

Subject filed on Euro ^{Policy:} Council Mtg Pt 12 T 226 A/82

November 26, 1982

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No.**

Dear Mrs. Thatcher,

As President of the European Council I have, like many of my predecessors, found it useful, prior to the meeting, to let my colleagues know my ideas concerning the arrangement and the objectives of the meeting in Copenhagen on December 3 and 4, 1982.

Like me, some of the participants are attending a meeting in the European Council for the first time. This fact also adds to the desirability of a briefing.

I consider it essential that the general message which should emerge as the result of our discussions is a clear statement of the wish of the Heads of Government for a concentration of our common endeavours concerning the fundamental economic and social problems and the challenges which the Community faces. It is in everybody's interest not to strengthen a negative judgement of the Community by concentrating their attention around disagreement about special issues of minor importance.

As you will know, the following points are expected as subjects of discussion within the Community fields:

- the economic and social situation
- the enlargement of the Community
- Community relations to the other industrialized countries.

To this list should be added any further issues which might be raised by any Head of Government.

The three issues mentioned above are very closely interconnected.

In particular concerning the point "the economic and social situation" it is my opinion that we would benefit by building upon the conclusions which were the result of the recent joint meeting of the Ministers for Economy, Finance, Labour and Social Affairs as well as of the Council ("Ecofin"). If any of my colleagues should wish to raise special questions in this field this will, of course, be possible.

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It would be natural for us to stress the fact that the endeavours of the Community concerning the co-ordination of the national efforts as well as the endeavours at the Community level have the clear objective of bringing about a reestablishment of the economic and monetary stability which would make a substantial improvement of the employment situation possible. It is, moreover, important that the European Council underlines the wish that the conclusions are followed up by expedient proceedings of the Commission's proposals in a number of central areas. This, first and foremost, applies externally where the Community should aim at a more energetic effort in order to counter the dangers which threaten the international monetary system. Secondly, it applies internally, where the Commission in its reports to the European Council has pointed out such priority tasks including not least the need for a completion of the Common Market and the need to further actions aimed at strengthening investments, in particular in priority sectors as energy, research and development.

Concerning the question of the enlargement of the EC with Portugal and Spain I hope that we can join the constructive assessment presented in the Commission's statement that the enlargement problems primarily will be found in the internal preparations of the Community with a view to facilitating the two coming member countries' harmonious entry into the Community. The fact that the Community makes a serious effort to solve these problems should, of course, be considered as something positive in relation to the enlargement.

As to the point "Community relations to the other industrialized countries" it is clear that our relations to USA and Japan play a prominent part. I hope that we shall be able to reach agreement on conclusions which demonstrate that we are ready to make our contribution to secure a positive development of these relations and at the same time create conditions which secure the interest of the Community. In this connection the internal development of the Community is of decisive importance.

Considering the crucial importance of foreign trade to the Community, we must attach great importance to the confirmation of the general adherence to the international trade system at the just concluded GATT ministerial meeting. Thus it is important that we succeeded in reaching an agreement on a final document. We regret, however, that the character of the text concerning agriculture made it necessary to express the EC's views in a special statement. On that occasion no progress was

thus made towards a settlement of the threatening conflict with USA in this field. It is, on the other hand, my hope that on the basis of the positive results which have, all in all, been achieved concerning the other problems we discussed at the meeting of the European Council in June, we shall agree on a statement from the European Council expressing our wish that the development be continued in such a way that by mutual efforts normal, confident relations between the Community and our American ally can be established.

The Presidency will give a short, oral report on the ongoing work on the Genscher/Colombo initiative concerning the European Act. However, it is not the intention at this meeting of the European Council to have a substantial discussion on this subject.

The Presidency will, moreover, give a brief report on the agreement reached on the further proceedings concerning the budget problems. On this point I do not envisage any substantial discussion.

As usual, the European Council will also take note of the two annual reports on progress made towards the European Union.

I would, moreover, find it natural if the European Council, as is the common practice, also at this meeting discusses matters which are under consideration within the framework of the European Political Cooperation (EPC).

In this connection I find that East-West relations must be accorded the highest priority. One of the main reasons for this is of course the recent change of leadership in Moscow, where I suppose we are all looking for signs of a more constructive and cooperative attitude. This may also apply to the Madrid meeting, which we should presumably discuss in any case. But also the current situation in Poland and the Ten's relations to this country are of continuous interest to us.

Furthermore, it seems reasonable to discuss the situation in the Middle East including the ways in which the Ten may contribute to preserving the momentum in the peace process which was initiated by President Reagan's speech on September 1, 1982, and the statement adopted by the Arab Heads of State and Government at the Fez summit on September 9, 1982.

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As to the practical planning of the meeting, it is my intention to try to conclude the discussions about the three subjects within the Community area on Friday afternoon so that on Saturday we can concentrate partly on the Presidency's conclusions concerning these discussions, partly on discussions of the other subjects. It is not my intention to propose specific and in advance prepared items for discussion during and after our dinner in the evening. The original character of these conversations as informal fireplace talks is in my opinion the right form. We might for instance discuss some of the EPC issues I have just mentioned.

I hope that you agree on these views about the forthcoming meeting and look forward to receiving your comments and proposals.

Yours sincerely,

(signed) Poul Schlüter