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PRIME MINISTER

CABINET: EUROPEAN COUNCIL, STRASBOURG

You agreed that there should be a discussion in Cabinet tomorrow of the forthcoming European Council in Strasbourg. The Foreign Secretary's factual minute (attached) has been circulated to all members of Cabinet.

I suggest that you say that you, the Foreign Secretary and the Chancellor have discussed the agenda and are in agreement on the line we should take on the main issues. So far as possible, your aim will be to emphasise the subjects which show the Community to be united and constructive: that is, the response to events in Eastern Europe, and the completion of the Single Market. (2)

(3) We shall vote against the Social Charter: this is widely expected, our position has good support in this country, and there is unlikely to be any serious dispute. You will explain our reasons for rejecting it at the subsequent press conference.

(4) On EMU, you have agreed with the Chancellor and Foreign Secretary that we will oppose setting a date for an IGC, which we regard as unnecessary. The German position remains unclear, but the odds must be that Kohl will support Mitterrand. Since an IGC requires only a simple majority, we cannot stop it, and there is no point in making a great fuss so that we appear to incur a significant defeat. The real difficulties of Stages 2 and 3 of the Delors proposals will become more apparent as they are discussed; and you will of course make clear that Parliament has rejected them, with the backing of all parties. We shall try behind the scenes to get conditions on an IGC written into the conclusions, so as to constrain it so far as possible.

You might then invite:

- the Foreign Secretary to speak on the general aspects of Strasbourg.

- the Chancellor on EMU.

Kohl is now pressing to defer the opening of an IGC, but wants agreement to conclude it & implement the results by 1994.

- the Employment Secretary on the Social Charter.
- the Trade and Industry Secretary on the Single Market.

You will want to conclude that Cabinet agreed that we should work for as harmonious an outcome at Strasbourg as possible, consistent with our refusal to accept the Social Charter and Parliament's rejection of Stages 2 and 3 of Delors.

C.D.P.

CDP

6 December 1989

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