

MOBBA o/r.



Foreign and Commonwealth Office

London SW1A 2AH

30 November 1979

Dear Michael

ka  
P. Hunt

After Dublin: Checklist of Community Business

We sent you late on 26 November a 'checklist' which the Prime Minister had requested, of forthcoming Community meetings in the context of possible obstruction of Community business in the event that we do not get an acceptable solution on the budget at Dublin.

This 'checklist' has been revised and expanded over the last few days by Cabinet Office, MAFF and the FCO. I enclose the revised version.

I am sending a copy of this letter to Tony Battishill (Treasury) and Martin Vile (Cabinet Office).

*For and  
for the*

PP (P Lever)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street

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AGRICULTURE

MAJOR DECISIONS \*  
(TIMING WHERE KNOWN  
SHOWN AGAINST EACH  
DECISION)

EFFECT OF DELAY  
ON OTHER MEMBER  
STATES

EFFECT ON UK INTEREST

Devaluation of green pound  
(December Council) - subject  
to Cabinet agreement.

They benefit from absence  
of devaluation for UK.

Serious effects on UK  
farmers' incomes.

New Zealand butter (post 1980  
access)

None of the other member  
states have any interest  
in continued access for  
New Zealand butter.

Very serious effect on  
New Zealand's economy if no  
decision is taken to permit  
continued access for butter  
after the end of 1980.  
Absence of decision would  
negate our pledges to New  
Zealand. Decision cannot  
reasonably be postponed  
beyond June at the latest.

Agricultural prices for  
1980/81 (March or June  
Councils).

We could insist on price  
freeze of 1980/81 or on  
the validity of 1979/80  
prices being extended  
temporarily while  
negotiations continued,  
which would seriously  
affect farm incomes in  
other member states.

Serious effect on UK farmers'  
incomes, in absence of green  
pound devaluation. Loss of  
Budget receipts and higher  
consumer prices, due to  
ending of butter subsidy.

Sugar (at latest by June  
Council).

The production quota  
provisions would lapse  
unless extended (with or  
without changes). This  
would benefit most member  
states, assuming support  
prices continued unchanged,  
since full support price  
level would apply to whole  
production instead of only  
part.

Big increase in UK Budget  
contribution.

Commission's other  
proposals of cutting  
cost of CAP.

Net beneficiaries from  
CAP would welcome non-  
application of these  
measures.

Increased Budget contribution.

Agriculture structures  
proposals.

Would annoy some other  
member states, particularly  
Italy and Ireland.

Beneficial (saving on Budget  
contribution).

Potatoes.

Italians will lose  
potential benefits of  
regime.

Problems over imports from  
Cyprus (damage to UK  
consumers as well as to  
Cyprus). Possibility of  
high Exchequer cost if we  
have to continue with  
national guarantees for  
further year.

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OR DECISIONS\*  
TIMING WHERE KNOWN  
SHOWN AGAINST EACH  
DECISION)

EFFECT OF DELAY  
ON OTHER MEMBER  
STATES

EFFECT ON UK INTEREST

Sheepmeat.

French would continue their  
ban on imports.

Loss of potential revenue on  
exports to France.  
Possibility of Exchequer cost  
if UK price depressed in  
consequence.

Wine Package.

France and Italy would  
lose some potential  
financial benefits, but  
would not be compelled  
to reduce surpluses.

Increased Budget contribution  
if surpluses not controlled.

Alcohol.

Little effect.

Little overall impact on UK,  
but whisky distillers would  
lose potential Budget receipts

\* In addition to the above major points for Council decision, the routine operation on the CAP involves numerous decisions either at Council or Commission level. The day-to-day operation of the CAP is largely conducted by the Commission under the Management Committee procedure (subject to majority voting); if these decisions systematically went against us the additional cost, even in the short run, could amount to hundreds of millions of EUAs.

COUNCILS OTHER THAN AGRICULTURE

	Major Decisions to be taken	Effect of delay on other Member States	Effect on UK Interests
4 December <u>FISH</u> <u>COUNCIL</u>	(a) 1980 allowable catches ("tacs")	Annoyance, but no serious economic damage.	Could underline UK credibility on fish settlement.
	(b) Conservation regime	Would undermine their confidence in UK serious intention to settle CFP.	Risks spoiling improved atmosphere on fisheries, and weakening UK powers to influence Conservation regime in face of European Court rulings against us. We would lose some fishing rights if we blocked Norway and Faroes arrangements.
	(c) Third Country agreements	Will annoy Germans and French in particular.	
December <u>ENERGY</u> <u>COUNCIL</u>	(a) EEC position for IEA Ministerial Meeting	Very little	A negative attitude by the UK at this meeting would risk (a) retaliation by Commission on UK landing requirement (b) ending of our chances of securing a coal scheme to suit UK.
	(b) Coking coal decision	Would upset Germans.	
	(c) 1980 targets if not fixed by then	Would annoy all Member States and US.	
December <u>COOPER</u>	Midwives Directive (on which UK isolated)	Irritation but no great surprise.	Not significant.
December <u>TRANSPORT</u> <u>COUNCIL</u>	(a) Air Transport Air Services Memorandum		We stand to benefit but no harm from delay.
	(b) Aircraft noise	-	Little harm from delay
	(c) Road transport quotas	Very little	We want quota extension.
	(d) Commission statement on infrastructure	-	We stand to gain in longer term; no harm from delay.

