NEXT GENERAL ELECTION.

ANOTHER STORY WINNING WIDE COVERAGE SAYS TWO BRITISH ENGINEERS HELD IN NIGERIA FOR MORE THAN TWO YEARS YESTERDAY WON THEIR APPEAL AGAINST 14-YEAR JAIL TERMS FOR CONSPIRACY AND THEFT OF AN EXECUTIVE JET.

A PAGE ONE ITEM IN THE FINANCIAL TIMES SAYS THE US ADMINISTRATION EXPECTS TO HAVE TO LOWER ITS REAL ECONOMIC GROWTH PROJECTION FOR 1986 FROM FOUR PER CENT AND TO RAISE ITS ESTIMATE OF THE FISCAL YEAR 1986 BUDGET DEFICIT WHEN IT RELEASES ITS MID-YEAR REVIEW OF THE BUDGET OUTLOOK NEXT MONTH.

TODAY HAS A PAGE TWO STORY REPORTING THAT ENERGY SECRETARY PETER WALTER WARNED YESTERDAY THAT BRITAIN WOULD FACE A NIGHTMARE FUTURE WITHOUT NUCLEAR POWER.

A PAGE FOUR STORY IN THE FINANCIAL TIMES REPORTS THAT NICARAGUAN PRESIDENT DANIEL ORTEGA SAID PROPOSED US MILITARY AID FOR THE 'CONTRAS' MARKED ANOTHER STEP TOWARDS AN INVASION. A PAGE NINE PIECE IN THE TIMES SAYS SR ORTEGA CALLED PRESIDENT REAGAN 'A TERRORIST AND A FASCIST WORSE THAN HITLER'.

A PAGE SIX PIECE IN THE DAILY TELEGRAPH SAYS A RECENT GALLUP POLL JUST RELEASED SHOWS THAT ALMOST TWO IN THREE OF THE PUBLIC THINK MRS THATCHER'S SYMPATHIES ARE WITH THE WHITE SOUTH AFRICAN GOVERNMENT. THIS IS IN STARK CONTRAST TO WHERE THE PUBLIC'S SYMPATHIES LIE - ALMOST TWO IN THREE WITH THE BLACK POPULATION, ACCORDING TO THE POLL.

AND A PAGE EIGHT STORY IN THE GUARDIAN SAYS COMMONWEALTH SECRETARY-GENERAL SONNY RAMPHAL YESTRDAY WARNED BRITAIN THAT FAILURE TO AGREE TO SANCTIONS AGAINST SOUTH AFRICA WOULD PUT ITS OWN ECONOMIC RELATIONS WITH COMMONWEALTH COUNTRIES AT RISK.

ENDS MEDIA SUMMARY

CONFIDENTIAL
FM FCO
TO IMMEDIATE THE HAGUE
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OF 261830Z JUNE 86

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Received in Registry 26 JUN 1986	
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FOR SECRETARY OF STATE'S PARTY
TELECON PRENDERGAST/REEVE

1. FOLLOWING IS TEXT OF LETTER TO FERGUSSON OF TODAY'S DATE
FROM SOUTH AFRICAN AMBASSADOR:

QUOTE

REGARDING THE DISCUSSION WHICH WE HAD YESTERDAY, I WOULD LIKE
YOU TO KNOW THAT WE HAVE CONVEYED PRIME MINISTER THATCHER'S
MESSAGE TO THE STATE PRESIDENT.

THE STATE PRESIDENT HAS REPLIED THAT HE APPRECIATES THE GESTURE
OF INFORMING HIM IN ADVANCE OF THE MEETING IN BRUSSELS TODAY AND
TOMORROW. HE WISHES TO EXPRESS HIS APPRECIATION ALSO OF THE
FACT THAT PRIME MINISTER THATCHER WILL INFORM HIM PERSONALLY OF
WHAT TRANSPIRED AT THAT MEETING.

I AM INSTRUCTED ALSO TO TELL YOU THAT THE STATE PRESIDENT IS
HAPPY TO COMPLY WITH THE REQUEST THAT HE NOT IMMEDIATELY RESPOND
TO WHATEVER STATEMENT IS ISSUED AFTER THE MEETING. HOWEVER, THE
STATE PRESIDENT WISHES TO POINT OUT, IN A FRIENDLY WAY, THAT HE
TRUSTS THAT SUCH A STATEMENT WILL NOT CONTAIN LANGUAGE WHICH IS
HUMILIATING TO SOUTH AFRICA OR WHICH INTERFERES IN SOUTH AFRICA'S
AFFAIRS.

NO DOUBT YOU WILL CONVEY THIS TO PRIME MINISTER THATCHER.
UNQUOTE.

HOWE

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SUBJECT
"ops
Master

ccpc



MINISTER-PRESIDENT

Nr:368071. The Hague, 26th June, 1986.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T1163/86

Dear Prime Minister,

./.
I enclose a copy of the English translation of the report "The Unfinished European Integration" recently presented to the Netherlands Government by the Scientific Council For Government Policy, an independent statutory body which advises the Government on probable long-term trends and the policies which should accordingly be pursued.

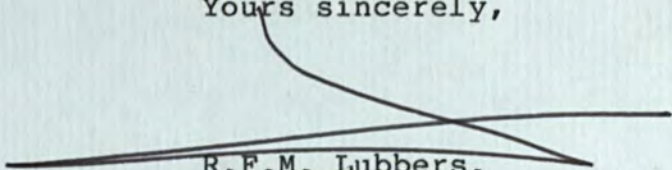
in folder
attached

The report contains an analysis of the current state of affairs in Europe and makes specific proposals for advancing the process of economic integration, focusing on the integration of the market for industrial products and the reform of the Common Agricultural Policy.

Although the report is, of course, intended for the Netherlands Government, its general approach may be of interest to you, particularly in its efforts to indicate ways of advancing the integration process, using existing powers wherever possible.

Please accept, Prime Minister, the assurances of my highest consideration.

Yours sincerely,


R.F.M. Lubbers.

Rt. Hon. Margaret Thatcher, M.P.
Prime Minister of the
United Kingdom.

Your letter dated
Subject

Reference

Date June 1986

'THE UNFINISHED EUROPEAN INTEGRATION'

This report focuses on the need to complete the stagnating process of European economic integration by finishing the internal market for industrial products and services and by a reorientation of the Common Agricultural Policy (CAP). Such progress is essential if the Community is to withstand the threat posed by structural changes at world level, especially the competition from the United States, Japan and the newly industrialized countries.

As discussed in the report, the capacity to conduct national economic policies has been eroded by the unfinished state of market integration, a 'leakage' effect for which the Community has so far been unable to compensate. On the assumption that there will be no appreciable decline in the need for government intervention over the next few years, and that the continuing completion of the internal market will further undermine the capacity of the Member States to conduct independent policies, enlargement of the Community's policy-making capacity will continue to demand major attention.

This report accordingly deals with two aspects of the integration process: 'negative' integration (the elimination of national barriers towards the introduction of a single, unified market) and 'positive' integration (i.e. the implementation of common or Community co-ordinated policies). These two aspects are inextricably linked where national governments pursue policies. When (as at present) negative and positive integration are inadequately co-ordinated, integration 'deficits' arise that disrupt the functioning of the common market and limit the effectiveness of official policies (both communal and national) within the Community.

Deficits also arise in relation to national policies outside the acquis or actual areas of integration. The marked increase in government responsibilities over the past thirty years and the associated rise in the level of government intervention have brought the problem of co-ordination into the focus of attention, both with respect to interventions by the Member States and as regards the macro-economic and monetary policies complementing the introduction of the common market.

This report has sought to identify solutions that are consistent with the particular nature of individual areas of policy and also politically realistic and feasible. The complexity of the phenomenon of unfinished integration renders it pointless to look for single, all-embracing solutions. Thus progress may be made in some areas by delegating greater powers from the Council of Ministers to the European Commission, while in others closer co-operation between Member States will be the most feasible course.

The problems of unfinished integration have been tackled in relation to two main aspects: the market for industrial products (and, in conjunction with this, the market for services) and the market for agricultural products.

The importance is stressed of achieving a large, homogeneous home market for industrial products and services for Western Europe as a whole. This will require further unification of the common commercial policy, strengthening and broadening of the common competition policy, and improved co-ordination by the

Member States of their national industrial policies. The report makes many recommendations on this score and devotes particular attention to the shaping of a European industrial and technology policy.

Agricultural policy is discussed in terms of three problems: surpluses and the associated financing problems, marginal areas, and environmental problems. It is argued that the current agricultural policy relies excessively on the price-fixing mechanism to achieve both market equilibrium and an acceptable level of income for the agricultural community. Taken together with technical progress, which means that increasing yields will continue to be produced more and more cheaply, large production surpluses have been generated. It is argued that a system of quota arrangements in the Community will not solve these problems. As a solution, the WRR recommends a reorientation in the form of a more market-oriented agricultural policy, with a general reduction in prices towards world levels, together with the development and funding of new instruments to help the poorer agricultural areas in the Community.

Finally some institutional problems of the Community are viewed as deriving from substantive issues. The need to enhance the decision-making capacity of the EC will mean that the unanimity principle for Council decision-making will have to be reviewed from area to area of policy and where appropriate abolished. The proposals made along these lines in the Single Act of European Union would, if properly observed, effect some improvement, but would not fully satisfy the requirements for a minimal solution to the substantive problems.

PRIME MINISTER

MEETING WITH THE TAOISEACH

It looks as though the only possible time is immediately after the current session of the Council, provided it does not break up too late.

Assuming it finishes by about 6.30/6.40, I suggest we go to the Taoiseach's office which is the closest (in this building) for a brief talk. If that fails, we will have to try tomorrow morning at about 0930.

C. D. P.

26 June 1986

CONFIDENTIAL

cc Pe
MH



Foreign and Commonwealth Office

London SW1A 2AH

25 June 1986

Dear Charles,

COP 27/6

Prime Minister's Breakfast with Lubbers, 27 June:
Political Cooperation Aspects

attached

I have sent you separately a checklist of points on Community issues. The obvious subjects to cover on the political cooperation side are South Africa and the Dutch proposal for a Declaration on Human Rights. Advice on South Africa should clearly be prepared on the spot in the light of discussion on 26 June.

At this stage, therefore, I enclose only Points to Make on the proposed Declaration on Human Rights. We are preparing a full brief on this for the European Council itself.

The Prime Minister will have seen the reference to this proposal in Mr Lubbers' letter. A brief note on it was included in my letter to you of 23 June. The Dutch have been trying since February to produce a Declaration on Human Rights for the European Council to issue. They began with a 1600 word UN Resolution-style text. We have whittled this down to a six paragraph text (copy attached), while making plain from the start our view that there should be no statement at all by Heads of Government because (as the latest draft makes painfully clear) there is nothing new to say. The French agree with us that the proposed statement would cut little ice with the public and have, so far, given us good support. The rest of the partners either positively favour it for reasons of their own (especially Greece, Spain and Portugal) or agree with us in principle but see the statement as a 'bouquet' for the Dutch and will be inclined to side with them.

The Foreign Secretary feels unable to commend the text to the Prime Minister. He sent a message to van den Broek on 24 June, urging him not to put the Declaration to the European Council. We have not yet had a reply. The message will have given Mr van den Broek pause for thought, but he is unlikely to back down without a final try at the European

/Council.

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Council. A final decision whether to continue to stand out against the Declaration will clearly depend on the way the discussion goes in the Hague and will have to be taken by the Prime Minister and Foreign Secretary on the spot.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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PRIME MINISTER'S BREAKFAST WITH MR LUBBERS 27 JUNE

PROPOSED HUMAN RIGHTS DECLARATION

Checklist of Points to Make

- Human Rights an abiding concern for us all. But remain very sceptical about statement by Heads of Government at this juncture.

- Important that our Statements reflect what we have actually discussed. Otherwise credibility problem with public. Also danger we all know that European Councils get bogged down in discussion of bureaucratic texts.

- Presidency's text still not agreed. I saw latest version for first time earlier this week. It says little new. Not at all sure this is what I would like to say about Human Rights. Wrong to rush statement on this important subject through without fullest consideration of what we are doing.

GRS 1006.
FM LA HAYE COREU
TO ALL COREU AND UN MISSIONS NEW YORK AND GENEVA - PRIORITE

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① Fax copy to
Mr. Team
Urup - Urgent

CPE/PRES/HAG/996
20.06.1986 20.00 HRS. LT.

② copy to the
Parliament
copy to me
③

CONFIDENTIEL
DISTRIBUTION LIMITEE

SUBJECT: DRAFT DECLARATION ON HUMAN RIGHTS

REF.: CPE/PRES/HAG/988

FURTHER TO THE DISCUSSIONS IN THE MEETING OF THE POLITICAL COMMITTEE ON 20 JUNE 1986, THE PRESIDENCY TRANSMITS A REVISED DRAFT FOR A POSSIBLE DECLARATION ON HUMAN RIGHTS BY THE EUROPEAN COUNCIL. THE PRESIDENCY WILL CONSULT THE CHAIRMAN OF COREPER ON PARA 5.

Q U O

DRAFT DECLARATION ON HUMAN RIGHTS
BY THE EUROPEAN COUNCIL

1. RESPECT FOR HUMAN RIGHTS IS ONE OF THE CORNERSTONES OF EUROPEAN COOPERATION. THE EUROPEAN COUNCIL REAFFIRM THEIR COMMITMENT TO PROMOTE AND PROTECT HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS AND EMPHASISE THE IMPORTANCE IN THIS CONTEXT OF THE PRINCIPLES OF PARLIAMENTARY DEMOCRACY AND THE RULE OF LAW.
2. THE TWELVE SEEK UNIVERSAL OBSERVANCE OF HUMAN RIGHTS. THE PROTECTION OF HUMAN RIGHTS IS THE LEGITIMATE AND CONTINUOUS DUTY OF THE WORLD COMMUNITY AND OF NATIONS INDIVIDUALLY. EXPRESSIONS OF CONCERN AT VIOLATIONS OF SUCH RIGHTS CANNOT BE CONSIDERED INTERFERENCE IN THE DOMESTIC AFFAIRS OF A STATE. NEITHER LACK OF SOCIAL AND ECONOMIC DEVELOPMENT, NOR ANY PERSUASION OR IDEOLOGY MAY SERVE AS A JUSTIFICATION FOR THE DENIAL OF CIVIL AND POLITICAL RIGHTS. THE MAJOR UNITED NATIONS INSTRUMENTS IN THE FIELD OF HUMAN RIGHTS SHOULD BE UNIVERSALLY RATIFIED AS SOON AS POSSIBLE. STATES SHOULD CO-OPERATE WITH INTERGOVERNMENTAL ORGANISATIONS WHICH MONITOR

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/IMPLEMENTATION

IMPLEMENTATION OF HUMAN RIGHTS AND OF WHICH THEY ARE A MEMBER. THE RESPECT FOR HUMAN RIGHTS CANNOT BE DISREGARDED IN THE RELATIONS MAINTAINED BETWEEN THIRD COUNTRIES AND THE EUROPE OF THE TWELVE.

3. THE WORLDWIDE HUMAN RIGHTS SITUATION REMAINS ALARMING, IN PARTICULAR THE PERSISTENCE OF VIOLATIONS OF INDIVIDUAL LIBERTIES AS WELL AS TYRANNY, OPPRESSION AND INDISCRIMINATE VIOLENCE IN MANY COUNTRIES. CONCERN FOR VIOLATIONS OF HUMAN RIGHTS FORMS AN IMPORTANT FOCUS OF ATTENTION FOR THE TWELVE, A CONCERN THEY SHARE WITH THE EUROPEAN PARLIAMENT. IN RECENT YEARS THE EUROPEAN PARTNERS HAVE DELIVERED VARIOUS DECLARATIONS ON BEHALF OF FOREIGN MINISTERS AND MADE REPRESENTATIONS ON NUMEROUS OCCASIONS WITH MANY GOVERNMENTS, ATTEMPTING TO AMELIORATE THE HUMAN RIGHTS SITUATION IN THE COUNTRIES CONCERNED AND TO COUNTER CASES OF SPECIFIC HUMAN RIGHTS ABUSE. JOINT STATEMENTS IN INTERNATIONAL FORA ON HUMAN RIGHTS ISSUES HAVE BECOME STANDARD PRACTICE FOR THE TWELVE, AS HAVE FREQUENT DISCUSSIONS ON ALL CONSULTATIVE LEVELS EXISTING AMONG THEM. THE EUROPEAN COUNCIL RESOLVE THAT THE TWELVE WILL CONTINUE ACTION WITHIN THE FRAMEWORK OF EUROPEAN POLITICAL CO-OPERATION AGAINST VIOLATIONS IN ANY PART OF THE WORLD.
4. INDIVIDUALS AND NON-GOVERNMENTAL ORGANISATIONS THE WORLD OVER HAVE MADE VALUABLE AND COURAGEOUS CONTRIBUTIONS TO THE PROTECTION AND PROMOTION OF HUMAN RIGHTS. THE EUROPEAN COUNCIL APPEAL TO ALL STATES TO ENHANCE PUBLIC AWARENESS CONCERNING THE CAUSE OF HUMAN RIGHTS THROUGH EDUCATIONAL PROGRAMMES AND BY ALLOWING NON-GOVERNMENTAL ORGANISATIONS FREELY TO DISSEMINATE HUMAN RIGHTS INFORMATION.
5. THE EUROPEAN COUNCIL DEPLORE THAT COUNTLESS PEOPLE AROUND THE WORLD SUFFER HUNGER, DISEASE AND LACK OF OPPORTUNITY, THUS BEING DENIED THE ENJOYMENT OF THE MOST BASIC ECONOMIC AND SOCIAL RIGHTS. THE PROMOTION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS AS WELL AS OF CIVIL AND POLITICAL RIGHTS IS OF PARAMOUNT IMPORTANCE FOR THE FULL REALISATION OF HUMAN DIGNITY AND FOR THE ATTAINMENT OF LEGITIMATE ASPIRATIONS OF EVERY INDIVIDUAL. THE EUROPEAN COUNCIL AFFIRM THAT IN THE DEVELOPMENT OF THEIR RELATIONS WITH NON-MEMBER STATES AS WELL AS IN THE ADMINISTRATION OF AID THE EUROPEAN COMMUNITY AND ITS MEMBER STATES WILL CONTINUE TO PROMOTE FUNDAMENTAL RIGHTS AND THUS WILL SEEK TO ELIMINATE THE OBSTACLES PREVENTING INDIVIDUALS AND PEOPLES FROM ACTUALLY ENJOYING TO THE FULL THEIR CIVIL AND POLITICAL RIGHTS AND THEIR ECONOMIC, SOCIAL AND CULTURAL RIGHTS.

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6. LASTING PEACE AND SECURITY ARE UNATTAINABLE WITHOUT UNIVERSAL ENJOYMENT OF HUMAN RIGHTS. THE EUROPEAN COUNCIL EXPRESS THE HOPE THAT THE PROCESS OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE WILL PRODUCE CONCRETE ADVANCEMENT OF HUMAN RIGHTS, RESPECT FOR WHICH IS AN ESSENTIAL FACTOR FOR THE PEACE, JUSTICE AND WELL-BEING NECESSARY TO ENSURE THE DEVELOPMENT OF FRIENDLY RELATIONS AND COOPERATION AMONG ALL STATES.

U N Q U O

LA HAYE COREU

LIMITED

ECD (V)

ECD (E)

UND

MR DERGIL THOMAS

MR RATFORD

MR SLATER

MR BROWNING (ODA)

MR RENWICK.

COPIES TO:

MR P FREEMAN ECD/ODA

PS/NO 10 DOWNING ST

MR MH JAY, CABINET OFFICE

MR WILLIAMSON, CABINET OFFICE

THIS TELEGRAM
WAS NOT
ADVANCED

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CCP
14/17



Foreign and Commonwealth Office

London SW1A 2AH

cm

Dear Charles,

Prime Minister's Breakfast with Lubbers

/ I attach a checklist of EC points for the Prime Minister's breakfast with Mr Lubbers on 27 June. Separate briefing on South Africa and the possibility of a Declaration on Human Rights follows.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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PRIME MINISTER'S MEETING WITH MR LUBBERS

Checklist of Points to Make

- Tribute to Dutch Presidency.
- Must keep up momentum on internal market. Rolling Action Programme we have worked out together best vehicle for this.
- [As necessary] We will ensure Agriculture Council gives proper priority to internal market items.
- [As necessary] ECOFIN has agreed how tax measures are to be handled. Can endorse that. Ready to look at how more taxes could be levied away from frontiers. Not prepared to go further. This has to be worked out in ECOFIN.
- Both we and you have put forward positive proposals on employment. Must get Commission and Social Affairs Council working on them and progress report at December European Council.
- On agriculture should affirm agreement on negotiation in the GATT; parallel work in OECD on problems of structural adjustment; consultations with the other major suppliers to ensure that we do not compound each others' problems in third country markets; and continuing action where there are structural surpluses. [Following what has been done on milk and cereals, must carry forward reform of beef sector and examine "set-aside" for cereals].
- On EC/US, if US take unilateral action on 1 July, EC will have to take equivalent measures. But much better to avoid confrontation. Major negotiating effort needed meanwhile. Commission now making such an effort.



- [Chernobyl: as necessary] Community and member states should take the lead in IAEA in securing binding international agreement on information exchange and warning in event of nuclear accident; and establishment of rapid response system of mutual assistance. Commission has to make proposals for agreed contamination levels for food standards, based on objective scientific criteria, when present measures vis-à-vis eastern Europe expire on 30 September. Can be some research on nuclear safety in existing Joint Research Centre programme. [As necessary: Will not accept Commission safety inspectorate for nuclear installations. Nor will French. New bureaucracy, duplicating effective national systems. Commission does have role in safeguards on nuclear materials: have reached agreement with them on Sellafield.]

- [As necessary] Want to see Transport Council making faster progress on land, sea and air. [Axle weights: only if raised] Will be trying to work towards agreement at 30 June Council. But this has to be on basis of an open-ended 10.5 tonne derogation for the UK on similar terms to our existing derogation on gross lorry weight. Very sensitive issue in Parliament.



THE PRIME MINISTER'S BREAKFAST WITH MR LUBBERS IN THE HAGUE ON
27 JUNE

BILATERAL POINTS (ONLY IF RAISED BY MR LUBBERS OR MR VAN DEN BROEK)

Tercentenary of William and Mary in 1988-89

(if Lubbers refers to the disparity between the official Dutch commitment of £500,000 mainly from the Education and Defence Ministries, and the £22,000 provided from the FCO vote for the administrative expenses of the British Tercentenary Trust).

- Confident that patronage of the Prince of Wales and Princess Margriet (sister of Queen Beatrix) will ensure a fitting celebration in both countries. In the UK we expect the bulk of funding to come from private sponsors. Sir Geoffrey Howe is taking a personal interest and will be in touch with the Chairman of Anglo/Dutch companies such as Shell and Unilever, and others to see how they might contribute. British Council will support events in the Netherlands to mark the Tercentenary.

Extradition of IRA man

(if Lubbers comments on the case of Brendan McFarlane and Gerard Kelly)

- Grateful to Dutch authorities for their help in this matter. Disappointed that Amsterdam District Court found that Kelly was not extraditable and McFarlane only in respect of his previous convictions (ie not those committed in breaking out of the Maze prison). Hope Supreme Court will overturn those parts of the judgement which were unfavourable to the British interest. Attach great importance to return of these 2 dangerous convicted criminals.

Background

Both McFarlane and Kelly are still being held in the Netherlands pending appeal to the Supreme Court.





PRIME MINISTER'S MEETING WITH MR LUBBERS

TRANSPORT

Mr Moore spoke to the Dutch Transport Minister (Mrs Smith-Kroes) this morning. He told her that we could agree to the measure on lorry axle-weights at the Transport Council on Monday provided:

- a) the other Road Transport liberalisation measures were agreed;
- b) we secured a derogation in the same terms as the derogation we have for general lorry weights (ie an open ended derogation which could be terminated only by the unanimous decision of the Council. We would not be able to accept a time-limited derogation).

Mrs Smith-Kroes seemed receptive. We have explained to all the key Dutch officials that if this were mishandled in the Transport Council, that would cause severe Parliamentary difficulties in Britain. The Commission are expected to propose the kind of derogation we want.

Mr Lubbers may raise this. The Prime Minister will wish to point out that we want to see rapid progress on all the issues for the Transport Council, ie shipping (including cabotage) and air transport, as well as road transport. We shall be working for a positive outcome at the Transport Council on Monday - provided we secure the derogation we need on axle-weights. If others continue to block progress on cabotage, we shall be considering instituting proceedings in the Court.



Foreign and Commonwealth Office

London SW1A 2AH

25 June 1986

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Dear Charles,

European Council 26/27 June: Press Conference

/ *missage* ← I enclose a speaking note on the UK's Presidency objectives which the Prime Minister might wish to draw on at her press conference after the European Council.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 June 1986

I enclose a copy of a letter which I have received from the Spanish Ambassador which in turn encloses the text of a message from Senor Gonzalez to the President of the European Council about the Council's forthcoming meeting.

I am copying this letter and enclosure to David Williamson (Cabinet Office).

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

ls

NOT A T MESSAGE.

Ref. A. 25/6/86

~~PRIME MINISTER'S~~
~~PERSONAL MESSAGE~~
~~SERIAL NO.~~

TRANSLATION OF MR GONZALEZ' LETTER OF 24 JUNE TO MR LUBBERS

Dear Prime Minister, Dear Friend,

Thank you for your communication of 20 June informing me of the main subjects to be discussed at the European Council in The Hague on 26/27 June.

I note that there is no precise agenda and that as usual each participant can raise any other question he considers necessary.

Taking up that invitation, I would like to mention briefly to you two questions which from the Spanish standpoint are particularly important.

First, I would like to refer to the objective of proceeding towards the completion of the internal market, which in your message is considered as being one of the main themes of the meeting. In our view it certainly is a key question but which is linked in turn to other important chapters of the relaunching of European construction, as we touched on that at the Luxembourg European Council. I am thinking in particular that it is necessary to activate work on economic and social cohesion and to make further efforts on consultation with social partners in Europe. A reference to these points in the conclusions of The Hague European Council would make it possible to avoid any risk of imbalance in tackling the questions which make up the package in the Single European Act, and the pace at which they are tackled. A lack of harmony in this work could have negative consequences for the Community as a whole, and would be particularly felt by public opinion in certain member states.

I would moreover like to draw the attention of other participants in the European Council to the question of political and economic relations between the Community and the countries of Latin America. I believe that the enlargement of the Community to include Spain and Portugal has provided us with an excellent chance to make a qualitative advance in the Euro-Latin American dialogue. Some partial progress has already been made, in particular in relations with the Andean Pact and the countries of Central America. Now it would be appropriate to adopt an approach covering the region as a whole (compatible with the diversity of situations in the various countries and regional groups of countries) and to give a political impetus to our relations with this part of the world which merits more attention on our part.

I would hope therefore that we could discuss this question both from the Community angle strictly speaking and from the political cooperation angle, in order to give Ministers the necessary steer and to request the Commission to speed up the necessary work, as laid down in the provisions of the declaration annexed to the Spanish and Portuguese Treaties of Accession.

I hope that the Presidency and the other participants will agree on the appropriateness of dealing with these subjects in a constructive frame of mind, and that what we do in The Hague will

further the relaunching of European construction which has been such a feature of recent Councils.

