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Prime Minister

Agree of below?

Foreign and Commonwealth Office

London SW1A 2AH

28 May 1980

Yes not

AM

28.5.80

Dear Michael,

Preparations for the European Council,
Venice - 12/13 June 1980

The Italian Presidency have now outlined in COREPER a list of subjects which they envisage that the European Council might discuss. This is set out in the enclosed note.

The Presidency have made it clear that this list assumes that the problem of the UK budget contribution will have been solved before the European Council; and that if not, the situation would be unclear and would have to be looked at again.

On this assumption, the list raises no difficulties for the United Kingdom, although it is not clear how necessary a discussion of international monetary problems and employment will be and there is a danger that it could be used as an excuse to crowd out any discussion of the budget problem that proves necessary.

X
This outline agenda will be reviewed at the Foreign Affairs Council on 29/30 May, which will also consider the budget problem. The Foreign and Commonwealth Secretary proposes to express general agreement with the Presidency's proposals on the strict understanding that the budget problem has been disposed of before the European Council. He will however make it clear that, if no budget settlement is in sight, the UK will wish to raise the subject. In that case, he would assume that the budget-related issues would also need discussion and that there would probably not be time for a discussion of international monetary problems and employment as well.

I should be grateful to know whether the Prime Minister is content.

/The Presidency

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The Presidency have confirmed that the European Council will probably also choose the next President of the Commission.

It is understood that the European Council will also discuss international questions, in particular the Middle East.

I am sending a copy of this letter to David Wright (Cabinet Office).

Yours 6561

Paul

(P Lever)
Private Secretary

Michael Alexander Esq
10 Downing Street
London

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EUROPEAN COUNCIL PREPARATIONS, 12/13 June 1980

Subjects proposed for discussion by the Italian Presidency

1. Economic and Social situation in the Community:
general introductory item on traditional lines following
up the discussion at the Luxembourg European Council.
2. Energy (long term issues))
3. North/South) (in preparation
4. Relations with industrialised) for the Economic
countries (EC/US and Japan)) Summit)
5. Three Wise Men: The Luxembourg European Council
agreed to return to this subject in Venice. There will
be an informal meeting of Ministers to prepare the discussion
beforehand.
6. International Monetary Problems
7. Employment: Presidency want a take note discussion of
coordination of national employment and training services
and work-sharing.

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