



PM/81/36

PRIME MINISTER

Prime Minister

No need to read in detail. FLO will do their best to push things along but French ~~un~~ unpreparedness will make this difficult before September.

19/6

Handling the Commission Report on the 30 MayMandate

1. Our objective for the 30 May Mandate is to have definite decisions taken at the November European Council. At the Foreign Affairs Council on 22/23 June we shall be having a first discussion on the procedure for handling the Commission's report on the Mandate. We must try to get it off to a good start.
2. The attached note by officials, with which I concur, suggests how we might handle these questions during the beginning of our Presidency. The first aim is to avoid the new French Government's need to establish its position preventing anything being done in July. We must prepare for a first substantive discussion at the Foreign Affairs Council in September, although I also hope to make use of the informal meeting of Foreign Ministers at the beginning of that month. The proposal is that the ECOFIN and Agriculture Councils should also have discussions in September on the relevant sections of the Commission's report. We shall then have to take stock and see what will be the best way in which to prepare for the November European Council in the relatively short time which will be available.
3. If you agree, we will seek to push matters along in this way, beginning at the Foreign Affairs Council on Monday.
4. I am sending copies of this minute to the Chancellor of the Exchequer, the Minister of Agriculture, Fisheries and Food and Robert Armstrong.

19 June 1981
Foreign and Commonwealth Office

(CARRINGTON)

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HANDLING THE COMMISSION'S REPORT ON THE 30 MAY MANDATE

NOTE BY OFFICIALS

1. There will be a first discussion at the Foreign Affairs Council on the 22/23 June about the handling of the Commission's report on the 30 May Mandate. This will arise under preparations for the European Council on 29/30 June and take account of the French wish for the postponement of substantive discussion until after the summer break. As from 1st July, it will be the responsibility of the British Presidency to organise work. This note suggests what our approach should be.

Timing

2. It may prove possible to reach some agreement on the initial handling and timetabling at the Foreign Affairs Council on the 22/23 June. If not, then we should seek to have procedural conclusions drawn up by the European Council. This would allow preliminary work to start during July.

3. We have given to the Dutch Presidency suggested draft conclusions for the European Council (copy attached) which point firmly to decisions being taken at the November European Council. In the pre-Presidency bilateral contacts at official level, no-one has contested this objective. Whether definitive decisions will be possible remains to be seen. In any case, turning the agreements of principle into operative Regulations will certainly carry over into 1982. But there is every reason for us to keep up the pressure for decisions in November. Given the French position, substantive discussion will not be possible before September but we should aim to use the informal meeting of Foreign Ministers at Bocket Hall on 5/6 September to have a first exchange of views on the Mandate issues. The first formal discussion would then take place in the Foreign Affairs Council in mid-September.

Role of Foreign Affairs and other Councils

4. Our pre-presidency contacts with other member states suggest that the Foreign Affairs Council should have the central role in coordinating work on the Mandate. The UK's problems are unlikely to be more sympathetically considered in the Finance Council than in the Foreign Affairs Council. Even so, Finance Ministers have a fundamental responsibility in all member states for the financial effects of the settlement and a general discussion of the

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Commission's report in the Finance Council in September could be useful to avoid any suggestion that Finance Ministers were being cut out; and to get our point of view across to other Finance Ministers.

5. So far as agriculture is concerned, final decisions can probably not be reached until we know the content of the Commission's report and whether the problem of Mediterranean agriculture will be dealt with in a separate document. If, as is likely, the Commission's report contains a significant section on reform of the Common Agricultural Policy, discussion in the Agriculture Council will obviously be necessary. Since however our objective is not to reach detailed decisions on the CAP at the November European Council but rather guidelines which Heads of Government could lay down for its future development/reform, early discussion of the detailed aspects of the Commission's proposals by agricultural experts is unnecessary and might cut across this objective. We should therefore aim to have a general debate in the Agriculture Council in September with the follow up to this debate left for later decision.

Work at Official Level

6. Various possibilities for the creation of special ad-hoc groups have been canvassed but it is clear that the majority of member states consider that COREPER should take on the main work at official level. We should be likely to meet with strong resistance if we sought to impose any other procedure at the outset. During the month of July, the main task of COREPER would be to elucidate the Commission's document and commission such further papers and statistics as were thought to be necessary. This should make it harder for anyone to argue later that substantive discussion should be delayed because the ground had not been properly prepared. Thereafter, without going too deeply into substance, COREPER might be invited to prepare an annotated agenda which would sketch out the questions which Ministers will need to decide upon and form the basis for the Foreign Affairs Council discussion in mid-September.

7. In the light of progress at that meeting, and at the September Ecofin and Agriculture Councils, we shall need to consider how the follow up work should be handled to ensure proper preparation for the November European Council. One possibility would be for the main responsibility to remain with
/the COREPER.

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the COREPER. Another possibility, would be the creation of a special "Mandate Group" of personal representatives of Heads of Government. Paragraph 4 of the draft conclusions for the European Council is intended to provide the basis for the Prime Minister to propose such a group if that proves necessary.

European Parliament

8. The European Parliament will undoubtedly find ways of debating the Commission's document although their opinion is not formally required until definite Commission proposals are on the table. It might be sufficient for the Parliament to be told that, if they wish to express views on the Mandate, these should be available to the Council in good time to be taken into account in the preparations for the European Council in November.

Conclusion

9. Ministers are invited to endorse the approach set out in this note and to note that further decisions on procedure will be needed in September.

Cabinet Office

18 June 1981

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CONCLUSIONS OF THE 29-30 JUNE EUROPEAN COUNCIL ON RESTRUCTURING

1. The Heads of State and Government had a first discussion of the Commission's paper. They confirmed that the necessary decisions under the 30 May mandate should be taken before the end of the year. This would therefore be the major topic for the meeting in London on 26-27 November.
2. They agreed that the preparatory work would need to concentrate on:
 - (i) improving the CAP by bringing its costs under firm control and by discouraging the production of structural surpluses;
 - (ii) the future development of other Community policies in such a way as to contribute most effectively to the needs of the Community in the 1980s and to the economic convergence of member states;
 - (iii) consideration of such additional measures as may be needed to avoid the recurrence of an unacceptable situation for any member state.
3. The Heads of State and Government asked the Foreign Affairs Council, drawing on the work of other Councils as appropriate, to make thorough preparations for their meeting in November. They asked the Commission to continue its contribution and to make the necessary formal proposals in good time.
4. The Heads of State and Government made it clear that they intended to take a close and continuing personal interest in the work under the 30 May mandate, which they regarded as essential to the future wellbeing and development of the Community.

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