

Ref. A0776

PRIME MINISTER

Points for the Briefing Meeting

You will already have discussed tactics for the budget issue with the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer. If there is any need for further discussion e. g. on your opening statement you might take it at the end with the restricted group of those who are going to Dublin (plus the Chancellor). Mr. Butler (Permanent Representative in Brussels) may have last-minute intelligence about the intentions of other member states.

2. On the other subjects likely to come up in Dublin:-

- (a) Economic and social situation. An opportunity for you to explain the Government's policies and our current economic difficulties (no other Community country faces a decline in real GNP next year). (The Chancellor to comment.)
- (b) Employment and social policy. We can live with the resolution agreed by the Social Affairs Council on "work sharing", but Mr. Hudson (Department of Employment) is available if you have any questions.
- (c) Energy. This could be troublesome. We shall come under pressure from the Germans and others to give assurances about oil price policy (not giving any excuse to the OPEC hawks to raise prices) and perhaps about consultation within the Community e. g. on our depletion policy. The defensive line and the speaking note annexed to the brief was all that could be agreed in OD(E). Does the Secretary of State for Energy think there is anything more you could safely say to our Community partners on prices and/or supplies?
- (d) CAP. Mr. Walker is strongly opposed to the methods suggested by the Commission for reducing the surpluses especially of milk and sugar and hence saving 1 billion eua in a full year. But even the French agreed in

*Leaving
Surpluses*

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the Budget Council recently that CAP expenditure on surpluses should be brought under control. Could not the European Council endorse the proposal to cut the agricultural budget next year by 1 billion eua (as a first step) leaving Agriculture Ministers to argue how it should be done? (Mr. Walker to comment.)

- (e) Sheepmeat. The French appear to be intransigent. Should you refuse any discussion in Dublin? Or, if it would clearly help to achieve a budget deal, should you be ready to make any move towards the French on the nature of the Community regime or e.g. a commitment as to the date by which the Council should take a decision? (Mr. Walker to comment.)
- (f) "Telematics". We can endorse the view that this is a suitable subject for the Community, but not all of the Commission's ideas. You may not need to intervene in Dublin, but what are the points to watch? (Mr. Lippitt of the Department of Industry can comment.)
- (g) Report of the Three Wise Men. Is President Giscard likely to try to pull a fast one e.g. on the Presidency of the European Council? (The Foreign and Commonwealth Secretary to comment.)
- (h) The other points on which you have contingent briefs should not need discussion.

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ROBERT ARMSTRONG

27th November, 1979

① Paper aimed for instructions to
Commitment Monday
- Corbitts \rightarrow 1952-1954 - Under

② Review of the Red-
The Paragonite is - cuts,
Product cost tax - further
in - here 1 - see 6.4.