

CONFIDENTIAL (1)

Prime Minister



Foreign and Commonwealth Office

Apce Agenda at Flag
A + line proposed for Foreign
& Commonwealth Secretary at B.

London SW1A 2AH

14 March 1980

Dear Michael,

Phub 14/3

Preparations for the European Council,
Brussels, 31 March/1 April 1980

The Italian Presidency have now outlined in COREPER their preliminary thinking on the subjects which the European Council might discuss. These are listed in the enclosed note. In addition, the Netherlands and Germany have raised the possibility of including North/South.

You will see that the Presidency envisage a general introductory discussion, on traditional lines, of the economic and social situation in the Community to be followed by the Commission's report on the European Monetary Fund, called for by the Dublin Council. This seems unavoidable.

The first main item is the budget/convergence problem. This is satisfactory. Others will almost certainly want to discuss subjects which they regard as related: CAP prices, sheepmeat, energy, fish and EMS.

The next item is the Wise Men's report, as agreed at the Dublin Council, although Heads of Government are unlikely to wish to come to firm conclusions at this stage.

The fifth item on energy must be a little conjectural since the Commission has not yet managed to agree on its own ideas. But assuming these ideas do come forward no-one is likely to be ready to discuss them substantively at such short notice and it should be relatively simple to push off such discussion politely to the Venice European Council in June.

This outline agenda will be reviewed at the Foreign Affairs Council on 17/18 March. The Foreign and Commonwealth Secretary proposes to express general agreement with the Presidency's proposals. He will question the inclusion of items which others consider are linked to the budget, but not seek to block their discussion at the European Council, since it has always been accepted that each Head of Government is free to raise any subject. He will, however, maintain our view that the various items should be treated on their own merits. Lord Carrington will argue against including North/South on the agenda on the

If we have
(1) Economic Affairs
(2) EMF
to the next level
for the first of them -
we shall go
the Dublin
way on
the budget
because

Fr. ...
will resolve
the
discussion
so that we
don't get
on to the
Budget which
does have
out.

We shall not
get on to
the first day
if we are to have
2 items
before

B.

/grounds that

CONFIDENTIAL



CONFIDENTIAL

2

grounds that it is dangerous to raise expectations among developing countries, but he would not be in a position to block discussion if others wanted it. In order to leave more time for discussion on the Budget, he would argue that substantive discussion of the Wise Men's Report should be left to the June European Council.

We must expect there to be some discussions in the margins, if not at the Council itself, of the appointment of the new President of the Commission.

The Foreign and Commonwealth Secretary would of course stress the need for the Council to devote enough time to the budget on the first day to enable a solution to be reached before the end of the meeting.

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

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

Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
London

CONFIDENTIAL