

PRIME MINISTER

EUROPEAN COUNCIL: BRIEFING MEETING

You have a formal briefing meeting for the European Council tomorrow afternoon. I attach a list of those attending.

There will be no need to deal with South Africa since that will have been discussed in OD and at Cabinet.

You might like to start with the Economic and Social Situation. The Presidency aim for a short discussion only. Our main purpose here will be to push the UK initiative on creating conditions for employment growth. The Commission are likely to come forward with some ideas on risk capital. You have got a full speaking note, but were unhappy about a passage on page 3. You will want to ask the Chancellor and Paymaster-General whether there are any particular points they want you to raise. What precisely do we want to see in the European Council's conclusions? You will want Bernard to get our ideas across to the press.

You might deal next with Safety of Nuclear Energy.

Mr. Walker's main concern is to block the creation of a European Nuclear Safety Inspectorate which the Commission and the Irish want. You could ask him to summarize the arguments.

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Next to agriculture where we want to see some impetus given to the ideas launched at the Tokyo Economic Summit. There are two aspects you will want to emphasise: the need to press ahead with reform of the CAP and the achievement of savings: and the need to work with others in GATT, OECD and bilaterally, to bring some sense into world agricultural markets. Sir Michael Franklin can advise on the best points to make.

On the Internal Market, the main points are that progress will be a priority in our Presidency and we intend to present each specialist Council with a programme. We shall pay particular attention to liberalization of capital movements and to civil aviation. Mr. Williams (DTI) can advise on particular points.

The EC Budget is unlikely to feature formally. But you will want to invite the Chancellor to make any points he wants to see stressed.

There is a potentially difficult point on Human Rights where the Presidency and most delegations are ready to subscribe to a rather vapid Declaration by the European Council. It might be batted off to Foreign Ministers. The Foreign Secretary will advise.

Other points which may arise and on which you will want to touch are:

- Drugs We want a statement on this from the Council.
- EC/Turkey The tiresome Greeks are likely to make a fuss. An Association Council has been agreed for September and we must not let them dislodge it.
- Research and Development We want to discourage an over-ambitious Presidency programme.

You will remember that you have to make a closing speech complimenting the Dutch Presidency.

C.D.P.

(C.D. POWELL)

24 June 1986