



PM/83/44

PRIME MINISTER

Yes me

Worshipful?

A.J.C. 29/6.

Prime Minister

Decision needed tonight.

Agree with the Foreign Secretary

Follow up to the Stuttgart Declaration on the Future Financing  
of the Community

1. The Greek Presidency are planning to hold the first of the special ministerial meetings provided for in the Stuttgart Declaration on 8 July. Their aim at this meeting will be to settle the procedure for further work including such matters as the subjects to be covered, the level and size of delegations and the way in which the meetings would be prepared and the frequency of these meetings. We have been asked to feed in our views on these questions by 1 July. This minute seeks your agreement to the line I propose to take in our reply to the Presidency's request and at the meeting on 8 July.

2. On the subjects to be covered in the negotiations there should not be much room for dispute. These are clearly set out in the Stuttgart Declaration itself. I will aim to get the subjects broadly grouped under three headings:

- (i) Reform of the financial system (safety net, own resources, modulated VAT, budgetary discipline);
- (ii) CAP (including financial guideline);
- (iii) Other policies.

While we cannot totally exclude attempts by others to discuss the implementation of the agreement on our 1983 refunds in this forum, I shall insist that it should not be discussed there: but be dealt with as necessary under the normal budgetary procedures and at regular Foreign Affairs Council meetings.

/3. The question





3. The question of the composition of delegations poses special problems for the Greek Presidency because their Foreign Minister, Haralambopoulos, is probably not up to grasping the detailed matters involved in this negotiation. Our interest is to see that their able State Secretary, Varfis, plays the major role. On most occasions I would hope that I (and other Foreign Minister colleagues) would attend under Varfis's chairmanship. But if meetings explicitly limited to State Secretaries are organised, Malcolm Rifkind will represent the UK.

4. When these matters were discussed at the Foreign Affairs Council on 21 June there was a general disposition against "mass meetings" of Foreign, Finance and Agriculture Ministers. I am sure we too should oppose the idea of such joint meetings being held more than very occasionally. They would be unwieldy and difficult to arrange given the number of different diaries which would have to be squared. On the other hand, given the range of subjects to be discussed and the terms of the Stuttgart Declaration I think it will be necessary for me to be closely supported by the Treasury, or the Ministry of Agriculture, at ministerial or senior official level as the occasion requires. The Greeks have tentatively suggested that delegations should be on a "one plus one" basis. This might be appropriate in the final stages of a negotiation but, in order to cover all the interests (including the presence of our Permanent Representative) in the more detailed early stages of this negotiation, I shall suggest the more normal "one plus three".

/5. I have





5. I have the impression that the Greeks will not be proposing a separate group at official level to prepare ministerial meetings. I think that makes sense. Coreper will remain available; and we can always look at this again as the negotiations progress if a need arises for such a special grouping at official level. This formula would leave the preparation of paper work etc for the meetings in the hands of the Presidency and Council Secretariat. I think that in the circumstances this would be satisfactory, since we believe that we can maintain reasonable links and bring our influence to bear on this work, as we did at Stuttgart.

6. Finally, I would propose to argue for a tight schedule of meetings. I believe the Greek Presidency are thinking of fortnightly meetings and I am sure this will be necessary if we are to get through the work between now and December. I will also urge the Presidency to draw up well in advance a schedule of the particular subjects to be discussed at each meeting so that we can make our preparation accordingly. Judging by the attitude Dankert was taking during his visit to London, there will inevitably be some discussion on 8 July about the role of the European Parliament. I would propose to take a reserved line on this. We need to steer between the delays and complications that involvement of the Parliament would be likely to cause and unnecessarily provoking them over our refunds.

/7. We shall





7. We shall need to despatch our reply to the Presidency on 30 June so I would be grateful for confirmation by mid-day on that day that you agree with the line I propose to take.

8. I am copying this minute to Nigel Lawson, Michael Jopling and Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office  
29 June 1983



29 JUN 1963







Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

A.J.C. 30  
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p.a.

*with OSC*  
You sent me a copy of your minute of 29 June about follow-up to the Stuttgart Declaration on the future financing of the Community.

2. I am broadly content with what you propose, though I suspect that Finance Ministers may have to be involved rather more than you envisage.

3. I am sending copies of this minute to the Prime Minister, to Michael Jopling, and to Sir Robert Armstrong.

A handwritten signature, likely of the Chancellor of the Exchequer, consisting of stylized initials.

(N.L.)

30 June 1983



30 JUN 1983





RESTRICTED

FILE

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10 DOWNING STREET

*From the Private Secretary*

1 July 1983

*R*

Follow up to the Stuttgart Declaration on the  
Future Financing of the Community

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The Prime Minister has seen the minute of 29 June by the Foreign and Commonwealth Secretary on this subject and agrees with his proposals.

I am copying this letter to John Kerr (HM Treasury), Robert Lawson (MAFF) and Richard Hatfield (Cabinet Office).

A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.

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