

**CONFIDENTIAL**

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FM LUXEMBOURG  
TO DESKBY 040800Z F C O  
TELNO 508  
OF 040125Z DECEMBER 85  
INFO IMMEDIATE UKREP BRUSSELS  
INFO PRIORITY EUROPEAN COMMUNITY POSTS, LISBON, MADRID

FRAME GENERAL

EUROPEAN COUNCIL, LUXEMBOURG 2/3 DECEMBER 1985.

1. THIS WAS A GRUELLING MARATHON OF A EUROPEAN COUNCIL. THE COUNCIL ITSELF MET (INCLUDING WORKING MEALS) FOR 27 HOURS. IF ONE COUNTS THE FULL DAY OF THE FOREIGN MINISTERS' CONCLAVE WHICH IMMEDIATELY PRECEDED IT AND WAS AN INTEGRAL PART OF THE DISCUSSION, IT FAR EXCEEDED IN LENGTH ANY PREVIOUS COUNCIL. NO DOUBT MANY COMMENTATORS WILL SAY THAT IT WAS ABSURD FOR HEADS OF GOVERNMENT TO BE INVOLVED IN THE DETAILED DRAFTING OF TREATY TEXTS. I CAN ONLY SAY THAT I DO NOT SEE HOW ELSE SENSITIVE ISSUES OF WHAT IS LIKELY ONE DAY TO BE DIRECTLY APPLICABLE LAW IN THE MEMBER STATES COULD HAVE BEEN SETTLED.
2. YOU AND THE PRIME MINISTER STEADILY WORKED YOUR WAY THROUGH THE LIST OF KEY POINTS WHICH WE NEEDED TO SETTLE TO PROTECT OUR INTERESTS. THERE WERE SOME ANXIOUS MOMENTS AND MUCH TOUGH AND CONFUSED NEGOTIATION. BUT AT THE END OF THE COUNCIL ALL OUR KEY OBJECTIVES WERE SECURED. ONCE KOHL HAD COLLAPSED ON THE MONETARY ISSUE, THE CHOICE WAS BETWEEN FIGHTING ON ALONE AND VERY PROBABLY BREAKING UP THE CONFERENCE IN A WAY WHICH WOULD HAVE BEEN DEEPLY DAMAGING TO US, OR GOING FOR THE MINIMUM WE COULD ACHIEVE. I AM SURE THE RIGHT CHOICE WAS MADE AND THE VESTIGIAL TEXT FINALLY AGREED IN THIS FIELD REFLECTED AN ACCEPTABLE OUTCOME.
3. THE FACT THAT THIS EUROPEAN COUNCIL LASTED MUCH LONGER THAN ITS PRECEDENTS AND YET DID NOT, AS SO MANY OF THEM DID, BREAK UP IN ACRIMONIOUS DISCORD, REFLECTED THE FACT THAT MOST MEMBER STATES ARRIVED AT THE MEETING, AND REMAINED, DETERMINED TO TRY TO REACH CLEAR CUT DECISIONS. THERE WAS OF COURSE A GOOD DEAL OF GRANDSTANDING FROM THE MAXIMALISTS AND THE COMMISSION. NO DOUBT THIS WILL BE REFLECTED IN SUBSEQUENT PUBLIC COMMENT. BUT, OFTEN FOR WIDELY DIFFERING REASONS, THERE WAS CLOSE TO A CONSENSUS (ABOVE ALL BETWEEN FRANCE, GERMANY AND OURSELVES) THAT A CONTINUATION OF THE NEGOTIATING PROCESS OR ITS BREAKDOWN WOULD HAVE BEEN DAMAGING TO THE COMMUNITY AND ITS MEMBER STATES AND AN UNACCEPTABLE DISTRACTION FROM THE PRESSING PRACTICAL MATTERS TO WHICH THE COMMUNITY MUST FIND ANSWERS IN THE MONTHS AHEAD. ONLY THE ITALIANS FROM TIME TO TIME APPEARED TO BE PLAYING A WRECKING ROLE. THE DANES JUST WISHED THE CONFERENCE WOULD GO AWAY OR GET BOGGED DOWN BUT DID NOTHING VERY EFFECTIVE ABOUT IT. THE GREEKS AND THE TWO APPLICANT COUNTRIES PLAYED HARDLY ANY ROLE AT ALL.

