



Foreign and Commonwealth Office

London SW1A 2AH

24 November 1981

Dear Michael,

European Council:
German/Italian Proposals on European Union

As the Prime Minister knows, there is likely to be a short discussion of the German/Italian proposals on European Union in the course of the European Council. It is desirable that we should have some draft language up our sleeve for the Council's conclusions on this point. I enclose a draft text which takes account of the Prime Minister's views as set out in your letter of 16 November.

It is likely that in the course of the discussion on European Union the question of the procedures to be followed in examining the proposals will be raised. In particular there may be pressure (from eg the Germans, Belgians and Commission) to set up a special ad hoc group to examine the proposals, which cover both Community and non-Community subjects. We would prefer to work towards separate discussion of these aspects in the Community and Political Cooperation frameworks respectively, as the brief makes clear. If there is argument, the Prime Minister could make clear that it is not appropriate for the European Council to waste time on this procedural point and remit the question to Foreign Ministers.

I am sending a copy of this letter and enclosure to Michael Franklin.

Yours ever,

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Private Secretary

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DRAFT CONCLUSION ON GERMAN/ITALIAN PROPOSALS ON EUROPEAN UNION

The European Council welcomed the initiative by the Governments of Germany and Italy in tabling proposals for a European Act. The Council invited the Foreign Ministers to examine these proposals and to report back to the European Council in 1982. They agreed that the Foreign Ministers should make the necessary procedural arrangements and noted in this connection the political significance of the proposals and the fact that they covered both Community and non-Community matters. They agreed that the Commission should be associated with the Foreign Ministers' examination of the proposals.