/10-11 December

7 December  
ENVIRONMENTAL  
COUNCIL

(a) Health  
protection  
standards  
(sulphur and  
lead in the  
air).

Not significant.

Not significant.  
(We already have a  
reserve).

(b) Protection  
of whales

Not significant.

Disappointing. This  
is a UK initiative.

(c) Chlorofluoro-  
carbons

Not significant.

Not significant.

/17 December

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<u>Meeting</u>	<u>Major Decisions to be taken</u>	<u>Effect of delay on other Member States</u>	<u>Effect on UK Interests</u>
17 December <u>FINANCE</u> <u>COUNCIL</u>	<u>1980 Budget:</u> Could be matters arising from Parliament's 2nd reading and adoption of budget (e.g. application of maximum rate) which would have bearing on whether Council considered 1980 budget to be legally adopted.	Delay difficult - budgetary matters usually decided by qualified majority. Effect not great, and same for all. If budget declared illegally adopted, Community would operate on "twelfth rule". Use of Luxembourg Compromise contrary to practice, accepted even by French.	-
18 December <u>FOREIGN AFFAIRS</u> <u>COUNCIL</u>	(a) <u>Staffing and pay</u>	Other Member States would probably secretly welcome tough UK line on substance. But UK block could cause a strike which would not be welcome.	Community staff would resent UK block.
	(b) <u>Renewal of steel anti-crisis measures (which expire 31.12.79).</u>	Would be popular with Germany, would be disliked by others, especially Italians and Commission.	Could cause damage to UK industry during critical phase of restructuring.
	(c) <u>Shipbuilding Scrap and build</u>	Italians alone would be concerned. Little prospect anyway of agreement.	
	(d) <u>US synthetic textiles</u>	Small	UK initiative would prevent action being taken to protect UK industry.
20 December <u>RESEARCH</u> <u>COUNCIL</u>	(a) <u>"Super-Sara" nuclear safety project.</u>	Italians would be upset. JRC would continue. Other Member States little concerned.	Minimal
	(b) <u>Inertial confinement fusion</u>	"	"

<u>Time</u>	<u>Major Decisions to be taken</u>	<u>Effect on other Member States</u>	<u>Effect on UK Interests</u>
14-15 January <u>FOREIGN AFFAIRS COUNCIL</u>	(a) <u>Supplementary coal and steel revenue?</u>  (b) <u>Extension of social security regulations to self- and non-employed?</u> (c) <u>Pre-accession aid to Portugal</u>	All steel and coal producing Member States want agreement.  Minimal. Danes already blocking.  Slight	-  UK initiative. But minimal effect of delay.  Delay would suit us.
March <u>EUROPEAN COUNCIL</u>	(a) <u>3 Wise Men Report</u>  (b) <u>New Commission President</u>	Irritation.  Would probably not cause concern until May.	Not significant but possible loss of influence on subsequent decisions.  In absence of agreement, Mr Jenkins might stay on into 1981.
5 May <u>TRANSPORT COUNCIL</u>	<u>Harmonisation of summer time dates?</u>	Minimal	Could weaken our chances of getting other Member States to come towards our dates.
3 June <u>SOCIAL AFFAIRS COUNCIL</u>	[Depending on outcome of Dublin summit and ETUC reaction] Further measures to <u>alleviate unemployment</u> (worksharing etc)	Belgium, and to a lesser extent other Member States will be anxious to reach satisfactory conclusion: Germans will be least concerned (sceptical about costs to industry	We do not wish to cause a split with unions, but do wish to avoid binding commitments in this area.

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July  
BUDGET  
COUNCIL

Establishment  
of 1981 draft  
budget

If others accepted that  
Luxembourg compromise  
could be used to block  
establishment this would  
prevent adoption of any  
budget for 1981.

"Twelfths Rule" would  
operate from February  
1981. Major irritant  
to partners, but about  
equal misery to all:  
theoretically those with  
greater receipts from  
CAP would be worse hit but  
would take time for this  
stage to be reached.



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