Looking forward to this meeting,

Yours sincerely,
Felipe Gonzalez.

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24 BELGRAVE SQUARE
LONDON SW1X 8QA

SPANISH AMBASSADOR

25th June, 1986

*waiting translation
from FCO*

My dear Charles.

I am enclosing the text of a letter addressed by the President of the Spanish Government, to the President of the European Council of Ministers. The message was received last night, but in view of the urgency of the matter, I have thought it best to send it without waiting for its translation. However I would like to indicate the importance that Señor González attaches to the development of the internal market and relations with Latin America.

I should be most grateful if you would kindly bring it to the attention of the Prime Minister.

[Handwritten signature]
José J. Puig de la Bellacasa

C.D. Powell, Esq.,
Private Secretary to the Prime Minister
10, Downing Street
LONDON SW1

Excmo. Sr. Ruud Lubbers
Primer Ministro de los Países Bajos
Presidente del Consejo Europeo
La Haya

NB

not t'g.
qualifying translation
attached,

Señor Presidente y querido amigo:

Le agradezco su mensaje de 20 de Junio por el que me da cuenta de los principales temas que serán tratados en el próximo Consejo Europeo de La Haya, los días 26 y 27 de Junio.

Tomo nota, en particular, de su observación conforme a la cual no se trata de proponer un genuino orden del día y que, según la costumbre, cada participante podrá suscitar cualquier otro tema que considere conveniente tratar.

Prevaliéndome de esta invitación, me permito adelantarle dos cuestiones a las que se atribuye particular importancia desde la perspectiva española.

En primer lugar, deseo referirme al objetivo de avanzar hacia la culminación del mercado interior, que en su mensaje es considerado como uno de los temas principales de la reunión. Desde nuestro punto de vista, estimo efectivamente que es una cuestión de gran interés, que está relacionada a su vez con otros importantes capítulos del relanzamiento de la construcción europea, tal como quedó diseñado en el último Consejo Europeo de Luxemburgo. Pienso, en particular, en la necesidad de activar los trabajos en favor de la cohesión económica y social, así como los esfuerzos en pro de una concertación con los interlocutores sociales a escala europea. Una referencia a estos aspectos en las conclusiones del Consejo Europeo de La Haya permitirá evitar cualquier riesgo de desequilibrio en el tratamiento y ritmo de avance los temas que componen el paquete incluido en el acta única europea. En efecto, la falta de acompasamiento en esos procesos tendría consecuencias negativas para el conjunto de la Comunidad y sería especialmente resentida por la opinión pública de determinados Estados miembros.

Por otro lado, deseo atraer la atención de los demás participantes en el Consejo Europeo sobre la cuestión de las relaciones entre la Europa comunitaria y los países de América Latina, en su doble vertiente, política y económica. Considero que, con la ampliación de la Comunidad a España y Portugal, tenemos una excelente oportunidad para dar un salto cualitativo en el diálogo eurolatinoamericano. Ya ha habido avances parciales, en particular en las relaciones con el grupo andino y los países centroamericanos. Se trataría ahora de pasar a un enfoque que englobe a toda la región (compatible con la diversidad de situaciones entre los distintos países y grupos de países en el área) y, además, dar un impulso político a nuestras relaciones con ese conjunto de países, que reclaman mayor atención por nuestra parte.

Desearía pues, que abordáramos también esta cuestión, en el doble plano de la Comunidad propiamente dicha y de la cooperación política, a fin de dar a los Ministros las orientaciones necesarias y pedir a la Comisión que active los trabajos que se requieran, conforme a lo previsto en la Declaración aneja al Tratado de Adhesión de España y Portugal.

Confío en que la Presidencia y los demás participantes compartan la conveniencia de tratar estos temas con ánimo constructivo y espero que nuestros trabajos en La Haya confirmen el relanzamiento de la construcción europea que caracterizó a los últimos Consejos.

En espera de vernos muy próximamente, le envío mis más cordiales saludos.

Felipe González Marquez



Foreign and Commonwealth Office

London SW1A 2AH

25 June 1986

Prime Minister

DLB
25/6.

Dear Charles,

European Council: Letter to Heads of Government
From The Prime Minister of Spain

Senor Gonzalez has sent a letter to his EC colleagues asking that economic cohesion and EC relations with Latin America be discussed at the European Council. I enclose our translation of the letter.

att to
originals

I also enclose briefs on these two points. The Dutch will not want to encourage discussion of cohesion (which Papandreou has also threatened to raise) and it may not be necessary for us to intervene. If there is discussion of cohesion it is likely to take place under either the Economic and Social or Internal Market items.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street



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25 1986

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Vertical text on the left side, possibly a date or reference number.

STEERING BRIEFEUROPEAN COUNCIL, THE HAGUE, 26/27 JUNE13. COHESION

[For use only if necessary if general discussion arises out of points made by Spanish and Greek Prime Ministers]

- 1986 Budget, as agreed by the Council, made provision for 23 per cent increase in Structural Fund allocations.
- As Presidency we shall be hoping to establish and agree a budget for the whole of 1986 as soon as possible following the Court's judgment. Will work to do so in view of difficulties a provisional twelfths regime would cause, especially for Spain and Portugal, and the need to honour undertakings made during the accession negotiations.

[If necessary]

- Needs of poorer regions of the Community already recognised in Structural Funds. Glad to

note that Spain and Portugal already beginning to secure good take-up from the Funds and this will improve next year.

- Last year we agreed programmes, from which Greece will be a major beneficiary, worth 2 becu over 7 years.
- We have written into the Treaty, in the Single European Act, references to the role of the Community in reducing disparities between the various regions and have included, for the first time, Treaty reference to the Regional Development Fund and its role in helping "redress the principal regional imbalances in the Community".
- Commission are now working on proposals for amendments to the structure and operating rules of the Funds so that they are better adapted to the Community's needs.
- Need for policy convergence also so that we pursue policies that will lead to soundly based growth throughout the Community.

[As necessary]

- Internal market longstanding Treaty commitment. The purpose of agreeing to the introduction of

qualified majority voting was to speed up progress. The Single European Act anyway makes clear that in drawing up proposals for the completion of the common market, the Commission will take account of "the extent of the effort that certain economies showing differences in development will have to sustain during the period of establishment of the internal market and it may propose appropriate provisions."

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EUROPEAN COUNCIL, THE HAGUE 26/27 JUNE

3D LATIN AMERICA

UK Objectives

1. To ensure that Spanish proposal does not lead to demand for new funds, and is channelled into practical action.
2. To ensure that Spanish pressure for increased concentration on Latin America is not at expense of EC links with Asia.
3. To ensure that more active and structured political relations between EC and Latin America do not complicate EC/US relations.

Others' Objectives

4. Spain wishes to put substance into Declaration in its Treaty of Accession reaffirming EC resolve to strengthen relations with Latin America.
5. Presidency will try to stifle discussion.

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EUROPEAN COUNCIL: THE HAGUE: 26/27 JUNE

3(D) LATIN AMERICA

SPEAKING NOTE (only if discussion develops)

- Welcome extra dimension Spain and Portugal add to our existing links with Latin America.
- Community already has agreements with Central America and Andean Pact (though latter frustrated by Ecuador's failure to ratify agreement).
- As Presidency, ready to ensure proper consideration given to any proposals from Commission; but any development of relations with Latin American cannot be at expense of other regions, especially poorest like South Asia.
- Agree that in Political Cooperation we should give due weight to major Latin American countries, not spend all our time on problem of Central America.

[If necessary]

- No question of EC involvement in problems of debt - for international financial institutions.

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EHG(H)(86)3D

EUROPEAN COUNCIL: THE HAGUE, 26/27 JUNE

Ref: A Mr Gonzales' letter (Section on Latin America)

BACKGROUND

1. Spain intends to raise EC's political and economic relations with Latin America. Presidency will try to stifle discussion. There should be no need to intervene.

2. Spain wants to give substance to declaration in their Treaty of Accession reaffirming EC's resolve to extend and strengthen its economic, commercial and cooperation relations with Latin America. Declaration does not imply any legal obligation.

3. There are no special EC trade preferences for Latin America (apart from EC's Generalised Scheme of Preferences (GSP) available to all developing countries) and no special regional aid arrangements comparable to those under Lomé Convention and Mediterranean agreements.

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4. But EC has following agreements with region:

- EC/Central America Cooperation Agreement, signed 1985;
- EC/Andean Pact Cooperation Agreement (Bolivia, Colombia, Ecuador, Peru, Venezuela), signed in 1983;
- bilateral agreements with Mexico, Brazil and Uruguay.

Difficult to contemplate relationship with Latin America as a whole given lack of any continent-wide organisation for Latin America.

EC Aid

5. Latin America as a whole receives 20% of aid available under EC's Asia and Latin America programme. In 1985 89.8 mecu were committed to Latin America, of which Central American countries were expected to get 67.5 mecu, a substantial increase on 38.6 mecu average 1978-84. 1986 figures expected to be similar. But we should strongly oppose any further change in balance within programme between Asia (India, Bangladesh, Sri Lanka) and Latin America.

Contadora

6. Contadora peace process limps on, but Group showing signs of weariness at inability of Central Americans to

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resolve differences, particularly over arms levels and military manoeuvres. Contadora Four handed over revised draft Agreement on 7 June to which El Salvador, Honduras and Costa Rica have voiced objections. Nicaragua isolated and have just indicated willingness to sign latest Contadora draft, probably to improve their image and wrong-foot US before Congress vote on aid to Contras. Central American allies of US showing signs of wanting to take negotiation of Contadora agreement into their own hands. US support them, confident that they will accept no agreement which fails to meet US objectives. Early agreement unlikely as US convinced further pressure through Contras on Sandinistas is necessary before satisfactory agreement can be achieved. Twelve agreed that Contadora best available solution and that continued support, through quiet diplomacy, best course.

US Aid to Contras

7. Vote in Congress expected on 25 June. President Reagan likely to obtain most of \$100 million in military aid requested by August.

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ICJ: US/Nicaragua

8. Judgement to be announced 27 June. EC Ministers agreed at Heemskerk that Twelve should uphold international law but minimise public criticism of US. Agreed no joint statement to be issued.

Foreign and Commonwealth Office

25 June 1986

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H.R.
①
PRIME MINISTER

All briefing in folders
A & B of Pt 25

EUROPEAN COUNCIL

I attach the Briefing Folder.

The first section contains the Steering Brief and speaking notes on the main items. The latter are on blue paper. There is a new speaking note on the Economic and Social Situation, and right behind is the list of Community regulations to which we object. The OECD conclusions on agriculture are right behind the speaking note.

In slot 2, you will find the main documents together with a short background note.

In slot 3, there are the political cooperation briefs.

I shall need to get these back from you in the morning.

CDP

CDP

25 June, 1986

JD3AMR



Qz.05152

MR POWELL

European Council, 26-27 June

Following the Prime Minister's briefing meeting I attach -

*in folder —
A of Pt 25.* (1) an alternative and shorter version of the speaking note on the economic and social situation (employment growth). This makes more explicit the need for the Social Ministers to clear the decks of old and unhelpful proposals and to concentrate on measures to reduce unemployment. It also makes clear that the new initiative goes wider than the deregulation exercise which is already under way;

(2) the specific list of measures which we drew to the Commission's attention as a target for deregulation. These are being looked at by the Commission's consultants.

D F WILLIAMSON

25 June 1986



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Qz.05151

MR POWELL

in folder A of Pr 25.

EUROPEAN COUNCIL, 26-27 JUNE

The steering brief, which is the main document which the Prime Minister will wish to refer to at the briefing meeting at 4pm tomorrow and at the discussions at the European Council, is being marginally revised in order to bring it up-to-date. It will be made available to you this evening. The changes are not of substance.

We have now received all the discussion documents and I attach to this minute, for convenient reference, all these documents with a brief commentary on each. I suggest that the Prime Minister might wish to use the attached folder and the steering brief at the European Council, while you might hold the detailed background briefs in reserve. The attached folder of discussion documents with brief commentary has been made available also to the Foreign and Commonwealth Secretary but is not being distributed more widely to other Ministers, as it is intended for use in The Hague.

I am sending a copy to Sir Robert Armstrong.

D F Williamson

D F WILLIAMSON

24 June 1986

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TO IMMEDIATE F C O

TELNO 637

OF 241511Z JUN 86

INFO PRIORITY EUROPEAN COMMUNITY POSTS, WASHINGTON

PREPARATION FOR EUROPEAN COUNCIL: 26-27 JUNE

SUMMARY

1. BOTH ELYSEE AND MATIGNON EXPECT SUMMIT TO BE PRINCIPALLY CONCERNED WITH THE AFTERMATH OF CHERNOBYL, INTERNATIONAL AGRICULTURE AND SOUTH AFRICA.

DETAIL

2. IN CONTACTS WITH MME GUIGOU (ELYSEE) AND DE SILGUY (MATIGNON) WE HAVE TAKEN STOCK OF THE FRENCH APPROACH TO THE EUROPEAN COUNCIL.

BOTH IDENTIFIED CHERNOBYL, THE INTERNATIONAL DIMENSIONS OF AGRICULTURE AND SOUTH AFRICA AS THE PRINCIPAL ITEMS ON THE AGENDA, WITH SOME DISCUSSION ON THE EC ECONOMIC AND SOCIAL SITUATION AND A STOCKTAKING OF PROGRESS ON THE INTERNAL MARKET. NEITHER EXPECTED THIS COUNCIL TO YIELD SPECTACULAR RESULTS, BUT BOTH THOUGHT IT SHOULD USEFULLY REINFORCE EC SOLIDARITY ON THE KEY ISSUES.

CHERNOBYL

3. BOTH ELYSEE AND MATIGNON ARE FIRMLY OPPOSED TO ENLARGING COMMUNITY COMPETENCE IN NUCLEAR SAFETY AND INTERNATIONAL CONTROL. THEY AGREE WITH US THAT THE IAEA IS THE PROPER AGENCY FOR THESE MATTERS. WE DETECTED A DIFFERENCE OVER THE TACTICAL HANDLING OF CHANCELLOR KOHL'S PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THESE SUBJECTS, WITH MME GUIGOU SAYING MITTERRAND WAS 'NOT AGAINST' AN INTERNATIONAL CONFERENCE AND DE SILGUY DECLARING THAT THE FRENCH GOVERNMENT DISLIKED THE PROPOSAL. ON THE SUBSTANCE, HOWEVER, BOTH INSISTED ON THE IMPORTANCE OF PREVENTING AN ANTI-NUCLEAR CLIMATE FROM ESTABLISHING ITSELF ON A PERMANENT BASIS IN FORA DEALING WITH VIRTUALLY EVERY COMMUNITY ACTIVITY INCLUDING AGRICULTURE, THE ENVIRONMENT, ETC THIS WOULD BE PARTICULARLY DANGEROUS FOR THE UK AND FRANCE BECAUSE SENTIMENT AGAINST NUCLEAR ENERGY COULD EASILY BE MOBILISED AGAINST NUCLEAR WEAPONS. MITTERRAND HAD WARNED KOHL OF THE DANGERS OF ALLOWING DISCUSSION OF NUCLEAR MATTERS TO RANGE WIDELY WITHIN THE COMMUNITY. IT WOULD BE USEFUL TO ENGAGE IN JOINT STUDIES AND TO WORK FOR HARMONISATION ON SUCH INNOCUOUS ASPECTS AS RESEARCH, HEALTH PROTECTION MEASURES AND THE PROVISION OF INFORMATION TO THE PUBLIC.

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4. DE SILGUY ADDED THAT THE COMMUNITY MUST IN FUTURE RESPECT OBJECTIVE SCIENTIFIC EVIDENCE ON SAFETY NORMES. THE COMMUNITY HAD SO FAR ACTED UNDER PRESSURE OF EVENTS WHEN FIXING THE SAFETY THRESHOLD FOR IMPORTED AGRICULTURAL PRODUCE IN THE IMMEDIATE AFTERMATH OF CHERNOBYL.

ECONOMIC AND SOCIAL SITUATION

5. DE SILGUY THOUGHT THAT CHIRAC WOULD TAKE THE OPPORTUNITY TO OUTLINE THE ECONOMIC POLICY OF THE NEW FRNCH GOVERNMENT. THE FRENCH, HE SAID, WERE IN GENERAL AGREEMENT WITH US ON THE NEED FOR GREATER FLEXIBILITY OF LABOUR MARKETS, BUT HE WAS NOT ABLE TO COMMENT IN DETAIL ON THE UK PAPER, OTHER THAN TO SAY THAT THE FRENCH WOULD HAVE SOME DIFFICULTY ON THE MATTER OF ALLOCATION OF SOCIAL FUNDS, ESPECIALLY IF THESE WERE INCREASED, BUT ALSO EVEN IF IT WERE ONLY A MATTER OF REALLOCATION.

INTERNAL MARKET

6. NEITHER MME GUIGOU NOR DE SILGUY LOOKED FOR MAJOR DISCUSSION UNDER THIS HEADING, BUT RATHER A REAFFIRMATION OF THE NEED TO MAINTAIN PROGRESS TOWARDS THE 1992 DEADLINE. COMMENTING ON REPORTS IN THE FINANCIAL TIMES OF 23 JUNE, DE SILGUY SAID IT WOULD BE INAPPROPRIATE FOR THE DUTCH TO TRY TO MOUNT A DISCUSSION OF AIR TRANSPORT LIBERALISATION AT THE COUNCIL. THE DOSSIER HAD BEEN BADLY HANDLED BY THE COMMISSION AT THE 19 JUNE TRNSPORT COUNCIL, AND WAS A MATTER FOR TRANSPORT MINISTERS TO ADDRESS ON 30 JUNE. THE FRENCH WOULD NOT PROVE HOSTILE TO AIR TRANSPORT LIBERALISATION, BUT ON A GRADUAL BASIS WHICH DID NOT UPSET THE FINANCES OF AIR FRANCE SINCE THE STATE HAD NO WISH TO ASSUME THE BURDEN OF BAILING OUT THIS ARLINE.

INTERNATIONAL AGRICULTURE

7. WE PASSED TO MME GUIGOU AND DE SILGUY COPIES OF THE FACT SHEET ON AGRICULTURAL PROTECTIONISM (YOUR TELNO 172 TO ATHENS). MME GUIGOU SAID THAT THE FRENCH EXPECTED DISCSSION IN THE COUNCIL TO TAKE ACCOUNT OF THE POSITION AGREED IN TOKYO, WHICH IN THEIR VIEW WAS MORE BALANCED THAN THE APRIL OECD STATEMENT. FRANCE WAS READY TO DISCUSS THE PROBLEMS OF INTERNATIONAL AGRICULTURE, BUT NOT TO SEE THIS DEVELOP INTO A WIDER DEBATE ON THE PRINCIPLES OF THE CAP NOR ON ITS ESSENTIAL ELEMENTS SUCH AS EXPORT RESTITUTIONS. DE SILGUY TOOK THE SAME LINE. IT WAS NOT FOR THE EUROPEAN COUNCIL TO DISCUSS THE CAP AS SUCH. CAP REFORM WAS UNDER WAY WITH NOTABLE RESULTS SO FAR IN MILK AND CEREALS. THE NEXT TO BE TACKLED WERE THE BEEF REGIME AND OILS AND FATS. PROGRESS MUST BE STEADY BUT NOT OVER-HASTY. THERE WAS NO POINT IN THE COUNCIL LAUNCHING UPON A DISCUSSION WHICH

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1 REVEALED.

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REVEALED DIFFERENCES AMONGST MEMBER STATES (EG NORTH VERSUS SOUTH) WHEN THE IMPORTANT THING WAS TO STAND TOGETHER.

8 TURNING TO THE EC/US DISPUTE, BOTH MME GUIGOU AND DE SILGUY WARMLY WELCOMED THE AGREEMENT ON COUNTER-MEASURES REACHED BY EC FOREIGN MINISTERS. IT SHOWED THAT THE COMMUNITY WAS READY TO ACT TOUGHLY IF NEGOTIATIONS WITH THE AMERICANS FAILED. THE FACT THAT THE EC HAD SINGLED OUT A SENSITIVE PRODUCT SUCH AS CORN GLUTEN FEED SHOWED HOW SERIOUSLY THE EC TOOK THE AMERICAN THREAT.

9. ON THE GATT, BOTH RESTATED THE KNOWN FRENCH POSITION THAT AGRICULTURE SHOULD NOT HAVE PRIORITY ATTENTION IN THE NEW ROUND. COMMUNITY POSITION OF MARCH 1985 HELD GOOD. NOR WOULD THE FRENCH BE READY TO AGREE TO THE SETTING UP OF AD HOC EUROPEAN/AMERICAN GROUPS TO TRY TO RESOLVE INTERNATIONAL DIFFERENCES ON AGRICULTURE.

SOUTH AFRICA

10. FOR FRENCH ATTITUDES TO SOUTH AFRICA SEE MIFT. (NOT TO ALL)

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EUROPEAN COUNCIL : DELORS PRESS CONFERENCE, 24 JUNE

SUMMARY

1. A RESTRAINED, LOW KEY PERFORMANCE BY DELORS. THE FRAMEWORK FOR EUROPEAN COUNCIL DISCUSSION TO BE THE SINGLE EUROPEAN ACT. REFUSAL TO BE DRAWN ON SOUTH AFRICA (POLITICAL COOPERATION WAS NOT A MATTER FOR THE COMMISSION). BRIEF MENTION OF COMMISSION DISCUSSION PAPERS FOR THE COUNCIL, WHICH SHOULD GIVE A POLITICAL IMPULSE TO SPECIALIST COUNCILS WITHOUT TRYING TO DO THEIR WORK FOR THEM.

DETAIL

2. DELORS SAID THAT THIS EUROPEAN COUNCIL WAS THE FIRST FOR AT LEAST TWO YEARS NOT TO BE BURDENED BY DEADLINES. HEADS OF GOVERNMENT SHOULD BE ABLE TO HAVE FREER DISCUSSION ON PROSPECTS FOR EUROPEAN CONSTRUCTION. THERE WAS NO NEED FOR GRAND DECLARATIONS WHICH WOULD NOT BE IMPLEMENTED. THE SINGLE EUROPEAN ACT WAS THE REFERENCE FRAMEWORK WITH THREE MAJOR ELEMENTS:

- (A) FORMALISATION OF EUROPEAN POLITICAL COOPERATION - ON WHICH THE COMMISSION WAS NOT COMPETENT TO COMMENT FURTHER:
- (B) FASTER, BETTER DECISION MAKING WITH AN OPPORTUNITY (PERHAPS TOO SLIGHT) FOR THE EUROPEAN PARLIAMENT TO CONTRIBUTE:
- (C) THE BASIS FOR THE RE-LAUNCH OF THE COMMUNITY VIA THE SINGLE MARKET, R AND D, COHESION, MONETARY AND SOCIAL POLICIES.

THE SEA REPRESENTED THE EUROPE OF THE POSSIBLE: NOT ENOUGH, IN DELORS VIEW, BUT IT WAS THE COMPROMISE WE HAD ALL ENDED UP WITH. THE COMMUNITY HAD MOVED FORWARD IN THE LAST SIX MONTHS - BUT HESITANTLY. SOME OF THE 12 (NOT THE LATEST ARRIVALS) WERE FRIGHTENED TO MOVE FURTHER - BUT THE 12 WERE BOUND TO SUCCEED OR STAGNATE TOGETHER.

3. HE MADE THE FOLLOWING POINTS IN ANSWER TO QUESTIONS:

SOUTH AFRICA

DELORS INSISTED THAT THE COMMISSION'S ROLE WAS TO EXECUTE THE WILL OF MEMBER STATES IF ASKED. AT THE JUNE FAC HE HAD ASKED IF THE COMMISSION SHOULD PREPARE A PAPER ON ECONOMIC MEASURES AGAINST SOUTH AFRICA. HAVING RECEIVED NO REPLY, THERE WERE NO COMMISSION PROPOSALS ON THE TABLE - BUT IN-HOUSE PREPARATORY WORK HAD GONE ON IN CASE THE REQUEST CAME. ALL EYES WERE ON EUROPE, SILENCE OVER S. AFRICA FROM THOSE ASSEMBLED AT THE EUROPEAN COUNCIL WOULD BE DEPLORABLE - / BUT.

BUT HE WAS ANGRY WITH SOME FELLOW COMMISSIONERS WHO WENT FURTHER IN COMMENTING ON MATTERS OUTSIDE COMMISSION COMPETENCE, SINCE THIS GAVE GOVERNMENTS THEIR EXCUSE TO CRITICISE THE COMMISSION INSTEAD OF TAKING THE RIGHT POLITICAL DECISIONS. LIKE CAESAR'S WIFE, HE HAD TO BE ABOVE SUSPICION OF CONSPIRING TO EXTEND COMMISSION COMPETENCE. COUNTERING THE ERASMUS AND COMETT PROPOSALS, HE INSISTED THAT THE COMMISSION WAS NOT OUT TO CREATE 'EUROPE DE L'EDUCATION'. IF SOMETHING WAS NOT IN THE EC TREATY, THAT WAS THAT.

THE BUDGET

THE MAJORITY IN THE COMMISSION HAD DECIDED AGAINST PROVOKING A FUTILE CRISIS BY INSISTING ON DISCUSSION OF BUDGETARY PERSPECTIVES AT THE HAGUE. SUCH STERILE DISCUSSION WOULD ONLY DIVIDE THE COMMUNITY INTO SUPPORTERS OF THE CAP V. SUPPORTERS OF THE STRUCTURAL FUNDS, NORTH V SOUTH ETC. WITHIN THE NEXT YEAR THE COMMUNITY WOULD HAVE TO TAKE IMPORTANT DECISIONS ON THE 1986 AND 1987 BUDGETS AND STUDY WHAT WAS DECIDED AT FONTAINEBLEAU - THE TRANSITION FROM A VAT RATE OF 1.4 PERCENT TO 1.6 PERCENT, WITH A 'RECONSIDERATION OF BUDGETARY IMBALANCES'. A REVIEW OF THE STRUCTURAL FUNDS (WITH A VIEW TO COHESION) WAS ALSO ON THE HORIZON.

CHERNOBYL

THE COMMISSION HAD DONE ITS DUTY, ALTHOUGH THE HESITATION WALK OF THE MEMBER STATES HAD DONE LITTLE FOR THE COMMUNITY'S IMAGE. ITS PRESENT PROPOSAL DISTINGUISHED BETWEEN CONTROVERSIAL AND MORE EASILY NEGOTIABLE MEASURES. THERE WERE CHAPTERS OF EURATOM WHICH SOME MEMBER STATES FEARED TO IMPLEMENT. HE HOPED THAT THE EUROPEAN COUNCIL WOULD SINGLE OUT POINTS FOR FURTHER WORK, CONVEYING THE EUROPEAN RESPONSE ON THE FUTURE OF NUCLEAR ENERGY.

