



Ref. A086/1604

PRIME MINISTER  

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Cabinet: Community Affairs

The Foreign and Commonwealth Secretary will report that the Community has agreed on a measure to replace the ban on food imports from Eastern Europe following the Chernobyl disaster. The new regulation came into force on 31 May and applies to food imports from all non-Community countries. It lays down maximum permitted levels of radioactivity (600 becquerels per kilogram in terms of Caesium 134 and 137 for most products, with lower levels for milk products and baby foods), requires member states to check compliance with these levels and permits restrictions on the distribution of products that fail to meet the prescribed standards. We ourselves are proposing to require special certification on imports of certain food products from seven East European countries (including the German Democratic Republic), Yugoslavia, Sweden and Austria. Though some of the maximum permitted levels are lower than we regard as technically justified the result is satisfactory, both as a protection for Community consumers and as a common Community position vis-à-vis third countries.

2. The Chancellor of the Exchequer will refer to the Opinion of the Advocate General issued on 2 June in the case which the Council is taking against the European Parliament over the 1986 budget. Though this is not the judgment of the European Court of Justice it is likely to be very influential in the Court's final decision. The Advocate General takes the view that the adoption of the 1986 budget by the European Parliament is not legal being "contrary both to the letter and to the spirit of Article 203", thus supporting our basic contention that the European Parliament does not have the right unilaterally to increase the provision





for non-obligatory expenditure even within the 1.4 per cent VAT ceiling. If confirmed by the Court, this would give us the victory we need. He also criticises the Council, implying that they should have made bigger provision for "the cost of the past". He concludes that the President of the European Parliament's declaration adopting the 1986 budget is void; that the payments already made should not be overturned; and that the budgetary procedure should be taken up again. If the European Court of Justice follows the Advocate General's view, the United Kingdom Presidency will have to decide at the beginning of July how to put things right: we have contingency plans for a speedy decision on a new budget.

3. The Secretary of State for Energy may report on the Energy Council on 3 June. The Commission is to produce a comprehensive analysis of the implications of Chernobyl for submission to the next Foreign Affairs Council. At the instigation of the United Kingdom and Germany, the Council put particular emphasis on the importance of follow-up work in the International Atomic Energy Agency. Some of these questions are expected to be on the agenda of the next European Council on 26-27 June. Further progress was made on a new régime for state aids for the coal industry: agreement should be possible before the present arrangements expire at the end of this month. The Council - with Denmark dissenting because of their anti-nuclear stance - was able to agree the text of the Community's longer-term energy objectives.

4. The Minister of Agriculture, Fisheries and Food may report on the Agriculture Council which was held on 26-27 May. The Council carried forward some work on the internal market, reaching agreement on two directives relating to pesticides in agricultural products. Both of these are in the Dutch/United Kingdom Presidency programme of measures to complete the internal market.





5. The Secretary of State for Social Services may refer to the meeting of Ministers of Health which took place on 29 May and at which the United Kingdom was represented by Mr Hayhoe. Resolutions were agreed on a number of important topics such as cancer, AIDS, alcohol abuse and a voluntary Community health card. It was important in setting a boundary to the Commission's ambitions that all these matters were agreed on the basis either of sole national competence or of mixed Community and national competence and none were agreed on the basis of Community competence alone.

6. The Paymaster General will be attending the Social Affairs Council on 5 June at which he will present jointly with his colleagues from Italy and the Irish Republic the paper promoted by the United Kingdom on employment growth into the 1990s. This is an important initiative intended to build on the agreement already reached on deregulation and to direct attention away from outdated "social engineering" proposals and towards positive ways of encouraging an enterprise culture (small businesses, training, more flexible work patterns etc). It has had a good press. We shall be pursuing it energetically during our Presidency.

7. There is an informal meeting of Foreign Ministers on 7-8 June. There is an informal meeting of Agriculture Ministers on 8-10 June. On 9 June there is an Industry Council and a meeting of Education Ministers. There is a Research Council on 10 June and an Environment Council on 12 June. The European Parliament will be in session from 9 to 13 June.

ROBERT ARMSTRONG

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