



Ref. A085/1521

PRIME MINISTER

Cabinet: Community Affairs

In the absence of the Foreign and Commonwealth Secretary, the Minister of State, Foreign and Commonwealth Office (Baroness Young) will report on the Development Council on 23 May, at which the main item discussed was famine in Africa. The Council concluded, first, that the immediate food requirements of the worst affected countries were largely covered by pledges but, secondly, that there were some doubts whether actual deliveries were arriving where and when they were needed. The Commission is following up this point. At the instigation of Mr Raison, the Council agreed to adopt a special accelerated procedure for considering the project to rehabilitate the Sudanese rail link to the west.

2. The Minister of State, Foreign and Commonwealth Office (Baroness Young) may also report briefly on the bilateral meetings which the Foreign and Commonwealth Secretary has held recently in order to make clear the United Kingdom's approach to the discussion on the development of the Community at the Milan European Council. He met Monsieur Delors, the President of the Commission, on 24 May, Mr Barry, the Foreign Minister of the Republic of Ireland, on 30 May, Monsieur Tindemans, the Belgian Foreign Minister, on 30 May and Monsieur Poos, the Luxembourg Foreign Minister, on 4 June. The United Kingdom has made real progress in moving the discussion on to ground of our own choosing and in getting much wider support than we had expected earlier for these elements of our position -



- (1) The aim is that practical decisions should be taken by the Heads of State and Government themselves at a successful meeting in Milan. We recognise that some matters will need to be refined in the summer and autumn for adoption at the European Council in December, so that some further intergovernmental work may be required. But we are not in favour of an open-ended "intergovernmental conference" which would open up all sorts of institutional issues (but not in our view resolve them) and would risk to become the longest running show in the Community.
- (2) The time has come to have an agreement on political co-operation, formalising the existing practice and improving the Community's influence on external matters.
- (3) The Milan European Council should agree on the specific priorities and programme for completing the common market, thus improving the Community's internal strength.
- (4) Practical steps should be taken to improve decision making by using the existing provisions of the Treaty, including, if necessary, greater use of abstention in order to implement agreed policy objectives (if the European Council decided that a particular objective should be achieved, it could also decide that member states would aim not to impede progress by invoking the unanimity rule in relating to the measures necessary for its implementation but without any change in the Luxembourg compromise on questions of very important national interest).
- (5) There is a real need for better exploitation of scientific and technological research within the Community. The EUREKA project could be hijacked for this purpose. In any event, it would be desirable for the avoidance of further confusion if the Milan European Council were to appoint a high-level



group (on which Sir Robin Nicholson might represent the United Kingdom) to give a clear steer on the further development of the French ideas.

(6) On the powers of the European Parliament there is disagreement within the Community. There is not going to be a change in the Treaty. Our ideas are essentially practical: to avoid the unnecessary confrontation between the Council and the European Parliament which results directly from the present procedure (in effect, the Council finalising its position before it takes delivery of the Parliament's view) but not to move one inch from the position that the Council has the last word. The procedural suggestion of earlier consultation is, however, significant, since in some cases it could lead to agreement between the Council and the European Parliament, and we shall try to find more common ground with other member states on this basis.

3. But, although the negotiating situation is satisfactory, the ambitions of the Italian Presidency and of some other member states for a more grandiose package remain considerable. The Foreign and Commonwealth Secretary will be pressing our views on all his colleagues at the informal meeting of Foreign Ministers at Stresa at the weekend.

4. You may wish to refer to your own discussions with Monsieur Delors and Monsieur Poos.

5. The Secretary of State for Transport will report on the Transport Council on 23 May. Discussion was overshadowed by a judgment in the European Court of Justice on 22 May which upheld the European Parliament's case against the Council's failure to implement common transport policy. This judgment is generally good for the United Kingdom since it stresses the requirement to liberalise the transport market and does not subordinate this to



other questions such as lorry weights. Other member states may of course try to recreate linkages. The Council made little progress on the Presidency's "master plan" for liberalisation and harmonisation, which is not in our view a good basis for action, and will have to return to these issues in the light of the European Court judgment shortly.

6. The Minister of Agriculture, Fisheries and Food will report on the informal Agriculture Council held in Siena on 27-29 May 1985. Business was confined to a preliminary exchange of views on the medium and long-term review of the Common Agricultural Policy, which was announced in the context of this year's price fixing proposals. The timetable for the work, which has already begun in a series of Commission Working Groups, is that the Commission will produce a consultative document before the summer break, followed by firm proposals in the autumn for incorporation in the 1986 price fixing proposals. The United Kingdom is supporting and seeking to steer this work. The Agriculture Council will meet again on 10-11 June in order to discuss cereals and rapeseed which were detached from the price fixing package agreed last month.

7. You should be aware that the Research Council met on 4 June, when the United Kingdom (in the absence of the Minister of State, Department of Trade and Industry (Mr Pattie) in Japan) was represented by Sir Robin Nicholson. There was broad agreement on starting the advanced communication technology programme (RACE) within the existing funding, the siting of the European Synchrotron Radiation Facility (ESRF) at Grenoble and on the tritium handling laboratory in Italy (within the financial provision already made for the Joint Research Centre) but French and British reserves were maintained. The British reserve is tactical, being related to our wish to tie down some other member states to make a financial contribution to the work at the Rutherford-Appleton laboratory on the Spallation Neutron Source (SNS) on which we expect to be successful.



8. The Education Council met on 3 June, when the United Kingdom was represented by the Secretary of State for Education and Science. The Industry Council also met on 3 June, when the United Kingdom was represented by the Parliamentary Under Secretary of State for Industry (Mr Butcher). Culture Ministers met on 28 May, when the United Kingdom was represented by the Chancellor of the Duchy of Lancaster. There are no points requiring a report to Cabinet.

9. There will be an informal meeting of Foreign Affairs Ministers on 8-9 June to discuss a wide range of issues as part of the preparation for the Milan European Council. The Internal Market Council will meet on 10 June, the Finance Council on 11 June and the Social Affairs Council on 13 June.

RIA

ROBERT ARMSTRONG

5 June 1985