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PRIME MINISTER

MEETING WITH MR. DAVID WILLIAMSON

You are to see David Williamson tomorrow afternoon. The main purpose is to discuss the prospects for the European Council in Rhodes in December.

You might like to start by thanking him for his help over the question of additionality in the context of the EC's Structural Funds. He came up with the exchange of letters we wanted.

It is difficult to predict how the European Council will go. Papandreou is clearly not in good shape and unlikely to be an effective Chairman. We have not yet had the Presidency letter setting out their views on the organisation of the Council. But it will probably tackle three broad issues:

- the Single Market. This is likely to be a progress report and not require specific decisions from Heads of Government. But under this general heading, the Presidency may raise the social dimension and other contentious issues such as VAT harmonisation;
- a general political discussion, focussed principally on East/West relations. The Presidency apparently envisage issuing a declaration on the Community's Role in the World. I have not seen a text yet, but am told that it is fairly harmless;
- the environment. Again, this is likely to be a general discussion of environmental problems. You will be able to make something of our initiative in summoning a conference in London for March.

It is unlikely that economic and monetary matters will come up: the Delors Committee is still working away.

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You may like to see to what extent this corresponds with Mr. Williamson's expectations of the Council and ask him whether there are any particular points which M. Delors is likely to raise, particularly ones which will be difficult for us.

Another issue on which you might like to question him is the likely division of portfolios in the new Commission. The latest intelligence we have is that Andriessen will move from agriculture to external affairs: Pandolfi may take agriculture: the Single Market is likely to be split with Bangemann getting the major portion: and Mr. Brittan is likely to get Competition, perhaps with some additional bits such as financial services added. This would be a not unsatisfactory outcome.

Another subject on which you might tackle him is the Community's position on agriculture at the GATT meeting in Montreal. Your clear impression from your discussions in Washington is that the Americans are prepared to move off their unreasonable position: but it will certainly require further movement by the Community as well if there is to be a positive outcome to the meeting as a whole.

I am not sure there are any other specific points which you need to raise with Mr. Williamson although you might like to mention our concern about the size of our net contribution. You might also express a general concern about the number of contentious issues which look likely to come up next year - tax approximation, harmonisation of withholding tax, European Central Bank, worker participation, European Company Statute, mergers policy. There is plenty of scope here for some divisive discussions. You hope the Commission will move prudently.

C.D.P.

(C. D. POWELL)

23 November 1988

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PRIME MINISTER

MEETING WITH SIR DAVID HANNAY AND MR. ROGER LAVELLE

You are to see David Hannay and Roger Lavelle tomorrow afternoon to discuss the forthcoming European Council in Rhodes. It should in fact be a fairly uneventful meeting. The Foreign Secretary dealt with the main issues briefly in Cabinet this morning. I attach the note which I prepared for your meeting today with David Williamson, which I think will serve equally for the meeting with Hannay and Lavelle. You will also find in the folder a short paper prepared for OD(E) about the Rhodes meeting.

C.D.P.

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(C. D. POWELL)

24 November 1988

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PRIME MINISTER

EUROPEAN COUNCIL, RHODES: BILATERAL WITH THE TAOISEACH

It is not yet clear that Mr. Haughey will be well enough to go to Rhodes. But if he is, he will want a bilateral.

The best time is likely to be on the first morning before the European Council starts. You have a working breakfast with Chancellor Kohl from 0830-1000, but nothing thereafter until lunch.

You might like to fit in:

- a meeting with Mr. Haughey from 1030-1115;
- a meeting with Mr. Lubbers from 1130-1215.

Agree?

C. D. POWELL

22 November 1988

PRIME MINISTER

VISIT TO RHODES

I assume that you do not want a hair appointment while you are in Rhodes as you will have had your hair done on the morning of your departure (Thursday 1 December).

With regard to climate/clothing - the temperature in Rhodes will be between 12°C and 15°C. It may be wet and windy. Dress for the Heads of Government dinner on Friday 2 December is informal.

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MRS. TESSA GAISMAN

4 November 1988