INTERNAL MARKET

THE MILAN EUROPEAN COUNCIL CONCLUSIONS WERE A CLEAR CHARTER FOR THE COCKFIELD WHITE PAPER. DELORS HOPED THE EUROPEAN COUNCIL WOULD GIVE IMPETUS TO THE VARIOUS SPECIALIST COUNCILS, INCLUDING ECOFIN, WHOSE JOB WAS TO DISCUSS NOT THE PRINCIPLE (WHICH WAS ACCEPTED) BUT THE MEANS TO BRING ABOUT APPROXIMATION OF EXCISE DUTIES AND VAT. AT LUBBERS' REQUEST, HE WOULD SPELL OUT WHAT LIBERALISATION OF CAPITAL MOVEMENT MEANT - AS HE HAD DONE AT THE JUNE ECOFIN, WHEN IT WAS AGREED THAT THE FIRST STEP WOULD BE DISCUSSED SOON. HE WOULD NOT HIDE THE LONGER-TERM DIFFICULTIES, NOR THE FACT THAT SUCCESS WOULD MEAN GREATER HARMONISATION AND MORE COMMON MONETARY POLICIES. THE EUROPEAN COUNCIL SHOULD STIMULATE, BUT NOT ATTEMPT TO DUPLICATE THE WORK OF SPECIALIST COUNCILS.

AIR FARES

THE TRANSPORT COUNCIL ON 18/19 JUNE HAD REACTED IN INFANTILE FASHION TO THE COMMISSION PROPOSALS, ELEMENTS OF WHICH HAD BEEN BEFORE THE COUNCIL FOR YEARS. THE COMMON TRANSPORT POLICY WAS ENSHRINED IN THE TREATY, WHICH IMPOSED DUTIES ON THE COMMISSION. THE MINISTERS WERE RESPONSIBLE FOR FAILURE.

GREECE/TURKEY

DELORS HAD INSISTED WITH LUBBERS AND OTHERS THAT PAPANDREOU SHOULD RECEIVE A FULL HEARING AT THE HAGUE. GREECE DESERVED THE OPPORTUNITY TO ANSWER HIS APPREHENSIONS: THE COMMUNITY COULD THEN TAKE DECISIONS IN FULL KNOWLEDGE OF THE SITUATION.

EC/US AND AGRICULTURE

THE JUNE FOREIGN AFFAIRS COUNCIL HAD BEEN ENCOURAGING. THE COMMUNITY HAD SHOWN FIRMNESS IN SELF-DEFENCE, ALLIED TO READINESS TO NEGOTIATE IN THE GATT. HE REMAINED VIGILANT, BUT WAS NOT DISTURBED ABOUT FORTHCOMING DISCUSSIONS WITH THE US FOR A TEMPORARY BILATERAL AGREEMENT. BUT IF SOME MEMBER STATES BACK-TRACKED ON THE FAC POSITION, THAT PROBLEM WOULD NEED TO BE CONFRONTED. THE INTERNAL REFORM OF THE CAP WAS DIFFICULT, BUT CONTINUED. THE COMMUNITY'S FIRM APPROACH TO THE USA, AND THE GLOBAL ATTITUDE TO GATT RELAUNCH WERE ALSO SIGNS OF PROGRESS. PROSPECTS FOR WORLD AGRICULTURE HAD BEEN DISCUSSED AT TOKYO AND - MOST USEFULLY - AT THE OECD. IT WAS INCREASINGLY ACCEPTED THAT THE CAP WAS NOT THE ROOT OF ALL EVIL. THE COMMUNITY RECOGNISED THE NEED FOR PROGRESSIVE CHANGE - PROVIDED OTHERS DID THE SAME.

HANNAY

YYYY

ADVANCE

PS FCO

PS/MRS CHALKER FCO

THOMAS FCO

RENWICK FCO

WALL FCO

SHEPHERD FCO

RICHARDSON FCO

WILLIAMSON CAB

JAY CAB

BRECKNELL DTII

LOUGHEAD DTII

HADLEY MAFF

LAVELLE TSY

STEVENS D/EN

FREMANTLE D/EN

MORPHET D/EN

MS LAMBERT D/TP

(ADVANCED AS REQUESTED)

FRAME GENERAL

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ECD(E)

SAFD.

PRIME MINISTER

EUROPEAN COUNCIL: BRIEFING MEETING

You have a formal briefing meeting for the European Council tomorrow afternoon. I attach a list of those attending.

There will be no need to deal with South Africa since that will have been discussed in OD and at Cabinet.

You might like to start with the Economic and Social Situation. The Presidency aim for a short discussion only. Our main purpose here will be to push the UK initiative on creating conditions for employment growth. The Commission are likely to come forward with some ideas on risk capital. You have got a full speaking note, but were unhappy about a passage on page 3. You will want to ask the Chancellor and Paymaster-General whether there are any particular points they want you to raise. What precisely do we want to see in the European Council's conclusions? You will want Bernard to get our ideas across to the press.

You might deal next with Safety of Nuclear Energy.

Mr. Walker's main concern is to block the creation of a European Nuclear Safety Inspectorate which the Commission and the Irish want. You could ask him to summarize the arguments.

Pr. Belgi
Henry U.K.
Hely Sp NL
Post -

Next to agriculture where we want to see some impetus given to the ideas launched at the Tokyo Economic Summit. There are two aspects you will want to emphasise: the need to press ahead with reform of the CAP and the achievement of savings: and the need to work with others in GATT, OECD and bilaterally, to bring some sense into world agricultural markets. Sir Michael Franklin can advise on the best points to make.

On the Internal Market, the main points are that progress will be a priority in our Presidency and we intend to present each specialist Council with a programme. We shall pay particular attention to liberalization of capital movements and to civil aviation. Mr. Williams (DTI) can advise on particular points.

The EC Budget is unlikely to feature formally. But you will want to invite the Chancellor to make any points he wants to see stressed.

There is a potentially difficult point on Human Rights where the Presidency and most delegations are ready to subscribe to a rather vapid Declaration by the European Council. It might be batted off to Foreign Ministers. The Foreign Secretary will advise.

Other points which may arise and on which you will want to touch are:

- Drugs We want a statement on this from the Council.
- EC/Turkey The tiresome Greeks are likely to make a fuss. An Association Council has been agreed for September and we must not let them dislodge it.
- Research and Development We want to discourage an over-ambitious Presidency programme.

You will remember that you have to make a closing speech complimenting the Dutch Presidency.

C.D.P.

(C.D. POWELL)

24 June 1986

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CCP

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

24 June 1986

MESSAGE FROM THE GREEK PRIME MINISTER

Thank you for your letter of 23 June about Mr. Papandreou's recent message. I agree that there is no need for the Prime Minister to reply but would be grateful if our Ambassador in Athens could tell Mr. Papandreou's office that the Prime Minister has received his message and looks forward to seeing him at the European Council.

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

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ccfc
①



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Agree not to reply directly to Papandreou? (It will only encourage him). Our Ambassador in Athens can simply say that you have his message & look forward to seeing him in the Hague.
Dear Charles, CDF

23 June 1986

Message from the Greek Prime Minister

Thank you for your letter of 16 June enclosing a message from Mr Papandreou about subjects which he wishes to raise at the European Council.

Mr Papandreou wishes to raise four main issues:

- (i) the future development of the Community following the Single European Act - with reference to "cohesion";
- (ii) Turkey's "aggressive policies" towards Greece in the light of which, he will argue, it is inappropriate for the Community to strengthen relations with Turkey;
- (iii) recent developments over Cyprus;
- (iv) nuclear weapons and the dangers associated with the peaceful use of nuclear energy.

The Greek Minister for European Affairs (Pangalos) circulated a copy of this letter at the Foreign Affairs Council on 16/17 June. The Dutch Presidency noted that nuclear issues were already on the European Council agenda. They do not intend to put Papandreou's other items on the agenda, though they cannot stop him raising them himself. When he does, they will resist attempts to undo what has been agreed on EC/Turkey. A date for the Association Council with Turkey has been set in September, though Greece is refusing to sign the Adaptation Protocol covering Greek adherence to the EC-Turkey Association Agreement unless a 1964 Turkish Decree discriminating against Greek citizens on property transfer is rescinded. We have proposed that the Turks should give an undertaking that on entry into force of the Adaptation Protocol (ie after its approval by the Greek Parliament) they would rescind the 1964 decree.

If Papandreou raises Turkish attitudes on Cyprus, the Dutch are likely to try to avoid substantive discussion. But briefing is being provided for the Prime Minister on both issues.

Since Papandreou's is a circular letter, we do not recommend that the Prime Minister need reply. A short draft message is enclosed should she wish to do so. Alternatively our Ambassador

/in Athens

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in Athens could be instructed to tell Papandreou's office that the Prime Minister has received his message and will see him at the European Council.

I am copying this letter and enclosures to Rachel Lomax (HM Treasury), Robin Young (Department of the Environment), Geoff Dart (Department of Energy) and David Williamson in the Cabinet Office.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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OUT TELEGRAM (CONT)

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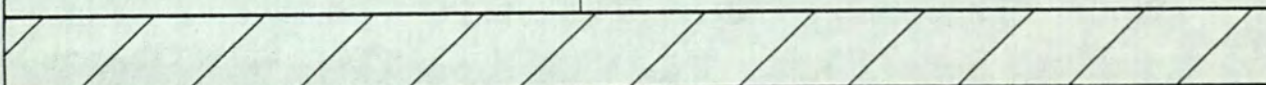
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2		proposed for discussion cover some of the points you raise. I
3		look forward to seeing you. With best wishes,
4		Margaret Thatcher."
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Foreign and Commonwealth Office

London SW1A 2AH

23 June 1986

Prime Minister

You may find useful
this commentary on
Lubbers' letter.

Dear Charles,

CDP 24/6.

R24/6

European Council:

Message from the Prime Minister of The Netherlands

The Lubbers letter is for the most part helpful, and does not call for a reply. You may, however, find the following comments useful:

(i) Social and economic situation. He looks forward, as we had hoped, to a discussion of economic growth and employment, including the role of small and medium enterprises, deregulation and the labour market. He specifically refers to our proposals on employment growth in the 1990s, usefully paving the way for the conclusions calling for work on our initiative which we hope to achieve at the European Council.

(ii) He acknowledges that progress on the internal market has not been as rapid as it should have been, and hopes the European Council will give new impetus to the Council's work. He helpfully singles out for special mention transport, shipping and air transport. He is also looking for progress on the opening up of public purchasing (which we support). He refers to the work of ECOFIN on the removal of fiscal barriers at borders and expresses the view that fundamental decisions need to be taken on this in the near future. The Commission are also likely to seek conclusions on this subject. The Dutch have deliberately referred to "fiscal barriers" rather than "tax approximation". The working group on fiscal barriers set up by ECOFIN last year has recently reported, asking the Commission to make more detailed proposals for discussion in 1987. We are prepared to look at ways of accelerating and simplifying procedures at frontiers but shall not be prepared to enter into any new commitment on tax approximation. In any European Council conclusions on the internal market we should want at most a reference to the working Group's report, an endorsement of its conclusions and a call for ECOFIN to pursue its work on that basis.

/(iii)



(iii) The passage on agriculture is along lines we have discussed with the Dutch. Three main lines of action are proposed: strengthened disciplines in GATT, cooperation on world markets by the main suppliers and adaptation of agricultural policies. We can support a conclusion on these lines.

(iv) Nuclear energy. Lubbers refers to the work of the IAEA, "where the Community could make a major contribution to decision making". This reference should make it easier for us to focus the conclusions on Community preparation for the IAEA general conference, rather than on separate Community action. Lubbers also refers to the need for the discussion of the aftermath of Chernobyl to include safety aspects, but there is no suggestion of an enhanced Community role in that area.

(v) Lubbers warns of his intention to raise the question of drug abuse. He shares our view that action in the Community should not impede or duplicate activity elsewhere. We can warmly support his proposal for active and mutually coordinated preparations for and contributions to the UN Conference on Drug Abuse in the first half of 1987. We shall also wish to refer to our own plans for an informal meeting of Interior Ministers under Mr Hurd's chairmanship in October at which the question of drug abuse will be a major theme.

(vi) Human Rights. In inviting Heads of Government to subscribe to a declaration on this subject Lubbers is supporting a proposal which Van den Broek has been pressing in Political Cooperation. Even after several re-drafts the proposed declaration remains unsatisfactory. The Foreign Secretary's view that the draft should not be pursued, given the number of important issues the European Council needs to discuss, has been put firmly to the Presidency and the other member states. France, and to a lesser extent Ireland and the FRG, share our reservations. We shall continue our efforts to put the Dutch off from insisting on a European Council declaration. Full briefing will, however, be provided.

(vii) Other Political Cooperation Issues. Lubbers does little more than confirm that South Africa and East-West are likely to be the main issues. He speaks of the need to consult on "how we are to send a clear political signal to the South African Government".



I am copying this letter and enclosures to the Private Secretaries to the Chancellor of the Exchequer, the Secretary of State for Energy, the Minister of Agriculture, the Secretary of State for Employment, the Paymaster General and Sir Robert Armstrong, and Mr John Mogg (DTI).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq.
No 10 Downing St



ROYAL NETHERLANDS EMBASSY

LONDON

No. 9799

20 June, 1986

Sir,

I have the honour to send you enclosed advance copy of a letter which the Prime Minister of the Netherlands is writing to Prime Minister Margaret Thatcher today.

The enclosures mentioned in the text will be presented later. Copies of these enclosures have already been sent to your Permanent Mission to the European Communities in Brussels.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'L.W. Veenendaal'.

L.W.Veenendaal
Chargé d'Affaires a.i.

The Right Honourable
Sir Geoffrey Howe, QC, MP
etc., etc., etc.,

Advance copy

Letter from Mr Ruud Lubbers, Prime Minister of the Netherlands and President of the European Council, to the members of the European Council:

On 26 and 27 June the European Council will be meeting in The Hague. It will be the first time that the Council has met since we decided to reduce the frequency of our meetings to two per year. In my view, we are right not to interrupt work in the first half of 1986 by holding our customary meeting in March. Now, however, the time has come to review the state of affairs as regards the main areas of concern of the Community and of European Political Cooperation and to look ahead to the developments which we hope to initiate during the forthcoming period.

In keeping with the informal character of our consultations, there will not be any formal agenda and you are naturally free to raise whatever points you consider useful and desirable. I for my part would like to give priority to the following subjects.

The social and economic situation

I would suggest that at the beginning of the meeting we should look at the social and economic situation in the Community, which was recently discussed by the Council of Ministers (Ecofin), when it was concluded that policies designed to bring about structural recovery should be continued. We could consider both short-term economic factors and structural elements. Of particular relevance here are factors which affect economic growth and employment, including the role of small and medium-sized businesses, deregulation, improvements in the labour market and developments as regards the provision of venture capital. The President of the European Commission has agreed to comment briefly on the various subjects, for which I would refer you to the enclosed memorandum from the commission (annex).

In our discussions concerning the social and economic situation we certainly cannot ignore the urgent question of unemployment, in which connection I would request special attention for the position of those, both young and old, who are in danger of joining the ranks of the long-term unemployed. The Presidency has circulated a document on this subject with which I assume that you will be familiar. I would also refer to a document on employment which was recently tabled by the United Kingdom, Italy and Ireland.

While dealing with this item on the agenda I should also like to give Mr Delors the opportunity to comment on the proposals which the Commission has recently made on the general liberalisation of capital transactions. The Council of Ministers (Ecofin) has underlined the importance of these proposals, not only on account of the intrinsic merits of liberalisation but also with a view to the realisation of the

internal market and the strengthening of the European Monetary system.

The internal market

We are all agreed that the completion of the internal market is an important factor in the restoration and preservation of economic growth in the Community and that it should also provide the basis for the technological cooperation which will enable us to catch up with our main competitors on world markets. The progress which has been made in the past six months is by no means insubstantial, but it is clear that decision-making needs to be speeded up and that much work still remains to be done. In my view it is therefore essential to provide fresh political impetus, at least if we intend to take the objective for 1992 seriously. The Presidency and the European Commission have drawn up concise discussion papers summarising the present state of affairs with regard to the internal market (annexes).

In my view, while discussing this item on the agenda we should also consider the liberalisation of trade in services and transport (inland transport, shipping and air transport) fields in which it seems to me that too little progress has been achieved. Technological cooperation also deserves our attention in this context, as I have the impression that there is a serious danger of loss of impetus here. In this connection we should also consider the question of public purchasing, with regard to which I would refer to a memorandum recently submitted to the Council of Ministers (Industry) by the Presidency. We shall also be able to hear about the work which has been done by the Council of Ministers (Ecofin) towards removing fiscal barriers at borders. In my view, fundamental decisions need to be taken on this in the near future if we are to achieve the objectives set for 1992.

A people's Europe

In the same context I should also like to raise what has been achieved for the people's Europe since our last meeting, by way of implementation of the Adonnino report. Here too, it is my impression that fresh political impetus is needed. Short memoranda describing the present state of affairs have been made available to you by the Presidency and the European Commission (annexes).

Agriculture in an international context

It is my hope that, important though these subjects are, we shall be able to discuss them in a relatively short space of time, so that at the end of the afternoon session on Thursday 26 June we can start to discuss what I regard as a very complex subject: the development of agricultural policy in the longer term and in an international context. Unless I am mistaken, we all recognise that there is cause for concern here.

The fact that the Council of Ministers (Agriculture) reached agreement at the end of April and that the Council of Ministers (General Affairs) had adopted a unanimous position

on the conflict which is in danger of arising with the USA and approved the general approach to the forthcoming GATT-round shows that there is a large measure of consensus within the Community. On the basis of this consensus it is important to examine the structural problems in agriculture, both in Europe itself and in relation to the other world trading partners, including, not least, those in the Third World.

These issues have been discussed in such fora as the meeting of industrialised countries in Tokyo, at which the Community was represented. The participants in this meeting agreed that in serious cases of surpluses, measures should be taken to redirect policy and adjust the structure of agricultural production in the light of world demand. In my view, it is necessary to strengthen discipline within GATT, to conduct international consultations and to take coordinated action to adjust agricultural policy. In doing so we must not of course lose sight of the considerable importance of the common agricultural policy to the rural population and to the community as a whole.

In order to facilitate the discussions, the Presidency and the European Commission have drawn up discussion papers, which are enclosed (annexes).

Policy after Chernobyl

An important subject which likewise requires our attention is the consequences of the nuclear reactor accident in the Soviet Union. In this connection the European Commission has prepared a document which we can use in our discussions (annex). During our talks we should also consider the work of the International Atomic Energy Agency in Vienna, where the Community could make a major contribution to decision-making.

In view of the repercussions which the nuclear accident has had throughout the Community and outside it, it seems very important that the European Council should seriously discuss the many aspects involved, notably public health, the environment, safety, procedures for crises, international action and research. Mobilisation of action by the Community and the member states, both internally and externally, seems to me worthy of our full consideration.

Drugs

At some point during our meeting I should also like to raise the issue of drug abuse, which affects our societies so radically. Consultative bodies already exist in this field and are working well; we should not impede or duplicate their activities. Rather I would envisage that the member states might play an active part in these wider fora, where possible with support from the Community. In particular I should like to see active and mutually coordinated preparations for and contributions to the UN conference to be held in Vienna in the first half of 1987.

Human rights

I should also be glad if we could devote attention to the importance of human rights in our external relations and look at how we can elaborate a common policy in this field during the period ahead. Perhaps our discussions might result in a joint declaration, which, as you know, is a matter which is still being discussed within the framework of political cooperation.

European Political Cooperation

I suggest that our discussions of this item should concentrate on the situation in South Africa and on East-West relations.

In view of the rapidly deteriorating situation in South Africa and against the background of the disappointing result of the Commonwealth Eminent Persons Group, we should consult as to how we are to send a clear political signal to the South African government following our joint measures of September 1985.

Discussions of the East-West situation should take place in the context of the important meetings scheduled for the next six months, notably within the framework of the CSCE.

I look forward to seeing you in The Hague in a few days time and to the opportunity of holding intensive discussions within the framework of the European Council.

The Hague, 20 June 1986

cc pg



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MR/POWELL

all briefs in
folder A
of A25.

— PRIME MINISTER'S BRIEFS FOR THE EUROPEAN COUNCIL

The briefs for the Prime Minister for the European Council are being submitted to you this afternoon. As I made clear in my minute to you of 19 June, there are separate speaking notes, in full speech form, on the agenda items. For ease of handling we have printed these on blue paper and inserted them first under each item in the steering brief, so that they can be detached if necessary. There are also speaking notes on blue paper for the contingency items.

The briefing consists of:

(i) the steering brief

(ii) background briefs, to each of which is attached the papers on the subject already circulated by the Presidency or the Commission. We have still to receive Commission papers on the economic and social situation, Chernobyl, international agricultural policy and citizens' Europe

(iii) political cooperation briefs.

At her meeting on 12 June, the Prime Minister asked for more specific information on the savings which might be sought

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to avoid budget overruns in 1986 and 1987 and on the way in which international negotiation on agriculture should be carried forward following the Tokyo Summit conclusions. I attach notes.

I am sending copies to Colin Budd (FCO), Rachel Lomax (Treasury), Ivor Llewelyn (MAFF) and Sir Robert Armstrong.

D F WILLIAMSON

20 June 1986

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FRAME EXTERNAL

MIPTS: DISCUSSION OF FURTHER POLICIES ON SOUTH AFRICA

1. THIS WAS NEVER GOING TO BE AN EASY MEETING. IT FULLY LIVED UP TO ITS PROMISE. THE PRESIDENCY TRIED TO PLUNGE STRAIGHT INTO DISCUSSION ON A BAN ON FRUIT, VEGETABLES AND WINE, AND ON COAL IRON AND STEEL, WITH THE OBVIOUS INTENTION OF TRYING TO SECURE A RECOMMENDATION ON THESE TO MINISTERS. MOST OF THE TWELVE, INCLUDING THE FRENCH, MERELY HAD INSTRUCTIONS TO AIM FOR A CONSENSUS ON A BAN AT LEAST ON FRUIT, WINE AND VEGETABLES. THE PORTUGUESE WERE THE ONLY OTHER DELEGATION BESIDES OURSELVES WHO SPOKE AGAINST IT. THE GERMANS, WHO HAD SENT THEIR DEPUTY POLITICAL DIRECTOR, REMAINED SILENT VIRTUALLY THROUGHOUT UNDER INSTRUCTIONS FROM GENSCHER.
2. IN THE EVENT, ALTHOUGH WE DID NOT SUCCEED IN KILLING OFF THE IDEA OF A FRUIT, WINE AND VEGETABLE BAN, WE DID SUCCEED IN BRINGING OUT THE SERIOUS IMPACT ON THE BLACK COMMUNITY IN SOUTH AFRICA, AS WELL AS THE PRACTICAL AND LEGAL DIFFICULTIES OF MANY OF THE OTHER PROPOSALS UNDER CONSIDERATION. ON OTHER ISSUES, WE GOT A GOOD DEAL OF SUPPORT FROM VARIOUS PARTNERS. BY THE END OF THE DAY, SOMETHING APPROACHING CAREFUL CONSIDERATION HAD BEEN GIVEN TO ALL THE MEASURES ON THE DUTCH LIST.
3. OVER LUNCH IT EMERGED THAT MOST OF THE TWELVE FELT UNDER HEAVY DOMESTIC PRESSURE FOR SUBSTANTIVE DECISIONS ON RESTRICTIVE MEASURES AT NEXT WEEK'S EUROPEAN COUNCIL. THEIR PUBLIC OPINION WAS CALLING FOR IT. BLACK AFRICAN OPINION WAS CALLING FOR IT. EVEN THE US HOUSE OF REPRESENTATIVES WAS CALLING FOR IT. THE COUNCIL, THEY FELT, WOULD LOSE ALL CREDIBILITY WITH ITS EUROPEAN PUBLIC IF IT FAILED TO MEASURE UP TO THE SITUATION IN SOUTH AFRICA.
4. IN THESE CIRCUMSTANCES IT WAS INEVITABLE THAT THE FRUIT, WINE AND VEGETABLE BAN, AS THE PREFERRED OPTION WITH MOST PARTNERS, WOULD FEATURE ON THE SHORT LIST TO BE RETAINED FOR FURTHER CONSIDERATION. BUT, SUBJECT TO SEEING THE PRESIDENCY PAPER WHEN IT IS CIRCULATED, OUR UNDERSTANDING IS THAT THE SHORT LIST WILL BE NEUTRALLY WORDED.
5. IT WAS HELPFUL THAT ATTENTION FOCUSED EARLY ON THE NEED FOR GREATER EMPHASIS ON POSITIVE MEASURES. THE FRENCH GAVE A STRONG LEAD ON THIS. IT SHOULD ENABLE THE COUNCIL TO BE OFFERED A PACKAGE CONTAINING SOME RESPECTABLE POSITIVE MEASURES, HOWEVER DIFFICULT DISCUSSION OF THE PROPOSED RESTRICTIVE MEASURES MAY BE.

MARGETSON

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FRAME EXTERNAL

POLITICAL COMMITTEE: 20 JUNE; SOUTH AFRICA

(B) POSITIVE MEASURES

SUMMARY

1. GENERAL REAFFIRMATION OF IMPORTANCE OF POSITIVE MEASURES. PRESIDENCY PUSH FOR INCREASED MONEY FROM EC BUDGET RESISTED. SOME FRENCH DISSATISFACTION WITH EC PROGRAMME AND SUGGESTION FOR NEW FUND.

DETAIL

2. PRESIDENCY (JACOBVITS) SOUGHT GENERAL ENDORSEMENT OF THE THREE POSITIVE MEASURES PROPOSED IN THEIR PAPER WHICH HAD BEEN SUGGESTED BY RAIMOND OVER LUNCH ON 16 JUNE (EXTRA AID TO CROSSROADS VICTIMS, HELP WITH LEGAL COSTS FOR THOSE ARRESTED UNDER THE STATE OF EMERGENCY, AND THE IDEA OF A EUROPEAN FUND FOR VICTIMS OF APARTHEID). THE EUROPEAN PARLIAMENT HAD APPROVED 5 MECU EACH FOR 1986 AND 1987, THOUGH THE COMMISSION HAD NOT YET PUT FORWARD PROPOSALS FOR DISBURSEMENT. INDIVIDUAL MEMBER STATES HAD ALREADY TAKEN SOME MEASURES, EG, UK BLANKETS TO THOSE MADE HOMELESS IN RECENT EVENTS AND NETHERLANDS AID FOR LEGAL COSTS, CHANELLED THROUGH THE INTERNATIONAL DEFENCE AND AID FUND IN LONDON. HE ASKED PARTNERS TO GIVE THE PRESIDENCY MORE DETAILS ON FURTHER NATIONAL ACTION AND SUGGESTED THAT FUNDING FROM THE EC BUDGET SHOULD BE INCREASED.

3. MOREL (FRANCE) ARGUED THAT THE EC HAD NEGLECTED THE POSITIVE MEASURES SIDE AND SHOULD GET OUT OF THE RESTRICTIVE-MEASURES STRAITJACKET. FRANCE SUPPORTED ASSISTANCE TO THE VICTIMS IN CROSSROADS AND WAS PREPARED TO CONSIDER LEGAL ASSISTANCE. AFTER SOME CIRCLING, IT BECAME APPARENT THAT THERE WAS FRENCH DISSATISFACTION WITH THE LACK OF VISIBILITY OF THE EC PROGRAMME. SOME ALTOGETHER MORE STRIKING AND VISIBLE ACTIVITY WAS NEEDED TO SHOW THAT THE TWELVE WERE HELPING THE BLACKS IN SOUTH AFRICA. RAIMOND HAD SUGGESTED A NEW FUND. IT MIGHT BE OPEN TO PRIVATE AS WELL AS GOVERNMENT DONORS. THE AMBASSADORS OF THE TWELVE COULD BE INSTRUCTED TO MEET LEADERS OF THE BLACK COMMUNITY (HE MENTIONED TUTU AND BOESAK) TO PUT ACROSS WHAT HAD ALREADY BEEN DONE.

