

1505 local time, 21/3.

Apéritif

Cherisa

Thank you very much for your interview with
Le Monde

P.P.

Was it all right?

Cherisa

That is not for me tonight!

Sorry you have had no reply yet about
your official visit yet.

Our political critics are in 2/3 days

with I am still in my job!

Will contact you immediately.

Preamble

Foreign Secretaries should be cast in the role
of Temporary Ambassadors as well as the former

Some instructions in the act or the
Technique - about which this are

know nothing.

Watch this space!

1515.

Kohl

Conclude a E.C. & Soc. matters this form.

Rebut FRG elections:

the people voted a national issues.

They voted also for Europe
& solidarity

Today's decision may not be understood by the people
of FRG.

Lay aside - rambling description.

European elections next year - take seriously.

EC needs new powerful political thrust.

FRG wants strong Community - of this

Can we remain strong in world, guarantee
peace & freedom, maintain relations

with other regions & with USA.

EC can not have weight if contradicted
internally.

FRG stand up for our national interests

- but can all be defused together.

not a cleaning house for national interests.

Issue message of international partnership.
Cannot exist if compartmentalised ourselves from rest of world.

Transatlantic relationship of fundamental importance.

First steps today of economic recovery.

We should show signs of confidence

to tackle job unemployment.

Should move together in same direction.

Recept. my wife: job unemp. Research Technology

Environment

Outlook

V. Difficult Q of Community Budget -

Recognize all European interests.

Establish cohesion of Community.

Introduce various practical new policies.

Gre

Capitalist.

What role subjects require?

Kohl

Intro. to Rom.

Eca & Soc.

Re latest discussion on job unemployment environment budget etc.

Phon.

importance of next to take decision - Time.

Kohl

Can we have 2 full working days at Stuttgart?

Please decide between now + tomorrow.

Phon.

We have 10/12 items - all important & inter-related.

Internal market first
- Enlargement, with all implications
incl. Acquis Communautaire

Environment

Budget - revenue expenditure (hardly)
resources.

Short/medium problem of FR power on budget

Summary:

3 items:

- Internal market
- Strengthening Community
- Budget

Also Williamsburg
CAP & Ag. expenditure.

Discussions with U.S.

Comment - a 'waffly' start, the opposite of decisive.

~~Fitzgerald~~
~~Alvares~~ *[Signature]*

10/10

(5)

Kohl decides a complete internal market by June.

My - MI consider external matters too.

Leibers . Agree.
Also insurance.

Martens our bigger complaint is cross-frontier procedures.

Agreed

Kohl so we can now begin with enlargement

(Comment: This has not been taken in account)
with the discussion so far.

re-employment - Geyse.

New members given - Geyse, at present modest

As the biggest problem

except if Co. of some phallos approved Spain Portugal.

Then interpretation to begin early & possible - be before accession.

As Co. has not been able to find solutions despite lengthy talks.

Do all we can to buy what a promise.

A good thing if Commission can file a compromise proposal.

Nothing to add.

Critical moment = June Summit, when we must assess progress and decide to give the green light.

Final decision in the following month.

∴ v. urgent to start at once:

Commission given ~~the~~ mandate: Geyse - to be done or keep to it.

- description of outstanding problems of acquis numbers & complicated - cost.

Member countries want assurance they will not be left behind as a result of enlargement.

limited capital -
to extend product regime and sp... L... cost
£ 500 m euros + £ 700 m euros = £ 1 1/2 bn euros

we support
the... products competitive + sp...
their accession because ① the wish of the people
involved, wh. shd be respected, and ② the
applicant co. have a political reason. New democracy
are young & need support.
A large pre-accession transitional period desirable
further on (out).

bes -
in favour, for political & practical reasons.
we want largest possible internal market.
EAC failed to solve crisis.
For other m, substantial transit. period - 10 years
at least.
enormous problem - scope rise
& cautious approval necessary
SDA not reject sp... just because the side
funds required.
Caution on pre-accession arrangements - of five to

Aprax there was a meeting to OK and plan (1)

2 basic considerations

1. liberal ed the solution must be short term.
2. ERM payment to UK to be included in solution

Colombo

Affects development of EC for years

Have not had the courage to look for a real solution.

