

EUROPEAN COUNCIL IN STRASBOURG

I attach the Prime Minister's programme for Strasbourg, together with a copy of the FCO's unattributable briefing about the meeting which they are giving to diplomatic correspondents.

PM's Press Conference

The Prime Minister will give a press conference on Friday, 22 June, in Strasbourg at the Hemicycle Building. It will take place after President Giscard has given his press conference at 12.30 p.m. on Friday on behalf of the Nine. Correspondents should keep in touch with Henry James in Strasbourg about the exact time of Mrs. Thatcher's press conference which will be open to both British and foreign correspondents and will be on the record.

Background Briefing

At the background briefing at the FCO this morning correspondents were told that Energy would be at the top of the list of subjects for discussion at this European Council. Apart from the practical importance of discussing energy resources, because of the current shortage of oil, it was also relevant that four of the participants at Strasbourg would be going on to Tokyo next week where Energy would also be an important item.

The British Government were deeply concerned about the rise in oil prices and would like to see measures adopted that would take the steam out of the spot market for oil. We would like to see all members of the EEC and IEA reduce their consumption of oil by 5 per cent which we believed would be enough to reduce demand below the current level of supply and so relieve pressure on prices for oil on the spot market.

We were asked whether Britain's status as an oil producer altered our relationship with other members of the EEC, we emphasised that Britain had not yet achieved a net self-sufficiency in oil and would not do so for some time to come. When we did eventually become net exporters of oil, it would only be on a small scale so we had no interest in seeing oil prices rise generally. In this respect we were in the same position as our partners in the Nine.

/Budget ...



## Budget

Although there was no formal agenda for these European Council meetings, the other important item certain to be raised at Strasbourg was the Community Budget under the general heading of "Convergence of the Economies of Member States". The Italians also had an interest in this question and it was our hope that something would be done soon to adjust the large and inequitable contribution being paid by Britain to the Community. We were asked whether the Prime Minister and Signor Andreotti had "arranged anything" as to how the Budget should be handled at Strasbourg when they met in London on 15 June. We said that there were obvious similarities in the British and Italian positions as regards the Budget in that we both felt we were paying disproportionate amounts. It was natural that the Budget should have been discussed when Mrs. Thatcher and Signor Andreotti met but we also pointed out that Mrs. Thatcher had discussed this subject with President Giscard and Chancellor Schmidt. The Italians and ourselves obviously had a common interest in tackling the Budget but Mrs. Thatcher and Signor Andreotti did not agree on a specific joint proposal to put before the European Council at Strasbourg.

Asked what specific action we hoped to achieve on the Budget at the Strasbourg Council, we said that we expected our partners to agree on a process that would lead to conclusions towards the end of the year. We had not yet made any specific proposals about how our net contribution might be reduced. But we certainly hoped that our EEC partners would be in a position by the next European Council meeting in Dublin in November to agree on action to reduce our net contribution in 1980 and in the years thereafter.



0815 P.M. leave Downing Street  
 0845 leave Na Hroft

## OUTLINE PROGRAMME

Thursday 21 June

1155 hours Prime Minister arrives at Strasbourg, Entzheim.

1300 hours Lunch given by President Giscard for Heads of Government and Foreign Ministers at the Prefecture, 19 Rue Brulee.

1500 hours-  
1830 hours First Session of the European Council at the Hotel de Ville, Place Broglie.

2000 hours Dinner given by President Giscard for Heads of Government at the Chateau des Rohan, Place du Chateau.

2000 hours Dinner given by the French Foreign Minister for the Foreign Ministers at the Restaurant Buerehiesel in the Orangerie.

Later Working Groups at official level convene in the Palais de L'Europe.

day 22 June

0930 hours Second Session of the European Council in the Hotel de Ville.

1230 hours Press Conference by President Giscard at the Palais de L'Europe.

1300 hours (approx) Optional buffet lunch. This will be at the Cercle Militaire, Place Broglie, for the Prime Minister, Foreign Secretary and immediate party, and at the Palais de L'Europe for the rest of the delegation.

Afternoon Prime Minister and party return in the Andover to the UK.

P.M.

Am quiet Press Conference  
 prior to departure for London

## WHITE BRIEF

EUROPEAN COUNCIL, STRASBOURG 21-22 JUNE.

### INTRODUCTION

1. This will be the second European Council to be held under the French Presidency. The first was held in Paris on 12-13 March. The next Council is to be held in Dublin on 29-30 November. The meeting is taking place in Strasbourg in recognition of the new directly elected European Parliament which will meet there for the first time on 17 July.
2. As is customary at European Council meetings the Prime Minister will attend accompanied by the Secretary of State for Foreign and Commonwealth Affairs.

### AGENDA

3. There is no formal agenda; the order of business is finally determined at the meeting itself. However it is likely that the following will be among the subjects discussed:

(1) Direct elections. It is possible that the Council may issue a declaration to commemorate the recent holding of direct elections.

(2) The economic and social situation in the Community. The discussion will be based on a Commission Paper. This will provide an opportunity to explain the new British Government's economic policy particularly following the budget.

(3) The European Monetary System. There will be an oral report by M Clappier, the French President of the Central Bank Governors' Committee and Governor of the Bank of France. This will provide an opportunity for member states to discuss their experience of EMS so far. The Prime Minister is expected to restate the commitment of the British Government to reconsider the UK position.