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PRIME MINISTER

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Cabinet: Community Affairs

You met President Mitterrand on 23 January, when the post-Stuttgart negotiations were one of the issues discussed.

2. The Foreign and Commonwealth Secretary will report on the Foreign Affairs Council on 23 January which discussed the procedure for carrying forward the post-Stuttgart negotiations. The French Presidency intends that work should continue in the specialised Councils on some subjects, principally agriculture and some aspects of new policies, including the internal market. We do not object to this, provided that the work makes progress and the European Council keeps the necessary overview of the whole negotiation. The next steps in the preparation of the main financing and budget issues will take the form of a round of bilaterals followed by an informal meeting of Foreign Ministers on 18-19 February. The Foreign and Commonwealth Secretary was concerned that this programme was too leisurely and asked that these questions should be dealt with not only in the informal meeting on 18-19 February but also in the formal Foreign Affairs Council on 20-21 February. The Commission may present a new document on the financial elements of the Athens package in mid-February.

3. On other matters the discussions with Spain and Portugal are likely to accelerate, with a view to completion of the enlargement negotiations by 30 September at the latest. The information technology programme ESPRIT was also discussed, the Germans putting forward a new idea which has some attractions. The Germans themselves are now ready to agree to the ESPRIT programme at the Research Council on 28 February but only on condition that there is a financial limit on the whole research and development programme, within which ESPRIT, the joint research centre and fusion programmes would be top priorities. This could help to squeeze out other Community expenditure which we consider to be of low priority. As expected, there was no

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progress on the energy items (in particular, coking coal, coal social measures and energy demonstration projects); these are more appropriate to the Energy Council and we have successfully put them back there.

4. The Minister of Agriculture, Fisheries and Food may report on his meeting with the Danish Minister of Agriculture on 23-25 January.

5. You will be visiting the Italian Prime Minister for the Anglo-Italian Summit on 26-27 January. The Steel Council is meeting on 26 January and the Fisheries Council on 31 January.

6. French - particularly Breton - farmers are continuing to demonstrate strongly about the very low price of pork. Dutch lorries, railway lines and town halls are their main targets, but no further incidents involving British lorries have been reported.

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ROBERT ARMSTRONG

25 January 1984

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