

# Confidential

CONFIDENTIAL  
FM LUXEMBOURG  
TO IMMEDIATE FCO  
TELNO 293  
OF 271912Z OCTOBER 86  
INFO IMMEDIATE UKREP BRUSSELS  
INFO PRIORITY EUROPEAN COMMUNITY POSTS

FRAME GENERAL

FROM UKREP BRUSSELS

MEETING WITH DELORS

1. AT DINNER WITH DELORS ON 26 OCTOBER, YOU DISCUSSED THE AGENDA FOR THE EUROPEAN COUNCIL.
2. YOU EXPLAINED THAT WE ENVISAGED CIRCULATING A SINGLE PRESIDENCY PAPER FOR THE FIRST SESSION ON THE AFTERNOON OF FRIDAY 4 DECEMBER COVERING (A) JOB CREATION (IDEAS UNDER DISCUSSION BY THE EMPLOYMENT MINISTERS) AND (B) SMALL BUSINESSES (FOLLOWING THE COMMISSION'S PROPOSALS, INCLUDING THAT TO RAISE THE VAT THRESHHOLD FOR SMALL COMPANIES), (C) THE INTERNAL MARKET (TO NOTE THE DECISIONS TAKEN AND URGE DECISIONS IN DECEMBER ON OUTSTANDING ISSUES), AND (D) BURDENS ON BUSINESS (WELCOMING THE ESTABLISHMENT OF THE TASK FORCE ETC.)
3. YOU ADDED THAT WE HOPED THAT ANY COMMISSION PAPERS WOULD BE DISCUSSED IN ADVANCE WITH US AS WE WOULD DISCUSS OURS WITH THEM AND THAT THEY WOULD BE READY BY 20 NOVEMBER. WE WERE DETERMINED THAT NO LAST MINUTE PAPERS SHOULD BE CIRCULATED.
4. DELORS REACTED POSITIVELY TO THESE IDEAS. HE AGREED THAT THERE WAS LITTLE POINT IN THE USUAL RITUALISTIC DISCUSSION OF THE ECONOMIC AND SOCIAL SITUATION. HE THOUGHT A SHORT THREE OR FOUR PAGE PAPER BY THE COMMISSION ON THE MACRO-ECONOMIC BACKGROUND MIGHT BE USEFUL. HE EMPHASISED, HOWEVER, THE COMMISSION'S INTEREST IN RESEARCH AND TECHNOLOGY, AND INDICATED PRETTY CLEARLY THAT THE COMMISSION WILL WANT SOMETHING TO BE SAID ABOUT THIS IN THE PRESIDENCY PAPER. WE AGREED TO LET HIS CHEF DE CABINET HAVE A FULLER EXPLANATION OF THE KIND OF DISCUSSION PAPER WE ENVISAGE CIRCULATING.
5. YOU ADDED THAT WE ENVISAGED THE DISCUSSION WITH THE HEADS OF GOVERNMENT OVER DINNER BEING DEVOTED TO THE QUESTIONS OF TERRORISM/ FRONTIER CONTROLS/IMMIGRATION/DRUGS ETC. OUR OBJECTIVE WAS TO INTENSIFY OUR COOPERATION IN A WAY THAT WOULD PROMOTE THE OBJECTIVE OF FREE MOVEMENT WITHIN THE COMMUNITY. TO REACH THAT GOAL PROGRESS WAS NEEDED ON IMPROVING COOPERATION ON TERRORISM AND IN THE FIGHT AGAINST DRUGS, ILLEGAL IMMIGRATION, AND THE ABUSE OF ASYLUM. THE COMMISSION WOULD CONTINUE TO BE FULLY ASSOCIATED WITH THE WORK OF THE INTERIOR MINISTERS. OUR OBJECTIVES WERE THE SAME.

