

CONFIDENTIAL

PRIME MINISTER

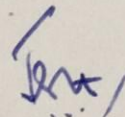
Community Affairs

You might first invite the Foreign and Commonwealth Secretary to report on Monday's meeting of Foreign Ministers at which agreement was reached on a Middle East statement and support for a United Nations Conference on South East Asian refugees. He came under pressure to modify the United Kingdom stand on aid under the new Lome Convention.

2. The Secretary of State for Energy might report on the 18th June Energy Council, which concentrated on the Community oil situation in preparation for the European Council and the Tokyo Summit. French proposals for restrictions on high-priced imports attracted little support, and the United Kingdom and Germany insisted that a proposed price monitoring system should not be adopted unless it was implemented on a world-wide basis.

3. Against this background - which you will already have discussed at your briefing meeting - you may wish to outline to the Cabinet the approach you intend to take to the 21st-22nd June European Council. The two agenda items of chief concern to the United Kingdom will be energy and convergence. On the former our aim will be to ensure that the Community takes effective action on demand restraint and makes a constructive contribution to the energy discussions at the Tokyo Summit; on the latter our objective is to get agreement to a remit from the European Council to the Commission to propose remedies for our inequitable net budget contribution by the end of September, so that decisions can be taken at the November European Council. Your talks with Signor Andreotti on 15th June showed that he will give us support but Italian and United Kingdom interests diverge when it comes to remedies.

4. The 18th June Agriculture Council, at which the price fixing and green pound devaluation questions discussed by the Cabinet last week will be tackled, is still in progress. The 19th June Environment Council should not call for discussion.



(John Hunt)

19th June 1979



Her Majesty's Government

COMMUNIST

PRIME MINISTER

Commonwealth Affairs

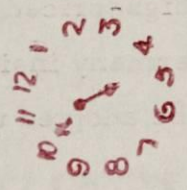
You might find in the Foreign and Commonwealth Affairs section to report on Monday's meeting of Foreign Ministers at which agreement was reached on a Middle East settlement and the support for a United Kingdom Conference on South East Asian relations. The Prime Minister presided at Monday's United Kingdom Council and all under the new Prime Minister.

The Secretary of State for Foreign Affairs will report on the Joint Energy Council, which concentrates on the Community of nations in preparation for the European Council and the energy summit. A number of proposals for restrictions on energy consumption in the Community and the United Kingdom and the United Kingdom and the Community of nations. A number of proposals for restrictions on energy consumption in the Community and the United Kingdom and the United Kingdom and the Community of nations.

At the end of the week - Friday the 15th June - I have discussed your proposals for energy - you may wish to outline to the Cabinet & approach you intend to take to the 15th June Joint Energy Council. The two energy issues of vital concern to the United Kingdom will be energy and convergence. On the one hand our aim will be to ensure that the Community energy effort is to be a demand restraint and the other characteristic contribution to the energy discussions at the Tokyo Summit on the latter one objective is to get agreement to a restraint from the European Council to the Government to provide resources for our investment in the energy sector by the end of September, so that decisions can be taken at the 15th June Joint Energy Council. These talks with Energy Ministers on 15th June showed that the will is there to support but that the United Kingdom interests diverge when it comes to energy.

The 15th June Agricultural Council, at which the price fixing and green paper discussions discussed by the Cabinet last week will be held, will be held in progress. The 15th June Environment Council should call for discussion.

19 JUN 1979



(John Hunt)

15th June 1979