



PM/82/14

PRIME MINISTER

The Community: The German/Italian Proposals for a "European Act"

1. You will recall that the European Council on 26/27 November 1981 decided to refer the Genscher/Colombo proposals for a draft "Act" (we are looking for a better word) on European Union to the Foreign Ministers for examination and clarification with a view to their reporting back to a future meeting of the European Council.
2. The Belgian Presidency set up an ad hoc group of personal representatives to carry out this examination. The British representative is Mr Bullard from the FCO, who has operated on the basis of an interdepartmentally agreed brief. The group has held three meetings so far and prepared a first interim report which the Foreign Ministers discussed at their meeting on 23 February. The Foreign Ministers agreed that the political will to continue the exercise existed and that the ad hoc group should work on a revised draft for consideration by Foreign Ministers at their meeting on 24 May.
3. We have succeeded in securing acceptance of our basic requirements that there should be no changes in the existing powers of the institutions, as laid down in the Treaties, and no provisions requiring Treaty amendment or Parliamentary ratification. In discussions in the group we have succeeded also in conveying a constructive impression, while resisting some proposals likely to cause us difficulty and seeking clarification of others. For the most part, we have been able to allow others to take the lead in being negative. We have also put forward some

/suggestions of

Prime Minister

Forward

Content with this approval?

A. J. C.  $\frac{25}{2}$

Yes not

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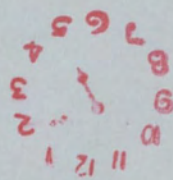
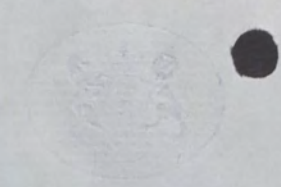
suggestions of our own; that there should be a reference to the Declaration on Democracy, adopted by the European Council on 7/8 April 1978, in order to strengthen the link between Community membership and Parliamentary democracy; that the European Council should meet only twice a year (though we have so far received no support for this); and that the Economic and Social Committee should concentrate its work more closely on the tasks assigned to it by the Treaties.

4. As they stand, the proposals amount to very little in substance, and in many cases simply reaffirm existing arrangements and commitments. It is clear, however, that Genscher and Colombo attach considerable importance to them and see them as a means of moving the Community out of its present state of stagnation. These two Foreign Ministers are among those most likely to be helpful to us in the Mandate negotiations, and for this reason I think it important that we should continue to appear willing to examine the proposals constructively, while naturally resisting any detailed suggestions which we do not like.

5. There would obviously be little point in adopting something along the lines of the draft before the Mandate negotiations had been concluded and I think this is generally accepted by the other Member States. Once the Mandate is out of the way, however, there might be value in putting our name to whatever emerges from the German/Italian proposals. Without committing us to anything of substance, this would provide some evidence that Community membership is about more than budget contributions and CAP prices, as well as reassuring our partners of our commitment to the further development of the Community.

6. I am copying this minute to members of OD, the Secretaries of State for Education and Industry and Sir Robert Armstrong.

(CARRINGTON)



25 FEB 1982

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