



LUXF0003/19

DD 191400Z FCO

OO UKREP BRUSSELS

PP BRUSSELS

PP COPENHAGEN

PP THE HAGUE

PP ROME

PP DUBLIN

PP PARIS

PP BONN

PP ATHENS

PP LISBON

PP MADRID

PP STRASBOURG

GRS 600

CONFIDENTIAL

FROM LUXEMBOURG 191145Z JUN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 160 OF 19 JUNE

AND TO IMMEDIATE UKREP BRUSSELS

INFO PRIORITY BRUSSELS COPENHAGEN THE HAGUE ROME DUBLIN

PARIS BONN ATHENS LISBON MADRID STRASBOURG

INFO SAYING WASHINGTON

FROM UKREP BRUSSELS

FOREIGN AFFAIRS COUNCIL LUXEMBOURG 18 JUNE

PREPARATION FOR EUROPEAN COUNCIL

SUMMARY

1. PRESIDENCY ANNOUNCED THEMES FOR DISCUSSION MUCH AS AT COREPER ON 13 JUNE. LITTLE DISCUSSION APART FROM YOUR STATEMENT.

DETAIL

2. CHEYSSON (PRESIDENCY) ANNOUNCED THAT PRESIDENT MITTERRAND WOULD WRITE TO HEADS OF GOVERNMENT WITHIN THE NEXT 48 HOURS EXPLAINING HOW HE INTENDED TO ORGANISE DISCUSSION. FROM THE POST-STUTTGART NEGOTIATION THERE WAS ONLY ONE OUTSTANDING DISPUTED ITEM, BUDGET IMBALANCES, WHICH AFFECTED OTHER QUESTIONS SUCH AS THE INCREASE IN OWN RESOURCES. THERE WOULD NEED TO BE DISCUSSION OF THE 1984 BUDGET, THOUGH NOT IN TERMS OF PRECISE DECISIONS. THE MEETING WOULD HAVE TO DISCUSS EAST-WEST RELATIONS AND DISARMAMENT, SINCE THERE HAD BEEN NO POLITICAL DECLARATIONS FROM THE LAST TWO COUNCILS. ON FOLLOW-UP TO THE LONDON SUMMIT AND WORLD ECONOMIC PROBLEMS, THIRD-WORLD DEBT WAS THE MAIN ISSUE. (COMMENT: HE DID NOT

SIR C TICKELL

MR RENWICK

MR WALL, ECD(1)

HD/ ECD(1) 1237

MR WILLIAMSON

MR STAPLETON

MR DURIE

MISS LAMBERT

CABINET OFFICE

MR UNWIN, TREASURY

MR POWELL, No. 10 D. St.

IMMEDIATE  
ADVANCE COPY



SINCE THERE HAD BEEN NO POLITICAL DECLARATIONS FROM THE LAST TWO COUNCILS. ON FOLLOW-UP TO THE LONDON SUMMIT AND WORLD ECONOMIC PROBLEMS, THIRD-WORLD DEBT WAS THE MAIN ISSUE. (COMMENT: HE DID MENTION MIDDLE EAST.)

3. ON THE INTERNAL COMMUNITY FRONT CHEYSSON LISTED ENVIRONMENT, SOCIAL AFFAIRS, RESEARCH, ACP ISSUES, FREE CIRCULATION OF GOODS AND PEOPLE AND FREEDOM OF ESTABLISHMENT, AND INSTITUTIONAL QUESTIONS: WHAT TO OFFER SPAIN AND PORTUGAL IN THE COMMISSION (WHICH WOULD REQUIRE A DECISION ON NUMBER OF COMMISSIONERS AND AT LEAST A FIRST DISCUSSION OF THE NEW PRESIDENT), VOTING, A POCO SECRETARIAT AND THE LONGER TERM PROSPECTS FOR EUROPEAN UNION (DISCUSSION BEING CONFINED TO PROCEDURE). THERE WOULD BE NO DRAFT CONCLUSIONS IN ADVANCE: LANGUAGE WOULD BE TABLED AS SUBJECTS WERE DISCUSSED. SUBJECTS WOULD NOT BE ADDRESSED 'GLOBALLY', ONLY OUTSTANDING ISSUES WITHIN THEM.

