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Gms 20: Budget: 12/19

PRIME MINISTERCommunity Affairs

The Foreign and Commonwealth Secretary will want to report that the Commission have submitted a paper to the Council on the United Kingdom Budget solution for 1983 and later. Although it is by no means perfect, it is more helpful than most of us expected, and it could provide the starting point for a successful negotiation. The Commission acknowledge that the United Kingdom problem persists, restate the need for a structural solution, state the Commission's intention to make proposals in spring 1983 on the reform of the Community's financing system in the context of which the United Kingdom Budget problem "must eventually be resolved"; and in the meantime they propose a further ad hoc arrangement for two years with a possible third, "following the same principles" as the previous arrangements.

2. Although the Agriculture Council on 15th-16th November was largely inconclusive, the Minister of Agriculture, Fisheries and Food may wish to report that the Commission failed to put the New Zealand butter quota for 1983 to the Council as an A point and that it will therefore have to be cleared at a future Council. He will wish to report that, after consultations with his German, Dutch and French colleagues he will be pressing the Commission to hold a further Fisheries Council before the European Summit, probably on 6th December, so that the maximum pressure can be exerted on Denmark to conclude a settlement on the Common Fisheries Policy. Mr. Walker intends to have a prior meeting with France, Germany and the Netherlands to pursue their previous discussions about what type of national measures could best be adopted if no settlement proves possible before the present arrangements expire at the end of the year.

3. The Chancellor of the Exchequer and the Secretary of State for Employment may wish to report that, after the preliminary meetings of the Finance Council, and the Labour and Social Affairs Council on 15th November, the Jumbo Council on

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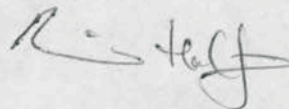


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16th November reached conclusions on the economic situation which were entirely acceptable to the United Kingdom in the way in which they dealt with inflation, investment, protectionism in trade, and employment.

4. The Secretary of State for Industry will not be present because he is attending the Informal Meeting of Industry Ministers on 17th-18th November which is discussing steel prices and price rules.

5. In the course of seven days the Budget Council will meet on 19th November, and the Foreign Affairs Council on 22nd-23rd November; the GATT Ministerial meeting will take place on 24th-27th November.



Approved by  
Robert Armstrong  
and signed in his absence

17th November 1982

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