

GRS 400
CONFIDENTIAL

FM UKREP BRUSSELS

TO IMMEDIATE FCO

TELNO 1702

OF 211932Z MAY 86

INFO PRIORITY EUROPEAN COMMUNITY POSTS

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FRAME GENERAL

YOUR MEETING WITH COMMISSION: BRUSSELS 21 MAY

SUMMARY

1. A LONG BUT BUSINESS LIKE SERIES OF MEETINGS, WHICH JUSTIFIED THE NEW FORMAT WE HAD PROPOSED. YOU WERE ABLE TO OUTLINE THE MAIN PRIORITIES FOR OUR PRESIDENCY, NEARLY ALL OF WHICH FOUND IN VARYING DEGREES A RESPONSIVE NOTE FROM THE COMMISSION. THERE WAS IN PARTICULAR BROAD AGREEMENT ON :

- (I) THE PRIORITIES IN EXTERNAL RELATIONS (US, JAPAN, TURKEY, NEW ZEALAND, GATT, TEXTILES, EFTA AND MEDITERRANEAN):
- (II) LABOUR MARKET FLEXIBILITY, (THOUGH MARIN OBJECTED TO THE 'IDEOLOGICAL' LANGUAGE IN OUR STRATEGY PAPER:
- (III) THE NEED TO PRESS ON WITH THE ADJUSTMENT OF THE CAP, INCLUDING REFORM OF THE BEEF REGIME AND IDEAS SUCH AS SET-ASIDE (THOUGH ANDRIESEN WARNED THAT REFORM WOULD COST MONEY IN THE SHORT TERM):
- (IV) TRANSPORT LIBERALISATION (THOUGH CLINTON DAVIES AND OTHERS WARNED AGAINST US-STYLE DEREGULATION).

2. YOU CAME UNDER PREDICTABLE PRESSURE FROM THE COMMISSION ON:

- (I) THE INTERNAL MARKET: COCKFIELD BLAMED THE COUNCIL FOR THE SLIPPAGE IN THE ROLLING PROGRAMME AND URGED THE UK TO RESTORE MOMENTUM:
- (II) RESEARCH: NARJES TRIED TO CLAIM THAT HMG WAS THE ONLY SERIOUS OBSTACLE TO HIS FRMAEWORK PROPOSALS AND THAT THERE WOULD BE NO INTERNAL MARKET WITHOUT A LARGE COMMUNITY-FINANCED RESEARCH PROGRAMME TO COMPENSATE SMALLER AND POORER MEMBER STATES.
- (III) ENVIRONMENT: CLINTON DAVIES HIGHLIGHTED THE PROBLEM OF LARGE COMBUSTION PLANTS AND CLAIMED THAT THE DUTCH COMPROMISE WAS INADEQUATE.

3. THE TONE OF THE DISCUSSION WAS GENERALLY CONSTRUCTIVE AND THE COMMISSION WILL HAVE TAKEN CAREFUL NOTE OF THE POINTS WHICH FEATURED MORE PROMINANTLY ON OUR SHOPPING LIST THAN IN THEIRS. THE ONLY SUBJECT WHICH DID NOT GET A SATISFACTORY AIRING WAS THE BUDGET, WHICH WAS TAKEN DISCURSIVELY OVER LUNCH. WE WILL NOW BE ABLE TO PREPARE WITH THE COMMISSION A CHECKLIST OF SPECIFIC PROPOSALS BY BOTH SIDES (INCLUDING THEIR REQUEST TO BRING FORWARD THE DECEMBER RESEARCH COUNCIL, POSTPONE THE DECEMBER ECOFIN COUNCIL, AND SCHEDULE

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AN EXTRA TRANSPORT COUNCIL EARLY IN OUR PRESIDENCY.)

4. YOUR HOUR LONG MEETING WITH DELORS IS BEING REPORTED SEPARATELY.

5. DETAIL IN MY FOUR IFTS.

HANNAY

YYYY

ADVANCE

PS FCO

PS/MRS CHALKER FCO

BRAITHWAITE FCO

RENWICK FCO

WILLIAMSON CAB

JAY CAB

BRECKNELL DTI

WILLIAMS DTI

FREEMAN ODA

ANDREWS MAFF

LAVELLE TSY

GRUFFYDD-JONES DOE

FREMANTLE D/EN

LAMBERT D/EM

LAMBERT D/TP

MAIN

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UCLNAN 2189

FRAME GENERAL

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(ADVANCED AS REQUESTED)

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