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Envo P81



Prime Minister

(2)

Foreign and Commonwealth Office

London SW1A 2AH

Apart from the Middle East / SW
Asia / EW relations complex, this
should be a fairly low key Council.

24 October 1980

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Dear Michael,

Preparation for the European Council

At their informal meeting this weekend Foreign Ministers will be having a first discussion of the preparation for the next European Council on 1-2 December.

It is always a little difficult to predict, over a month in advance, the main focus of discussion, but it seems likely that on this occasion foreign policy issues are likely to predominate. Amongst these issues the Iraq/Iran war, the Middle East and the follow-up to M. Thorn's mission there, East/West relations and the prospects for the new US Administration are the most likely runners.

As to Community topics there are unlikely to be any urgent matters coming forward for decision. Discussion of restructuring the budget would be premature and likely to be resisted by the French. Some mention of fisheries may be inevitable but we should seek to avoid a discussion of substance while endorsing the need for Fisheries Ministers to stick to the end of the year deadline for decisions.

I attach a check list of Community items of a routine nature that may come up.

Yours etc

Paul

mb.

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EUROPEAN COUNCIL: 1/2 DECEMBER

The following is a check-list of other possible topics.

1. Economic and Social Situation (including unemployment). This is a regular topic.
2. Energy Supplies including the consequences of Gulf War.
3. EC/Japan. Could be important for the Council to discuss this, however briefly, to convince Japanese how seriously we take present trade imbalance.
4. EMS (second phase). Another regular topic. Discussion likely to be perfunctory.
5. Nomination of New Commission. Nomination should be a formality. Discussion on allocation of portfolios will only take place in the margins.
6. Report of Three Wise Men. Formal approval of Foreign Ministers' Report is required.
7. Seat of Institutions. French likely to pursue their effort to have Strasbourg agreed as seat of Parliament.
8. Enlargement. If at all, simply a review of progress.
9. New Zealand Butter. It is just possible we might wish to raise this topic.

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