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4. THE GAME IS NOT OVER YET. THERE WILL BE A NUMBER OF DIFFICULT POINTS TO BE SETTLED IN THE LEGAL DRAFTING STAGE. WE SHOULD BE REASONABLY WELL PLACED TO SECURE THOSE WE NEED OURSELVES, SINCE WE ARE LESS COMMITTED TO THE TREATY REFORM PROCESS THAN MANY OTHERS. BUT I DOUBT IF IT WOULD BE IN OUR INTEREST, OR INDEED BE PRACTICABLE, TO SEEK SUBSTANTIVE CHANGES IN TEXTS WHICH OFTEN REFLECT HARD WON COMPROMISES.

5. NOR AT THE SUBSTANTIVE POLITICAL LEVEL IS THE GAME FULLY PLAYED OUT YET. THE DANISH RESERVES ARE LIKELY TO LOOM LARGER IN POLITICAL MANOEUVRING IN COPENHAGEN THAN IN THE CALCULATIONS OF MINISTERS OF OTHER MEMBER STATES, ALTHOUGH ULTIMATELY THEY COULD BLOCK RATIFICATION (OR EVEN SIGNATURE) OF THE NEW TREATY. I WILL NOT TRY TO PREDICT THE OUTCOME, BUT THERE IS A WIDESPREAD FEELING HERE THAT THE DANES ARE GETTING FURTHER AND FURTHER REMOVED FROM THE MAINSTREAM OF COMMUNITY BUSINESS AND THAT TRYING TO APPEASE THE WHIMS OF THE FOLKETING COMMITTEE IS NOT A PROFITABLE OCCUPATION FOR THE OTHER MEMBER STATES. THE ITALIAN RESERVES ARE PROBABLY BOTH LESS SERIOUS AND MORE DANGEROUS: LESS SERIOUS BECAUSE THE POINTS OF SUBSTANCE ARE PRETTY SLIGHT: MORE DANGEROUS BECAUSE THEY APPEAR TO BE HANDING THE EUROPEAN PARLIAMENT A VETO OVER TREATY REFORM. IF, AS SEEMS VERY LIKELY, THE E.P. REJECTS THE REFERENCES NOW AGREED AND IN PARTICULAR SPURNS THE PARLIAMENTARY CHAPTER OF THEM, THE STAGE WILL BE SET FOR A HEAD-ON CONFRONTATION BETWEEN THE PARLIAMENT AND ITALY ON THE ONE HAND AND THOSE MEMBER STATES LIKE OURSELVES WHICH WILL NOT BE PREPARED TO TRANSFER MORE POWERS AND INFLUENCE TO THEM.

6. AS TO OUR OWN ROLE, THIS WAS NEVER AN EASY ONE. BUT THE OUTCOME CAN, I THINK, BE CONSIDERED SATISFACTORY. WE NEVER WANTED TO GET INTO THE TREATY REFORM EXERCISE AND I THINK OUR REASONS ARE BETTER AND MORE SYMPATHETICALLY UNDERSTOOD THAN IN THE AFTERMATH OF MILAN. BUT OUR WILLINGNESS TO WORK CONSTRUCTIVELY THROUGHOUT THE I.G.C AND IN THE END TO ACCEPT SOME MODEST TREATY AMENDMENT SHOWED OUR ABSOLUTE DETERMINATION NOT TO BE MARGINALISED IN THE FORMULATION OF COMMUNITY POLICY. THIS SHOULD STAND US IN GOOD STEAD IN THE FUTURE. MEANWHILE, IT IS A PARTICULAR RELIEF TO US TO HAVE DRAWN THE LINE UNDER THE LONG INSTITUTIONAL DEBATE WHICH HAS ALWAYS CAUSED MORE DIFFICULTY FOR US THAN FOR MOST OF OUR PARTNERS. WITH LUCK AND GOOD STEERING FROM THE DUTCH AND BRITISH PRESIDENCIES, THERE IS A REASONABLE CHANCE THAT THE COMMUNITY CAN, FOR A PERIOD, CONCENTRATE ON MORE PRESSING, PRACTICAL BUSINESS. **CONFIDENTIAL** -2-

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7. AN OUTLINE OF THE DISCUSSION IS IN MIFT.

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FRAME GENERAL

FCO ADVANCE TO:-

FCO - RENWICK, WALL, RICHARDSON, P.S, P.S/RIFKIND.

CAB - WILLIAMSON, JAY, POWELL (NO.10).

DTI - BRECKNELL, LOUGHEAD.

MAFF - HADLEY.

TSY - LAVELLE, LITTLER.

DOE - GRUFFYD-JONES.

UKREP DIST:A NORMAL I.G.C.

CCN: PSE CORRECT TELNO TO READ 508 RPT 508

LMLNAN 0376

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ECD(1)

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