## Confidential

6. DELORS SPOKE VERY POSITIVELY ABOUT THE WORK WHICH HAD BEEN CONDUCTED AMONG INTERIOR MINISTERS DURING OUR PRESIDENCY AND SAW NO DIFFICULTY WITH THIS AGENDA. HE AGREED THAT IT WAS NECESSARY FOR THE HEADS OF GOVERNMENT TO BE SEEN TO BE DEALING WITH THESE MATTERS OF DIRECT PUBLIC CONCERN.
7. YOU SAID THAT WE HAD NO WISH TO TURN THE EUROPEAN COUNCIL INTO AN AGRICULTURE COUNCIL, ESPECIALLY JUST BEFORE THE GERMAN ELECTIONS. IF HOWEVER THERE WAS INSUFFICIENT PROGRESS IN THE AGRICULTURE COUNCIL IN NOVEMBER, THE EUROPEAN COUNCIL MIGHT NEED TO CALL ON THE AGRICULTURE MINISTERS TO TAKE URGENT ACTION ON BEEF AND MILK.
8. DELORS SAID THAT HE THOUGHT IT IMPORTANT TO AVOID GENERAL DISCUSSION OF AGRICULTURE AT THE EUROPEAN COUNCIL. THE COMMISSION SHARED OUR DESIRE TO GET DECISIONS ON THESE MATTERS TAKEN BY THE AGRICULTURE COUNCIL IN NOVEMBER. THE COMMISSION WERE LIKELY TO MODIFY THEIR PROPOSALS IN THE HOPE THAT THIS WOULD ADVANCE MATTERS.
9. YOU SAID THAT OF COURSE OTHER MATTERS MIGHT COME UP, INCLUDING POLITICAL COOPERATION. THERE MIGHT BE A WISH TO DISCUSS EAST/WEST RELATIONS POST-REYKJAVIK.
10. THE DISCUSSION THEN TURNED TO THE EX NOVO REVIEW ON COMMUNITY FINANCES. DELORS CONFIRMED THAT THE COMMISSION WOULD NOT BE IN A POSITION TO BRING FORWARD PAPERS BEFORE THE EUROPEAN COUNCIL AND DID NOT WANT IN DEPTH DISCUSSION ON THAT OCCASION. THEY WOULD BE PUTTING FORWARD THEIR IDEAS LATER IN DECEMBER. YOU SAID THAT THE EX NOVO REVIEW MUST TACKLE THE PROBLEMS OF AGRICULTURE. WE WERE ALL COMMITTED TO SUPPORTING AGRICULTURE, BUT IN A RATIONAL WAY.
11. ON THE INTERNAL MARKET, YOU EMPHASISED THAT, AS PRESIDENCY, WE WERE TRYING TO GET PROGRESS BY EVERY POSSIBLE ROUTE, INCLUDING A NEW GROUP OF COORDINATING OFFICIALS FROM CAPITALS, EXTRA TIME TO BE PROVIDED AT DECEMBER AGRICULTURE COUNCIL, AND INTENSIVE BILATERAL DISCUSSIONS. DELORS REFERRED TO THE CONTACTS WHICH HAD TAKEN PLACE BETWEEN US AND THE COMMISSION ABOUT ITEMS ON WHICH WE ARE AWAITING COMMISSION PROPOSALS. WE MENTIONED PARTICULARLY THE SPECIFIC PROGRAMME FOR THE PHASING OUT OF ROAD HAULAGE QUOTAS. DELORS AGREED THAT PRIORITY MUST BE GIVEN TO REACHING DECISIONS INTER ALIA ON THE LIBERALISATION OF CAPITAL MOVEMENT, MEASURES OF LIBERALISATION IN AIR TRANSPORT ETC.

12. IN PRIVATE DISCUSSION WITH YOU, DELORS INDICATED THAT HE IS PREPARED TO SERVE FOR ANOTHER TWO YEARS AS PRESIDENT OF THE COMMISSION. WE SHALL BE IN TOUCH WITH OTHER MEMBER STATES ABOUT HIS RE-APPOINTMENT.

MILES

YYYY  
ADVANCE  
PS  
PS/MRS CHALKER  
PS/PUS  
D THOMAS FCO  
RENWICK FCO  
WALL FCO  
SHEPHERD FCO  
RICHARDSON ECD P FCO  
WILLIAMSON CAB  
JAY CAB  
BRYCE C/E  
KNOX C/E  
WILLIAMS DTI  
MOGG DTI  
LOUGHEAD DTI  
HADLEY MAFF  
ANDREWS MAFF  
LAVELLE TSY  
MORTIMER TSY  
CRABBIE TSY  
MISS MCCONNELL DOE  
STEVENS D/EN  
MORPHET D/EN  
LEWIS D/EM  
MS LAMBERT D/TP  
PARTRIDGE HOME OFFICE  
DILLING HOME OFFICE  
MAIN  
FRAME GENERAL  
UKREP DIST FEAN HEADS OF SECTION FULL

LMLNAN 0903

NNNN

FRAME GENERAL

ECW (1)

(ADVANCED A.S REQUESTED)