

Sir M Butler

EUROPEAN COUNCIL

1. Over dinner last night Mr Ersboll told me something of how he proposed to brief Mr Papandreou this morning on handling the meeting.

Order of business

2. Mr Ersboll was unaware of the Prime Minister's message to Mr Papandreou, even though it was leaked to the Athens press on Friday. I told him of it and argued strongly for the procedural proposal in that message. It would not be any easier to solve the financial issues if they were left until the end, when everything else had been done, and time was pressing. If the idea was to work towards a 9 to 1 line-up against the UK at that stage, it was wholly misguided.

3. Mr Ersboll said that Mr Papandreou would be under equally strong pressure from President Mitterrand to begin with agriculture. In the circumstances he thought he could only advise Mr Papandreou to begin the proceedings by making the following points:-

- (a) The future of the Community demands that the European Council reach agreement on all the main issues. It can be done. The chance must not be missed. (No negative predictions of crisis a la Thorn, whom Mr Papandreou will try beforehand to dissuade from doom-laden prophecy);
- (b) All the issues interdependent; no agreement on any one without agreement on all;
- (c) Some want to start with agriculture, others with financial questions (eg Germans and UK): all the same to him, given (b) above, so he will follow the views of the Council;
- (d) Whatever happens no subject will be skimped because of time pressure; he is ready to prolong the proceedings for as long as is necessary to deal fully with everything.

Texts

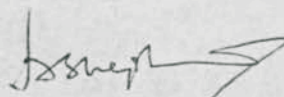
4. Mr Ersboll is not proud of the Presidency text. At Stuttgart the Germans had accepted his draft and presented it to Chancellor Kohl as their own. This time the Commission

and Mr Varfis between them had made it impossible for him to do his job. The worst part was the New Policies muddle, where there were two texts. He would advise Mr Papandreou to handle this item by saying:

- (a) We have two texts before us; must decide what we want to work on;
- (b) Invite each head of government to say very briefly what are the essential elements they wish to see included;
- (c) Then ask Secretary-General to produce new single text incorporating those desiderata.

I encouraged him in this, since it offers a good opportunity to ensure that our points are covered.

5. On budgetary imbalances Mr Ersbell was strongly opposed to the establishment of working groups of either officials or Foreign Ministers (cf Stuttgart). He had quite enough material to produce clear texts quickly on the basis of discussion in The Council. He hoped the Commission could be kept out of any drafting. He would advise Mr Papandreou of the need to draw clear conclusions on this as on other points, unlike Mr Varfis.



J A Sherherd

cc PS
Mr Coles ✓
Mr Hannay
Mr Williamson
Mr Unwin

4 December 1983