4. ANDREOTTI (ITALY) WANTED THE EUROPEAN COUNCIL TO REACH CLEAR CONCLUSIONS ON THE PROCEDURE MEMBER STATES AND PARLIAMENT WOULD ADOPT TO DEAL WITH THE DRAFT TREATY ON EUROPEAN UNION AND TO DISCUSS HOW TO IMPROVE COUNCIL-EP RELATIONS. GENSCHER (FRG) HOPED ENOUGH TIME WOULD BE ALLOWED FOR THE MORE IMMEDIATE ISSUES. VAN EEKELN (NETHERLANDS) REPEATED DUTCH REQUEST FOR DISCUSSION OF ECONOMIC AND SOCIAL SITUATION, AND PANGALOS (GREECE) WARNED PREDICTABLY THAT PAPANDEOU WOULD RAISE IMPS. BARRY (IRELAND) WANTED DISCUSSION OF ENLARGEMENT. TANDEMANS (BELGIUM) MADE HELPFUL REMARKS ABOUT THE NEED FOR A SOLUTION OF BUDGET IMBALANCES. THORN (COMMISSION) WAS WORRIED ABOUT THE 1984 AND 1985 BUDGETS.

5. IN THE ONLY SUBSTANTIAL STATEMENT, YOU LOOKED FORWARD TO DISCUSSING THE FUTURE OF THE COMMUNITY. THE NUMBER OF COMMISSIONERS AND THE IDENTITY OF THE NEW PRESIDENT SHOULD BE SETTLED. ON THE FUTURE SHAPE OF THE COMMUNITY AND IDEAS FOR INSTITUTIONAL CHANGE THERE WAS NOT ONLY MITTERRAND'S SPEECH BUT ALSO THE IDEAS IN THE PAPER THE PRIME MINISTER HAD GIVEN HEADS OF GOVERNMENT. YOU HOPED THAT ANY PRESIDENCY REPORT ON NEW POLICIES WOULD INCLUDE AN AGENDA FOR FUTURE WORK.

6. YOU STRESSED THAT IF A REAL RE-LAUNCH WAS TO BE POSSIBLE THE POST-STUTTGART NEGOTIATION MUST BE COMPLETED ON THE BASIS OF THE TEXTS OF 20 MARCH, WHICH COMPRISED A PACKAGE OF WHICH BUDGETARY IMBALANCES WAS AN INTEGRAL PART. YOU HAD HOPED PROGRESS WOULD BE MADE SOONER, BUT THE EP ELECTIONS HAD MADE THAT DIFFICULT. YOU HOPED THAT A REAL NEGOTIATION COULD GET UNDER WAY DURING THIS COUNCIL. YOU HAD HEARD PEOPLE SAY THERE SHOULD BE NO SYSTEM, THAT THERE SHOULD BE MORE AD HOC COMPENSATION. IT WOULD BE A PROFOUND MISTAKE TO ABANDON THE FRUITS OF A LONG NEGOTIATION ONLY ONE WEEK FROM FONTAINEBLEU. IT WAS CLEAR THAT THERE MUST BE A COMPROMISE: THAT MEANT A SETTLEMENT IN THE 1000 TO 1250 MECUS RANGE FOR THE NOTIONAL FIGURE. A REAL EFFORT SHOULD BE MADE. DISCUSSION OF THE POLITICAL ISSUES CHEYSSON HAD MENTIONED WOULD BE MORE FRUITFUL IF THE BUDGET IMBALANCE ISSUE HAD BEEN SETTLED FIRST.

FCO ADVANCE TO:

FCO - PS TICKELL RENWICK WALL ECD(+)

CAB - WILLIAMSON STAPLETON DURIE LAMBERT

TSY - UNWIN

NO 10 - POWELL

FCO PASS SAVING WASHINGTON

UKREP DIST: H OF C/ HDS OF SECTION FULL

MAUD