

CONFIDENTIAL

PRIME MINISTER

Community Affairs

You will wish briefly to report the outcome of the 29th-30th November Dublin European Council, though Cabinet colleagues will no doubt have heard or seen your statement in the House and there should not be much need for further discussion at this stage. The next steps will need careful preparation. I shall be making a submission on this shortly.

2. Since OD(E) will have exchanged views on the implications of this outcome at its meeting immediately before the Cabinet, the Foreign and Commonwealth Secretary might wish to add his comments, and report on the meeting of OD(E) immediately before Cabinet which will have considered the implications of Dublin for the handling of other Community business during the next few weeks. OD(E) will also have discussed the Commission's latest proposal for dealing with CAP surpluses, but their conclusions could more sensibly be considered when the Cabinet takes Item 4.

3. The Minister of Agriculture might be invited to report on the outcome of the 3rd December Fisheries Council, which made progress on both the internal and external regime.

4. The Secretary of State for Energy might be invited to report on the 4th December Energy Council, at which the United Kingdom came under strong pressure to agree that North Sea oil production should be increased in times of supply shortages and that priority access should be given to Community countries. No agreement was reached on the coking coal decision because of Italian objections.

5. The European Parliament meets on 10th or 11th December and may decide to reject the 1980 Community Budget. OD(E) will consider the implications of this decision and the line we should urge the Council to take. Both the Lord Privy Seal and the Financial Secretary have seen Conservative MEPs to explain the Government's position in the Budget Council.


(Robert Armstrong)

5th December, 1979