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INFO ROUTINE LISBON, MADRID, ATHENS, ROME
INFO SAVING BRUSSELS

EUROPEAN COUNCIL : DELORS PRESS CONFERENCE, 24 JUNE

SUMMARY

1. A RESTRAINED, LOW KEY PERFORMANCE BY DELORS. THE FRAMEWORK FOR EUROPEAN COUNCIL DISCUSSION TO BE THE SINGLE EUROPEAN ACT. REFUSAL TO BE DRAWN ON SOUTH AFRICA (POLITICAL COOPERATION WAS NOT A MATTER FOR THE COMMISSION). BRIEF MENTION OF COMMISSION DISCUSSION PAPERS FOR THE COUNCIL, WHICH SHOULD GIVE A POLITICAL IMPULSE TO SPECIALIST COUNCILS WITHOUT TRYING TO DO THEIR WORK FOR THEM.

DETAIL

2. DELORS SAID THAT THIS EUROPEAN COUNCIL WAS THE FIRST FOR AT LEAST TWO YEARS NOT TO BE BURDENED BY DEADLINES. HEADS OF GOVERNMENT SHOULD BE ABLE TO HAVE FREER DISCUSSION ON PROSPECTS FOR EUROPEAN CONSTRUCTION. THERE WAS NO NEED FOR GRAND DECLARATIONS WHICH WOULD NOT BE IMPLEMENTED. THE SINGLE EUROPEAN ACT WAS THE REFERENCE FRAMEWORK WITH THREE MAJOR ELEMENTS:

- (A) FORMALISATION OF EUROPEAN POLITICAL COOPERATION - ON WHICH THE COMMISSION WAS NOT COMPETENT TO COMMENT FURTHER:
- (B) FASTER, BETTER DECISION MAKING WITH AN OPPORTUNITY (PERHAPS TOO SLIGHT) FOR THE EUROPEAN PARLIAMENT TO CONTRIBUTE:
- (C) THE BASIS FOR THE RE-LAUNCH OF THE COMMUNITY VIA THE SINGLE MARKET, R AND D, COHESION, MONETARY AND SOCIAL POLICIES.

THE SEA REPRESENTED THE EUROPE OF THE POSSIBLE: NOT ENOUGH, IN DELORS VIEW, BUT IT WAS THE COMPROMISE WE HAD ALL ENDED UP WITH. THE COMMUNITY HAD MOVED FORWARD IN THE LAST SIX MONTHS - BUT HESITANTLY. SOME OF THE 12 (NOT THE LATEST ARRIVALS) WERE FRIGHTENED TO MOVE FURTHER - BUT THE 12 WERE BOUND TO SUCCEED OR STAGNATE TOGETHER.

3. HE MADE THE FOLLOWING POINTS IN ANSWER TO QUESTIONS:

SOUTH AFRICA

DELORS INSISTED THAT THE COMMISSION'S ROLE WAS TO EXECUTE THE WILL OF MEMBER STATES IF ASKED. AT THE JUNE FAC HE HAD ASKED IF THE COMMISSION SHOULD PREPARE A PAPER ON ECONOMIC MEASURES AGAINST SOUTH AFRICA. HAVING RECEIVED NO REPLY, THERE WERE NO COMMISSION PROPOSALS ON THE TABLE - BUT IN-HOUSE PREPARATORY WORK HAD GONE ON IN CASE THE REQUEST CAME. ALL EYES WERE ON EUROPE, SILENCE OVER S. AFRICA FROM THOSE ASSEMBLED AT THE EUROPEAN COUNCIL WOULD BE DEPLORABLE - / BUT.

BUT HE WAS ANGRY WITH SOME FELLOW COMMISSIONERS WHO WENT FURTHER IN COMMENTING ON MATTERS OUTSIDE COMMISSION COMPETENCE, SINCE THIS GAVE GOVERNMENTS THEIR EXCUSE TO CRITICISE THE COMMISSION INSTEAD OF TAKING THE RIGHT POLITICAL DECISIONS. LIKE CAESAR'S WIFE, HE HAD TO BE ABOVE SUSPICION OF CONSPIRING TO EXTEND COMMISSION COMPETENCE. COUNTERING THE ERASMUS AND COMETT PROPOSALS, HE INSISTED THAT THE COMMISSION WAS NOT OUT TO CREATE 'EUROPE DE L'EDUCATION'. IF SOMETHING WAS NOT IN THE EC TREATY, THAT WAS THAT.

THE BUDGET

THE MAJORITY IN THE COMMISSION HAD DECIDED AGAINST PROVOKING A FUTILE CRISIS BY INSISTING ON DISCUSSION OF BUDGETARY PERSPECTIVES AT THE HAGUE. SUCH STERILE DISCUSSION WOULD ONLY DIVIDE THE COMMUNITY INTO SUPPORTERS OF THE CAP V. SUPPORTERS OF THE STRUCTURAL FUNDS, NORTH V SOUTH ETC. WITHIN THE NEXT YEAR THE COMMUNITY WOULD HAVE TO TAKE IMPORTANT DECISIONS ON THE 1986 AND 1987 BUDGETS AND STUDY WHAT WAS DECIDED AT FONTAINEBLEAU - THE TRANSITION FROM A VAT RATE OF 1.4 PERCENT TO 1.6 PERCENT, WITH A 'RECONSIDERATION OF BUDGETARY IMBALANCES'. A REVIEW OF THE STRUCTURAL FUNDS (WITH A VIEW TO COHESION) WAS ALSO ON THE HORIZON.

