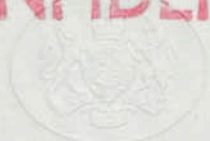


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Ref. A084/605

PRIME MINISTER

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Cabinet: Community Affairs

The Foreign and Commonwealth Secretary will report on the informal meeting of Foreign Ministers on 18-19 February which discussed the major elements of the post-Stuttgart package. It was a more useful meeting than press reports have suggested. There was progress on budgetary discipline, with more support for a strict financial guideline on agricultural spending (which we require to be incorporated in the Community's budgetary procedures) and more questioning of the European Parliament's budgetary powers. On the correction of the budget inequity most member states supported our view that the revised system should be included in a revised Own Resources Decision. This would be lasting: the system would continue unless there was unanimous agreement to a change. Other member states were once again unwilling to agree that relief should relate to the full net contribution. There was, however, some movement of those who had taken up the most unrealistic positions towards the German proposal for a system of relief based on a member state's VAT share/payments share gap. This was modest progress. There was, however, no substantive discussion of actual figures, which seems long overdue. There will be a further informal meeting of Foreign Ministers on 13 March after the next Foreign Affairs Council.

2. The Foreign and Commonwealth Secretary will also report on the Foreign Affairs Council on 20-21 February. The Council agreed the statement of the Community's position on agriculture for presentation to Spain in the enlargement negotiations. This had been holding up the enlargement negotiations for some time. We resisted numerous last-minute French amendments and the text is now broadly satisfactory to the United Kingdom. The Council also agreed the terms of Greenland's departure from the Community. The principal point was the terms on which the Community would continue to fish in Greenland waters. As this is

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now agreed, it will not disturb the common fisheries policy. In return for fishing opportunities the Community will make a payment of 26.5 million ecu a year. We achieved our objective of ensuring that Greenland will not receive aid from the European Development Fund. On the United Kingdom's 1983 budget refunds it was agreed that the President of the Council should write to the European Parliament requesting an urgent Opinion from the European Parliament in time for a conciliation meeting and a decision at the next Council on 12-13 March. The Foreign and Commonwealth Secretary stressed the importance of the United Kingdom receiving the bulk of its refund by the end of March in accordance with past Community practice, so that this issue did not overshadow the post-Stuttgart negotiations.

3. Over the next seven days the Foreign and Commonwealth Secretary will be seeing the French Minister for European Affairs on 24 February (this visit has not been made public) and you will be meeting Chancellor Kohl on 28 February.

REA

ROBERT ARMSTRONG

22 February 1984

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STATEMENT ON THE FOREIGN AFFAIRS COUNCIL:

20 - 21 FEBRUARY 1984

TO BE CHECKED  
AGAINST DELIVERY

With permission, Mr Speaker, I will make a statement on the outcome of the Foreign Affairs Council held in Brussels on 20 and 21 February, at which I represented the United Kingdom and my Rt Hon Friend the Minister for Trade was also present. A Co-operation Council with Israel on 20 February and a Ministerial conference with Spain on 21 February were also held in the margins of the Council.

The Council gave unanimous support to my proposal for a request for the Parliament's opinion on the 1983 refund regulations to be given in time for them to be considered at the next meeting of the Foreign Affairs Council on 12/13 March.

There was a follow-up discussion to the talks which had taken place over the weekend on preparation for the European Council next month. It was agreed that the Commission should now produce a document covering all those aspects of the negotiations not already being handled in other specialist Councils. The paper will therefore cover the central budgetary issues - budget imbalances and budget discipline - for discussion at the March European Council. Separate discussions between individual member states will of course continue in the meantime.



The Council agreed a substantive declaration on the agricultural transitional arrangements with Spain, which was presented to the Spaniards at the Ministerial conference.

The Council reached agreement on the arrangements which will govern Greenland's relationship with the Community from 1 January 1985. There will be a Treaty amendment linked to agreements on fisheries which balance the development of Greenland's own fisheries with the needs of the Community. The change in status is subject to ratification by Member States in accordance with their constitutional procedures.

The Council had a first discussion, without taking any decisions, of the Commission's proposal to stabilise imports of certain cereal substitutes.

The Council agreed a declaration emphasising the Community's concern at the build-up of protectionist pressures in the US. The Council also discussed the proposal for a new Common Commercial Policy Regulation. Work is to continue on the technical aspects of this.

The Council reviewed progress in negotiations to renew Voluntary Restraint Agreements for steel imports from EFTA suppliers and Spain.