

SUBJECT

PRIME MINISTER

PERSONAL MESSAGE

SERIAL No. 202/83

10 DOWNING STREET



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THE PRIME MINISTER

1 December 1983

Dear Prime Minister

I greatly welcomed the opportunity we had last month to discuss together the main issues which we will need to resolve at next weekend's European Council in Athens. As I told you then, I attach great importance to our making decisive progress on that occasion. Your own role as the chairman of our meeting will be a crucial one and I thought it might be useful to let you have my views on a few key points in advance of the meeting.

First on a point of procedure, I do think it is most important that we get to grips straight away with the linked issues of budget imbalances, the effective control of agricultural and other spending and the Community's future financial requirements. My own experience when I chaired the European Council in London in 1981 was that a failure to face up to the main issues in these fields on the first day of the meeting damagingly undermined the prospects for overall success. So I hope you will schedule a discussion of these points for our Sunday afternoon session.

I do not need to remind you how important for my country the discussion of budget imbalances will be. We need once and for all to put behind us the annual haggles of recent years and to take this opportunity to set the Community's finances on a sound, lasting and equitable basis. But if this is to be achieved, it will be essential to address the whole of the problem

/which



which arises from the budgetary burden we currently bear, not just part of it. I do not see any solution being agreed which only takes account of part of the problem; and it is only when this problem and that of the control over expenditure have been resolved that a decision on the future financial requirements will be possible.

As to the other key issue of the control of expenditure, I have been much encouraged by the ideas put forward at the Special Council this week by the French Minister of Finance. I believe that these, together with the ideas we ourselves and the Netherlands Government have earlier put forward for a specific control over the rate of growth of agricultural spending, provide material from which satisfactory decisions could be fashioned.

Finally I attach great importance to our taking a limited number of decisions in the field of new policies as part of a satisfactory overall package, together with sending a clearly positive signal to Spain and Portugal about their negotiations for accession. You know our priorities on new policies. I hope we will be able to register real progress on the internal market, on insurance services, on transport, on energy, on the environment and on research and development.

I look forward to seeing you in Athens; and I send you my very best wishes for a successful meeting.

*Yours sincerely  
Neyens Halter*

His Excellency Mr. Andreas Papandreou

*26*





*File No*

10 DOWNING STREET

*From the Private Secretary*

1. December 1983

MESSAGE FROM THE PRIME MINISTER TO  
MR. PAPANDREOU

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Thank you for your letter of 30 November.

As I told you on the telephone earlier today, the Prime Minister has approved the proposed message. I enclose the signed version and would be grateful if you would arrange for its delivery.

The Prime Minister approved the text when in her room at the House of Commons this afternoon. I regret that it was only after I had asked that the reply should be despatched that I saw Ivor Llewelyn's letter of 1 December. The message as sent does not, therefore, take account of the Minister of Agriculture's suggested amendment - though I doubt that anyone can be under any illusions that it will be necessary to reach agreement at Athens on the main CAP issues.

I am copying this letter and its enclosure to John Kerr (H.M. Treasury), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.





Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

From the Minister's Private Office

Roger Bone Esq  
Foreign and Commonwealth Office  
London  
SW1

2 December 1983

A.J.C.  $\frac{2}{a}$   
f-a.

Dear Roger

MESSAGE FROM THE PRIME MINISTER TO MR PAPANDREOU

I was disappointed to learn from John Coles' letter to you of 1 December that this message was sent without the amendment we suggested. I agree that no one should be under any illusions about our position on the main CAP issues, but it would be unfortunate if the omission of any reference to these gave the Presidency an excuse for believing that we would have no sticking points on agriculture if a package met our other key demands; this in turn could make it more difficult for us to secure our aims on, for example, the oils and fats tax and the supplementary levy.

I note from your letter to John Coles that the Treasury and the Cabinet Office were consulted before the draft was circulated; I think that on similar issues in future it would be helpful if we could be included in such consultations.

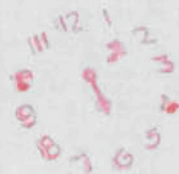
I am copying this letter to John Coles (No. 10), John Kerr (H M Treasury) and Richard Hatfield (Cabinet Office).