CHERNOBYL

THE COMMISSION HAD DONE ITS DUTY, ALTHOUGH THE HESITATION WALK OF THE MEMBER STATES HAD DONE LITTLE FOR THE COMMUNITY'S IMAGE. ITS PRESENT PROPOSAL DISTINGUISHED BETWEEN CONTROVERSIAL AND MORE EASILY NEGOTIABLE MEASURES. THERE WERE CHAPTERS OF EURATOM WHICH SOME MEMBER STATES FEARED TO IMPLEMENT. HE HOPED THAT THE EUROPEAN COUNCIL WOULD SINGLE OUT POINTS FOR FURTHER WORK, CONVEYING THE EUROPEAN RESPONSE ON THE FUTURE OF NUCLEAR ENERGY.

INTERNAL MARKET

THE MILAN EUROPEAN COUNCIL CONCLUSIONS WERE A CLEAR CHARTER FOR THE COCKFIELD WHITE PAPER. DELORS HOPED THE EUROPEAN COUNCIL WOULD GIVE IMPETUS TO THE VARIOUS SPECIALIST COUNCILS, INCLUDING ECOFIN, WHOSE JOB WAS TO DISCUSS NOT THE PRINCIPLE (WHICH WAS ACCEPTED) BUT THE MEANS TO BRING ABOUT APPROXIMATION OF EXCISE DUTIES AND VAT. AT LUBBERS' REQUEST, HE WOULD SPELL OUT WHAT LIBERALISATION OF CAPITAL MOVEMENT MEANT - AS HE HAD DONE AT THE JUNE ECOFIN, WHEN IT WAS AGREED THAT THE FIRST STEP WOULD BE DISCUSSED SOON. HE WOULD NOT HIDE THE LONGER-TERM DIFFICULTIES, NOR THE FACT THAT SUCCESS WOULD MEAN GREATER HARMONISATION AND MORE COMMON MONETARY POLICIES. THE EUROPEAN COUNCIL SHOULD STIMULATE, BUT NOT ATTEMPT TO DUPLICATE THE WORK OF SPECIALIST COUNCILS.

AIR FARES

THE TRANSPORT COUNCIL ON 18/19 JUNE HAD REACTED IN INFANTILE FASHION TO THE COMMISSION PROPOSALS, ELEMENTS OF WHICH HAD BEEN BEFORE THE COUNCIL FOR YEARS. THE COMMON TRANSPORT POLICY WAS ENSHRINED IN THE TREATY, WHICH IMPOSED DUTIES ON THE COMMISSION. THE MINISTERS WERE RESPONSIBLE FOR FAILURE.

GREECE/TURKEY

DELORS HAD INSISTED WITH LUBBERS AND OTHERS THAT PAPANDREOU SHOULD RECEIVE A FULL HEARING AT THE HAGUE. GREECE DESERVED THE OPPORTUNITY TO ANSWER HIS APPREHENSIONS: THE COMMUNITY COULD THEN TAKE DECISIONS IN FULL KNOWLEDGE OF THE SITUATION.

EC/US AND AGRICULTURE

THE JUNE FOREIGN AFFAIRS COUNCIL HAD BEEN ENCOURAGING. THE COMMUNITY HAD SHOWN FIRMNESS IN SELF-DEFENCE, ALLIED TO READINESS TO NEGOTIATE IN THE GATT. HE REMAINED VIGILANT, BUT WAS NOT DISTURBED ABOUT FORTHCOMING DISCUSSIONS WITH THE US FOR A TEMPORARY BILATERAL AGREEMENT. BUT IF SOME MEMBER STATES BACK-TRACKED ON THE FAC POSITION, THAT PROBLEM WOULD NEED TO BE CONFRONTED. THE INTERNAL REFORM OF THE CAP WAS DIFFICULT, BUT CONTINUED. THE COMMUNITY'S FIRM APPROACH TO THE USA, AND THE GLOBAL ATTITUDE TO GATT RELAUNCH WERE ALSO SIGNS OF PROGRESS. PROSPECTS FOR WORLD AGRICULTURE HAD BEEN DISCUSSED AT TOKYO AND - MOST USEFULLY - AT THE OECD. IT WAS INCREASINGLY ACCEPTED THAT THE CAP WAS NOT THE ROOT OF ALL EVIL. THE COMMUNITY RECOGNISED THE NEED FOR PROGRESSIVE CHANGE - PROVIDED OTHERS DID THE SAME.

HANNAY

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ADVANCE

PS FCO

PS/MRS CHALKER FCO

THOMAS FCO

RENWICK FCO

WALL FCO

SHEPHERD FCO

RICHARDSON FCO

WILLIAMSON CAB

JAY CAB

BRECKNELL DTII

LOUGHEAD DTII

HADLEY MAFF

LAVELLE TSY

STEVENS D/EN

FREMANTLE D/EN

MORPHET D/EN

MS LAMBERT D/TP

(ADVANCED AS REQUESTED)

FRAME GENERAL

ECD(I)

ECD(E)

SAFD.