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PRIME MINISTER

Cabinet: Community Affairs

The Chancellor of the Exchequer may report on the Budget Council in Strasbourg on 13 December, when the Economic Secretary represented the United Kingdom. This was held to prepare for the session of the European Parliament on 12-16 December which is considering the draft budget for 1984. The draft budget resubmitted by the Council to the European Parliament correctly includes 750 million ecu net for the 1983 United Kingdom refunds on budget lines. The European Parliament is not expected to take a decision until after Cabinet has met, but it now seems unlikely that it will reject the draft 1984 budget outright. It is possible, however, that it will put all or part of the provision for United Kingdom refunds in the reserve chapter. The Foreign and Commonwealth Secretary may wish to give the latest information on the European Parliament's budget discussion.

2. The Secretary of State for Trade and Industry will report on the Research Council on 13 December at which the Parliamentary Under-Secretary of State (Mr Trippier) represented the United Kingdom. The most important item on the agenda was the information technology programme (ESPRIT). Ministers had agreed that the United Kingdom could accept a one year programme (United Kingdom share of payments about £6 million, United Kingdom share of commitments about £12 million), which was within the original financial provision made by the Budget Council in the draft 1984 budget. It was not possible, however, to agree on the offsetting reductions in the financing limits of the nationalised industries for which the Chancellor of the Exchequer had asked. No decision was reached at the Research Council as a result of United Kingdom and German reservations on finance.

3. The Minister of Agriculture, Fisheries and Food will report on the Agriculture Council on 12-13 December, at which he was accompanied by the Ministers of State from the Ministry of



Agriculture, Fisheries and Food and the Northern Ireland Office (Mr MacGregor and the Earl of Mansfield). Although, as expected, no definitive decision was reached on imports of New Zealand butter after 1 January 1984, the Council did agree to a roll-over for two months at a figure which is acceptable both to the United Kingdom and New Zealand. In view of the French and Irish opposition, this is a good result in the circumstances.

4. A number of other Councils were held during the last week to which Ministers may make brief reference. The Finance Council on 12 December, at which the United Kingdom was represented by the Economic Secretary, had a preliminary discussion of possible revisions to the Community loan mechanism. The Irish requested an extension of their derogation from the directive concerning travellers' allowances; the Economic Secretary indicated that the United Kingdom would not stand in the way of a reasonable Commission proposal. At the first Consumer Affairs Council, where the United Kingdom was represented by the Parliamentary Under-Secretary of State, Department of Trade and Industry (Mr Fletcher), agreement was reached on an early warning system for hazardous consumer products. Some progress helpful to the United Kingdom was made on the draft directives on misleading advertising and doorstep selling. The Steel Council on 14 December, at which the Minister of State, Department of Trade and Industry (Mr Lamont), represented the United Kingdom, considered Commission proposals to stabilise the Community steel market, including minimum prices and guarantees or cash deposits from producers. The Fisheries Council on 14 December was attended by the Minister of Agriculture, Fisheries and Food and the Ministers of State in the Ministry of Agriculture, Fisheries and Food and the Scottish Office (Mr MacGregor and Lord Gray). This had a first general discussion of the Commission's proposals on catch quotas for 1984. The Social Affairs Council on 8 December, at which the Secretary of State for Employment represented the United Kingdom, agreed on a resolution on youth employment with certain changes to meet United Kingdom points.



5. The Secretary of State for Northern Ireland may refer to the report and resolution on Northern Ireland which was put to the Political Affairs Committee of the European Parliament on 12 December by Mr Haagerup, a Danish Liberal member. This condemns violence, rejects the idea of a British withdrawal and accepts that a united Ireland is not a possibility "in the foreseeable future". It calls on the European Parliament to press for greater Community aid for economic and social improvement in Northern Ireland and the border areas. On the political level Mr Haagerup calls for closer links between the United Kingdom Government and the Government of the Republic of Ireland to bring about "a political system with an equitable sharing of Government responsibilities" which he envisages would be accompanied by a joint Anglo-Irish Parliamentary body. The resolution is unlikely to come before the full European Parliament until March and in the meantime may be amended by the Political Affairs Committee.

6. In the remaining period up to Christmas the Environment Council will meet on 16 December, the Energy Council on 19 December, the Foreign Affairs Council on 19-20 December (including some discussion of the follow-up to the Athens European Council) and the Transport Council on 20 December.

RTA

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