4. COMMISSION (KRENZLER) REPORTED ON CONTACTS IN SOUTH AFRICA ESPECIALLY WITH THE CHURCHES, IN ORDER TO IDENTIFY CHANNELS TO DISBURSE THE EC AID ALREADY AGREED. PROPOSALS FOR TWO TO THREE PROJECTS HAD BEEN SUBMITTED TO THE COMMISSION FROM INTER ALIA

CHRISTIAN

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CHRISTIAN AID AND ONE OF THE TRADE UNION ORGANISATIONS. MORE PROJECTS

WHICH WOULD ACCOUNT FOR 4 TO 5 MECU WERE BEING PREPARED BY THE CATHOLIC BISHOPS CONFERENCE AND COUNCIL OF CHURCHES. THE COMMISSION COULD USE THE FUNDS AVAILABLE UNDER ARTICLE 953 TO GIVE ASSISTANCE TO THE VICTIMS OF CROSSROADS. THE PROJECTS BEING PUT FORWARD BY THE TRADE UNION ORGANISATION ALSO INCLUDED THE POSSIBILITY OF LEGAL ASSISTANCE. THE COMMISSION WOULD BE IN A POSITION TO PROPOSE A MEETING OF EXPERTS TO CONSIDER PROJECTS IN THE SECOND OR THIRD WEEK OF JULY. THEY WERE HESITANT HOWEVER, ABOUT THE SUGGESTION OF A NEW FUND, WHICH WAS LIKELY TO UNDERMINE THE COMMUNITY'S CREDIBILITY. WHAT WOULD BE THE CRITERIA AND WHO THE BENEFICIARIES? HOW WOULD IT DIFFER FROM WHAT WAS ALREADY ENVISAGED? THE BUDGETARY IMPLICATIONS OF THE PRESIDENCY PROPOSAL WOULD NEED TECHNICAL STUDY. SPENDING WAS LIKELY TO BE CONCENTRATED IN 1987. WAS THERE NOT A DANGER OF A PARALLEL BUREAUCRACY?

5. THOMAS (UK) SUPPORTED FRANCE IN EMPHASISING THAT POSITIVE MEASURES TO HELP THE BLACK COMMUNITY WERE AN IMPORTANT PART OF THE TWELVE'S APPROACH TO SOUTH AFRICA. PERHAPS THE COMMUNITY HAD NOT GIVEN SUFFICIENT IMPORTANCE TO POSITIVE MEASURES. THEY SHOULD BE EFFECTIVE AND VISIBLE. WE SHOULD HIGHLIGHT WHAT WAS BEING DONE ALSO UNDER THE CODE OF CONDUCT, AID TO TRADE UNIONS, ETC. IT WAS IMPORTANT TO GET THE EC PROGRAMME UNDER WAY AND MAKE IT EFFECTIVE

WE SHOULD SEE IF THE EXISTING FUNDS AT THE COMMISSIONS DISPOSAL COULD BE USED TO GIVE EFFECT TO THE PRESIDENCY'S IDEAS ON AID TO VICTIMS AT CROSSROADS AND LEGAL HELP. BUT TO THINK IN TERMS OF AN INCREASE BEFORE THE EXISTING PROGRAMME HAD TAKEN SHAPE WAS PREMATURE.

6. SPAIN, ITALY, IRELAND, BELGIUM ENDORSED THE IMPORTANCE OF POSITIVE MEASURES AND THE IDEAS IN THE PRESIDENCY PAPER, WITHOUT SUPPORTING ANY INCREASE IN THE FUNDS AVAILABLE.

7. SUMMING UP JACOBOVITS SUGGESTED THAT THE POLITICAL COMMITTEE IN REPORTING TO MINISTERS SHOULD SET OUT WHAT HAD ALREADY BEEN DONE RESPONDING TO THE RECENT EMERGENCY (HE WOULD BE GRATEFUL IF MEMBER STATES COULD NOTIFY THE PRESIDENCY URGENTLY BY COREU OF THE AID THEY HAD GIVEN) AS WELL AS WHAT WAS PLANNED, INCLUDING ANY PROJECTED INCREASE. IT WAS IMPORTANT TO MAKE THE EC PROGRAMME OF POSITIVE MEASURES EFFECTIVE. THE QUESTION OF AN INCREASE SHOULD BE LEFT OPEN FOR NOW.

COMMENT

8. IN THE LIGHT OF THIS DISCUSSION, IT IS CLEAR THAT OTHER MEMBER STATES WOULD BE RECEPTIVE TO ANY UK INITIATIVE IN THIS GENERAL AREA.

MARGETSON

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FRAME EXTERNAL

EUROPEAN POLITICAL COOPERATION: POLITICAL COMMITTEE:

THE HAGUE, 20 JUNE: SOUTH AFRICA

SUMMARY

1. A DIFFICULT DISCUSSION. DESPITE UK OPPOSITION, BROAD SUPPORT FOR BAN ON IMPORT OF WINE, FRUIT AND VEGETABLES, AND OTHER RESTRICTIVE MEASURES. FRENCH EMPHASIS ON IMPORTANCE OF POSITIVE MEASURES AS MEANS OF POLITICAL INFLUENCE WITH BLACKS. GERMANS SILENT THROUGHOUT. AFTER PROLONGED DISCUSSION IN RESTRICTED SESSION, PRESIDENCY PROPOSED TO CIRCULATE A PAPER ON THEIR OWN RESPONSIBILITY, BASED LARGELY ON THEIR ORIGINAL ELEMENTS AND PROPOSING FOLLOWING RESTRICTIVE MEASURES FOR FURTHER CONSIDERATION BY MINISTERS:

- (I) GOLD COINS SEMI COLON
- (II) WINE, FRUIT AND VEGETABLES SEMI COLON
- (III) COAL SEMI COLON
- (IV) IRON AND STEEL.

OTHER RESTRICTIVE MEASURES TO BE RELEGATED TO AN ANNEX WITH RECOMMENDATION THAT THEY SHOULD NOT BE CONSIDERED FURTHER FOR THE PRESENT.

DETAIL

2. JACOBVITS (PRESIDENCY) DESCRIBED THE MEASURES TAKEN BY OTHER WESTERN COUNTRIES, EG CANADA, JAPAN, THE NORDICS, AND REFERRED TO THE BILL PASSED BY THE HOUSE OF REPRESENTATIVES. HE INVITED COMMENTS ON THE PRESIDENCY'S DISCUSSION PAPER WHICH WAS INTENDED AS THE BASIS FOR A PAPER WHICH HE HOPED COULD BE SUBMITTED TO FOREIGN MINISTERS.

3. THOMAS (UK) EMPHASIZED THE NEED TO THINK COOLLY AND CLEARLY ABOUT THE MEASURES PROPOSED BY THE PRESIDENCY. WE NEEDED TO OFFER /A.

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A CLEAR PICTURE OF WHAT THEY WOULD ACHIEVE IN PRACTICE, THEIR COST TO MEMBER STATES, THEIR IMPACT IN SOUTH AFRICA, AND WHETHER OTHER COUNTRIES WOULD BE LIKELY TO APPLY THEM. WE SHOULD AVOID DRIVING SOUTH AFRICA INTO A CORNER OR DAMAGING THE SOUTH AFRICAN ECONOMY. OUR PURPOSE WAS NOT TO PUNISH BUT TO SEND A CLEAR POLITICAL SIGNAL. POLITICAL DIRECTORS COULD NOT TAKE DECISIONS BUT SHOULD PREPARE A THOROUGH ANALYSIS IN THE LIGHT OF WHICH MINISTERS COULD DECIDE FOR THEMSELVES ON THE MERITS OF THE PROPOSED MEASURES.

4. DISCUSSION THEN TURNED TO THE THREE SECTIONS OF THE PRESIDENCY PAPER DEALING WITH DIPLOMATIC MEASURES, POSITIVE MEASURES AND RESTRICTIVE MEASURES. THE PRESIDENCY PROPOSED THAT THE SECTION ON DIPLOMATIC MEASURES (RECALL OF AMBASSADORS ETC) SHOULD BE DROPPED. THE MEASURES LISTED IN THIS SECTION WOULD NOT BE ACCEPTABLE TO MOST PARTNERS. THIS WAS AGREED, ALTHOUGH ITALY, WITH UK SUPPORT, ARGUED THAT WE SHOULD KEEP OPEN THE POSSIBILITY THAT OTHER POLITICAL MEASURES MIGHT BE LOOKED AT LATER, GIVEN THAT ECONOMIC MEASURES WERE LIKELY TO PROVE MORE DIFFICULT.

5. FOR DISCUSSION OF POSITIVE MEASURES, SEE MIFT (NOT TO ALL).

6. ON RESTRICTIVE MEASURES, DENMARK BEGAN BY CIRCULATING A LIST OF ADDITIONAL MEASURES WHICH INCLUDED A TOTAL BAN ON TRADE WITH SOUTH AFRICA. THIS WAS GENERALLY REGARDED AS UNHELPFUL. DENMARK AND IRELAND, HOWEVER, INDICATED WILLINGNESS TO IMPLEMENT ALL THE RESTRICTIVE MEASURES ON THE PRESIDENCY'S LIST. THE TWELVE SHOULD GIVE MORE POLITICAL FORCE TO THEIR EFFORTS IN THIS FIELD, AND NOT CONFINE THEMSELVES TO WORKING THROUGH RESTRICTIVE MEASURES. THE FRENCH COULD ACCEPT A BAN ON FRUIT AND VEGETABLES, AND POINTED OUT THAT THEY ALREADY HAD A BAN ON NEW INVESTMENT AND HAD STOPPED COAL IMPORTS. GERMANY DID NOT SPEAK. ITALY, SPAIN AND BELGIUM, GAVE NO CLEAR COMMITMENT ON THE LIST OF RESTRICTIVE MEASURES. PORTUGAL SUPPORTED THE UK LINE AND SAID THAT THE INTERESTS OF THE LARGE PORTUGUESE COMMUNITY IN SOUTH AFRICA WERE A MATTER OF ACUTE POLITICAL SENSITIVITY IN LISBON.

7. SPAIN PROPOSED THAT THE TWELVE SHOULD GIVE GREATER EMPHASIS TO ITS CONTACTS WITH BLACK GROUPS IN SOUTH AFRICA, EG THE UDF, ANC AND OTHERS, AT THE SAME TIME REDUCING OFFICIAL CONTACTS WITH THE SOUTH AFRICAN GOVERNMENT. THERE WAS GENERAL SUPPORT FOR THE FORMER, BUT THOMAS STRONGLY RESISTED THE LATTER AND WAS SUPPORTED BY THE PRESIDENCY.

8. AS FORESHADOWED IN THEIR COREU, THE PRESIDENCY ATTEMPTED TO FOCUS DISCUSSION PARTICULARLY ON WINE, FRUIT, VEGETABLES, COAL, IRON AND STEEL. THOMAS RESISTED THIS, ARGUING THAT POLITICAL DIRECTORS WERE NOT COMPETENT TO SELECT PARTICULAR RESTRICTIVE MEASURES. THE RIGHT COURSE WAS TO WORK THROUGH THE FULL LIST INDICATING THE ADVANTAGES AND DISADVANTAGES OF EACH PARTICULAR MEASURE.

9. ALTHOUGH THE PRESIDENCY CONCEDED THAT SOME EVALUATION OF THE EFFECTS OF EACH RESTRICTIVE MEASURE WAS DESIRABLE, THERE WAS LITTLE SUPPORT FOR THIS FROM OTHER PARTNERS. MOST SHOWED WILLINGNESS IF NOT ENTHUSIASM FOR A BAN ON WINE, FRUIT AND VEGETABLES.

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10. OVER LUNCH, THE DISCUSSION OF RESTRICTIVE MEASURES CONTINUED, WITHOUT NOTE-TAKERS. ON A POSSIBLE BAN ON IMPORTS OF COAL, IT WAS CLEAR THAT SEVERAL MEMBER STATES HAD CONSIDERABLE DIFFICULTIES, NOTABLY THE BELGIANS. THOMAS BROUGHT OUT THE ARGUMENT OF BLACK UNEMPLOYMENT IN THE MINING INDUSTRY. THERE WAS A SIMILAR ARGUMENT ON IMPORTS OF IRON AND STEEL, WHERE THOMAS MADE THE POINT THAT SOUTH AFRICAN EXPORTS ONLY CONSTITUTED 4% OF TOTAL EXPORTS AND OF THIS ONLY 10% WENT TO THE EC. HE POINTED OUT THAT THIS WAS A CLASSIC CASE WHERE ACTION BY THE COMMUNITY WITHOUT OTHER INDUSTRIALISED COUNTRIES WOULD BE SENSELESS. HE ALSO DREW ATTENTION TO THE EFFECT ON IRON AND STEEL EXPORTS FROM THE FLS WHICH PASSED THROUGH SOUTH AFRICA AND WOULD THEREFORE BE DIRECTLY DAMAGED BY SUCH A BAN.

11. SEVERAL POLITICAL DIRECTORS RESPONDED TO THE ARGUMENTS ABOUT BLACK UNEMPLOYMENT BY SAYING THAT THEIR MINISTERS FELT THEY HAD TO RECOGNISE THE FORCE OF BLACK MAJORITY ARGUMENTS IN FAVOUR OF SANCTIONS, EVEN IF THEY CREATED UNEMPLOYMENT IN SOUTH AFRICA. THIS WAS PARTICULARLY STRONGLY ARGUED BY DE SCHOUTHEETE (BELGIUM), AND SHARKEY (IRELAND).

12. A DISCUSSION ON A POSSIBLE BAN ON GOLD AND OTHER PRECIOUS METALS WENT REASONABLY SUCCESSFULLY. THE SILLINESS OF THIS PROPOSAL QUICKLY BECAME APPARENT AND POLITICAL DIRECTORS SAW THE FORCE OF SETTLING FOR A BAN ON GOLD COINS ORIGINATING IN SOUTH AFRICA

IT WAS AGREED TO REVISE THE PROPOSAL ON THESE LINES AND RETAIN IT FOR FURTHER CONSIDERATION BY MINISTERS.

13. DISCUSSION OF THE BAN ON NEW INVESTMENTS WAS MORE DIFFICULT. THE FRENCH (WHO MAKE NONE) WERE PRESSING STRONGLY FOR SUPPORT FOR IT. THOMAS ASKED FOR A TOUR DE TABLE ON HOW MANY COUNTRIES COULD IMPOSE SUCH A BAN WITHOUT NEW LEGISLATION. IT TURNED OUT THAT VERY FEW WERE ABLE TO DO SO. THOMAS ALSO POINTED OUT THE PERVERSE EFFECTS OF SUCH A BAN IN THE NEAR-CERTAIN EVENT THAT SOUTH AFRICA RETALIATED BY PREVENTING REPATRIATION OF PROFITS. THIS DISCUSSION FINALLY PROVOKED THE FRG REPRESENTATIVE (WHO WAS UNDER INSTRUCTIONS FROM GENSCHER TO CONFINE HIMSELF TO LISTENING AND REPORTING) INTO MAKING A CLEAR AND HELPFUL INTERVENTION WHICH FINALLY PUNCTURED THE IDEA FOR THE TIME BEING. IT WAS NEVERTHELESS FELT BY SOME THAT HOWEVER LIMITED IN REAL EFFECT, THIS WOULD BE A USEFUL POLITICAL SIGNAL TO SEND.

14. PROPOSALS ON EXPORT CREDITS, SOUTH AFRICAN BANK ACCOUNTS, DOUBLE TAXATION AGREEMENTS, AIR LINKS, GOVERNMENT PROCUREMENT AND PROMOTION OF TOURISM WERE GENERALLY FELT TO BE EMPTY, DANGEROUS OR IMPRACTICABLE.

15. JACOBOVITS, AT THE END OF THIS DISCUSSION, SUGGESTED THAT THE PRESIDENCY SHOULD CIRCULATE A REVISED REPORT TO MINISTERS IN THE LIGHT OF TODAY'S DISCUSSION ON THE FOLLOWING LINES:

- (A) BRIEF DESCRIPTION OF THE PRESENT SITUATION SEMI COLON
- (B) SUMMARY OF THE TWELVE'S OBJECTIVES SEMI COLON
- (C) ANALYSIS OF THINKING ON POLITICAL MEASURES AND POSITIVE

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MEASURES ON THE LINES OF PARAGRAPH 4 ABOVE AND MY TELNO
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(D) REVIEW OF LIST OF POSITIVE AND RESTRICTIVE MEASURES
(DETAILS IN SEPARATE ANNEX, CONTAINING A SUMMARY OF THE
ARGUMENTS WHICH HAD BEEN USED IN RELATION TO EACH PROPOSAL).

(E) LIST OF FOUR POSSIBLE MEASURES RETAINED FOR FURTHER
CONSIDERATION BY MINISTERS VIZ BANS ON-

(I) IMPORTS OF GOLD COINS ORIGINATING IN SOUTH AFRICA
SEMI COLON

(II) IMPORTS OF FRUIT, VEGETABLES AND WINE SEMI COLON

(III) IMPORTS OF COAL SEMI COLON

(IV) IMPORTS OF IRON AND STEEL.

THE PRESIDENCY AGREED THAT UNDER EACH OF THESE HEADINGS WOULD BE
A BRIEF STATEMENT OF THE VOLUME OF TRADE INVESTMENT AND THE
COUNTRIES CONCERNED. THOMAS ARGUED THAT MINISTERIAL DISCUSSION
WOULD BE GREATLY HELPED BY A CLEAR EXPOSITION OF THE LIKELY
IMPACT OF THE FIRST THREE MEASURES ON EMPLOYMENT IN SOUTH AFRICA.
THE PRESIDENCY RESISTED THIS STRONGLY ON THE GROUNDS THAT IT WAS A
MATTER ON WHICH EACH DELEGATION WOULD BRIEF ITS MINISTER.

(F) A PARAGRAPH REFERRING TO THE EFFECT OF THE SOUTH AFRICAN
GOVERNMENT'S POLICIES ON THE CLIMATE FOR INVESTMENT, TOURISM,
CREDITS, AND TRADE MISSIONS TO SOUTH AFRICA. THE PURPOSE OF
THIS WOULD BE, RATHER THAN CALLING FOR RESTRAINT ON ANY OF
THESE ACTIVITIES, TO BRING HOME TO SOUTH AFRICAN OPINION
THAT CURRENT POLICIES WERE PRODUCING THESE EFFECTS WITHOUT
ANY ACTION FROM WESTERN GOVERNMENTS.

16. JACOBOVITS MADE CLEAR AT THE END OF THE MEETING THAT THE
PRESIDENCY'S PAPER WOULD BE CIRCULATED ON ITS OWN RESPONSIBILITY.
HE NOTED THE CAUTIOUS POSITIONS TAKEN, PARTICULARLY BY THE UK AND
ACCEPTED THAT ANY FURTHER DISCUSSION OF RESTRICTIVE MEASURES
WAS ENTIRELY WITHOUT COMMITMENT.

17. PLEASE SEE MY SECOND IFT FOR COMMENT.

MARGETSON

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FRAME GENERAL

EUROPEAN COUNCIL MEETING IN THE HAGUE, 26-27 JUNE

SUMMARY

1. VAN DEN BROEK COMMENTS ON THE SUBJECTS HE EXPECTS TO FEATURE IN THE EUROPEAN COUNCIL MEETING. IN A PRIVATE CONVERSATION WITH ME ON SOUTH AFRICA HE EMPHASISED THAT THE NETHERLANDS STRONGLY OPPOSED A POLICY AIMED AT DESTROYING THE ECONOMY OF SOUTH AFRICA AND CREATING CHAOS THERE. BUT HE THOUGHT IT IMPORTANT TO SEND A FURTHER SIGNAL TO SOUTH AFRICA: AND ASKED WHAT PEACEFUL MEANS WERE AVAILABLE FOR THIS OTHER THAN SELECTIVE ECONOMIC MEASURES.

DETAIL

2. YOU WILL FIND LUBBERS AND VAN DEN BROEK IN EXCELLENT FORM, STILL ELATED BY THEIR ELECTION VICTORY, NOT WORRIED BY THE PROBLEMS OF COALITION FORMATION AND, IN THE CASE OF VAN DEN BROEK, APPARENTLY UNAFFECTED BY HIS PUNISHING TRAVEL PROGRAMME DURING THE DUTCH PRESIDENCY.

3. AT LUNCH WITH COMMUNITY AMBASSADORS TODAY, VAN DEN BROEK, AN THROUGH THE LIST OF SUBJECTS FOR THE EUROPEAN COUNCIL MEETING, REMARKING THAT IN EC MATTERS THIS WOULD BE THE FIRST EUROPEAN COUNCIL FOR SOME TIME AT WHICH NO DEEP-ROOTED DIFFERENCES NEEDED TO BE BRIDGED AND AT WHICH IT WOULD THEREFORE BE POSSIBLE TO LOOK MORE TO THE FUTURE. ON SOCIO-ECONOMIC QUESTIONS, HE HOPED IT WOULD BE POSSIBLE TO AVOID REPORTS ON NATIONAL SITUATIONS AND TO CONCENTRATE ON GIVING AN IMPULSE TO COMMUNITY WORK ON EMPLOYMENT, FLEXIBILITY OF THE LABOUR MARKET, DE-REGULATION AND MEASURES TO HELP SMALL AND MEDIUM-SIZED FIRMS. IT WOULD BE NECESSARY TO HAVE A PROGRESS REPORT ON THE WORK ON THE INTERNAL MARKET AND TRANSPORT AND ON THE PEOPLE'S EUROPE. HE HOPED THAT DISCUSSION ON AGRICULTURE COULD CONCENTRATE ON INTERNATIONAL ASPECTS WHICH HAD FEATURED AT THE HEEMSKERK INFORMAL WEEKEND, SUCH AS THE PROBLEMS OF OVER-PRODUCTION IN DEVELOPED COUNTRIES AND ITS EFFECT ON THIRD WORLD AGRICULTURE. HE SAW NO DIFFICULTIES ARISING OVER POST-CHERNOBYL NUCLEAR MATTERS. POLITICAL COOPERATION SUBJECTS WOULD INCLUDE SOUTH AFRICA, EAST/WEST RELATIONS AND HUMAN RIGHTS POLICY OF THE TWELVE. HE THOUGHT THAT DISCUSSION ON DRUGS SHOULD BE AIMED AT 'SENSITIZING THE COUNCIL' TO THIS LARGE AND DIFFICULT PROBLEM WITH A VIEW TO WORK WHICH THE BRITISH PRESIDENCY MIGHT WISH TO UNDERTAKE. THERE WAS NO INTENTION TO GO INTO THE SUBJECT IN ANY DETAIL AT THIS STAGE, BUT MERELY SIGNAL THAT THE TWELVE WOULD BE WORKING TOGETHER ON THE SUBJECT PARTICULARLY IN CONNECTION WITH THE UN CONFERENCE IN JUNE 1987. ASKED WHETHER

THESE

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THERE WOULD BE DISCUSSION ON EUROPEAN/AMERICAN RELATIONS, VAN DEN BROEK SAID THAT HE DID NOT EXCLUDE THIS, ALTHOUGH IT WAS DIFFICULT TO GET ANY WAY INTO THE SUBJECT WITHOUT TOUCHING ON ARMS CONTROL. THIS MADE THE SUBJECT MORE SUITABLE FOR DISCUSSION AT DINNER RATHER THAN AT A FORMAL SESSION.

4. EARLIER IN THE DAY I HAD A PRIVATE TALK WITH VAN DEN BROEK ON SOUTH AFRICA. HE WAS AT PAINS TO EMPHASISE TO ME THAT THE NETHERLANDS STRONGLY OPPOSED A POLICY AIMED AT DESTROYING THE ECONOMY OF SOUTH AFRICA AND CREATING CHAOS THERE. HE SAID THAT HE DID NOT TALK OF COMPREHENSIVE SANCTIONS, ONLY OF SELECTIVE ECONOMIC MEASURES. HIS THINKING WAS VERY SIMILAR TO THAT IN THE EPG REPORT AND HE SHARED ITS PESSIMISTIC ANALYSIS. IT WAS IMPORTANT NOW TO SEND A FURTHER SIGNAL TO SOUTH AFRICA TO MAKE AN IMPRESSION BEFORE THE SITUATION WORSENER. WHAT PEACEFUL MEANS WERE AVAILABLE OTHER THAN SELECTIVE ECONOMIC MEASURES WHICH COULD SIGNAL CLEARLY AND UNMISTAKEABLY TO SOUTH AFRICA THAT CHANGE WAS NECESSARY?

5. DIRECTOR FOR AFRICA, HORAK, WHOM I ALSO SAW TODAY, MADE SIMILAR POINTS. HE ADDED THAT THE BAN ON THE IMPORT OF VEGETABLES, FRUIT AND WINE SEEMED TO BE THE MOST APPROPRIATE MEASURE TO ADOPT NOW. SIGNIFICANTLY, HE DROPPED COAL, IRON AND STEEL, WHICH WERE INCLUDED IN THE COREU CIRCULATED FOR TODAY'S MEETING OF POLITICAL DIRECTORS.

MARGETSON

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10 DOWNING STREET

THE PRIME MINISTER

20 June 1986

Dear Julian.

Thank you so much for your interesting letter about possible developments in France. It was very useful to have this on the eve of the European Council.

I am grateful to you for coming to see me yesterday and for the benefit of your views on South Africa and the Middle East.

Yours sincerely

Raymond

The Rt. Hon. Julian Amery, M.P.

all



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 June, 1986.

EUROPEAN COUNCIL: PRESIDENCY LETTER

I enclose a copy of Mr. Lubbers' letter to European Community Heads of Government about the forthcoming European Council.

I am copying this letter and enclosure to Rachel Lomax (HM Treasury), John Mogg (Department of Trade and Industry), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), Geoff Dart (Department of Energy), Robin Young (Department of the Environment), John Turner (Department of Employment), and David Williamson (Cabinet Office).

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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Advance copy

Letter from Mr Ruud Lubbers, Prime Minister of the Netherlands and President of the European Council, to the members of the European Council:

On 26 and 27 June the European Council will be meeting in The Hague. It will be the first time that the Council has met since we decided to reduce the frequency of our meetings to two per year. In my view, we are right not to interrupt work in the first half of 1986 by holding our customary meeting in March. Now, however, the time has come to review the state of affairs as regards the main areas of concern of the Community and of European Political Cooperation and to look ahead to the developments which we hope to initiate during the forthcoming period.

In keeping with the informal character of our consultations, there will not be any formal agenda and you are naturally free to raise whatever points you consider useful and desirable. I for my part would like to give priority to the following subjects.

The social and economic situation

I would suggest that at the beginning of the meeting we should look at the social and economic situation in the Community, which was recently discussed by the Council of Ministers (Ecofin), when it was concluded that policies designed to bring about structural recovery should be continued. We could consider both short-term economic factors and structural elements. Of particular relevance here are factors which affect economic growth and employment, including the role of small and medium-sized businesses, deregulation, improvements in the labour market and developments as regards the provision of venture capital. The President of the European Commission has agreed to comment briefly on the various subjects, for which I would refer you to the enclosed memorandum from the commission (annex).

In our discussions concerning the social and economic situation we certainly cannot ignore the urgent question of unemployment, in which connection I would request special attention for the position of those, both young and old, who are in danger of joining the ranks of the long-term unemployed. The Presidency has circulated a document on this subject with which I assume that you will be familiar. I would also refer to a document on employment which was recently tabled by the United Kingdom, Italy and Ireland.

