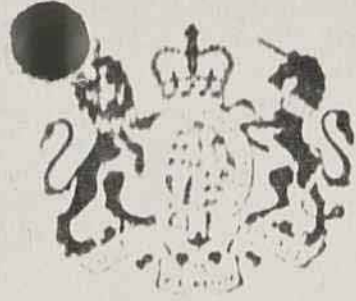


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5 June 1980

*Dear Julian,*

EUROPEAN COUNCIL: VENICE

1. We spoke about the likelihood that this meeting will focus mainly on foreign policy issues, notably the Middle East, and you will have heard that this will be reflected in the revised Steering Brief following the discussion in EQS yesterday.
2. I remain concerned that, since we are widely thought to regard PoCo as the most attractive part of Community membership and in a discussion on the Middle East may reveal a concern for US attitudes which will tend to confirm the suspicions of some of our partners, the Venice meeting may not serve to cement our involvement in the Community in a way which, after the settlement of our budget problem, we would all regard as desirable. To do that, we need to find some theme which the Prime Minister could put over to other Heads of Government which, even if all of them did not find it palatable, they would at least recognise as a desire on the part of the United Kingdom to develop the Community and get away for once being free to talk about something other than money.
3. One such theme which we discussed yesterday was that the Community ought to be more real to ordinary people. This would reinforce efforts to improve public attitudes in this country towards the Community which OD(E) is being invited to approve. It would suggest playing down some of the most irksome and bureaucratic proposals on harmonisation and highlighting things like simpler formalities to get medical attention in another EEC country, and cheaper air fares in Europe. The idea ran into the objections, that if the Community became involved in air fares it would put more competence in the hands of the Commission and might also be seen as special pleading in view of the relative strength of British Airways. And talking about things like medical forms might precipitate criticism of our current line on a Community passport where we risk being the cause of further delay. So this idea was not taken up.
4. An alternative, which is very much in your field, would be to use the experience of recent months to suggest the need for closer integration between PoCo activities and those which fall under the Treaties. I am well aware of the hesitations you and the other Political Directors have. But, apart from the considerations in paragraph 2 of this letter, I believe that now is psychologically a good moment to suggest breaking down at least some of the barriers between PoCo and Community life. Moreover, the European Council is the one institution where

/the distinction

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the distinction is most blurred already. Secondly, no-one is particularly happy with the way the Community has handled Afghanistan or Iran and might therefore be receptive to at least re-examination. Thirdly, we should be encouraging some of the member states (Italy, Netherlands) whom we have most cause to thank for the budget settlement. It would probably upset the French, but I see no particular reason why we should forego this latter pleasure at a time when the French standing within the Community is pretty low (sheepmeat illegality, failure to consult about Warsaw etc.). Fourthly, I understand that at OD this morning there was general agreement that we should aim to strengthen political consultation with other Community countries. Finally, at the meeting which the Lord Privy Seal held on this subject on 6 February it was agreed that once we were through the Community budget barrier, we could consider putting forward far-reaching proposals "e.g. for a form of permanent secretariat or even a treaty basis for political co-operation." Finally, the European Council has the report of the Three Wise Men on its agenda. That report, you will remember, stressed the importance of maintaining and strengthening political co-operation. When institutional questions are under discussion what better time to throw out some ideas even if they are not immediately acceptable?

5. As I see it the Prime Minister would say something like this: "At this meeting we have discussed some highly important foreign policy questions as well as some internal Community matters. This was how the European Council was conceived. We have no great difficulty in switching from one subject to another. But at the level of Foreign Ministers and officials we preserve a sharp distinction, at least in theory. In practice in recent weeks there has been e.g. over Afghanistan need for preparatory work to be done both within the Community institutions and outside it. The same with sanctions for Iran. There are clear connections between our discussions on the Middle East and the Community's Euro-Arab dialogue. The present arrangements may lead to duplication or confusion. It cannot be helpful to busy Foreign Ministers. They put a strain on the Presidency. Should we not learn from recent experience and look for practical ways of improvement? Foreign Ministers might more regularly combine political co-operation meetings with meetings of the Council. This would also facilitate contact between Coreper and the Political Directors. The Secretariat arrangements of political co-operation could be improved and the new Secretary General of the Council given the task of suggesting ways of improving the working relationships. Perhaps the Luxembourg Presidency could give further thought to this and bring proposals to our next meeting."

6. I should be glad of your reactions before the Prime Minister's briefing meeting on Monday. Copies go to Tom Bridges and Michael Butler.

*Yours love*

*Michael*

M D M FRANKLIN

4-9 JUN 1980



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