

Ref. A083/3536

PRIME MINISTER

Cabinet: Community Affairs

The Foreign and Commonwealth Secretary will wish to report on the Foreign Affairs Council on 19 December. The Council approved the Community's declaration on rollback of protectionism (acceleration of tariff cuts if other developed countries will take similar action). Although this is not of major economic significance, it is a useful signal and was taken despite the United States announcement of further protectionism measures on textiles. On the 1984 budget the Council continued to support the United Kingdom view that the refunds should be put on budget lines. The Council decided to write formally to the President of the European Parliament registering its view that the Parliament had exceeded its powers in a number of respects including the classification of part of the United Kingdom's and Germany's 1983 refunds. Despite this letter the President of the European Parliament, Mr Dankert, has declared the 1984 budget adopted in the form approved by the Parliament. The United Kingdom is thus in dispute with the European Parliament, not with the Council, on this point and the position taken by the Council should be helpful when we seek to get the refunds out of the reserve chapter before 31 March 1984. The Council was close to agreement on a number of regulations under the Regional Fund from which the United Kingdom would gain about £86 million (principally on textiles, steel and shipbuilding). If the Steel Council can reach agreement at its meeting on 22 December, it is possible that all the regulations will then be adopted. There was a successful negotiating session with Spain on trade matters, at which the Spaniards accepted a satisfactory statement on the need for non-discriminatory treatment of Gibraltar.

2. The Secretary of State for the Environment may report on the Energy Council on 16 December at which the Parliamentary Under Secretary of State, Mr Waldegrave, represented the United Kingdom. Agreement was reached only on a directive on mercury discharges.



3. The Secretary of State for Transport may report on the Transport Council which he attended on 20 December. Items discussed included lorry weights and a proposed regulation for Community aid to transport infrastructure. Decisions were postponed until the new year.

4. The only Community meetings planned in the period up to 12 January are the Steel Council on 22 December (at which it is hoped to reach agreement on short-term measures on the Community's internal market) and the Agriculture Council on 9-10 January.

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ROBERT ARMSTRONG

21 December 1983