Help Commission of making proposals close to EC view.

Raise VAT the simplest way forward.

Savings - Budget necessary - but it would be

Lead asphyxiation of EC if we do not increase

Relevant to problems of credit policy.

So try to increase resources.

Balance revenue + expenditure.

On UK problem - prepared to examine short

term delay before new resource available

but like short term aspect included in long term.

Fitzgerald

Near limit on resources

Vote Commission produce precise proposals for future financing.

Our job substantially done then UK

Difficult to assess options - present paper,

Some look repressive.

India.

oil - the problem is not so much the volume, but the fact that there are so many substitutes readily available.

PM

A Commission to draw attention to the fact. What conditions can be stipulated to the purchase or in comparison

can solve this here - or pre-detailed guidelines. or instructing him or try to solve 5 June. technical instruction today, the Commission to help.

we must not cause split in the peninsula. how practical - we at least 7/8 years before occasion possible

transitional period of half - because under important points here.

oil v. expensive to produce - in competition with other oils

can it not be used for certain industrial purposes?

Can we still do something to this? not at present

Chegssa (Pros in class)

(9)

we want accession - rapidly. In political terms the
situation is deteriorating in Spain.

Problems to be dealt with before accession -

Inst. political

Relations + 3rd countries

Budget + financial implications.

Policy -

Cannot solve problem by trying to alter the
oil price - & alter habits of consumer.

Forget it!

Markers

① Advocate of accession, but I feel powerless dealing
with this issue.

Agree Lubbers - oil price issue, & to rest technology

② Ask H.P. think again to find solutions.

We cannot solve here.

Strictly permit to H.P. think

Plan

We are examining French home. hope to report by
end of April. Clear by time of the meeting.

● Lutter's reservation & why: - ~~submit to~~ ~~by~~ ~~this~~ not successful because of the nature of the difficulties.
 Can this G. give some directions?
 + 10 minutes more.

Kohl An ~~have~~ ~~street~~ political crisis.
 Give instruction to ~~by~~ ~~this~~ & French ~~this~~.
 Submit to ~~part~~.
 A matter of the crisis or individual facts - so
Support our ~~by~~ ~~this~~.

Lutter Don't object to ~~summing~~ up.
 Uneasy feeling our ~~by~~ ~~this~~ crisis with ~~felt~~
 mind ~~fact~~.

Thom Prepared draft conclusion.
 We shd give instructions to ~~by~~ ~~this~~.

PM We are not able to give instructions.
 No paper before.
 If blocked by next meeting, shd have a
 paper dealing with ~~both~~ 'internal & external
 problems.

Kohl That is why I summed up to 184.

Libbers Apr T night.

I understand show favour instructions to try this
to come up with EC solutions (i.e. limit change
to minimum). But look at long term proposal
for olive oil.

Phon - Circulate ideas first to Jenke.

Kuhl - Agree text sent around.

Decide tomorrow morning if acceptable
or not.

Kuhl

Joint Unemployment -

Propose ^{text} that Lab. this have begun shd be expedited

Report at Stuttgart.

Phy This is the third time we have come back to
this.

Putting too much a Stuttgart.

Discuss today.

Essence = new technologies

→ training

Can we get better communication this time

Kuhl Doubtful

Phon in discuss before next meeting = specialised Com.

Mertels concl.

PM there are no new solutions.

- Danger of job loss & pressure.
- Learn from each other's policies & programmes.

Mon. Soc. Co. to consider 23 June, just before the next E. Co.

to set papers out before Williamsburg.

Prepared force experiments with studies for jobs from to jobs.

Kohl as he proposed.

Kohl Ecological movement. Forest is central E of almost mythical importance.

should tackle at European level.

Mon. More important than baby seats. International problem - pollution spreads very widely.

Scientists being brought together - ~~Sept~~ ^{Seminar} Sept.

Committee to make proposals.

Fanfani What is the scope? - refference to pollution.