While dealing with this item on the agenda I should also like to give Mr Delors the opportunity to comment on the proposals which the Commission has recently made on the general liberalisation of capital transactions. The Council of Ministers (Ecofin) has underlined the importance of these proposals, not only on account of the intrinsic merits of liberalisation but also with a view to the realisation of the

internal market and the strengthening of the European Monetary System.

The internal market

We are all agreed that the completion of the internal market is an important factor in the restoration and preservation of economic growth in the Community and that it should also provide the basis for the technological cooperation which will enable us to catch up with our main competitors on world markets. The progress which has been made in the past six months is by no means insubstantial, but it is clear that decision-making needs to be speeded up and that much work still remains to be done. In my view it is therefore essential to provide fresh political impetus, at least if we intend to take the objective for 1992 seriously. The Presidency and the European Commission have drawn up concise discussion papers summarising the present state of affairs with regard to the internal market (annexes).

In my view, while discussing this item on the agenda we should also consider the liberalisation of trade in services and transport (inland transport, shipping and air transport) fields in which it seems to me that too little progress has been achieved. Technological cooperation also deserves our attention in this context, as I have the impression that there is a serious danger of loss of impetus here. In this connection we should also consider the question of public purchasing, with regard to which I would refer to a memorandum recently submitted to the Council of Ministers (Industry) by the Presidency. We shall also be able to hear about the work which has been done by the Council of Ministers (Ecofin) towards removing fiscal barriers at borders. In my view, fundamental decisions need to be taken on this in the near future if we are to achieve the objectives set for 1992.

A people's Europe

In the same context I should also like to raise what has been achieved for the people's Europe since our last meeting, by way of implementation of the Adonnino report. Here too, it is my impression that fresh political impetus is needed. Short memoranda describing the present state of affairs have been made available to you by the Presidency and the European Commission (annexes).

Agriculture in an international context

It is my hope that, important though these subjects are, we shall be able to discuss them in a relatively short space of time, so that at the end of the afternoon session on Thursday 26 June we can start to discuss what I regard as a very complex subject : the development of agricultural policy in the longer term and in an international context. Unless I am mistaken, we all recognise that there is cause for concern here.

The fact that the Council of Ministers (Agriculture) reached agreement at the end of April and that the Council of Ministers (General Affairs) had adopted a unanimous position

on the conflict which is in danger of arising with the USA and approved the general approach to the forthcoming GATT-round shows that there is a large measure of consensus within the Community. On the basis of this consensus it is important to examine the structural problems in agriculture, both in Europe itself and in relation to the other world trading partners, including, not least, those in the Third World.

These issues have been discussed in such fora as the meeting of industrialised countries in Tokyo, at which the Community was represented. The participants in this meeting agreed that in serious cases of surpluses, measures should be taken to redirect policy and adjust the structure of agricultural production in the light of world demand. In my view, it is necessary to strengthen discipline within GATT, to conduct international consultations and to take coordinated action to adjust agricultural policy. In doing so we must not of course lose sight of the considerable importance of the common agricultural policy to the rural population and to the community as a whole.

In order to facilitate the discussions, the Presidency and the European Commission have drawn up discussion papers, which are enclosed (annexes).

Policy after Chernobyl

An important subject which likewise requires our attention is the consequences of the nuclear reactor accident in the Soviet Union. In this connection the European Commission has prepared a document which we can use in our discussions (annex). During our talks we should also consider the work of the International Atomic Energy Agency in Vienna, where the Community could make a major contribution to decision-making.

In view of the repercussions which the nuclear accident has had throughout the Community and outside it, it seems very important that the European Council should seriously discuss the many aspects involved, notably public health, the environment, safety, procedures for crises, international action and research. Mobilisation of action by the Community and the member states, both internally and externally, seems to me worthy of our full consideration.

Drugs

At some point during our meeting I should also like to raise the issue of drug abuse, which affects our societies so radically. Consultative bodies already exist in this field and are working well; we should not impede or duplicate their activities. Rather I would envisage that the member states might play an active part in these wider fora, where possible with support from the Community. In particular I should like to see active and mutually coordinated preparations for and contributions to the UN conference to be held in Vienna in the first half of 1987.

Human rights

I should also be glad if we could devote attention to the importance of human rights in our external relations and look at how we can elaborate a common policy in this field during the period ahead. Perhaps our discussions might result in a joint declaration, which, as you know, is a matter which is still being discussed within the framework of political cooperation.

European Political Cooperation

I suggest that our discussions of this item should concentrate on the situation in South Africa and on East-West relations.

In view of the rapidly deteriorating situation in South Africa and against the background of the disappointing result of the Commonwealth Eminent Persons Group, we should consult as to how we are to send a clear political signal to the South African government following our joint measures of September 1985.

Discussions of the East-West situation should take place in the context of the important meetings scheduled for the next six months, notably within the framework of the CSCE.

I look forward to seeing you in The Hague in a few days time and to the opportunity of holding intensive discussions within the framework of the European Council.

The Hague, 20 June 1986



ROYAL NETHERLANDS EMBASSY

LONDON

Em

No. 9799

20 June, 1986

Dear Prime Minister,

I have the honour to send you enclosed advance copy of a letter which the Prime Minister of the Netherlands is writing to you today. The official letter will reach you as soon as possible.

The enclosures mentioned in the text will also be presented later. Copies of these enclosures have already been sent to your Permanent Mission to the European Communities in Brussels.

Yours sincerely,

L.W.Veenendaal
Chargé d'Affaires a.i.

The Right Honourable
Margaret Thatcher, M.P.
etc., etc., etc.,

SUBJECT
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ops.

Prime Minister
Pres in the Presidency; traditional
level of - European Council letter.
I suggest you glance
only at the passages which I have
underlined.

PRIME MINISTER'S
PERSONAL MESSAGE

Advance copy No. T 113/86

Letter from Mr Ruud Lubbers, Prime Minister of the Netherlands and President of the European Council, to the members of the European Council:

C.D.P.
2/86

On 26 and 27 June the European Council will be meeting in The Hague. It will be the first time that the Council has met since we decided to reduce the frequency of our meetings to two per year. In my view, we are right not to interrupt work in the first half of 1986 by holding our customary meeting in March. Now, however, the time has come to review the state of affairs as regards the main areas of concern of the Community and of European Political Cooperation and to look ahead to the developments which we hope to initiate during the forthcoming period.

In keeping with the informal character of our consultations, there will not be any formal agenda and you are naturally free to raise whatever points you consider useful and desirable. I for my part would like to give priority to the following subjects.

The social and economic situation

I would suggest that at the beginning of the meeting we should look at the social and economic situation in the Community, which was recently discussed by the Council of Ministers (Ecofin), when it was concluded that policies designed to bring about structural recovery should be continued. We could consider both short-term economic factors and structural elements. Of particular relevance here are factors which affect economic growth and employment, including the role of small and medium-sized businesses, deregulation, improvements in the labour market and developments as regards the provision of venture capital. The President of the European Commission has agreed to comment briefly on the various subjects, for which I would refer you to the enclosed memorandum from the commission (annex).

In our discussions concerning the social and economic situation we certainly cannot ignore the urgent question of unemployment, in which connection I would request special attention for the position of those, both young and old, who are in danger of joining the ranks of the long-term unemployed. The Presidency has circulated a document on this subject with which I assume that you will be familiar. I would also refer to a document on employment which was recently tabled by the United Kingdom, Italy and Ireland.

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internal market and the strengthening of the European Monetary System.

The internal market

We are all agreed that the completion of the internal market is an important factor in the restoration and preservation of economic growth in the Community and that it should also provide the basis for the technological cooperation which will enable us to catch up with our main competitors on world markets. The progress which has been made in the past six months is by no means insubstantial, but it is clear that decision-making needs to be speeded up and that much work still remains to be done. In my view it is therefore essential to provide fresh political impetus, at least if we intend to take the objective for 1992 seriously. The Presidency and the European Commission have drawn up concise discussion papers summarising the present state of affairs with regard to the internal market (annexes).

In my view, while discussing this item on the agenda we should also consider the liberalisation of trade in services and transport (inland transport, shipping and air transport) fields in which it seems to me that too little progress has been achieved. Technological cooperation also deserves our attention in this context, as I have the impression that there is a serious danger of loss of impetus here. In this connection we should also consider the question of public purchasing, with regard to which I would refer to a memorandum recently submitted to the Council of Ministers (Industry) by the Presidency. We shall also be able to hear about the work which has been done by the Council of Ministers (Ecofin) towards removing fiscal barriers at borders. In my view, fundamental decisions need to be taken on this in the near future if we are to achieve the objectives set for 1992.

A people's Europe

In the same context I should also like to raise what has been achieved for the people's Europe since our last meeting, by way of implementation of the Adonnino report. Here too, it is my impression that fresh political impetus is needed. Short memoranda describing the present state of affairs have been made available to you by the Presidency and the European Commission (annexes).

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on the conflict which is in danger of arising with the USA and approved the general approach to the forthcoming GATT-round shows that there is a large measure of consensus within the Community. On the basis of this consensus it is important to examine the structural problems in agriculture, both in Europe itself and in relation to the other world trading partners, including, not least, those in the Third World.

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Policy after Chernobyl

An important subject which likewise requires our attention is the consequences of the nuclear reactor accident in the Soviet Union. In this connection the European Commission has prepared a document which we can use in our discussions (annex). During our talks we should also consider the work of the International Atomic Energy Agency in Vienna, where the Community could make a major contribution to decision-making.

In view of the repercussions which the nuclear accident has had throughout the Community and outside it, it seems very important that the European Council should seriously discuss the many aspects involved, notably public health, the environment, safety, procedures for crises, international action and research. Mobilisation of action by the Community and the member states, both internally and externally, seems to me worthy of our full consideration.

Drugs

At some point during our meeting I should also like to raise the issue of drug abuse, which affects our societies so radically. Consultative bodies already exist in this field and are working well; we should not impede or duplicate their activities. Rather I would envisage that the member states might play an active part in these wider fora, where possible with support from the Community. In particular I should like to see active and mutually coordinated preparations for and contributions to the UN conference to be held in Vienna in the first half of 1987.

Human rights

I should also be glad if we could devote attention to the importance of human rights in our external relations and look at how we can elaborate a common policy in this field during the period ahead. Perhaps our discussions might result in a joint declaration, which, as you know, is a matter which is still being discussed within the framework of political cooperation.

European Political Cooperation

I suggest that our discussions of this item should concentrate on the situation in South Africa and on East-West relations.

In view of the rapidly deteriorating situation in South Africa and against the background of the disappointing result of the Commonwealth Eminent Persons Group, we should consult as to how we are to send a clear political signal to the South African government following our joint measures of September 1985.

Discussions of the East-West situation should take place in the context of the important meetings scheduled for the next six months, notably within the framework of the CSCE.

I look forward to seeing you in The Hague in a few days time and to the opportunity of holding intensive discussions within the framework of the European Council.

The Hague, 20 June 1986





FUE

CAFJ

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 June 1986

EC PRESIDENCY HAND-OVER

Thank you for your letter of 18 June. I am sure the Prime Minister will be ready to have breakfast with Mr. Lubbers at 0830 on 27 June. She will want the occasion to be limited to her and Mr. Lubbers and note takers.

C. D. POWELL

C. R. Budd, Esq.,
Foreign and Commonwealth Office

A handwritten signature, possibly 'C. R. Budd', written in dark ink in the bottom right corner of the page.

PRIME MINISTER

EUROPEAN COUNCIL

This morning's discussion with David Hannay and David Williamson identified the main issues which will come up at the European Council.

You might over the weekend want to look at the Steering Brief (1). I have in addition had speaking notes prepared on all the main issues (also under 1). You may also want to look at these.

Since you will be the next President of the Community, it will fall to you to say some kind words about Mr. Lubbers at the end of the Council. Again a speaking note is provided.

C.D.P.

CHARLES POWELL

20 June 1986

Qz. 05125

MR POWELL



CDP
19/6.

EUROPEAN COUNCIL, 26-27 JUNE

In response to your minute of 17 June, the briefing to be submitted to you tomorrow will include speaking notes for the Prime Minister, in full speech form, on

- the economic and social situation. The Presidency proposes that the discussion should cover three themes: creating the conditions for employment growth (UK initiative), small and medium sized businesses (including deregulation) and risk capital (some as yet unspecified ideas of Monsieur Delors). The speech therefore takes up these points;
- progress on the internal market;
- citizen's Europe;
- the international aspects of agriculture;
- nuclear energy post Chernobyl

The briefing on contingency items (eg the budget) will remain in speech note form.

I am sending copies to Colin Budd (FCO) and to Sir Robert Armstrong.

D F WILLIAMSON

19 June 1986

Euro Policy
HAGUE
PTZ5



COMMISSIONER

IN

BUP

PRIME MINISTER

EUROPEAN COUNCIL

You have a short meeting tomorrow with David Williamson and David Hannay to go through the main issues at the European Council. The Cabinet Office are working on separate speaking notes for you on each item.

It has been agreed that there will not be any discussion at the Council of the Community Budget. This is helpful (though it may still be brought up by the Greeks and Italians under some other guise).

The main items are:

- i. Economic and Social Situation. The Presidency want to avoid the usual dreary table round. They will focus on our proposals for creating employment growth and reducing the burdens on business (in folder). There is some useful publicity to be had here.
- ii. Internal Market. The purpose is to obtain conclusions which keep up the momentum. We shall be focussing on transport and financial services.
- iii. Agriculture. The purpose will be to take forward the idea at Tokyo.
- iv. Nuclear Energy. Our aim is to head off the Commission's ambitions for a Community nuclear inspectorate. We should get good support from the French and Germans.
- v. South Africa. This will inevitably be the main subject of the Council. Despite what the Foreign Secretary said yesterday, I still believe that with sufficient determination we could head off decisions at the European Council on specific measures. We could argue

that:

- there should be a first discussion to identify the sort of measures which all are prepared to take;
- thereafter there should be consultations with US/Japan/Canada;
- the Foreign Secretary should visit South Africa; leading to
- decisions at the Foreign Affairs Council in late July, which would greatly ease our task since it would come very shortly before the Commonwealth meeting.

C.D.P

CDP

19 June 1986

VC4AHZ

PERSONAL

Private Secretary

Charles

HUMAN RIGHTS / BETHELL

- Latest text is Flag J
- Flags E-H give flavour of GH's reaction so far
- Flag I records Pol Ctee discussion on 12 June.
- Human Rights wkg grp meets tomorrow.

==

Lamentable situation.

FCO analysis so far much less rigorous than needed. Lots of loose ends / unanswered questions.

We'll go on being fierce!

Colin

18/6

Mr Budd-advance copy

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FROM: P K Williams
United Nations Department

DATE: 18 June 1986

cc: PS/Lady Young
PS/Mr Eggar
PS/PUS
Mr Houston
Mr Derek Thomas o.r.
Heads of:
Planning Staff
Soviet Dept
Aid Policy Dept
ECD(E)
ECD(I)
ECD(P)
WED
Mr Fifoot, Legal Advisers
Mr Bickford, Legal Advisers
Mrs Morphet, Research Dept

Mr Slater
PS

DRAFT DECLARATION ON HUMAN RIGHTS FOR THE EUROPEAN COUNCIL

PROBLEM

1. Instructions for the delegation to the ad hoc Working Group on a draft Human Rights Declaration to meet in The Hague on Thursday 19 June.

RECOMMENDATION

2. I recommend:

a) that policy in the Working Group should be to ensure that if a text is agreed by the Group it should be:

i) solely for presentation to the Political Committee in the margins of the European Council without any commitment on whether it should be subsequently adopted by Foreign Ministers or Heads of Government. It should not be on the agenda of the emergency Political Committee on 19 June, as the Presidency has suggested;

ii) acceptable in style and content, ie short, presenting a balanced view of EC policy on human rights, with no new obligations and without adverse implications for UK interests. The delegation should be guided by the proposals for content and amendment at Annex A;

A

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b) that Ministers should decide in the light of the outcome of the meeting and other relevant considerations (including the European Council agenda and the state of play on South Africa) whether to authorise the Political Director to agree in principle to a declaration.

Planning Staff, ECD(E), APD, Soviet Dept, CSCE Unit and Legal Advisers concur.

BACKGROUND AND ARGUMENT

BCD 3. Background is in my submissions of 9 and 13 May and 11 June.
EF Ministers' views are set out in minutes of 12 and 14 May, and 11 and
GH 12 June. The Political Committee discussed the principle of the
Declaration on 12 and 13 June, and decided that the question of a
I declaration would depend on its content, which should be pursued at
a further meeting of the Ad Hoc Working Group. I attach Mr Thomas'
report. The Working Group is to meet on Thursday 19 June. UK will
be represented by Mrs Rogerson, Assistant Head of UN Department, and
Mr Bickford, Legal Counsellor. Discussion will be based on the
J latest Presidency draft. The outcome of the meeting will be
considered by Political Directors on 26 June.

4. Answers to the Secretary of State's and Mr Eggar's questions, in so far as they relate to the present text, are as follows:

a) UK diffidence about more general raising of human rights violations. The question of whether to adopt a higher profile in opposing violations of human rights is one that has to be weighed in any specific situation against political or commercial considerations in the light of overall British interests. This question is being covered in the reconsideration of our overall approach to human rights questions currently in hand.

b) Major human rights instruments. These are generally understood to be the Universal Declaration on Human Rights and the two Covenants - the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

c) The references to public awareness and education (paragraph 4 of the latest text) is acceptable to DES, on the basis that the language is sufficiently general to avoid any degree of specific commitment to programmes.

d) Aid Policy. APD advise that we can accept the wording of paragraph 6 as it stands, provided that it is on the explicit understanding of the Working Group that the reference is to community aid and bilateral aid only (ie that this is not intended to affect our approach to the IFI, where under their Articles of Association projects are to be considered only on economic and social grounds. ECD(E) point out that the reference to administering aid is also helpful, since we cannot be said to administer IFI aid. The Lome Convention contains references to the promotion of human rights. The UK has in the past argued that

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human rights ought to be taken into account and that the commitment to provide EDF aid should not be entirely divorced from the behaviour of the receiving Governments. Ethiopia is a case in point.

K e) Intervention/interest. The distinction between expressions of concern and intervention is set out in Mr Eggar's reply of 16 June to Mr Terry Dicks MP.

5. As indicated in my minute of 13 June, there are a number of factors which will have to be taken into account in reaching a decision on acceptance or rejection of a declaration, notably human rights policy, whether the proclamation or adoption of a declaration of the type envisaged is a proper function of the European Council, implications for relations with partners, particularly the Dutch, and UK interests in other issues, and the question of domestic public opinion if the UK is seen as obstructing a declaration on a subject of genuine concern to many people. Arguments on each factor can be presented as follows:

a) Human rights. The draft as it stands is unpalatable and does not adequately reflect the Political Committee's mandate for a shorter text incorporating operational aspects of the Twelve's policy on human rights. Nonetheless, subject to the views of partners it seems capable of being turned into something we could live with if we had to. It adds nothing to current obligations or practices of the Twelve, individually or collectively. It would have little impact on the public at large but would be welcomed by human rights interests as an indication of Governments' concern about human rights and continuing determination to promote human rights in the EC context;

b) Whether the declaration an appropriate text for the European Council. We have argued that it is not. Statements issued by the European Council should reflect the discussion among Heads of Government. It follows that such statements should have something to say, be credible to public opinion and the media, and focus on some problem of real and pressing concern. While human rights are an abiding concern of all member Governments, they do not have anything worthwhile to say on the subject at this juncture, as the attempt to draft a suitable declaration has made painfully clear;

c) Whether it would be wise to let the statement through in order to achieve more important UK objectives of the European Council. Our overriding concern will be South Africa. If we can get the Dutch Presidency to look for an outcome acceptable to us their notorious obstinacy in the chair will work in our favour;

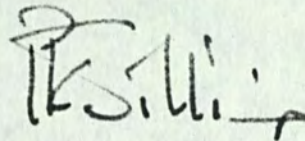
d) Whether we are prepared for the heavy media presence in the European Council and the consequent heavy publicity if we stand out against a declaration on this "motherhood" subject.

6. In brief, we see no intrinsic merit in the proposal for a Declaration on Human Rights by the European Council, on substantive or technical grounds. However, Departments concerned do not

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consider it would be worth antagonising the Dutch Presidency and possibly other partners by transparently wilful obstruction of a text in the Working Group. Given the possibility that on political grounds it may eventually prove necessary to recommend that Foreign Ministers or the Council accept a text, it would be prudent to seek to ensure at this stage that if a text is to go forward it should be acceptable in style and content. Substantive changes in the text would be considerably more difficult after the Working Group meeting.

A handwritten signature in dark ink, appearing to read 'P K Williams', with a stylized flourish at the end.

P K Williams
United Nations Department

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ANNEX

UK OBJECTIVES IN THE EVENT A TEXT IS AGREED BY THE AD HOC WORKING GROUP

General

Short

To the point

Restatement of existing objectives and practice.

Particular

- Paragraph 1: Replace "give direction" in second sentence by phrase implying restatement rather than innovation eg "..... the European Council wish to restate their commitment to human rights and their resolve to maintain the human rights policy of the Europe of the Twelve in future years".
- Paragraph 2: Reduce, focusing on statement of policy not international law.
 - Omit third and fifth sentences.
 - Return fourth sentence to paragraph 5.
 - Reverse order of sixth and seventh sentences.
 - At new sixth sentence, replace by "European Council urges all states to ratify etc".
 - Re-phrase last sentence on the following lines: "By themselves adhering to their obligations under national and international instruments to promote and protect human rights, such as the European Convention on Human Rights. The European partners are better placed to persuade other nations to undertake the same commitments."
- Paragraph 3: Add new second sentence referring to "systematic denial of individual liberties and freedom of choice".
 - Combine and reduce third and fourth sentences.
 - Substitute "our common practice" for "have become commonplace" in fifth sentence.
 - Last sentence, delete "nonetheless". Substitute "continue" for "intensify".
- Paragraph 4: No comment.

Paragraph 5: Better as paragraph 3. Sentence on lack of justification for the denial of civil and political rights should be reinserted in this paragraph.

- Paragraph 6: First sentence, delete "the Europe of the Twelve". Substitute "members of the European Community". If necessary, insert "community and bilateral" before aid, second sentence.

CME 241/9

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(59) B

From: P K Williams
United Nations Department

Date: 9 May 1986

✓ SMIS/S

Summary of [unclear]

PS/Mr Eggar
Mr Derek Thomas
Mr O'Neill
Mr Llewellyn Smith, Soviet Dept
Mr Dain, WED
Mr Ramsden, ECD(P)

P. J.

Private Secretary

DRAFT HUMAN RIGHTS DECLARATION FOR EUROPEAN COUNCIL

PROBLEM

1. Line to Take in Political Committee on 14-15 May on Presidency proposal to submit draft declaration on human rights to European Council on 26 June.

RECOMMENDATION

2. I recommend that Mr Derek Thomas should endorse further work on a declaration for clearance by the Political Committee in June with a view to adoption by the Council on 26 June, provided that:-

- (a) it is concise, clear and comprehensible to public opinion and the media;
- (b) it does not detract from existing international human rights standards;
- (c) it gives an impetus to action already being taken to promote human rights in existing fora (UN, CSCE, Council of Europe).

Soviet Department, WED and Presidency Secretariat concur.

BACKGROUND AND ARGUMENT

3. The idea of a declaration containing the basic views and objectives which the Twelve share in the human rights field was a Presidency initiative in February. The Dutch have a particular interest in this field. They argued that there had been significant developments in the positions and activities of EPC since 1977 (when the Council, the European Commission and the European Parliament adopted a joint declaration dealing essentially with the internal aspects of human rights), that the number of partners had increased

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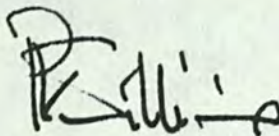
from nine to twelve, and that in view of the approaching CSCE meeting in Vienna, the timing would be appropriate.

4. Political Directors agreed in March that an ad hoc working group should be established to examine the text of such a declaration. However, the Presidency's first draft, while comprehensive, was far too long for submission to the European Council. We sent a Coreu to say that the Presidency draft was quite inappropriate in form, and that if there was to be a text issued by the Heads of Government, it would have to say something worthwhile in a clear and concise fashion. We are concerned to limit the number and length of texts issued by European Councils, a concern which most Partners fully share.

5. At the ad hoc working group meeting in The Hague on 6 May, most partners expressed support of our line and the Presidency agreed to prepare a shorter text which we expect to receive next week.

6. While several partners questioned whether particular elements in the original draft should be included, no other partner expressed any misgivings about the proposal itself. It would be presentationally awkward for the UK alone to argue strongly against the idea of a declaration (the UK's interest in human rights issues might be questioned) unless the declaration were quite inappropriate in form or content. We therefore need to ensure that the declaration is more positive than a simple expression of pious intent, but does not cut across existing instruments and action in the human rights field.

7. There are a number of international fora in which partners seek to promote human rights. In the UN framework these include the Commission on Human Rights, the Economic and Social Council and the Third Committee of the General Assembly. In the CSCE process, the current experts' meeting on human contacts in Berne is due to finish on 26 May, but the next CSCE follow-up meeting starts in Vienna on 4 November (with a preliminary meeting from 23 September) and will run for one and a half to two years. In the Council of Europe, apart from the Steering Committee on Human Rights (which deals mainly with internal questions such as, at present, the draft European Convention Against Torture), Ministers' Deputies periodically have to address external human rights issues raised by the Parliamentary Assembly.



P K Williams
United Nations Department

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✓ SMISK
Sullivan

From: P K Williams
United Nations Department

Date: 13 May 1986

cc: PS/Mr Eggar
Mr Derek Thomas
Mr O'Neill
Mr Llewellyn Smith, Soviet Dept
Mr Dain, WED
Mr Ramsden, ECD(P)

Private Secretary

DRAFT HUMAN RIGHTS DECLARATION FOR EUROPEAN COUNCIL

- (61)
1. The department has discussed your minute of 12 May with Mr Thomas and the Presidency Secretariat. The following represents our conclusions.
 2. The question is essentially one of presentation rather than substance. The advantages of having a declaration are marginal in terms of direct UK interest but opposition (particularly if isolated) could attract opprobrium from Partners, European parliamentarians and the domestic human rights lobby.
 3. If the Secretary of State would prefer a negative line, this were best pursued on Community grounds - including the need to streamline the European Council agenda and the practice that Council declarations should reflect substantial discussion on operational matters rather than re-statements of existing policy drafted in subordinate bodies. If isolated in expressing doubts about the desirability of a declaration, Mr Thomas could seek as a fall-back position to ensure that instructions for further work on a declaration were directed to ensuring that any text should be concise, based on existing international instruments and in keeping with Council procedures; sufficient time should be allowed for full consideration by governments, the Political Committee and Foreign Ministers before the matter was put on the European Council agenda.

P. K. Williams

P K Williams
United Nations Department

N19ACC

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✓ EC Mrs Yang
✓ UK Mrs Ny

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PS/Mr Eggar *Minister*
Private Secretary

From: P K Williams
Date: 11 1986
JUNE

D

cc: Mr Houston
PS/PUS
Mr Derek Thomas
ECD(P)
Planning Staff
Legal Advisers
(Mr Fifoot)
WED
Soviet Dept.

