

<u>FCO</u> PS	RESIDENT CLERK	<u>PLUS FOO</u>
PS/MR HURD PS/PS MR BULLARD MR HANNAY LORD BRIDGES	<b>IMMEDIATE</b> HD/ECD I (3) HD/NEWS HD/ERD HD/..... HD/.....	

CABINET OFFICE  
MR D HANCOCK  
MR D M ELLIOTT  
MR RHODES

D.O.T.

PLUS OGDS  
~~N.º 10 BS~~

H M TREASURY  
SIR K COUZENS  
MISS J E COURT  
MR J G LITTLER  
MR EDWARDS  
W ANDREW

M.A.F.F.  
SIR B HAYES  
MR G STAPLETON

MR P KENT  
H M CUSTOMS &  
EXCISE

DESKBY FCO AND UKREP BRUSSELS 180730Z  
FM LUXEMBOURG 172358Z MAY 82  
TO IMMEDIATE FCO [FRAME ECONOMIC]  
TELNO 151 OF 17 MAY  
AND TO IMMEDIATE UKREP BRUSSELS  
INFO IMMEDIATE OTHER EC POSTS

FOLLOWING FROM UKREP BRUSSELS

EC MINISTERIAL MEETING : 17 MAY

30 MAY MANDATE

- AS SOON AS THE MEETING TOOK UP THE MANDATE, TINDEMANS ASKED YOU TO SET OUT THE BRITISH POSITION. YOUR FIRST STATEMENT IS SET OUT IN MY IFT.
- GENSCHER IMMEDIATELY SAID THAT, WHILE HE HAD INDICATED SOME FLEXIBILITY YESTERDAY, HE WOULD NOW WITHDRAW THAT AND WISHED TO CONCENTRATE THE DISCUSSION ON AGRICULTURAL PRICES. THE FOREIGN AFFAIRS COUNCIL DIRECTED THE WORK OF OTHER COUNCILS AND HE BELIEVED THEY SHOULD HAVE A SAY IN THIS MATTER.

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3. CHEYSSON SAID THAT HE HAD BEEN PREPARED TO DISCUSS SEVERAL DIFFERENT PROPOSALS FOR DEALING WITH THE UK PROBLEM. THERE HAD BEEN THE ONE FLOATED BY THE TWO PRESIDENTS AFTER THE MEETING AT VILLERS-LE-TEMPLE AND NOW THERE WAS THE NEW COMMISSION PROPOSAL, ABOUT WHICH HE HAD SOME MINOR RESERVATIONS. HE WAS PREPARED TO DISCUSS THIS AS SOON AS BRITAIN WAS READY TO DO SO. MEANWHILE THE AGRICULTURAL MINISTERS WERE DOING THEIR WORK EXAMINING THE DETAILED MEASURES ON PRICES AND IT WAS NOT THE JOB OF THE FOREIGN AFFAIRS COUNCIL TO ENCROACH ON THE AGRICULTURE COUNCIL. THE BEGINNING OF SEVERAL PRODUCT SEASONS HAD ALREADY BEEN MISSED AND THE FRENCH DELEGATION WOULD BE WORKING FOR EARLY DECISIONS. IF DECISIONS WERE TAKEN, THEN THE OFFICIAL JOURNAL WOULD BE ABLE TO PUBLISH THEM ON 19 MAY. OTHERWISE THERE WOULD BE A LEGAL VOID. HE THEREFORE BELIEVED THAT THE MEASURES SHOULD BE PUBLISHED THAT DAY. GENSCHER INTERVENED AGAIN TO SUPPORT THAT FRENCH VIEW.

4. MME FLESCH SAID SHE AGREED WITH THE FRENCH AND GERMAN POSITIONS ON AGRICULTURAL PRICES. THE FARMERS COULD NOT BE ASKED TO WAIT ANY LONGER. SHE WAS OPEN TO A FURTHER SEARCH FOR SOLUTIONS ON THE MANDATE. SHE REGRETTED IT IF THIS LATEST COMMISSION PROPOSAL WAS NOT ACCEPTABLE BUT WAS READY TO LOOK AT OTHERS.

5. VAN DER STOEL SAID HE TOO REGRETTED THAT THE COMMISSION PROPOSAL WHICH HE REGARDED AS INGENIOUS HAD BEEN REJECTED BY THE UK. HE DID NOT KNOW WHAT OTHER POSSIBILITIES THERE WERE. AGRICULTURAL PRICES SHOULD BE SETTLED BY THE AGRICULTURE COUNCIL.

6. COLOMBO SAID THAT, ALTHOUGH HE WAS SORRY THAT THE LATEST COMMISSION PROPOSAL COULD NOT BE ACCEPTED, HE WAS PREPARED TO ACCEPT OTHER IDEAS WITHIN REASONABLE LIMITS. HE AGREED THAT THE AGRICULTURAL PRICE FIXING WAS OVERDUE AND, IF DECISIONS COULD BE TAKEN THERE, THIS WOULD CREATE A BETTER ATMOSPHERE. THE GREEK FOREIGN MINISTER ALSO EMPHASISED THE URGENCY OF FIXING AGRICULTURAL PRICES WHICH SHOULD BE DONE BY THE AGRICULTURE COUNCIL. THE IRISH FOREIGN MINISTER SUPPORTED THIS TOO.

