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FM UKREP BRUSSELS  
TO IMMEDIATE FCO  
TELNO 4092  
OF 241840Z NOVEMBER 86  
INFO PRIORITY EUROPEAN COMMUNITY POSTS

FRAME GENERAL

FOREIGN AFFAIRS COUNCIL: 24 NOVEMBER 1986

PREPARATION FOR EUROPEAN COUNCIL

SUMMARY

1. PRESIDENCY'S THEMES FOR DISCUSSION WELL RECEIVED. YOU SAW OFF PREDICTABLE DEMANDS FOR DISCUSSION OF COHESION AND OWN RESOURCES BEYOND DELORS' TRAILER OF THE COMMISSION'S PAPERS. DENMARK, NETHERLANDS AND IRELAND WANT HEADS OF GOVERNMENT TO DISCUSS SOUTH AFRICA.

DETAIL

2. OVER LUNCH, YOU EXPLAINED THE PRESIDENCY'S APPROACH TO THE EUROPEAN COUNCIL. WE WANTED TO AVOID A DISCURSIVE DISCUSSION OF ECONOMIC AND SOCIAL MATTERS AND TO CONCENTRATE ON TWO THEMES:

- (I) BUSINESS AND JOBS (INCLUDING EMPLOYMENT, SMES, DEREGULATION AND TECHNOLOGY):
- (II) THE INTERNAL MARKET: A REVIEW OF PROGRESS MADE BY THE IM COUNCIL ON 1 DECEMBER AND INSTRUCTIONS TO KEEP UP THE MOMENTUM BOTH THERE AND IN SPECIALIST COUNCILS, ESPECIALLY ON SUBJECTS WHICH WILL COME UNDER QM VOTING NEXT YEAR.

3. THE SECOND MAIN SUBJECT OF THE EUROPEAN COUNCIL, 'SAFEGUARDING THE OPEN SOCIETY', WOULD COVER IMMIGRATION, DRUGS AND TERRORISM AND GO ON LATER TO CONSIDER CANCER AND AIDS. THIS SUBJECT WOULD PROBABLY SPILL OVER TO SATURDAY MORNING.

4. OVER DINNER THE PRIME MINISTER WOULD INTRODUCE A DISCUSSION OF EAST/WEST RELATIONS AND ARMS CONTROL WITH AN ACCOUNT OF HER VISIT TO CAMP DAVID. DELORS WOULD EXPLAIN THE COMMISSION'S WORK PROGRAMME FOR THE EX NOVO REVIEW. FOREIGN MINISTERS WOULD DEAL WITH OTHER EPC SUBJECTS. REFERRING TO THE SERIES ON THE CAP BEGINNING IN TODAY'S TIMES, YOU SAID THAT IT WAS NOT THE PRESIDENCY'S INTENTION TO TURN THE EUROPEAN COUNCIL INTO AN AGRICULTURAL COUNCIL: BUT WE WOULD WANT TO ENCOURAGE AGRICULTURE MINISTERS TO REACH DECISION ON MILK AND BEEF IN DECEMBER.

BUSINESS AND JOBS

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5. ANDREOTTI (ITALY) HOPED THAT THE EUROPEAN COUNCIL WOULD FOCUS ON WHAT WAS NOT ALREADY BEING DONE ELSEWHERE AND IN PARTICULAR ON SOMETHING TO INTEREST THE YOUNG. YOU COMMENTED THAT THE ANGLO/IRISH/ITALIAN EMPLOYMENT INITIATIVE CLEARLY FOCUSED ON THIS. PANGALOS QUERIED WHETHER HEADS OF GOVERNMENT COULD DISCUSS JOB CREATION WITHOUT DEALING WITH THE LINKED QUESTION OF COHESION. PAPANDREOU WOULD WANT TO DISCUSS ANYTHING THAT CAME INTO HIS HEAD. THE PRESIDENCY SHOULD AVOID TOO RIGID A FRAMEWORK. YOU ASSURED HIM THAT THIS WAS NOT OUR INTENTION: THE PRESIDENCY WAS MERELY SUGGESTING BROAD THEMES.