Yours ever

ICI

C I LLEWELYN  
Private Secretary

- 2 DEC 1983







Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

From the Minister's Private Office

A J Cole Esq  
10 Downing Street  
London  
SW1

1 December 1983

*Dear John*

*with ASC?*

ATHENS EUROPEAN COUNCIL: MESSAGE FROM THE PRIME MINISTER TO  
MR PAPANDREOU

I am writing to confirm my telephone message that my Minister would like an additional sentence, on the CAP, added to the draft attached to Roger Bone's letter to you of 30 November. This sentence should be added to the second paragraph on the second page of the draft, so that the final part of this paragraph would then read:

".... satisfactory decisions could be fashioned. If, as I hope, these issues can be agreed at Athens, we shall of course still need to reach agreement as well on the main CAP issues, including milk."

I am copying this letter to Roger Bone (FCO), John Kerr (H M Treasury) and Richard Hatfield (Cabinet Office).

*Yours Sincerely*  
*C I Llewelyn*

C I LLEWELYN  
Private Secretary



*With the compliments of*

THE PRIVATE SECRETARY


ROGER BONE

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12.  
h.c.

FOREIGN AND COMMONWEALTH OFFICE  
SW1A 2AH



OUT TELEGRAM

 ↓	Classification and Caveats	Precedence/Deskby
	CONFIDENTIAL	IMMEDIATE

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	CONFIDENTIAL
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO DECEMBER 83
PRE/ADD	7	TO IMMEDIATE ATHENS
TEL NO	8	TELEGRAM NUMBER
	9	INFO SAVING IMMEDIATE UKREP BRUSSELS, NICOSIA, ANKARA, WASHINGTON
	10	UKMIS NEW YORK, CBFC, MODUK (DS11), BONN, PARIS, ROME, UKDEL NATO
	11	UKDEL STRASBOURG, ISTANBUL
	12	YOUR TELNO 711: CYPRUS
	13	1. Please tell Capsis that the Prime Minister agrees to
	14	Papandreou's request for a private meeting on Cyprus in the
	15	margins of the European Council. Place and timing could perhaps
	16	be left for Private Secretaries to sort out sur place.
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NNNN ends telegram	BLANK	Catchword
File number	Dept Private Office	Distribution Cyprus UDI Additional Cyprus
Drafted by (Block capitals) ROGER BONE		
Telephone number		
Authorised for despatch	<i>[Signature]</i>	
Comcen reference	Time of despatch	



COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

30 November 1983

*Type letter pl.*

*A.S.C. 1/12.*

*Dear John,*

Athens European Council: Message from the Prime Minister to  
Mr Papandreou

Sir Michael Butler has recommended that the Prime Minister send a message to Mr Papandreou, who will now be getting down to preparing to chair the European Council in Athens, 4/6 December.

The Secretary of State agrees with Sir Michael that a message would be valuable. As he has pointed out, there is an opportunity for the Prime Minister to play on Papandreou's desire for success, and to build on the useful talks which took place last month. He therefore recommends that the Prime Minister should write to Mr Papandreou in the terms of the attached draft. It is particularly important to get our view about the agenda order across to the Greeks, given the evidence that is beginning to come in about Franco-German attempts to push the item on budgetary imbalances off until the end of the proceedings.

The draft has been approved by Treasury and Cabinet Office officials, but I am copying this letter to John Kerr (HM Treasury), Ivor Llewelyn (MAFF) and Richard Hatfield (Cabinet Office).

*Yours ever*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

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DSR 11 (Revised)



**DRAFT:** ~~XXXXXX~~ letter ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~

**TYPE:** Draft/Final 1+

**FROM:**

Reference

THE PRIME MINISTER

**DEPARTMENT:**

**TEL. NO:**

**SECURITY CLASSIFICATION**

**TO:**

Your Reference

Top Secret

MR PAPANDEOU

Secret

Confidential

Restricted

Unclassified

Copies to:

**PRIVACY MARKING**

**SUBJECT:**

.....In Confidence

**CAVEAT**.....

I greatly welcomed the opportunity we had last month to discuss together the main issues which we will need to resolve at next weekend's European Council in Athens. As I told you then, I attach great importance to our making decisive progress on that occasion. Your own role as the chairman of our meeting will be a crucial one and I thought it might be useful to let you have my views on a few key points in advance of the meeting.

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Enclosures—flag(s).....

/I do ...



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environment and on research and development.

I look forward to seeing you in Athens; and I send you my very best wishes for a successful meeting.

A. J. C.  $\frac{1}{12}$



30 NOV 1983

