



Prime Minister:

You might also consider whether to mention to European Parliament's decision to mount an inquiry into the coal strike under this
Cabinet: Community Affairs item or under industrial affairs

Ref. A085/152

PRIME MINISTER

The Foreign and Commonwealth Secretary may report that JF
Monsieur Delors, the new President of the Commission, has set out 16/1
his approach in a speech to the European Parliament. The emphasis was on practical improvements in the operation of the Community; in particular, the internal market for goods and services and further action on the lines being discussed in the Committee on People's Europe (he referred to a timetable for "a real Community where travel, communications and trade are possible without any hindrance"); the strengthening of monetary co-operation and a controlled extension of the role of the official and private ecu; and a sense of urgency in decision making. This was generally on lines which we welcome and there were no hostages to fortune nor grandiose or theoretical schemes.

2. The Minister of Agriculture, Fisheries and Food may report on the Council of Ministers (Agriculture) on 14-15 January. On agricultural structures he was successful in ensuring that there was no attempt to bypass the Finance Council. The question of finance will go to a Finance or joint Finance/Agriculture Council in February. On the milk levy the Commission defended its decisions to withhold some advances for January and to institute legal proceedings but proposed technical amendments to meet some requests, including one from the United Kingdom. The levy remains uncollected in a number of member states (including the United Kingdom) and the circumstances in which the Cabinet took its decision remain unchanged.

3. You and other colleagues will be meeting Chancellor Kohl at the Anglo-German bilateral summit on 18 January. The supplementary estimate providing finance for the 1984 Community budget under the intergovernmental agreement will be debated in the House of Commons on 22 January.

RIA

ROBERT ARMSTRONG

16 January 1985