UNR 241/9
11 JUN 1986

PROPOSED DECLARATION ON HUMAN RIGHTS BY THE EUROPEAN COUNCIL
PROBLEM

1. Line to be taken in Political Committee on 12-13 June on the proposed declaration.

RECOMMENDATION

2. I recommend that Mr Thomas be instructed to agree in principle to a declaration on the lines put forward by the Presidency, and to explore the possibility of its promulgation by Foreign Ministers rather than the European Council. Law Officers and other Whitehall Departments have not been consulted on this text, since Legal Advisers' opinion is that it entails no new commitment or obligation.

BACKGROUND AND ARGUMENT

(59)
(61) (62) (64)

3. The background was set out in my submission of 9 May, supplemented by my minute of 13 May. The Secretary of State's views were conveyed in Mr Budd's minutes of 12 May and 14 May. Since the last Political Committee the Dutch have made clear, in the Secretary of State's bilateral with Mr Lubbers and Mr van den Broek on 6 June and during the informal EC Foreign Ministers' weekend, that they attach considerable political importance to the idea of a declaration. The third Dutch draft of the proposed declaration issued by Coreu yesterday evening.

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&
att'd

4. The Secretary of State has raised a number of questions about this text. I attach a commentary on the text which makes clear that the draft is largely based on formulations which have been agreed in the European Community, the Council of Europe or the United Nations and which we have accepted.

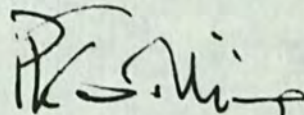
5. There is a widespread public awareness of the importance which Ministers attach to human rights in the East/West context. The Prime Minister's recent visit to Israel has also drawn attention to the emphasis we have placed on the relevance of human rights there. Public interest in human rights questions indicates that we need to ensure that we take a coherent approach, which is what the draft declaration attempts to set out.

6. There are two points in the draft on which we need to seek amendments:

i) the penultimate sentence of paragraph 4, as amended by CPE/PRES/HAG 936, now reads "They prevent the sustained enjoyment of social and economic progress by all members of society, and are ultimately inimical to international peace and security". The formulation of the second half of this sentence comes dangerously close to UN Charter Chapter VII sanctions language on threats to international peace and security. The relationship between this and human rights could be satisfactorily expressed by a reference to "international stability".

ii) paragraph 7 contains a reference to the administration of aid; the draft needs to make clear that it is the administration of its aid (ie. the Community's) as distinct from aid channelled through the International Financial Institutions, where decisions have to be taken on technical grounds only.

7. Paragraph 5 on economic and social rights would assert the Western interest more strongly if the last sentence came at the beginning of the paragraph (see commentary) but this is not an essential reformulation.



P K Williams

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DRAFT DECLARATION ON HUMAN RIGHTS BY THE EUROPEAN COUNCIL

ANALYSIS OF THIRD DRAFT *Copy*Paragraph 1

1. cf. preamble to the European Convention on Human Rights:
"Reaffirming their profound belief in those fundamental freedoms which are the foundation of justice and peace in the world and are best maintained on the one hand by an effective political democracy and on the other by a common understanding and observance of the human rights upon which they depend." cf. also the preamble to the Declaration on Human Rights in the World at large, adopted by the European Ministerial Conference on Human Rights in Vienna, March 1985 (at which the Solicitor General and Mr Renton, then Parliamentary Under-Secretary of State, represented the UK):
"Reiterating the deep commitment of the member States of the Council of Europe to respect for human rights and fundamental freedoms."

Paragraph 2Obligations

2. We have consistently said that we honour our obligations under eg. the European Convention on Human Rights by taking account of judgements by the European Court of Human Rights. Under the various international instruments agreed at the UN, such as the International Covenant on Civil and Political Rights, we fulfil our obligations by, for example, reporting to the committees established under them such as the Human Rights Committee.

Paragraph 3

Universal Observance of Human Rights

3. cf. preamble to the Universal Declaration of Human Rights: "Whereas Member States have pledged themselves to achieve, in cooperation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms." cf. also preamble to the Vienna Declaration 1985 recognising the significance of universal protection of human rights and fundamental freedoms...."

Interference

4. We have accepted that Article 2.7 of the UN Charter (concerning intervention in matters essentially within the domestic jurisdiction of any state) does not prevent states from expressing concern about the human rights situation in other states. Under Article 56 of the Charter Member States pledge themselves to take joint and separate action in cooperation with the Organisation for the achievement of the purposes set forth in Article 55, which include the promotion of universal respect for and observance of human rights and fundamental freedoms. On the basis of the Charter and the International Covenants on Human Rights the UN has established that human rights are a legitimate matter of international concern. This is a position which the UK and western partners maintain in the face of Soviet arguments to the contrary, in the CSCE forum as well as at the UN. cf. also the preamble to the Vienna Declaration 1985: "Reaffirming the conviction that the protection of human rights and fundamental freedoms is a legitimate and urgent concern of the international community and its members and that expressions of concern that such rights and freedoms are not observed in a certain state cannot be considered as interference in the domestic affairs of that state."

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Cooperation with Intergovernmental Organisations

5. This statement should be qualified (as the FRG have argued by COREU) to refer to organs of which states are members; however this is probably implicit.

Granting of access

6. We do grant access to international procedures eg. the European Convention on Human Rights.

Ratification of Major UN Instruments

7. The UK has ratified the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the International Convention on the Elimination of all Forms of Racial Discrimination, the Convention on the Elimination of all Forms of Discrimination Against Women, the Convention on the Prevention and Punishment of the Crime of Genocide. The UK has also signed the UN Convention Against Torture and has made clear that this will be ratified as soon as possible. The UK has not ratified the International Convention on the Suppression and Punishment of the Crime of Apartheid or the Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes against Humanity; but neither have EC partners. The UK has also not signed or ratified the Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others but nor have Ireland, Netherlands, or Portugal; Denmark and Luxembourg have only signed it. These *instruments* would not be considered major ones.

Paragraph 4

Concern at Worldwide Human Rights Situation

8. cf. operative paragraph 2 of the Vienna Declaration 1985:
"Deeply deplore the fact that wide-spread and serious violations of human rights are nevertheless continually occurring in many parts of the world." Ministers have regularly expressed concern at the UN and in Parliament.

Social and Economic Progress

9. The Soviet attitude is that social and economic rights are of first importance and civil and political rights are secondary. The reference in the draft declaration to social and economic progress makes clear that unless one enjoys the protection of basic civil rights, one cannot enjoy social progress.

Paragraph 5

Economic, Social and Cultural Rights

10. The description of the promotion of economic, social and cultural rights as being of "paramount" importance may be a Soviet/Third World formulation, but it is made consistent with our views by the last sentence of paragraph 5 of the draft, viz that "neither lack of social and economic development, nor adherence to a persuasion or an ideology may serve as a justification for the denial of civil and political rights". However, this sentence might with advantage come at the head of the paragraph.

International Peace and Security

11. This formulation comes dangerously close to UN Charter Chapter VII language on threats to international peace and security. The relationship between this and respect for human rights could be satisfactorily expressed by reference to "international stability".

Paragraph 6

Individuals and NGOs

12. cf. last preambular paragraph of the Vienna Declaration 1985: "Recognising the valuable contribution of individuals and independent humanitarian non-governmental organisations to the protection and promotion of human rights and fundamental freedoms, as well as the duties of governments in this respect."

Educational Programmes

13. The Council of Europe has human rights educations programmes under its Third Medium Term plan, to which the UK contributes. The basic human rights instruments are published and freely available in the UK. The government makes grants to bodies whose functions include promotion of human rights, including the UN Association.

Dissemination of Human Rights Information

14. Information gathered by NGOs is frequently the only or most reliable source of information on serious human rights violations. It is important that we continue to promote the right of NGOs to perform this function. We also support, in the CSCE context, the work of human rights defenders in the Soviet bloc. Dissemination of information is widely done by many NGOs in the UK, of varying degrees of respectability, including Amnesty International, the International Commission of Jurists, the Minority Rights Group, the Anti Slavery Society.

Paragraph 7

Intensification of Action within EPC

15. cf. preambular paragraph 5 of the single European Act: "Aware of the responsibility incumbent upon Europe to aim at speaking ever increasingly with one voice and to act with consistency and solidarity in order more effectively to protect its common interests

and independence in particular to display the principles of democracy and compliance with the law and with human rights to which they are attached." Much action has already been taken in EPC in the human rights field in terms of joint reports from posts, joint demarches in third countries, common positions at the UN and in CSCE. It is to our advantage to maximise Twelve support for our position eg. on human rights in Iran in order to minimise any adverse impact on our bilateral relations.

Promotion of Fundamental Human Rights

16. cf. Article 1.3 of the UN Charter: one of the purposes of the United Nations is "to achieve international cooperation.... in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion."

Elimination of Obstacles

17. cf. paragraph 2 of Joint Declaration on Article 4 of the Lome Convention: "the contracting parties proclaim that ACP/EC cooperation must help eliminate the obstacles preventing individuals and people from actually enjoying to the full their economic, social and cultural rights.....". Also paragraph 3 of joint declaration: "[the contracting parties] proclaim their determination to work effectively for the eradication of apartheid which constitutes a violation of human rights and an affront to human dignity."

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EUROPEAN MINISTERIAL CONFERENCE ON HUMAN RIGHTS

(Vienna, 19-20 March 1985)

Declaration on Human Rights in the World at large

The Ministers of the member States of the Council of Europe taking part in the European Ministerial Conference on Human Rights, held in Vienna on 19 and 20 March 1985;

Reiterating the deep commitment of the member States of the Council of Europe to respect for human rights and fundamental freedoms;

Reaffirming their unswerving attachment to the universal and indivisible character of all human rights and fundamental freedoms whose foundations lie in the inherent dignity and equal worth of every human being, without distinction of any kind such as race, sex, language or religion;

Profoundly attached to the Universal Declaration of Human Rights of 10 December 1948 as "a common standard of achievement for all peoples and all nations";

Emphasising the importance of the International Covenants on Economic, Social and Cultural Rights and on Civil and Political Rights of 16 December 1966, as well as that of other relevant international instruments for securing universal recognition and observance of human rights and fundamental freedoms;

Convinced that the European Convention of 4 November 1950 for the protection of human rights and fundamental freedoms and its Protocols provide to everyone, without discrimination, within the jurisdiction of the member States, the rights and freedoms contained therein and institute an effective mechanism for monitoring their implementation;

Bearing in mind the close links existing between the Convention and the development of democratic societies within which the freedoms, rights and responsibilities of citizens are in harmony;

Having regard to the Final Act of the Conference on Security and Co-operation in Europe (CSCE) adopted at Helsinki on 1 August 1975, in particular its human rights principle and other pertinent provisions, as well as the relevant provisions of the Concluding Document of the Madrid CSCE follow-up meeting of 6 September 1983;

Recognising the significance of universal protection of human rights and fundamental freedoms as an essential factor for the furtherance of peace, justice and well-being in the world and the strengthening of democracy;

Convinced of the absolute necessity of furthering mutual understanding as regards human rights with a view to achieving the goal of the universal application of existing human rights norms, taking into account the cultural, religious and social traditions prevailing in different regions of the world;

Reaffirming the conviction that the protection of human rights and fundamental freedoms is a legitimate and urgent concern of the international community and its members and that expressions of concern that such rights and freedoms are not observed in a certain State cannot be considered as interference in the domestic affairs of that State;

Fully supporting the efforts made for the protection and promotion of human rights within the United Nations system, the Council of Europe and other regional fora;

Recognising the valuable contribution of individuals and independent humanitarian non-governmental organisations to the protection and promotion of human rights and fundamental freedoms, as well as the duties of governments in this respect;

1. WELCOME the efforts which have been and are being made for the full realisation of human rights on a worldwide, regional and national level,
2. DEEPLY DEPLORE the fact that widespread and serious violations of human rights are nonetheless continually occurring in many parts of the world,
3. BELIEVE that any credible policy for the protection of human rights must be firm and consistent and not be made to serve other purposes nor be selective,
4. APPEAL, therefore, to all States to comply fully with their international obligations for the protection of human rights and fundamental freedoms, to fully co-operate with international intergovernmental organisations dealing with human rights as well as with their duly appointed bodies and representatives and to work jointly to put an end to human rights violations throughout the world,
5. EXPRESS THE HOPE that all participating States will make a substantial contribution at the CSCE meeting of experts on human rights, starting in Ottawa on 7 May 1985, to the concrete advancement of human rights and fundamental freedoms,
6. AGREE to support and play an active role in the standard-setting work of the United Nations in the field of human rights with a view, in particular, to securing the unity and universality of international standards of human rights, as well as promoting their effective implementation,

7. APPEAL to all States:

- a) to become Parties to the international instruments in the field of human rights, in particular the International Covenants on Economic, Social and Cultural Rights and on Civil and Political Rights and the United Nations Convention of 4 February 1985 against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment,
- b) to co-operate within the United Nations
 - in examining the possibility of establishing the post of a UN High Commissioner for Human Rights,
 - in elaborating an Optional Protocol to the International Covenant on Civil and Political Rights aimed at curbing the imposition of the death penalty,

8. DECIDE to encourage respect for human rights and fundamental freedoms throughout the world through constructive political dialogue inter alia with other international organisations, especially regional organisations, so as to promote a common understanding with a view to attaining the most uniform possible universal application of existing human rights norms.

Her Majesty the Queen of Saint Vincent and the Grenadines, The Head of State of Western Samoa, The President of the Democratic Republic of São Tomé and Príncipe, The President of the Republic of Senegal, The President of the Republic of Seychelles, The President of the Republic of Sierra Leone, Her Majesty the Queen of the Solomon Islands, The President of the Somali Democratic Republic, The President of the Democratic Republic of the Sudan, The President of the Republic of Suriname, Her Majesty the Queen Regent of the Kingdom of Swaziland, The President of the United Republic of Tanzania, The President of the Republic of Chad, The President of the Togolese Republic, His Majesty King Taufa'ahau Tupou IV of Tonga, The President of the Republic of Trinidad and Tobago, Her Majesty the Queen of Tuvalu, The Government of the Republic of Vanuatu, The President of the Republic of Zaire, The President of the Republic of Zambia, The President of the Republic of Zimbabwe, whose States are hereinafter referred to as "ACP States", of the other part,

Having regard to the Treaty establishing the European Economic Community and the Treaty establishing the European Coal and Steel Community, on the one hand, and the Georgetown Agreement constituting the group of African, Caribbean and Pacific States on the other;

Anxious to reinforce, on the basis of complete equality between partners and in their mutual interest, close and continuing co-operation in a spirit of international solidarity;

Wishing to demonstrate their common desire to maintain and develop the friendly relations existing between their countries, in accordance with the principles of the Charter of the United Nations;

Reaffirming their adherence to the principles of the said Charter and their faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small;

Resolved to step up their common efforts to contribute towards international co-operation and to the solution of international problems of economic, social, intellectual and humanitarian nature, in conformity with the aspirations of the international community towards the establishment of a new, more just and more balanced economic order;

Resolved to make, through their co-operation, a significant contribution to the economic development and social progress of the ACP States and to the greater well-being of their populations;

Have decided to conclude this Convention and to this end have designated as their Plenipotentiaries:

His Majesty The King of the Belgians:

Mr. François-Xavier de Donnea,
State Secretary, Development Co-operation;

CHAPTER 1

Objectives and principles of co-operation

ARTICLE 1

The Community and its Member States, of the one part, and the ACP States, of the other part (hereinafter referred to as the Contracting Parties), hereby conclude this co-operation Convention in order to promote and expedite the economic, cultural and social development of the ACP States and to consolidate and diversify their relations in a spirit of solidarity and mutual interest.

The Contracting Parties thereby affirm their undertaking to continue, strengthen and render more effective the system of co-operation established under the first and second ACP-EEC Conventions and confirm the special character of their relations, based on their reciprocal interest, and the specific nature of their co-operation.

The Contracting Parties hereby express their resolve to intensify their effort to create, with a view to a more just and balanced international economic order, a model for relations between developed and developing states and to work together to affirm in the international context the principles underlying their co-operation.

ARTICLE 2

ACP-EEC co-operation, underpinned by a legally binding system and the existence of joint institutions, shall be exercised on the basis of the following fundamental principles:

- equality between partners, respect for their sovereignty, mutual interest and interdependence;
- the right of each State to determine its own political, social, cultural and economic policy options;
- security of their relations based on the "acquis" of their system of co-operation.

ARTICLE 3

The ACP States shall determine the development principles, strategies and models for their economies and societies in all sovereignty.

ARTICLE 4

Support shall be provided in ACP-EEC co-operation for the ACP States' own efforts to achieve more self-reliant and self-sustained development based on their cultural and social values, their human capacities, their natural resources and their economic potential in order to promote the ACP States' social and economic progress and the well-being of their population

dignity.

ARTICLE 5

With a view to attaining more balanced and more self-reliant economic development in the ACP States, special efforts shall be made under the Convention to promote rural development, food security for the people and the revival and strengthening of agricultural production potential in the ACP States.

ARTICLE 6

In order to strengthen the ACP States' collective self-reliance, this Convention shall constitute support for their efforts to organize themselves into regional groupings and to step up their co-operation at regional and inter-regional level.

In this context of co-operation, special attention shall be paid to the implementation of operations which are particularly suited to the regional dimension and require a long-term effort.

ARTICLE 7

The Contracting Parties acknowledge the need to accord special treatment to the least-developed ACP States and to take account of the specific difficulties confronting the landlocked and island ACP States. They shall pay special attention to improving the living conditions of the poorest sections of the population.

Co-operation shall comprise, *inter alia*, special treatment when determining the volume of financial resources and the conditions attached thereto in order to enable the least-developed ACP States to overcome structural and other obstacles to their development.

For the landlocked and island ACP States, co-operation shall be aimed at devising and encouraging specific operations to deal with development problems caused by their geographical situations.

ARTICLE 8

In order to step up the effectiveness of the instruments of this Convention, the Contracting Parties shall adopt, in the framework of their respective responsibilities, guidelines, priorities and measures conducive to attaining the objectives set out in this Convention and to the implementation of financial and technical assistance and the other co-operation instruments in a co-ordinated manner.

With this in mind, they agree to pursue the dialogue, notably within the joint institutions, to seek ways and means of rendering those instruments ever more effective.

Republic of Germany concerning the definition of German nationals (Annex XLVI)

10. Declaration by the representative of the Government of the Federal Republic of Germany concerning the application to Berlin of the Convention (Annex XLVII)
11. Community declaration on Articles 30 and 31 of Protocol 1 (Annex XLVIII)
12. Community declaration relating to Protocol 1 on the extent of territorial waters (Annex XLIX)
13. Community declaration on Protocol 2 (Annex L)
14. Community declaration relating to Protocol 2 on the operating expenses of the joint institutions (Annex LI)
15. Community declaration on Protocol 3 (Annex LII)

The Plenipotentiaries of the Member States and of the Community have taken note of the Declarations listed below and annexed to this Final Act:

1. Declaration of the ACP States on Article 130 (Annex LIII)
2. Declaration of the ACP States on the origin of fishery products (Annex LIV)

In witness whereof the undersigned Plenipotentiaries have affixed their signatures below this Final Act.

Done at Lomé on the eighth day of December, in the year one thousand nine hundred and eighty-four.

[Here follow the signatures]

ANNEX I

Joint declaration on Article 4

1. The Contracting Parties hereby reiterate their deep attachment to human dignity as an inalienable right and as constituting an essential objective for the attainment of the legitimate aspirations of individuals and of peoples. They reaffirm that every individual has the right, in his own country or in a host country, to respect for his dignity and protection by the law.

2. The Contracting Parties proclaim that ACP-EEC co-operation must help eliminate the obstacles preventing individuals and peoples from actually enjoying to the full their economic, social and cultural rights and that this must be achieved through the development which is essential to their dignity, their well-being and their self-fulfilment.

their commitment under international law to fight for the elimination of all forms of discrimination based on ethnic group, origin, race, nationality, colour, sex, language, religion or any other situation. They proclaim their determination to work effectively for the eradication of a head which constitutes a violation of human rights and an affront to human dignity.

ANNEX II

Joint declaration on the location of the Technical Centre for Agricultural and Rural Co-operation

1. The Contracting Parties recall that, with a view to ensuring the speedy establishment of the Technical Centre for Agricultural and Rural Co-operation and to avoid delaying the benefits that would accrue to the ACP States from the Centre's operations, it was agreed that the Centre should be situated provisionally in Wageningen, in the Netherlands.

2. The Contracting Parties undertake to examine as soon as possible the subject of location of the Centre in an ACP State, in the light of the experience gained in Wageningen and taking account of the infrastructure and working conditions required to guarantee the Centre's optimum efficiency in carrying out its assigned tasks. The results of the examination will in any case be presented before the expiry of the Convention with a view to a decision on the definitive location of the Centre.

ANNEX III

Joint declaration on Article 34

The ACP Group of States and the Community agree to pursue their contacts regarding the supply of available agricultural products to individual ACP States as provided for in Article 34 of the Convention.

It is noted by both sides that the Community's offer, while not meeting in full the aspirations of the ACP States, constitutes a recognition of the concern expressed by those States.

The Committee of Ambassadors is entrusted with setting up an experts' working party to carry out a detailed study on access for the ACP States to available agricultural products in the light of the Community's offer. The Committee of Ambassadors is to present a report to the Council of Ministers as soon as possible and within one year at the latest.

ANNEX IV

Joint declaration on Article 46

In view of the importance for the ACP States' producers of stable production conditions and remunerative prices—for the purposes of implementing effectively agricultural commodity policies and strategies established

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61

B. Williams → *minutes*
 13/1 v
 Mr Williams, UND

Draft Human Rights Declaration for European Council

59

Thank you for your submission of 9 May, which the Secretary of State saw over the weekend.

His first reaction is that we should be very careful indeed about getting impaled on this hook any more than we already are, and that it will probably make sense to get ourselves off it. General opinion in the Cabinet and in many parts of the House of Commons is suspicious of attempts to take further in the Western European context international treatment of human rights questions. For instance, whenever the topic comes up in Cabinet it is a struggle to check enthusiasm for ending the individual right of petition to Strasbourg; and so on. Both the Lord Chancellor and the Law Officers Department are hostile on that front.

The Secretary of State's instinctive reaction is therefore that the idea of getting anything of this kind - quite unheralded at any EC Ministerial meeting, still less at the last European Council - through on the nod, or at all, is fanciful. He believes that the only possible respectable basis would be in the East-West (CSCE) context: to which the objection surely is that the Helsinki Final Act already does all that is necessary.

He would be grateful if you would reconsider this proposal urgently with Mr Derek Thomas and then put up a further short note of comment on top of the existing submission. Unless you argue strongly to the contrary, the Secretary of State will, I think, be inclined to instruct Mr Thomas to take a negative line on this subject when the Political Committee meets on 14/15 May.

CR Budd

(C R Budd)

12 May 1986

cc PS/Mr Eggar
 Mr Derek Thomas
 Mr O'Neill
 Mr Llewellyn Smith, Soviet Dept
 Mr Dain, WED
 Mr Ramsden, ECD(P)

64

Mr's Rogerson
Li Jones.

To pass to Mr Thomas p.
done by telephone to
Mr Paul secretary 14.1

[Handwritten signature]
Mr Williams, UND

Draft Human Rights Declaration for European Council

62-

Thank you for your minute of 13 May. The Secretary of State has now considered this subject further.

He wants Mr Thomas to work in the first instance to slow down the study of this subject, in order to avoid any risk of it being taken by the Hague European Council. But he should certainly also take as negative a line as seems prudent - bearing in mind that the Secretary of State continues to have major reservations about this exercise. Given the points made in my earlier minute of 12 May, it will hardly suit our book to have the subject come up at the London European Council. The aim should be to probe thoroughly the attitudes of other member states while reserving the UK position.

The Secretary of State has now had a look at the text of the draft Declaration. He notes that paragraph 7 comes dangerously close to a Soviet-style formulation. In general, he finds the Declaration massively prolix, and fails to see what the object of the exercise really is.

CR Budd

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15 MAY 1986	
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14 May 1986

(C R Budd)

- cc: PS/Mr Eggar
- Mr Derek Thomas
- Mr O'Neill
- Mr Llewellyn Smith, Soviet Dept
- Mr Dain, WED
- Mr Ramsden, ECD(P)

12/13
KS/vi
Mr Williams, UND

UNR 241/9

Mr. Rogerson
Li Jones.

(88)

Proposed Declaration on Human Rights
by the European Council

(86) The Secretary of State was grateful for the speed with which this submission was put together. He read it last night, though he has not yet been able to study it in as much detail as he would wish. I have made the following points to Mr Derek Thomas before his departure for the Political Committee.

I have passed on to Mr Thomas the Secretary of State's instruction to seek to open up the widest possible reservation of principle, and to enlist the French and anyone else he can in support. H

The Secretary of State continues to feel that what is being proposed seems to fly in the face of a thousand conveniences, regularly asserted by the FCO (with enthusiastic support from Ministers): eg East Timor, Ulster and Chile, to mention but a few. The declaration would pave the way for invocation of human rights at every turn (including the IBRD, ADB, ACP, IMF and so on). He also wonders why, if any of it is right, we are so relatively diffident in raising human rights points with governments of which we disapprove - Poland or Zimbabwe, where non-British subjects are concerned.

The Secretary of State thinks all Mr Eggar's points are important. They all require careful examination.

A personal comment, not the Secretary of State's. As one who drank the human rights milk when immersed in the CSCE variety from 1976-7, I have regularly been surprised over the last 2 years, since coming back to the FCO, by the timidity which we display in a number of contexts (or at least by the arguments we use) in relation to human rights violations in other states. The fact of the matter presumably is that although we do have the right to comment on the domestic affairs of other states we have de facto worked out a different code of behaviour in relation to different groups of countries. We comment freely on violations in the Warsaw Pact countries; but we refrain for reasons of self interest/sentiment etc from criticising not only our friends but also countries in

/intermediate

intermediate groups. I have felt for some time that we need a clearer definition of our approach. I should be interested in your views - and naturally stand ready to be corrected!

C R Budd

12 June 1986

(C R Budd)

cc: PS/Mr Eggar
PS/PUS
Mr Derek Thomas
Mr Fifoot, Legal Advisers
ECD(P)
Planning Staff (*Miss Neville-Jones*)
WED
Soviet Department
Mr Houston

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EUROPEAN POLITICAL COOPERATION: POLITICAL COMMITTEE: THE HAGUE,
12-13 JUNE: HUMAN RIGHTS DECLARATION

SUMMARY

1. FRANCE AND UK WITH SOME IRISH SUPPORT QUERIED PRINCIPLE OF PROPOSED STATEMENT ON HUMAN RIGHTS BY THE EUROPEAN COUNCIL. OTHERS MOSTLY IN FAVOUR OF THE PRESIDENCY TEXT AS IT STOOD, PRESIDENCY ADAMANT ON A STATEMENT. EVENTUALLY AGREED THAT AD HOC WORKING GROUP WOULD CONSIDER A STILL SHORTER TEXT BASED ON LAST PARAGRAPH IN PRESIDENCY DRAFT INTRODUCED BY ONE OR TWO PARAGRAPHS SUMMARISING WHAT THE TWELVE HAVE ACHIEVED RECENTLY IN HUMAN RIGHTS FIELD.

