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PRIME MINISTER  

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Cabinet: Community Affairs

If it has not been dealt with under Foreign Affairs, you may wish to refer to the Anglo-French summit which you held with President Mitterrand and Monsieur Chirac on 21 November.

2. The Foreign and Commonwealth Secretary will report on the Foreign Affairs Council on 24 November. The Council agreed to two significant trade measures: the protocol extending the multi-fibre agreement to 1991 with provisional application from 1 January 1987 of all 26 bilateral agreements concluded with the main supplier countries; and the 1987 Generalised Scheme of Preferences, which provides preferential trade access for developing countries. The Council also reached agreement, after difficulties with the Greeks and the Dutch, on a common position for discussion with Turkey on the movement of Turkish workers. Despite Turkish claims, there will not be free movement. This is a particularly important issue for the Federal Republic of Germany, as there are about 1.4 million Turks in the Federal Republic and Berlin. The Foreign and Commonwealth Secretary outlined the intention that discussion at the European Council on 5-6 December should concentrate on two main themes: improving the environment for business and jobs, including progress towards completing the internal market; and safeguarding the open society, including terrorism, drugs and immigration. This received general approval. He also drew attention to the initiative you have taken to press Heads of Government to authorise agreement on a "political package" of 13 measures in the internal market rolling programme. The Commissioner responsible for international trade negotiations, Monsieur de Clercq, reported on negotiations with the United States about compensation to the USA for the trade consequences of Spain and Portugal





joining the Community. These negotiations are due to be completed by the end of this year. They will soon reach a critical stage and one purpose of the discussion in the Council was to ensure that all member states present a common approach to the United States.

3. The Chancellor of the Exchequer may give a progress report on the meeting of the Budget Council which is taking place on 26-27 November. The Minister of State, Treasury minuted you about this on 25 November. The Council is considering the amendments and modifications to the draft 1987 budget for which the European Parliament voted at its plenary session on 13 November. With the support of the Germans, French and Dutch we remain determined that the 1987 budget should respect budgetary discipline and have some reasonable hope that agreement with the European Parliament can be reached this year.

4. The Secretary of State for Energy may report on the Energy Council on 26 November. The Council is expected to agree conclusions on the rational use of energy in transport; and to adopt a resolution on energy efficiency. As the Council which takes the lead in nuclear matters it will also have reviewed progress on the Commission's framework proposals on nuclear safety in the aftermath of the Chernobyl disaster.

5. The Secretary of State for the Environment will report on the outcome of the Environment Council on 24 November which was satisfactory. The Council agreed on new standards for limiting the discharge of asbestos into water and the air; controls on the disposal of waste oils; and standards designed to reduce the level of motor cycle noise. The latter measure is likely to be well received by British public opinion. Pressure was maintained on the Danes, who are still obstructing the package on vehicle emissions, and Spain and Portugal committed themselves to it. There was a first discussion





of our Presidency proposals on emission standards for large combustion plants. A majority of member states rallied to Presidency conclusions that highlighted the possibilities of establishing standards for new plants and of reaching a target 30 per cent reduction in emissions by 1993. We have no doubt that we have succeeded in the remit given to us by E(A), to change the terms of this debate in our favour. With the help of the French we were able to get an outcome to a discussion, promoted by the Commission, on nuclear safety which preserved the predominant position within the Community of the Energy Council and more widely of the International Atomic Energy Agency in Vienna. A resolution was also agreed on the recent serious industrial pollution of the Rhine.

6. There is an Education Council on 28 November; an important meeting of the Internal Market Council will take place on 1 December; there is a Fisheries Council on 3 December; and the European Council meets in London on 5-6 December.

D F WILLIAMSON

26 November 1986