PM Cause - pollution from power stations. From coal & oil - fired - not nuclear.

v. und wat to see by the side.

But also short the problem. First year we have had no proposal for agreement by May.

Figures show my FRP & UK net contributions. This imbalance relieved in end of last 3 yrs.

Now - worst position since becoming PM. Permitted last yr. a solution by Nov. Cost for - did not happen.

I held back - other problems like CFP FRP election etc.

Now, gov. v. protect for UK. Com. to electi. what any relief is prospect

Propose proceed in parallel - by Ten items

a long term - Com. to make proposals etc. p. after Easter for FAE to consider - April.

By next instruct Com. to make specific propo. (immediately) after Easter, & ask FAE to take decisions.

Meet decision & need it quickly.

Have by period wait for Communiqué tomorrow

Start with a long term - The easier to convince are short term. (14)

● I visited capitals, & heard concerns.

Mr T wants progress a short term - but a need to respect E-Parl's position too.
Must take broad view & fix dead line.

Jeuster • Impressive intro. done Commission
First discussion - 3 points:

1. Level VAT - some need to increase some not.
c) save a ap. raise that money elsewhere

2. Learning 1% source. with & fixing other No direct sympathy.

3. shd new system correct the various imbalances between member states

UK in favour - & water agreement for 83 by June.

My - Stress importance for UK - Long term aspect - & the immediate. Trying for some time to deal with long term - beginning at Canc. Ho.
↳ long term problem not a new one

Still too much at.

● Output.

Have to answer in Part I the shares.
We have to see if colleagues accept our
proposal for 'convergence'.

Phon -

- Some initial reactions -
1. Enlargement with require additional resources
 2. Close to exhaustion of resources
but we control our exp. expenditure
& exp. price.

Write a early decision on Jan price

3. What EC drive want?
How shall we spend our money?

4. Who is going to pay more?
An internal solution, perhaps by tax, or by
some kind of energy measure perhaps. Don't
propose a kind of exp. price.

5. Procedure - E-Par power.

Get a price with tax - with proposal
after Easter.

- Peperdew Set away for 1%. Progressivity. (16)
Can or fixed criteria to govern on policy.
● Community move the Customs Union - which means
common responsibility for non-convicted regions.
Must bring in balance.

Luhter ~~is~~

We cannot approach EC in methodical way.
These sums talked of every year - we like to
avoid that.

Aj. budget plays important role here -
keep farm prices to minimum this year.

Sympathy for MPT - but "the figures are
unreasonable".

DK. Must recognize ~~that~~ need to expand EC's
resources.

Not just a Q about sp. of.

We prepared a negotiating package.
We attach importance to basic principle of
an resource.

Not level solution = increase in VAT ceiling.
guaranteed method - all countries
can cope with it.

Sceptical of ideas of basing budget on
of production in the Third sector.

On UK - here take note PM's clear view.

In favour 1% VAT ceiling being raised.

PM

Stress urgency - & great political impact or what I am saying. As to reasonableness of an attitude in real world.

Leases are a budget tax - & 75% or more for a CAP. More money will go there - & exacerbate UK's case.

I cannot agree to raise 1% ceiling. Agree Libbers - keep up prices as low as possible.

No problem with our resources. Cannot solve UK problem by increasing soc. & rep. fund. To do so would require increasing) £50 bn eu. - In our total budget.

1980 agreement for 3 years carried out strictly in accordance with agreement - UK still "net putters-in" even tho' less well off than many. excess

But we be prepared to put [it] with if satisfactory settlement / solution forthcoming.

A?

Kohl

1 article open.

Also exhaust funds

Who is prepared to pay? All in favour of clean air
we can see it in Black Forest in Stuttgart.

Issue in Bechtelbocker & PDR

Report a this in advance seminar at Stuttgart

Mutual recognition of Diplomas —

Encourage educa minist.

Budget -

Phon. Delicate. Important.

Intro. as clearly recommended & can

Training element too.

Committee propose paper in May, after final discussions

& make choice out of free paper & discussions there

Hope FAC will indicate preferences, esp. a resource.