DETAIL

2. MOREL (FRANCE) SAID THE TWELVE HAD NOTHING NEW TO SAY ON HUMAN RIGHTS AT THIS STAGE. A DECLARATION BY HEADS OF GOVERNMENT RESTATING WELL-KNOWN GENERAL PRINCIPLES WOULD HAVE LITTLE IMPACT. THE PUBLIC WOULD ASK 'SO WHAT?'. IT WOULD BE MORE USEFUL FOR FOREIGN MINISTERS TO ISSUE A STATEMENT BASED ON THE MEMORANDUM WHICH THE TWELVE HAD RECENTLY SENT THE EUROPEAN PARLIAMENT EXPLAINING WHAT THEY HAD DONE TOGETHER IN THE HUMAN RIGHTS FIELD. THOMAS (UK) SAID THAT THE PRESIDENCY'S EFFORTS TO PRODUCE A SHORTER TEXT MORE SUITABLE IN FORM FOR HEADS OF GOVERNMENT TO ISSUE HAD SHOWN UP THE DIFFICULTY OF PRODUCING A WORTHWHILE DECLARATION ON THIS SUBJECT. HE AGREED WITH MOREL THAT THE PRESIDENCY'S TEXT WOULD SEEM TO THE PUBLIC REPETITIVE AND UNNECESSARY. THE UK WAS AGAINST ASKING HEADS OF GOVERNMENT TO RESTATE GENERALITIES OF THE KIND PROPOSED. COULD THE PRESIDENCY EXPLAIN WHY SUCH A DECLARATION WAS NEEDED? MURPHY (IRELAND) AGREED. THERE WAS NOTHING NEW IN THE PRESIDENCY TEXT. IT WOULD LACK CREDIBILITY WITH THE PUBLIC. THE EUROPEAN COUNCIL'S AGENDA SHOULD BE KEPT SHORT. GREECE, SPAIN, AND LUXEMBOURG SUPPORTED THE PRESIDENCY. SO DID BELGIUM BUT ON CONDITION THERE WAS NO REPEAT NO DISCUSSION OF THE TEXT AT THE EUROPEAN COUNCIL. VON BRAUNMUEHL (FRG) SAW FORCE IN THE OBJECTIONS RAISED BY THE UK AND FRANCE BUT COULD AGREE TO THE PROPOSED DECLARATION IF THE PRESIDENCY COULD PUT TOGETHER A CONSENSUS. RECHNAGEL (DENMARK) WARMLY SUPPORTED THE PRESIDENCY TEXT BUT THEN HELPFULLY SUGGESTED THAT IF THERE WERE NO CONSENSUS NOW IT COULD BE PUT ON ICE FOR ANOTHER OCCASION, SUCH AS THE 40TH ANNIVERSARY OF THE UNIVERSAL DECLARATION ON HUMAN RIGHTS (DECEMBER 1988).

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3. JACOBOVITS STUCK HARD TO HIS GUNS. HE ARGUED THAT THE NEW ELEMENT IN THE PRESIDENCY TEXT WAS PARA 7, WHICH LINKS RELATIONS BETWEEN THE TWELVE AND THIRD COUNTRIES TO THE HUMAN RIGHTS PERFORMANCE OF THE LATTER AND STATES THAT IN THE ADMINISTRATION OF AID THE "COMMUNITY AND ITS MEMBER STATES WILL CONTINUE TO PROMOTE FUNDAMENTAL RIGHTS AND WILL SEEK TO ELIMINATE THE OBSTACLES PREVENTING INDIVIDUALS AND PEOPLES FROM ACTUALLY ENJOYING TO THE FULL THEIR CIVIL AND POLITICAL RIGHTS AND THEIR ECONOMIC , SOCIAL AND CULTURAL RIGHTS". THOMAS SAID THAT AT THIS STAGE WE WERE NOT LOOKING AT THE PRESIDENCY'S TEXT BUT AT THE PRINCIPLE INVOLVED. IF IT CAME TO A DISCUSSION OF TEXTS WE WOULD HAVE A GOOD MANY POINTS TO RAISE, INCLUDING THE ABOVE IDEAS IN PARAGRAPH 7.

4. MOREL (FRANCE) PROPOSED LOOKING AT A SHORTER TEXT WHICH MIGHT SUMMARISE IN ONE OR TWO PARAGRAPHS WHAT THE TWELVE HAD RECENTLY DONE IN THE HUMAN RIGHTS FIELD AND GO ON TO SAY WHAT THE TWELVE HAD ACCORDINGLY AGREED ON IDEAS WHICH MIGHT BE ON THE LINES NOW SET OUT IN THE PRESIDENCY'S PARAGRAPH 7. JACOBOVITS SUMMING UP, PROPOSED THAT THE AD HOC GROUP WOULD BE ASKED TO CONVENE AS QUICKLY AS POSSIBLE TO LOOK AT A NEW TEXT ON THESE LINES.

CHAPMAN.

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SOVIET D.

CSCE UNIT

PLANNING STAFF

ECD(E)

ECD(P)

MR DEREK THOMAS

MR RATFORD

MR SLATER

MR BRAITHWAITE

MR RENWICK.

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FM LA HAYE COREU
TO ALL COREU

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++IMMEDIATE DESKBY 17 JUNE 15.00 G.M.T.
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CPE PRES HAG 964
17-6-1986 13.30 HRS L.T.

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DIFFUSION RESTREINTE
DISTRIBUTION GENERALE

OBJET: DECLARATION ON HUMAN RIGHTS
REF. CPE/PRES/HAG 950

92

THE PRESIDENCY HAS PREPARED A FOURTH DRAFT IN THE LIGHT OF THE DISCUSSION BY COPO ON 12 JUNE. THE MAIN DIFFERENCE WITH THE PREVIOUS ONE (CPE/PRES/HAG 927) IS THE INTRODUCTION IN PARA 3 OF LANGUAGE ON THE TWELVE'S RECORD IN THE AREA OF HUMAN RIGHTS TO THE PRESENT DAY. A FEW ELEMENTS HAVE BEEN DELETED, WHEREAS OTHERS HAVE BEEN SLIGHTLY REARRANGED TO ENHANCE READABILITY OF THE DRAFT.

82

THE PRESIDENCY PROPOSES TO USE THE DRAFT AS A BASIS OF DISCUSSION ON 19 JUNE. PREFERABLY THE AD HOC WORKING GROUP FOR ITS PART SHOULD FINAISE THE DRAFT, SO THAT IT CAN BE SUBMITTED TO COPO AT ITS MEETING THE FOLLOWING DAY.

QUO
DRAFT DECLARATION ON HUMAN RIGHTS
BY THE EUROPEAN COUNCIL

1. RESPECT FOR HUMAN RIGHTS IS ONE OF THE CORNERSTONES OF EUROPEAN COOPERATION. GUIDED BY THE PRINCIPLES OF PARLIAMENTARY DEMOCRACY AND OF THE RULE OF LAW, THE EUROPEAN COUNCIL WISH TO GIVE DIRECTION TO THE HUMAN RIGHTS POLICY OF THE EUROPE OF THE TWELVE IN FUTURE YEARS.

2. THE TWELVE SEEK UNIVERSAL OBSERVANCE OF HUMAN RIGHTS. THE PROTECTION OF HUMAN RIGHTS IS THE LEGITIMATE AND CONTINUOUS DUTY OF THE WORLD COMMUNITY AND OF NATIONS INDIVIDUALLY.

EXPRESSIONS OF CONCERN AT VIOLATIONS OF SUCH RIGHTS DO NOT CONSTITUTE INTERFERENCE IN THE DOMESTIC AFFAIRS OF A STATE. NEITHER LACK OF SOCIAL AND ECONOMIC DEVELOPMENT, NOR ANY PERSUASION OR IDEOLOGY MAY SERVE AS A JUSTIFICATION FOR THE DENIAL OF CIVIL AND POLITICAL RIGHTS. STATES HAVE A DUTY FULLY TO COOPERATE WITH INTERGOVERNMENTAL ORGANISATIONS IN MONITORING IMPLEMENTATION OF HUMAN RIGHTS. THEY MUST ALSO GRANT ACCESS ON A NONDISCRIMINATORY

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BASIS

BASIS TO SUCH NATIONAL AND INTERNATIONAL PROCEDURES AS ARE AVAILABLE FOR THE PROTECTION OF THE RIGHTS OF INDIVIDUALS IN THEIR TERRITORIES. THE MAJOR UNITED NATIONS INSTRUMENTS IN THE FIELD OF HUMAN RIGHTS ARE TO BE UNIVERSALLY RATIFIED AS SOON AS POSSIBLE. BY THEMSELVES ADHERING TO THEIR OBLIGATIONS UNDER NATIONAL AND INTERNATIONAL LAW TO PROMOTE AND PROTECT HUMAN RIGHTS THE EUROPEAN PARTNERS MAY MORE FORCEFULLY DEMAND OF OTHER NATIONS THAT THEY DO LIKEWISE.

3. THE WORLDWIDE HUMAN RIGHTS SITUATION AND THE PERSISTENCE OF TYRRANY, OPPRESSION AND INDISCRIMINATE VIOLENCE IN MANY COUNTRIES REMAIN DISQUIETING. CONCERN FOR VIOLATIONS OF HUMAN RIGHTS FORMS AN IMPORTANT FOCUS OF ATTENTION FOR THE EUROPEAN PARTNERS, A CONCERN THEY SHARE WITH THE EUROPEAN PARLIAMENT. THROUGH OVER A HUNDRED INTERVENTIONS WITH FOREIGN GOVERNMENTS IN THE LAST FIVE YEARS AND MORE THAN TWENTY STATEMENTS ON BEHALF OF FOREIGN MINISTERS, THE TWELVE HAVE ATTEMPTED TO AMELIORATE THE HUMAN RIGHTS SITUATIONS IN DOZENS OF COUNTRIES AND COUNTERED MANY CASES OF SPECIFIC HUMAN RIGHTS ABUSE. JOINT STATEMENTS IN INTERNATIONAL FORA ON HUMAN RIGHTS ISSUES HAVE BECOME COMMONPLACE FOR THE TWELVE, AS HAVE FREQUENT DISCUSSIONS ON ALL CONSULTATIVE LEVELS EXISTING AMONG THEM.

NONETHELESS THE EUROPEAN COUNCIL RESOLVE THAT THE TWELVE WILL INTENSIFY ACTION WITHIN THE FRAMEWORK OF EUROPEAN POLITICAL COOPERATION AGAINST VIOLATIONS IN ANY PART OF THE WORLD.

4. INDIVIDUALS AND NON-GOVERNMENTAL ORGANISATIONS THE WORLD OVER HAVE MADE VALUABLE AND OFTEN COURAGEOUS CONTRIBUTIONS TO THE PROTECTION AND PROMOTION OF HUMAN RIGHTS. THE EUROPEAN COUNCIL APPEAL TO ALL STATES TO ENHANCE PUBLIC AWARENESS CONCERNING THE CAUSE OF HUMAN RIGHTS THROUGH EDUCATIONAL PROGRAMMES AND BY ALLOWING NON-GOVERNMENTAL ORGANISATIONS FREELY TO DISSEMINATE HUMAN RIGHTS INFORMATION.

5. THE PROMOTION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS IS OF PARAMOUNT IMPORTANCE FOR THE FULL REALISATION OF HUMAN DIGNITY AND FOR THE ATTAINMENT OF LEGITIMATE ASPIRATIONS OF EVERY INDIVIDUAL. THE EUROPEAN COUNCIL CONSIDER IT UNACCEPTABLE THAT COUNTLESS PEOPLE AROUND THE WORLD SUFFER HUNGER, DISEASE AND LACK OF OPPORTUNITY, THUS BEING DENIED THE ENJOYMENT OF THE MOST BASIC ECONOMIC AND SOCIAL RIGHTS.

6. THE MEASURE IN WHICH HUMAN RIGHTS ARE BEING RESPECTED CANNOT BE DISREGARDED IN THE RELATIONS MAINTAINED BETWEEN THIRD COUNTRIES AND THE EUROPE OF THE TWELVE. THE EUROPEAN COUNCIL AFFIRM THAT IN

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THE DEVELOPMENT OF THEIR RELATIONS WITH NON-MEMBER STATES AS WELL AS IN THE ADMINISTRATION OF AID THE EUROPEAN COMMUNITY AND ITS MEMBER STATES WILL CONTINUE TO PROMOTE FUNDAMENTAL RIGHTS AND WILL SEEK TO ELIMINATE THE OBSTACLES PREVENTING INDIVIDUALS AND PEOPLES FROM ACTUALLY ENJOYING TO THE FULL THEIR CIVIL AND POLITICAL RIGHTS AND THEIR ECONOMIC, SOCIAL AND CULTURAL RIGHTS.

UNQUO

LA HAYE COREU

FIN DE TEXTE

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NED
ELD(E)
RIPUS
MR. DEREK THOMAS
MR RATFORD
MR BRATHWAITE
MR BENWICK
MR SLATER

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PARLIAMENTARY QUESTION

For WRITTEN ANSWER on

Mon 16/6

Head of S/D (89)

Please submit :-
a draft Answer
& Background
to Parliamentary Unit

before 4pm today
FRI 15/6

TEXT OF QUESTION :-

Party

C

39 W Mr Terry Dicks (Hayes and Harlington): To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the Answer of 11th June, Official Report, column 309, what criteria Her Majesty's Government uses in deciding whether it has any *locus standi* to intervene on behalf of the citizens of a sovereign independent country; and if he will explain the application of those criteria: (a) to South Africa and (b) Nepal.

for answer by

.....

(Minister)

FN 226/1

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16 JUN 1986

DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

ANSWER

Violations of international standards for the protection of human rights are a legitimate matter of international concern, wherever they occur. We make our views known in all appropriate ways. We apply the same criteria to South Africa and Nepal.

Intervention in the sense of exercising diplomatic or consular protection has to be confined to British nationals in accordance with the rules of international law.

to P/S

(Minister)

for approval by

100N

...PQs ...REPLY(S)

copy to
Private Secretary

S/

(Minister)

Parliamentary
Clerk

authorised

(Head of Dept)

R20/6

FROM: THE RT. HON. JULIAN AMERY, M.P.

112, EATON SQUARE,

SW1W 9AA

TEL: 01-235 1543
01-235 7409

18th June, 1986

PERSONAL

ATF
② CDP

Dear Margaret,

In view of your involvement with Heads of Government meetings in the European Community and outside it, I thought you might like to know the following:

There is much speculation in Paris as to when President Mitterand will force a showdown with Prime Minister Chirac. M. Dailly, the senior Vice-President of the Senate and a very old friend, tells me that in spite of frequent suggestions that the showdown would come this autumn he is convinced that the President wants to wait until April when he could tell the French people, "you have now had a year of the new Government and can judge for yourselves whether they have delivered the goods".

In Dailly's opinion, he would then resign. He could then retire or possibly stand again as the man who had,

- a) rid the Socialist Party of the Communist incubus
- b) ensured that the Constitution worked despite the clash between Government and Party affiliations and
- c) defended French interests in defence and foreign policy.

I am copying this letter to Geoffrey Howe but would be grateful if its source could be kept to yourselves. Dailly hopes to succeed Poher as President of the Senate and I think has a good chance of doing so. He was offered the Ministry of Justice by Chirac but opted to continue his career in the Senate.

Julian Amery

Julian Amery

The Rt. Hon. Mrs. Margaret Thatcher, MP



Je v
ce fyo

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

MR. WILLIAMSON
CABINET OFFICE

EUROPEAN COUNCIL

Given that the Prime Minister will have very little time to prepare for the European Council, I think that it would be helpful if full speaking notes could be prepared for her - for use in extenso if required - on:

- the economic and social situation in the Community;
- our initiative on labour market flexibility;
- nuclear matters;
- EC Budget.

I should be grateful if you could arrange for these to be prepared.

I am copying this minute to Mr. Budd in the Foreign and Commonwealth Office.

C.D. POWELL

17 June 1986

CF



fe mtg.
cpc.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

16 June 1986

In Cdr.

14 June.

I enclose a copy of a letter to the Prime Minister from Mr Papandreous, listing a number of issues which he would wish to see discussed at the European Council in the Hague on 26-27 June. I should be grateful for a draft reply.

I am copying this letter and enclosure to Rachel Lomax (HM Treasury), Robin Young (Department of the Environment), Geoff Dart (Department of Energy) and to David Williamson (Cabinet Office).

you might.
Charles Powell

Colin Budd Esq
Foreign and Commonwealth Office.

rk.

SUBJECT cc MASTER
OPS

ccp
②

The Ambassador

Greek Embassy
London

Prime Minister
A very tiresome

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No: T110/86

16 June 1986

No.F.3406.2/3432

CDP 16/6

Something to take our minds
off S. Africa. mt.

Dear Prime Minister,

I have been asked by the Prime Minister of Greece,
Mr. Andreas G. Papandreou, to transmit the following
message to you:

"The Right Honourable
Margaret Thatcher M.P.,
Prime Minister
of Great Britain.

Athens, 14 June 1986

Dear Prime Minister,

In view of our forthcoming meeting in The
Hague on June 26-27 within the framework of the
European Council, I consider it useful to convey
to you my views on certain issues that should,
among others, draw our attention.

I think that an important matter on which
an exchange of views among us would be useful
is the community's future development, following
its enlargement to twelve members, by means of
realising the policy objectives we set out with
the recent revision of the EEC Treaty and the
signing of the single European Act. These objectives,
which include the establishment of a single internal
market, the strengthening of the economic and
social cohesion, the development of community
actions in new fields such as technology, research,
environment and monetary cooperation, offer the
prospect of a "new relance" that will enable the
community to adapt its socio-economic system to
the current conditions and challenges and to
reinforce its credibility and effectiveness.

I would also like to inform you in depth of the problems caused by Turkey's continuing policy of threats and the increasing aggressiveness which the Turkish leadership displays towards Greece.

Under these circumstances and while the oppressive character of the Turkish regime remains virtually unchanged and Turkey continues to occupy illegally part of Cyprus, I think it is innapropriate for the community, respecting the principles of solidarity and democracy, to strengthen, without any preconditions, the community's relations with Turkey.

I would also like to refer to the recent development relating to Cyprus following the official reply of the Government of Cyprus to the last proposals of the U.N. Secretary-General, Mr. Xavier Perez de Cuellar and the discussion of the issue at the Security Council.

Finally, in the aftermath of the tragic accident at Tchernobyl, I would like to explain the positions of the Greek Government and to inform you of the collective initiatives in which it participates, concerning the issue of nuclear weapons and the dangers associated with the use of nuclear energy. I am convinced that our meeting within the framework of the European Council will offer us the opportunity to examine ways for avoiding the nightmare of a nuclear disaster of which so deeply we all felt very recently.

Yours sincerely,

Andreas G. Papandreou"

*Yours sincerely,
S. Stathatos*

Stephanos G. Stathatos

The Rt.Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
London S.W.I.

From: R W Renwick

Date: 13 June, 1986

cc: PS/Mrs Chalker
Mr Braithwaite
Sir David Hannay
Mr Williamson
Mr Wall
Mr Shepherd
ECD(I)

Private Secretary

PREPARATIONS FOR THE EUROPEAN COUNCIL

We had a very satisfactory discussion today with Posthumus Meyjes, who came here for consultations before the European Council.

2. Posthumus Meyjes confirmed that the Dutch would resist any discussion of the financial situation as a separate item at the European Council. If anyone insisted on speaking on the subject they could do so under agriculture. The Dutch rather hoped that others would not respond. They hope to avoid any conclusions on this subject.

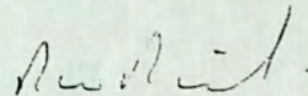
3. On the other issues, we gave Posthumus Meyjes, on a strictly personal basis, the attached contributions to the kind of conclusions the Dutch Presidency might wish to draw on at the end of the meeting. Posthumus Meyjes agreed that, except on the follow up to Chernobyl where a text would probably have to be negotiated, the conclusions should be issued on the authority of

the Presidency and not negotiated in the meeting. He took the point that the Dutch would be more likely to get satisfactory conclusions on agriculture by this route than if every phrase had to be negotiated with the French and others.

4. We made clear to Posthumus Meyjes that we might wish to add to or amend these ideas. He said that Dutch thinking on virtually every point was very close to our own. On the Internal Market, the Dutch might want to include a reference to the need to make progress towards the removal of fiscal barriers (a formulation which, as he well understands, is more understandable to us than tax approximation).

5. On EC/US relations, Posthumus Meyjes said that the Dutch would be going for a dual conclusion in the Foreign Affairs Council on Monday that:

- (a) every possible effort must be made to avoid US unilateral measures; they wanted to know more specifically from the Commission how they thought these could be avoided;
- (b) if, nevertheless, the US did proceed, the Community would take measures having equivalent effect. If that kind of conclusion was reached, the Dutch hoped to dissuade the French from insisting on substantive discussion of EC/US problems at the European Council.



R W Renwick



10 DOWNING STREET

From the Private Secretary

MR. WILLIAMSON
CABINET OFFICE

EUROPEAN COUNCIL, 26/27 JUNE

Your minute of ¹³30 June made some suggestions about the delegation for the European Council and participation in the briefing for the Council.

I agree that the delegation should include you, Mr. Renwick (Foreign and Commonwealth Office) and Mr. Morphet (Department of Energy). At this stage I do not think that we need conclude that Mr. Williams (Department of Trade and Industry) or Mr. Lavelle (HM Treasury) should also be part of the delegation, though we may need to reconsider this nearer the time.

I agree with your list of those who should be present at the briefing meeting and we shall issue invitations on this basis.

(C.D. Powell)
13 June 1986

BM

Qz.05120

MR POWELL



DP.
Done
CR

Mr. Lyler
Could you very kindly include them at X to the briefing

EUROPEAN COUNCIL, 26-27 JUNE

In the light of the latest agenda for the European Council on 26-27 June we recommend that the delegation should include, in addition to Sir David Hannay:

- Mr Renwick (FCO)
- Mr Morphet (Dept of Energy)
- and myself.

needs Cabinet
or ask to do so.
DP 13/6

If the Prime Minister were to need more specialised advice on external trade or the budget then Mr Williams (DTI) and Mr Lavelle (Treasury) should be added. The latest information is that the discussion of the budget is likely to be very limited.

On the basis of the agenda I would recommend that at the Prime Minister's briefing meeting at 4pm on 25 June the following Ministers should be present or represented:

X

- Foreign and Commonwealth Secretary ✓
- Chancellor of the Exchequer ✓
- Secretary of State for Energy ✓ *but*
- Minister of Agriculture, Fisheries and Food ✓
- Secretary of State for Trade and Industry ✓
- Paymaster General. *Brunels*

David
Mr. Williamson
Sir D. Hannay
Mr. Renwick
Mr. Morphet (E)
Mr. Lavelle (HREF)
Mr. Williams (DTI)

I am sending a copy to Mr Stark.

D F Williamson

D F WILLIAMSON

13 June 1986

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FRAME GENERAL

INFORMAL EC FOREIGN MINISTERS WEEKEND: HEEMSKERK, 8 JUNE

1. THE FOLLOWING IS A SUMMARY OF THE DISCUSSION WHICH TOOK PLACE ON THE FORTHCOMING EUROPEAN COUNCIL.

(A) EC SUBJECTS

2. VAN DEN BROEK SAID HE WANTED TO RUN QUICKLY OVER THE LIST. ANY DOCUMENTS FOR CONSIDERATION AT THE HAGUE WOULD HAVE TO BE MADE AVAILABLE BEFORE THE NEXT FOREIGN AFFAIRS COUNCIL (16-17 JUNE).

3. THE FIRST ITEM WOULD BE THE SOCIO-ECONOMIC SITUATION, INTRODUCED BY DELORS, PRESUMABLY ON THE BASIS OF A TEXT. THE PRESIDENCY WOULD NEED TO TOUCH ON EMPLOYMENT, THE LIBERALISATION OF CAPITAL, AND A NOTE CIRCULATED BY THE PRESIDENCY FOR THE SOCIAL AFFAIRS COUNCIL OF 5 JUNE.

4. SECOND, THE INTERNAL MARKET. THERE WOULD BE A PRESIDENCY SITREP. THE AIM WOULD BE TO ENDORSE THE NEED TO HOLD TO THE

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SCHEDULE, AND THE ROLLING PROGRAMME BETWEEN SUCCESSIVE PRESIDENCIES. THERE WOULD BE A SPECIAL FOCUS ON THE BOTTLE-NECKS: EG TRANSPORT AND SERVICES.

5. THIRD, PEOPLE'S EUROPE, WITH THE AIM BEING TO KEEP THINGS MOVING.

6. FOURTH, POLICY PRIORITIES FOR THE YEARS TO COME, SPECIFICALLY IN THE CONTEXT OF FINANCIAL STRINGENCY. FOR DISCUSSION, WITH NO DOCUMENT. THE PRESIDENCY WOULD TRY TO STEER AWAY FROM THE TECHNICAL FINANCIAL MATTERS, WHICH WERE BEST LEFT TO THE BUDGET COUNCIL.

7. FIFTH, AGRICULTURAL MATTERS. THE GREEN PAPER. FOLLOW-UP TO THE OECD AND TOKYO. MAIN LINES RATHER THAN DETAIL. PRESSING NEED TO DISCUSS AGRICULTURAL PROBLEMS ON BROADER BASIS. US AND EC POLICIES BOTH REQUIRED RESTRUCTURING: THE AIM SHOULD BE TO MAKE THE NECESSARY REFORMS MUTUALLY REINFORCING. THE PRESIDENCY WOULD PRODUCE A NOTE IN ADVANCE.

8. SIXTH, POST-CHERNOBYL. CONSIDERATION OF IAEA REPORT FOLLOWING 10-13 JUNE MEETING, AND COMMISSION PAPER.

9. SEVENTH, POCO. PRESIDENCY WOULD PROPOSE HUMAN RIGHTS DECLARATION. PERHAPS SOUTH AFRICA. A STATEMENT ON DRUGS MIGHT BE USEFUL: THE UK PRESIDENCY INTENDED TO HAVE THE SUBJECT DISCUSSED BY A MEETING OF INTERIOR MINISTERS, AND IT MIGHT BE HELPFUL FOR HEADS OF GOVERNMENT TO BEGIN THE DEBATE.

10. DELORS SAID THE COMMISSION HAD PREPARED A SHORT DOCUMENT REVIEWING (A) PROGRESS OVER THE INTERNAL MARKET AND (B) PEOPLE'S EUROPE. TECHNOLOGICAL PROGRESS DEPENDED ON (A). ON (B) THERE WAS NEAR DISASTER. THE EUROPEAN COUNCIL SIMPLY COULD NOT FOLLOW ITS USUAL HABIT OF MAKING BIG DECLARATIONS BUT THEN FAILING COMPLETELY TO FILL IN THE PRACTICAL DETAILS. PROGRESS WAS ALSO NEEDED ON COUNCIL PROCEDURES AND THE POWERS OF THE COMMISSION. ON (B) ABOVE THE ONLY ACHIEVEMENT SO FAR WAS A FLAG. THERE HAD TO BE PROGRESS ON EDUCATIONAL AND CULTURAL PROGRAMMES.

11. ALL TOO OFTEN DISCUSSION AT THE EUROPEAN COUNCIL UNDER THE ECONOMIC AGENDA ITEM WAS TAKEN UP BY LECTURES FROM HEADS OF GOVERNMENT ON THEIR OWN DOMESTIC POLICIES. COULD THEY NOT DISCUSS THE POLICIES NEEDED TO PRODUCE COLLECTIVE GROWTH, AND THE

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ROLE OF THE FRG AS LOCOMOTIVE? THESE SUBJECTS WERE ARGUABLY TOO TECHNICAL, AS HAD BEEN SHOWN IN ECOFIN. THERE WAS ALSO NO DISPOSITION TO REACH A COMMON VIEW ON THE LEVEL OF THE OIL PRICE OR THAT OF THE DOLLAR.

