



Ref. A083/3182

PRIME MINISTER

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Cabinet: Community Affairs

Unless already covered under Foreign Affairs, you may like to tell Cabinet about the Community aspects of your talks with the Greek Prime Minister on 4 November, the Irish Prime Minister on 7 November and the German Federal Chancellor on 8-9 November, particularly in relation to the prospects for the December European Council.

2. The Minister of State, Foreign and Commonwealth Office (Mr Rifkind), may refer to the Special Council carrying on the post-Stuttgart negotiations which is meeting until 12 November. In particular he may refer to the cynical and prejudicial proposal to redefine expenditure which the Commission have tabled in order to make the United Kingdom's budgetary imbalance appear half its actual size. The United Kingdom has already made it clear that this transparent device is quite unacceptable.

3. The Minister of State, Department of Energy (Mr Buchanan-Smith), may report on the Energy Council on 4 November which he attended, when there was helpful recognition that solid fuels, the associated social measures, coking coal and demonstration projects should be treated as a package to be put to a December Energy Council following the European Council if the Presidency consider that sufficient scope for progress then exists.

4. The Secretary of State for Trade and Industry may report on the Industry Council on 4 November, at which the Parliamentary Under Secretary of State (Mr Fletcher) represented the United Kingdom. The Council welcomed Commission proposals for urgent action on telecommunications and agreed that an expert group should work up concrete proposals before the end of the year. There was also a favourable response to the Commission's ideas on biotechnology, and it was agreed that the Presidency should prepare a report to the Special Council after the subject had been discussed



in the Research Council. A Greek memorandum on industrial policy and the Commission's ideas on improving the climate for industrial co-operation were referred to the ad hoc group considering new policies in the context of the post-Stuttgart negotiations.

5. The Secretary of State for Trade and Industry may also refer to the Research Council on 5 November, at which the Deputy Permanent Representative (Mr Elliott) represented the United Kingdom. This made substantial progress on the programme for Information Technology (ESPRIT). The United Kingdom and Germany reserved their position on the funding of the programme. Your meeting of 4 November on the post-Stuttgart negotiations agreed that Ministers would need to look again at this point in the light of the Research Council discussion.

6. During the next seven days the Finance Council will meet on 14 November, the Agriculture Council on 14-15 November and the Development Council on 15 November. Immediately before next week's Cabinet there will be a meeting of OD(E) to consider ESPRIT, and the attribution of Community expenditure to departmental budgets.

A handwritten signature in dark ink, consisting of the letters 'R' and 'A' in a stylized, cursive font.

ROBERT ARMSTRONG

9 November 1983