7. THE MEETING WAS THEN TREATED TO A LONG AND EMOTIONAL DIATRIBE BY THE PRESIDENT OF THE COMMISSION AGAINST THE UK. AS ONE OF THE ORIGINAL SIGNATORIES OF THE TREATY OF ACCESSION HE MUST NEVERTHELESS SAY THAT EVER SINCE WE JOINED THERE HAD BEEN NOTHING BUT TALK OF THE JUSTE RETOUR AND OF FINANCIAL COMPENSATION FOR THE UK. IT HAD STARTED WHEN WE NEGOTIATED OUR ACCESSION AND IT HAD NEVER STOPPED. NOW, WHEN WE HAD FOR THE FIRST

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8. YOU THEN INTERVENED AGAIN TO SAY THAT YOU WERE SURPRISED AT M THORN'S STATEMENT, PARTICULARLY AFTER THE UNHELPFUL ATTITUDE THAT HAD BEEN TAKEN AT THE VILLERS-LE-TEMPLE WEEKEND. DURING THE ACCESSION NEGOTIATIONS WE HAD BEEN GIVEN AN UNDERTAKING THAT ACTION WOULD BE TAKEN IF AN UNACCEPTABLE BUDGETARY SITUATION AROSE. THE BRITISH PEOPLE AND PARLIAMENT HAD BEEN TOLD OF THIS. WE DID NOT BELIEVE THAT A FAIR PROPOSAL TO DEAL WITH THE PROBLEM HAD YET BEEN MADE. ON ANY OBJECTIVE ANALYSIS BRITAIN, AS A LESS PROSPEROUS STATE, COULD HAVE HOPED TO BE A NET BENEFICIARY. BUT WE JOINED LATE AND WE ACCEPTED THAT WE SHOULD BE

AS A LESS PROSPEROUS STATE, COULD HAVE HOPED TO BE A NET BENEFICIARY. BUT WE JOINED LATE AND WE ACCEPTED THAT WE SHOULD BE A MODEST NET CONTRIBUTOR. INSUFFICIENT CREDIT WAS GIVEN TO US FOR THAT. YOU HAD EXPRESSED YOUR DOUBTS LAST NIGHT AS TO WHETHER IT WAS WISE TO TABLE A NEW PAPER AT SHORT NOTICE AND THEN TO TRY TO DISCUSS IT WITHIN 24 HOURS WITHOUT PROPER PREPARATION. YOU HAD NOT REJECTED THE COMMISSION PROPOSAL. YOU HAD MERELY STATED THAT IT DID NOT SEEM IN A NUMBER OF RESPECTS TO CONFORM TO THE PROVISIONS OF THE 30 MAY AGREEMENT. WE WERE READY TO CONTINUE THE DISCUSSION. IT MADE NO SENSE TO TRY TO DO DETAILED BUSINESS LIKE THIS WITHOUT PROPER PREPARATION. AS TO THE TAKING OF DECISIONS IN THE AGRICULTURE COUNCIL, IF THERE WAS A GENERAL WISH TO DISCUSS INSTITUTIONAL CHANGES IN THE COMMUNITY AND THE WAY DECISIONS WERE REACHED, THEN THERE CERTAINLY MUST BE DISCUSSION OF THIS FIRST IN THE FOREIGN AFFAIRS COUNCIL. BUT SUCH A DISCUSSION COULD NOT BE SPRUNG LATE AT NIGHT WITHOUT PREPARATION. THE FACT WAS THAT THE AGRICULTURAL PRICE PROPOSALS NOW ON THE TABLE WERE COSTLY TO THE UK AND AN IMPORTANT NATIONAL INTEREST WAS AT STAKE IN ENSURING THAT THE BUDGETARY COST WAS ALLEVIATED. YOU WERE NOT EXORTING ANY ARTIFICIAL LINK.

9. THORN REPLIED BRIEFLY THAT IT MIGHT BE NECESSARY TO MEET AGAIN TO DISCUSS THE COMMISSION'S ROLE. WHAT THE COMMISSION COULD NOT DO WAS SAY RED WAS BLACK AND BE SENT BACK TO THE DRAWING BOARD EVERYTIME THEY PRODUCED A PROPOSAL. PERHAPS SOMEONE ELSE SHOULD TRY THEIR HAND AT MAKING PROPOSALS NOW.

10. TINDEMANS THEN BROUGHT THE MEETING ABRUPTLY TO A CLOSE, SAYING THAT HE DID SO WITH A FEELING OF SADNESS.

11. AT YOUR PRESS BRIEFING IMMEDIATELY AFTER THE MEETING YOU ANNOUNCED THAT WE INTENDED TO RESPOND TO THORN'S REQUEST THAT WE SHOULD INDICATE WHAT WE MEANT BY A SOLUTION ALONG THE LINES OF THAT FOR 1980 AND 1981. THIS WOULD NOT BE A PROPOSAL BUT WE WOULD LET THE PRESIDENT OF THE COMMISSION AND YOUR COLLEAGUES KNOW OF HOW WE SAW THINGS ON 18 MAY (WE ENSURED THAT THIS STATEMENT WAS MADE KNOWN TO NOEL AND NOTERDAEME AND THUYSBAERT BEFORE THEY LEFT THE BUILDING).

FCO ADVANCE TO:

FCO - PS, PS/PUS, BRIDGES HANNAY SPRECKLEY

CAB - HANCOCK

TSY - LITTLER, ANDREW

BUTLER