12. THE MOST USEFUL TOPICS FOR DISCUSSION WOULD THEREFORE BE (A) SMALL AND MEDIUM SIZED ENTERPRISES, (B) LABOUR MARKET FLEXIBILITY AND (C) THE RISK CAPITAL MARKET. THE COMMISSION WOULD PREPARE A SHORT PAPER ON THESE SUBJECTS.

13. TWO OTHER SUBJECTS NEEDED MORE ATTENTION: MEDITERRANEAN POLICY (MORE FOR THE FAC THAN THE EUROPEAN COUNCIL), AND THE COUNCIL'S INTERNAL RULES (DITTO).

14. A BADLY PREPARED DEBATE ON THE FINANCIAL POSITION WOULD DEGENERATE INTO A CLASH BETWEEN ADVOCATES OF THE CAP AND SUPPORTERS OF THE STRUCTURAL FUNDS, WHICH WOULD SOUR THE GENERAL ATMOSPHERE. THE SUBJECT WOULD BE BEST STUDIED IN SLOWER TIME, ON THE BASIS OF A DOCUMENT ASSESSING THE ROLE OF/BALANCE BETWEEN THE STRUCTURAL FUNDS, AND THE PLANNED DOCUMENT ON EC FINANCE ACROSS THE BOARD (THE RELATIONSHIP POST-FONTAINEBLEAU BETWEEN 1.4 AND 1.6).

15. IN ORDER TO STUDY SPENDING ON AGRICULTURE ONE NEEDED TO LOOK AT US/EC RELATIONS IN THE ROUND.

16. GREATER CLARITY WAS NEEDED ON THE RELATIONSHIP BETWEEN THE EC/COMMISSION AND EUREKA. THE COMMISSION WERE WILLING TO PRODUCE A SHORT PAPER ON THE SUBJECT.

17. VAN DEN BROEK COMMENTED THAT THE PRESIDENCY HAD IN MIND THE NEED FOR A BETTER STRUCTURED ECONOMIC DISCUSSION. HE AGREED MEDITERRANEAN POLICY WAS NOT AN APPROPRIATE SUBJECT FOR THE EUROPEAN COUNCIL. HE HAD SPOKEN TO ORDONEZ (WHO HAD LEFT FOR SPAIN BEFORE THE CLOSE ON 7 JUNE), AND AGREED THAT NO CONCLUSIONS SHOULD BE REACHED BEFORE THE SPANISH ELECTIONS. ORDONEZ WAS WILLING TO ACCEPT THE MATTER BEING TAKEN AS AN 'A' POINT AT THE AGRICULTURE COUNCIL ON 24 JUNE. VAN EERELEN WOULD BE IN MADRID ON 9 JUNE TO PURSUE THAT POINT FURTHER. PROGRESS ON COUNCIL PROCEDURES WAS NOT BEST PURSUED AT HIGH LEVEL: THE PRESIDENCY DID NOT WANT TO PROVOKE DISCUSSION OF EG THE LUXEMBOURG COMPROMISE. FINANCIAL MATTERS SEEMED UNLIKELY TO LEAD TO A VERY SATISFACTORY

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DEBATE: THERE WAS A RISK OF A CLEAR SPLIT BETWEEN THOSE FOR AND AGAINST 1.6 PER CENT. THE PRESIDENCY HOPED DISCUSSION WOULD STOP SHORT OF THAT. DID THE IMPORTANT AGRICULTURAL QUESTIONS DESERVE STUDY BY AN EC/US EMINENT PERSONS GROUP? WOULD NOT EUREKA BE MORE SUITABLE FOR THE LONDON EUROPEAN COUNCIL THAN FOR THE HAGUE?

18. ANDREOTTI SAID THE KEY TO A SUCCESSFUL EUROPEAN COUNCIL WAS CONCENTRATION ON A FEW CLEAR ISSUES. COULD THE DEVELOPING FINANCIAL CRUNCH BE IGNORED? WOULD A 0.2 PER CENT INCREASE BE ENOUGH? WHAT SHOULD BE THE FUTURE OF THE CAP (THE USSR WAS THE SOLE BENEFICIARY OF THE PRESENT EC/US STRUGGLE)? THE EC'S FINANCIAL PROBLEMS WOULD SIMPLY GET WORSE UNLESS ALTERNATIVES WERE STUDIED. THE EUREKA/EC CONFLICT NEEDED TO BE RESOLVED, OTHERWISE ANOTHER BLOCKAGE WOULD DEVELOP. PROGRESS WAS ALSO REQUIRED OVER THE COUNCIL'S INTERNAL RULES. THE MAIN PROBLEMS TO BE ADDRESSED WERE AGRICULTURE/GATT, EUREKA/EC, DECISION TAKING AND THE INTERNAL MARKET.

19. VAN DEN BROEK SAID THE PRESIDENCY AND COMMISSION WOULD WORK TOGETHER TO IDENTIFY THE CRUCIAL POINTS FOR DISCUSSION. IT WOULD NOT BE RIGHT TO IMPLEMENT THE DECISION TAKING AGREEMENT AHEAD OF RATIFICATION, BUT QUIET ATTEMPTS COULD BE MADE TO FACILITATE PROGRESS BY MAXIMISING COOPERATION.

20. RAIMOND SAID FRANCE WOULD RATIFY QUITE SOON. HE AGREED THAT A BADLY PREPARED DISCUSSION OF THE BUDGETARY PROBLEM WOULD BE UNHELPFUL. ANY DEBATE ABOUT IT AT THE EUROPEAN COUNCIL SHOULD BE IN A LOW KEY. HE AGREED THAT THE AIM SHOULD BE TO SETTLE THE MEDITERRANEAN PROBLEM AFTER 20 JUNE BUT BEFORE THE EUROPEAN COUNCIL, AND ALSO TO RESOLVE THE EC/US CONFLICT BEFORE HEADS OF GOVERNMENT MET AT THE HAGUE. IT WAS ESSENTIAL THAT CONCLUSIONS ON RETALIATORY MEASURES SHOULD BE AGREED ON 16 JUNE. THE SPANISH VOLET WAS MORE IMPORTANT THAN THE PORTUGUESE.

21. DELORS URGED THE NEED FOR A CLEAR STRATEGY, WITH NO CONFUSION OVER COMPETENCE. IT WOULD BE FATAL TO GIVE THE US AN IMPRESSION OF DISUNITY. ALONG WITH RAIMOND, I STRESSED THE IMPORTANCE OF THE EC REACHING A FIRM POSITION, PREFERABLY AT THE 16/17 JUNE FAC, AND OF TRYING TO GET THE US OFF THE 1 JULY HOOK.

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22. I SAID THE UK FAVOURED:

- (A) A WELL STRUCTURED, WELL PREPARED DISCUSSION:
- (B) CLEAR PAPERS, SENT IN EARLY:
- (C) A SHORT DISCUSSION ON FINANCE:
- (D) STRESS ON THE INTERNAL MARKET TIMETABLE:
- (E) BRIEF REAFFIRMATION OF IMPORTANCE OF PEOPLE'S EUROPE:
- (F) ECONOMIC SITUATION (ON BASIS OF 3 DELORS POINTS, PLUS UK/ITALIAN/IRISH PAPER ON EMPLOYMENT):
- (G) AGRICULTURE (TO PLAN CAMPAIGN IN GATT, AS WELL AS OTHER FORA):
- (H) LEAVING DECISION TAKING TO FAC.

23. RUHFUS SAID THAT IN GENERAL HE AGREED. DISCUSSION SHOULD FOCUS ESPECIALLY ON 22 (C), (D), (E), (F) AND (G). THE FRG WAS FACING PROBLEMS WITH THE LANDER OVER RATIFICATION, BUT THEY WOULD BE OVERCOME.

24. DELORS SAID THE COMMISSION WOULD PREPARE A SHORT PAPER, FOR CONSIDERATION BY THE FAC, WHICH WOULD BE READY BY 12 JUNE. THE FIRST DRAFT WAS BEING CIRCULATED BEFORE THE END OF THE DAY. RAIMOND SAID HE WAS OPPOSED TO ANY DISCUSSION OF THE CAP BY THE EUROPEAN COUNCIL. I SAID THE AIM WAS NOT TO DISCUSS THE DETAILS OF THE CAP BUT TO GET MORE GENERAL INSIGHTS INTO AGRICULTURAL PROBLEMS ON A GLOBAL SCALE. VAN DEN BROEK AGREED.

(B) POCO SUBJECTS

25. VAN DEN BROEK SAID THERE WOULD BE NO DISCUSSION OF THE MIDDLE EAST, SINCE THERE WAS NO PROSPECT OF A FRUITFUL INITIATIVE. ON SOUTH AFRICA, WE MIGHT KNOW MORE BY THE TIME OF THE FAC, AND SHOULD CONSIDER IN DUE COURSE WHAT NEEDED TO BE DONE. THE PRESIDENCY ALSO FAVOURED A DECLARATION ON HUMAN RIGHTS.

26. RUHFUS SUPPORTED THE UK ON SOUTH AFRICA, AND SUGGESTED HEADS OF GOVERNMENT SHOULD DISCUSS EAST/WEST RELATIONS.

HOWE

FRAME GENERAL
ECO (1)



2 ~~13/11/66~~

Prime Minister

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Qz.05101

Early warning of likely themes at the European Council.
EDD 6/6.

MR POWELL

EUROPEAN COUNCIL, 26 - 27 JUNE

We have now had some further information from the Dutch about the likely agenda for the European Council on 26 - 27 June. This does reflect to some degree our earlier discussions with them, as we have been concerned that the likely results of the European Council should be such that we could follow them up effectively during our Presidency in the second half of the year and exploit the results at the United Kingdom's European Council in December.

The revised agenda for the European Council on 26 - 27 June is:

(i) Economic and Social Situation. There will be no new document from the Commission but the ECOFIN Council, which the Chancellor of the Exchequer is attending on 16 June, may submit some views on the basis of a report from the Economic Policy Committee. We shall need to highlight the considerable amount of support within the member states for economic and financial policies close to those of the United Kingdom Government. This will also be an opportunity to get a favourable steer for our own ideas on creating the conditions for employment growth, which have now been set out in the paper presented by the Paymaster General to the Social Affairs Council. There may also be discussion under this item of further liberalisation of capital movements, on which our own record is excellent: we expect that there will be some further Commission proposals shortly and that we have a good chance of getting these through during our Presidency;



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(ii) Internal Market. There will be a report from the Commission and a shorter document from the Presidency on perspectives for 1992. The Dutch Presidency has put in a lot of effort but has not done quite as well as expected. We need conclusions that maintain impetus. The key issue in this first year of the programme for completing the internal market is that a good deal should get done and that we should maintain credibility with industry and the professions that we are going to achieve the target date of 1992. The British Presidency will be pressing for this. Publicly we cannot pick and choose as Presidency but in practice we shall want to make a strong effort on transport (including air transport) and on financial services and freer movement of capital;

(iii) Political priorities and financial resources. The Dutch Presidency apparently intend that there should be a table round and that the conclusions should be no more than a reiteration of what was said at Fontainebleau. Nonetheless, I think myself that this item will open up the debate between those member states, particularly Mediterranean member states, which look for higher expenditure on structural measures, those member states who give priority to agricultural expenditure and those member states (France, the Federal Republic of Germany and the United Kingdom) who do not want to open up the question of the VAT ceiling now. Our theme should be that we must live within our means.

(iv) Global agricultural problems. There will be a document from the Presidency and possibly a paper from the Commission which is being discussed at the informal meeting of Agriculture Ministers shortly. We shall want to get it agreed that the Community will work with other countries in international fora on the current problems of agricultural surplus production and distortions of trade; that the planned elements of reform of the agricultural policy (beef regime, cereals set-aside, structural measures) will be carried forward as a matter of priority; and that savings should be sought,



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as required in order to respect the 1.4 per cent VAT ceiling.

(v) Development of nuclear energy post Chernobyl. There will be a Commission paper. We shall need to concert our position closely with France and other nuclear member states. The smaller non-nuclear states, such as Greece and Denmark, will cause difficulties but the conclusions will be on our lines.

(vi) Citizen's Europe. We shall identify those practical measures which we hope to press forward during our Presidency.

Full briefing on all these questions will be submitted shortly.

I am sending a copy to Michael Stark.

DF Williamson

D F WILLIAMSON

6.6.86



EURO POL - THE HAGUE. PT. 25.

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Qz.05028

NOTE FOR THE RECORD

EUROPEAN COUNCIL, 26-27 JUNE

We discussed with Dutch officials in the margins of the Foreign Affairs Council today the agenda for the European Council which they will be recommending to the Dutch Prime Minister. At present they expect that the agenda will be, apart from the political cooperation items:-

(i) economic and social situation in the Community. Either under this heading or separately there will be an opportunity for the United Kingdom to draw attention to the ideas on labour market flexibility which are included in the paper which the Paymaster General has sent to the Commission and to Ministerial colleagues in all other member states. We see this as a preliminary to further work during the autumn and a more substantive discussion under our Presidency at the European Council in December;

(ii) budgetary situation of the Community. The Dutch have no enthusiasm for this item but Mr van den Broek has already indicated that there will be room for some discussion at their European Council. We gave a very firm warning of the risks of opening up issues which would not be resolved; in particular, we made clear that if any member states thought that they would get a decision which went one iota beyond the Fontainebleau text on any possible increase in the VAT ceiling from 1.4 to 1.6 per cent, they would be completely misleading themselves;

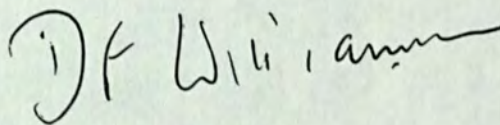
(iii) follow-up to Chernobyl disaster. The Netherlands expect that there will be discussion not on the immediate issues but on ways in which Community member states can achieve a better common position in the IAEA, in the preparation of the response to accidents or other emergencies and in the maintenance of confidence in nuclear power. In the calmer atmosphere some

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weeks ahead there could be elements which would be helpful to our approach;

(iv) internal market. The Netherlands' Presidency will wish to have a discussion intended to maintain impulsion on the various measures which are necessary for the completion of the internal market. We suggested that it might be helpful to get an understanding from other member states that the rolling Presidency programme (which we have constructed ourselves with the Dutch) should be completed as far as possible in 1986. This could be helpful to us in pushing recalcitrant member states during the second half of the year.

The Dutch Presidency will also be looking for endorsement of certain actions in implementation of the reports on People's Europe; these are unlikely to cause us any difficulties as we had, in any event, intended to pick up one or two of these ideas during our Presidency.



D F WILLIAMSON

13 May 1986

/Distribution:

Distribution: Mr Powell, 10 Downing Street
Mr Budd)
Mr Cary) FCO
Mr Braithwaite)
Mr Renwick)
Mr Lavelle, Treasury
Mr Williams, DTI
Mr Dawe, Dept of Employment
Dr Holdgate, Dept of Environment
Mr Guinness, Dept of Energy
Sir David Hannay, UKREP, Brussels
Mr Stark
Mr Holroyd
Mr Jay, o/r
Mr Shearer



10 DOWNING STREET

Duty Clerk → PM Tours
Euro Council File
for BF.

Please call

Mr. ~~W~~ Williamson

(Cabinet Office) from

and that we could

have a telephone

Council pre-meeting at

10.45 on Friday 20

June. Be he organising

Sir D. Hannay.

Tomorrow will do

CDA

copied to
EUR. POLICY:
London Eur. Council
Part 23.



Je MJZRMV
cpc

10 DOWNING STREET

From the Private Secretary

4 February 1986

UK PRESIDENCY: REPORTING ON THE LONDON EUROPEAN COUNCIL

Thank you for your letter of 3 February on the need for the Prime Minister to report to the European Assembly in Strasbourg on the outcome of the European Council held during the British Presidency.

The Prime Minister agrees to do this but cannot manage Wednesday 10 December. Her preference would be to do it on Monday 8 December. The only disadvantage with this date is that it would make it impossible for her to report beforehand to the House of Commons. You may like to consult with the Business Managers as to how serious a problem this is. If they think it would be taken badly by the House, the alternative might be for the Prime Minister to make a statement to Parliament on the Monday and go to Strasbourg on Tuesday 9 December. I suspect that we may have to settle for this.

On the European Council itself, you may like to note for planning purposes that the Prime Minister has an unbreakable engagement on Saturday 6 December which will necessitate her being free from the Council and all follow-up press briefings by 1630 that day at the latest.

SWA

Charles Powell

Colin Budd Esq
Foreign and Commonwealth Office.



10 DOWNING STREET

Charles

Message from Stephen
Wall (FCO) re PM's report
to European Parliament:

"
The 1983 Solemn Declaration
(which was signed by PM)
stipulates that the President
of the European Council will
report to European Parliament
at least once during
Presidency."

Margo 4/2/86



10 DOWNING STREET

Handwritten signature: Gordon

Is this
all right?

OK.

The 10th is clear. But the
Manchester Chamber of Commerce
speech is the following night.
The following Wednesday, 17th,
would be much better. We did
not have 5/6 December as the
day, but presumably they are fixed?

MWA 3/1

Copied to
EUR, POL:
London European
Council: Box 23.

CRC



Foreign and Commonwealth Office

London SW1A 2AH

3 February 1986

Dear Charles,

UK Presidency : Reporting on the London
European Council (5-6 December)

Further to my letter of 22 January, I am glad to report that Mr Lubbers has now said that he will report to the European Parliament on 8 July on the European Council held under his Presidency. We now need to work out the best day for the Prime Minister's report to the European Parliament on our own European Council (5-6 December). The European Parliament will meet for the last time in 1986 from 8-12 December.

Given the commitments the Prime Minister has on Tuesdays and Thursdays, the best day would seem - as in 1981 - to be the Wednesday (10 December). It is usual for the Head of Government concerned to begin his or her report at about 10.00 am and to reply to the short following debate between 12.15 and 12.30 pm. At that point the Prime Minister would be able to give the traditional end-of-Presidency lunch for the President and Bureau of the European Parliament and members of the Commission who are in Strasbourg. It would then be possible for her to leave Strasbourg at about 2.45pm.

I should be grateful to know whether these timings are acceptable.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

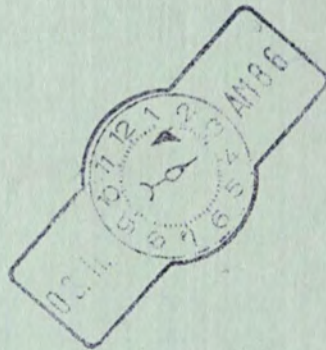
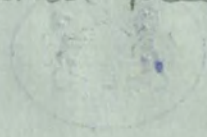
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EUROPEAN POL.

PT 25 Council Meeting

Foreign and Commonwealth Office

London SW1A 2AA



MJ21520



10 DOWNING STREET

From the Private Secretary

23 January 1986

UK PRESIDENCY: REPORTING ON EUROPEAN COUNCILS

Thank you for your letter of 22 January on the question of who should report to the European Assembly on the outcome of the European Council held during the Netherlands Presidency.

The Prime Minister agrees that Mr Lubbers should deliver the report on 8 July, even though this will be during the United Kingdom Presidency,

Charles Powell

Colin Budd Esq
Foreign and Commonwealth Office

✓



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister
 I am sure
 you will agree that
 Mr. Lubbers should report
 on the Dutch Presidency,
 even though the report
 will be made during ours. Agree?
 Dear Charles, CDB:mi

22 January 1986

Yes

UK Presidency : Reporting on European Councils

The Dutch have raised with us the question of who should report to the European Parliament on their European Council (26/27 June). This can only be done at the Parliament's July session, which starts just within our Presidency on 7 July.

The Prime Minister started the practice whereby heads of government report to the European Parliament on the European Councils over which they have presided. We assume that the Prime Minister would not want to report on the Dutch European Council, especially as she will already need to go to Strasbourg in December to report and reply to the debate on our Presidency.

We propose to tell the Dutch that the Prime Minister would be happy for Mr Lubbers to report on the Dutch European Council, possibly on 8 July, before the Foreign Secretary makes his speech in Strasbourg inaugurating our Presidency. This would serve to emphasise publicly the close collaboration we have established with the Dutch in the conduct of our respective Presidencies.

Yours ever,

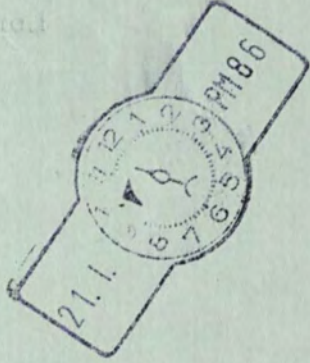
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
 No.10 Downing Street

London, England

London, England



SM
RESTRICTED



10 DOWNING STREET

From the Private Secretary

14 January 1986

JUNE EUROPEAN COUNCIL

Thank you for your letter of 13 January about the timing of the June European Council.

The Prime Minister has agreed to hold Cabinet at 0900 hours on 26 June in order to be able to travel to The Hague in time for Queen Beatrix's lunch.

I am copying this letter to David Williamson (Cabinet Office).

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

RESTRICTED *GA*

CCPC
①



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

13 January 1986

Dear Charles,

Yes no

Agree
to start Cabinet at
0900 at that day?

June European Council

CDP.
13/1

As you know, we have been able to persuade the Dutch Presidency to implement the proposal that, as a general rule, there should be only two European Councils a year. The Dutch have cancelled the proposed European Council in March. Their European Council will be held in The Hague on 26-27 June.

The Dutch Embassy have approached us on instructions to say that they realise that it is very difficult for the Prime Minister to leave London on a Thursday morning because of Cabinet. The June European Council, however, will open with a lunch given by Queen Beatrix. Queen Beatrix and the Dutch Government hope very much that it might be possible for the Prime Minister to be present at the lunch.

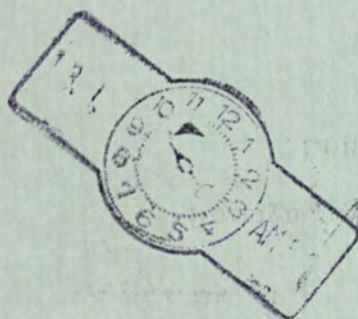
We have told the Dutch Embassy that, obviously, it would be much easier for the Prime Minister if Queen Beatrix were to offer a dinner for the heads of government. The Dutch, however, want to stick to the normal format of a working dinner for the heads of government.

The Foreign Secretary does not think we shall be able to persuade the Dutch to change their plans. He recommends that the Prime Minister consider exceptionally holding Cabinet earlier on 26 June, say at 9.00, so that she could travel to The Hague in time for the lunch - her plan, you will recall (your letter of 23 April, enclosed) when similar arrangements were envisaged for the, now cancelled, March European Council. There is no doubt the Dutch would appreciate such a gesture, given that we have insisted on holding our own European Council on 5 December - the St Nicholas festival which for the Dutch is a bigger family celebration than Christmas.

I am copying this letter to David Williamson (Cabinet Office).

Yours ever,
Colin Budd

(C R Budd)
Private Secretary



12.1 12.1
12.1 12.1



Mr Fairweather ELP(Z)
cc PS
Mr Renwick

(25)

10 DOWNING STREET

C.R. Budd

From the Private Secretary

Spoke to Paul 24/4 23 April 1985 *23/4*
for action please.

Dear Sir,

EUROPEAN COUNCIL DATES IN THE NETHERLANDS PRESIDENCY

(24)

The Prime Minister has seen The Hague telegram No. 119, reporting the latest exchanges on the dates for the European Council in the Netherlands Presidency.

If the Netherlands remain firm in their intention to start the March Council with lunch on Thursday 20 March, the Prime Minister proposes to hold Cabinet at 9 a.m. that morning and leave immediately afterwards, in order to attend the lunch. You should, however, please keep up pressure on the Netherlands to change the June dates.

I am copying this letter to David Williamson in the Cabinet Office.

<i>MWGE 013/18</i>	
30 APR 1985	
	<i>✓</i>

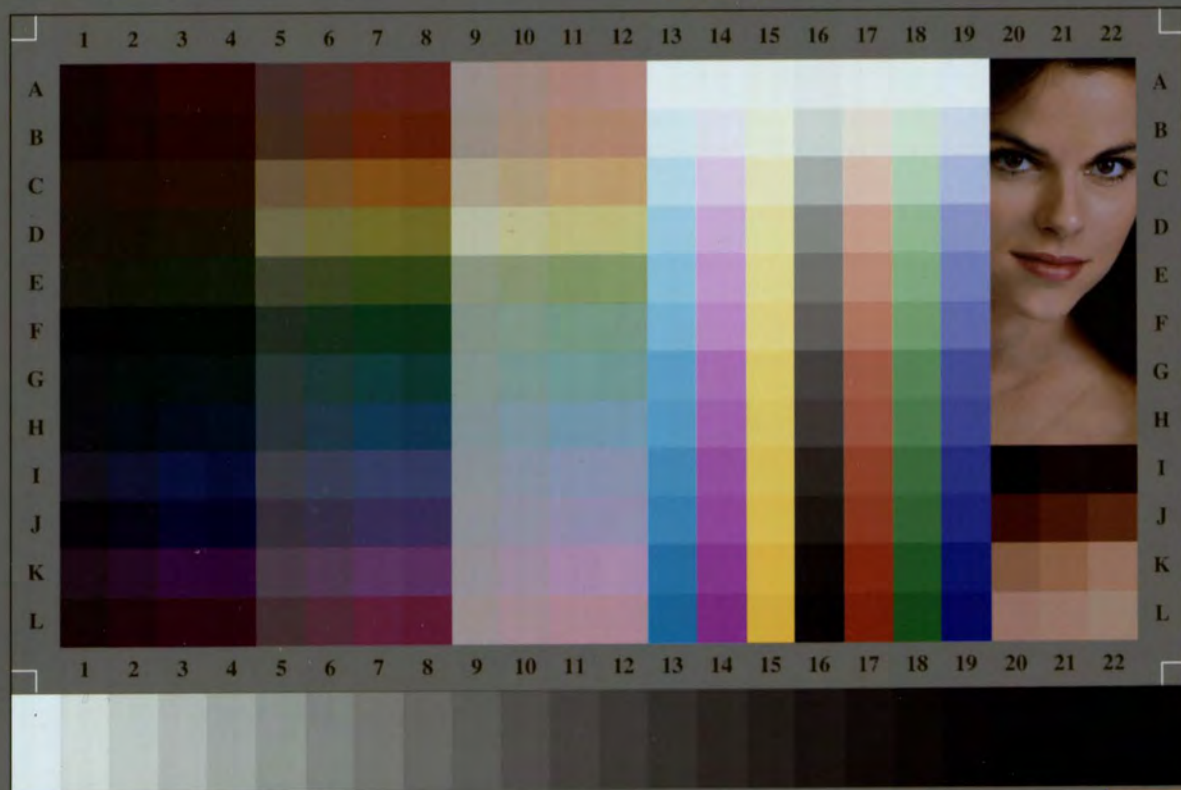
Yours sincerely,
C.D. Powell
(C. D. POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

M. Thomas
We shall get a telegram from The Hague today
Stallan

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