#### BUDGET

6. ORDONEZ (SPAIN) CLAIMED THAT IT WOULD BE DIFFICULT TO DISCUSS THE INTERNAL MARKET WITHOUT A CLEARER IDEA OF WHAT THE EX NOVO REVIEW WOULD ENTAIL. COULD NOT THE COMMISSION PRODUCE A SHORT PAPER ON THIS FOR THE EUROPEAN COUNCIL. PIREZ MIRANDA (PORTUGAL) AGREED. BARRY (IRELAND) SAID THAT FITZGERALD WOULD WISH TO DISCUSS THE BUDGET, THE IM, AND COHESION, ESPECIALLY THE PROBLEMS OF THE PERIPHERY. DELORS (COMMISSION) EXPLAINED THAT THE COMMISSION WOULD TABLE ITS THREE LINKED PAPERS (ON THE BUDGET, THE CAP AND THE STRUCTURAL FUNDS) BEFORE THE END OF THE YEAR, AS REQUIRED BY THE FONTAINEBLEAU CONCLUSIONS. HE WAS READY TO EXPLAIN AND TRAIL THE COMMISSION'S PAPERS AT THE EUROPEAN COUNCIL. BUT HE AGREED WITH STAVENHAGEN (GERMANY) THAT THERE COULD BE NO DISCUSSION IN ADVANCE OF THE COMMISSION'S PAPERS. HE WONDERED WHETHER IT WOULD MAKE SENSE TO DO HIS TRAILER ON THE BUDGET OVER PRE-DINNER DRINKS, WITH FOREIGN MINISTERS PRESENT. YOU AGREED TO LOOK AT THE TIMETABLE AGAIN WITH THIS IDEA IN MIND. RAIMOND (FRANCE) ENDORSED THE PRESIDENCY'S APPROACH.

#### THE OPEN SOCIETY

7. IT EMERGED THAT LUBBERS AND KOHL WOULD WANT TO RAISE ASYLUM SEEKERS DURING DISCUSSION OF THE OPEN SOCIETY. TINDEMANS FELT THAT TERRORISM WAS BEING DISCUSSED IN TOO MANY PLACES AND THAT IT WAS TIME TO GIVE PRIORITY TO ITS HANDLING IN THE COMMUNITY CONTEXT.

#### SOUTH AFRICA

8. ELLEMAN JENSEN (DENMARK) WANTED SOUTH AFRICA TO BE DISCUSSED IN THE EUROPEAN COUNCIL ITSELF AND NOT JUST OVER THE FOREIGN MINISTERS' DINNER. KOHL SHOULD EXPLAIN WHY HE HAD RENEGED ON HIS OBLIGATIONS AFTER THE HAGUE. FROM A RECENT VISIT TO SOUTH AFRICA, HE COULD REPORT THERE WAS GREAT DISAPPOINTMENT WITH THE EC. BARRY AND VAN DEN BROEK (NETHERLANDS) ALSO WANTED HEADS OF GOVERNMENT TO CONSIDER SOUTH AFRICA IN GENERAL TERMS. STAVENHAGEN SAID THAT ANY DISCUSSION OF SOUTH AFRICA SHOULD FOCUS MORE ON POSITIVE MEASURES AND A POLITICAL INITIATIVE BY THE TWELVE THAN ON RESTRICTIVE MEASURES. MRS CHALKER OBSERVED THAT THERE WAS UNLIKELY TO BE ANY CHANGE IN MEMBER STATES' POSITIONS ON RESTRICTIVE MEASURES. THE COMMUNITY SHOULD CONCENTRATE ON WHAT WAS ESSENTIAL AND WHAT WE COULD AGREE ON, SUCH AS THE INTERNAL MARKET, RATHER THAN DRAW ATTENTION TO ITS DISAGREEMENTS.

#### EAST/WEST RELATIONS

-2-  
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9. VAN DEN BROEK (NETHERLANDS) SAID THAT LUBBERS WOULD WISH TO REPORT ON HIS MOSCOW VISIT. BUT FOREIGN MINISTERS SHOULD ALSO DISCUSS EAST/WEST RELATIONS, TAKING ACCOUNT OF THE VIENNA AND REYKJAVIK MEETINGS. ELLEMANN JENSEN SUGGESTED THAT, IN VIEW OF TRANSATLANTIC TRADE ISSUES, WEST/WEST RELATIONS SHOULD ALSO BE DISCUSSED. YOU SAID THAT POLITICAL DIRECTORS MIGHT BE ASKED TO CONSIDER THIS FURTHER. DISCUSSION OF EAST/WEST RELATIONS WOULD NEED TO HAVE A WEST/WEST CONTEXT ANYWAY. YOU DOUBTED WHETHER IT WOULD BE WISE TO BRING IN THE IRANIAN BUSINESS, WHICH REMAINED VERY SENSITIVE.

HANNAY

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ADVANCE

PS FCO

PS/MRS CHALKER FCO

RENWICK FCO

WALL FCO

SHEPHERD FCO

FORD FCO

EVANS FCO

RAMSDEN FCO

D THOMAS FCO

WILLIAMSON CAB

JAY CAB

MOGG DTI

LOUGHEAD DTI

ANDREWS MAFF

HADLEY MAFF

LAVELLE TSY

CRABBIE TSY

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-3-

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