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MR POWELL

ANGLO-GERMAN SUMMIT, 18 JANUARY

The briefing for the Anglo-German summit, postponed from 2 November, is being revised and resubmitted. The Foreign and Commonwealth Secretary may also send forward a minute setting out his advice on the main European Community points which may be raised at the Prime Minister's meeting with Chancellor Kohl on 18 January.

We spoke on Friday about whether it would be useful to have available, as a complement to the briefing and the Foreign and Commonwealth Secretary's minute, a skeleton of some of the points in summary form. This is attached. It draws both on the current briefing and on the speaking note prepared for the postponed summit meeting (my minute of 30 October). It is important that our objectives on the development of the Community should be kept in the centre of the stage at a time when Germany is looking so closely to France ("Europe" this week is quoting Chancellor Kohl's New Year message that Germany is "resolutely determined, with its friend, France, to give decisive impetus to the European Union concept in 1985") and that Chancellor Kohl should be convinced that he can obtain what he needs politically with our cooperation provided that he takes account of our views.

I am sending copies to Colin Budd (FCO), David Peretz (Treasury) and to Sir Robert Armstrong.

*D F Williamson*  
D F WILLIAMSON

8 January 1985

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*Prime Minister*  
*Some of this strains a bit too far to find points of consensus with the Germans - see x & y*

*CDP 15/1*

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Anglo-German Summit, 18 January: summary note of certain Community points for meeting with Chancellor Kohl

1. Development of the Community (Dooge Committee)

Certainly time to consider development of the Community (post-Fontainebleau, pre-enlargement). Britain wants stronger Community, more efficient in decision making. Have already declared in favour of more active political cooperation. Also prepared to look for new areas of cooperation. Do not see any great differences between Britain and Germany. Concerned that there should not be any impression in Bonn that Britain holding back. Understand and support your political motivation and your belief that, if Community stands still, it goes backward.

At Dublin decided that Dooge Committee should put forward report with maximum areas of agreement for March European Council, with a view to decisions in June. Important to maintain close contact (Ruhfus/Rifkind on Dooge Committee) and to ensure that there are discussions between Governments before European Council tackles these questions substantively in June. We British practical people. Let us decide - Bonn, Paris, London in first instance - what ought to be done better in the Community. When we know what we want to do, can determine whether covered by existing Treaties or whether more is needed.

Here are areas where we can move forward together:

- external commercial policy. Community should think more in terms of a single external commercial policy and build itself into a position of leadership on world trading practices (member states by far world's biggest traders);

/- political cooperation

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- political cooperation. "The Ten must show more political will to act together" (Europe - the future). This means taking a step forward, if necessary by new undertakings on consultation. Following up Jurgen Ruhfus' ideas in Dooge Committee;
- a wealth-creating Community. Determined to achieve and present Community as a creator of wealth and jobs. You know our insistence on a truly open common market for goods and services. Governments of Centre and Right must be true to their principles (ally in Delors);
- institutions and decision-making. Must work better, particularly relations between Council and European Parliament. Strong advocates of earlier contacts with European Parliament, which would do much to remove present climate of confrontation. In Council itself biggest single cause of deadlock is failure to follow Treaty procedures, including majority voting where provided for. "Luxembourg Compromise" very seldom a cause of difficulty. Prepared to look at ways of guarding against abuse of the unanimity rule. But cohesion of the Community itself requires that no member state should be voted down on a matter which is of very great political importance to it (eg Germany on vehicle emission standards or sugaring of wine, to take two recent cases);
- other areas of cooperation. Shall look at other areas of cooperation (eg health, education and internal security) on their merits. If more formal arrangement for cooperation can be shown to be an advantage, we should take it;
- a less bureaucratic Community. Much to be done to make Community act more in the interests of ordinary people (cheaper and easier movement of goods and travellers, rights of establishment etc).

/Look

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Look for free and genuine exchange of ideas with Germany. If European Council in June decides in favour of an inter-governmental conference on a more united Europe, of course Britain will be there.

2. Enlargement and integrated Mediterranean programmes

Britain and Germany equally see political (support of new democracies) and strategic (NATO) importance in accession of Spain and Portugal. Important to complete negotiations by March, if not before, and to hold to 1 January 1986 as date of accession. Heartened by speed with which Spain agreed on the whole of the industrial package. Considerable confidence that Spain will agree on fish. Few outstanding agricultural issues partly reflect need of some member states and of applicants to show that they have fought a good battle.

Very likely therefore that the accession negotiations will be completed soon. Remaining problem will be Greek reserve (integrated Mediterranean programmes). Thorn/Natali's 6.6 billion ecu programme absurd. Delors will be more sensible. We reckon Greece will in any event receive commitments of about £2 billion (7.3 billion DM) from the structural funds over the next 5 years. After Italy, Greece is already second biggest net beneficiary from Community budget: in 1983 Italy +£700 million (over 2.5 billion DM) and Greece +£570 million (over 2 billion DM). Real effect of Spanish/Portuguese accession on Greek and Italian agriculture will be almost nil, at least for many years. Must therefore resist unreasonable further sums for integrated Mediterranean programmes.