There is a lengthy Parl. procedure.

know recourse to shut the pellichino - 1983 &

prohibit its before lay ten schotic in place.

E. Parl. reach know. ~~is~~ NOT wide to force E. Parl.

If you say short-term first, never get
 a long term. E.P.A. will reject other
 proposals for long term - & to start to
 at same time.

Mitterand

Understand Br. A. D'Amico - we have our own
 Br. problem to be dealt with as a whole.
 Jan Co. shared idea of Community which
 to help problem.

- is, avoid proposals or transitional nature.

But that is what we are being asked for.
 Shouldn't hesitate to deal as a p. with Q & R
 EC's own resources

Supper - v. small supplement + ceiling
 new policies for resources - eg. a energy
 (? - at the moment)
 v. thick.

Will not succeed if clashed EC force.
 With our scope - we've been doing it for
 years
 like Ford's fetters.

Letters. Clearly consider Part, + look toward

(21)

to new structural proposals.

Good thing if Committee has done correct + Part.

Issue as follows

* Reprisal: ~~the~~ colleagues ~~of~~ involved for
still not by v. high that account
harmonisation.
Some sacrifice for smaller members
So - smaller members still be v. caught
a price for production - keep
to the
Spread the sacrifice.

My

Comment on Mikeland -
Oscar Repperteur 10/3 = E Part "....."
as he brief.

They recognised interim solution inevitable -
UK, even after refusal, ~~is~~ ^{is still} making entirely
shall be a difficulty in that it is not (well),
So communication v. important.
Do not want to have to say things v.
to make things more difficult for
us all.

Repeat request for proposals in which
at the time.

Kohl

AK feel - protest difficult possible.
FR & cut in budget. (meaning presumably domestic).

Build confidence + Patience.

Layton solution must be found quickly.

had not want to embark a E. Par
election campaign without solution.

∴ open FAE exam before June summit

1983 - 1 day promise given in '82.
Impression from cabinet, difficult for
people in UK to understand why EC
was helping more.

Find form or word for tomorrow.

Referred to promise again.

1624 Not a lengthy discussion tomorrow -
come to conclusion quickly.

Williamson

Thom

Ortolini - was paper etc.

European Commission at 12:15
is incoherent or speaking slowly

He goes through his notes
as though burning his boats

And sinks back in his chair all holy.

20 minutes (I have no idea what he said.)

Letters I do along with Arditi.

As to priorities, EC in Williamsburg (W) should
stress the importance of trade. Anti protectionists
EC has a major role at Summit.

Trade with Third World v. important.

Can we increase trade with NICs? Good
if we can, 87 countries to benefit.

Maintain control over market.

EC policy based on growth

Economics stimulated by reduced oil prices.

E should maintain its energy self-sufficiency
(? pipeline).

Minimum price for energy.

Schluter

oil price drop a major advantage to EC.

Increase demand. Reduce inflation.

Important for us - for the price drop to have an effect throughout EC -

EMS decision this am. brings calm & stability - helpful to confidence.

Close cooperation with us
Those present should convey EC views.

PM, People strain after interest. fin. stability
- even today one EMS has to decide.
Differences between economies, even within E
only set stability if all economies run properly.

There must be illusion that what can be achieved at w.

Interest rates - difficulties partly due to people's fears about future.

Increase in domestic demand does not necessarily lead to increased output - inputs affected.

So different attitude - do not look at econ. indicators only. Have you got the enterprise? the innovation? the efficiency?

Countries in difficulty - bailed out by IMF + Commercial banks.

You have to do a certain amount or bail out, but must not make it too easy.

NOT fair to increase IMF facilities just for these countries.

Must not encourage private banks to lend outside limits of prudence.

Oil prices - welcome so far.

Difficult if they start to tumble again.

Can be deflationary.

Export market is not E look.

Doubt you can fix unil. oil price.

Project for oil to prevent price falling too far.

Versailles for it right.

Pre-emptive to innovation - we've lost edge of it.

EMS redipment - take same line in public tariff