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10 DOWNING STREET

12 December 1985

From the Private Secretary

Dear Colin,

EUROPEAN COUNCIL: FOLLOW-UP

Thank you for your letter of 11 December about follow-up to the European Council. The Prime Minister agrees that it should be made clear when Foreign Ministers meet next week that we cannot agree any changes in the text negotiated at Luxembourg and that the European Assembly's vote is not relevant.

The position on the draft preamble is more difficult. The Prime Minister points out with justice that it is one thing to accept language on European Union in a statement by the European Council but another to embody it in a Treaty text which has to be got through the House of Commons. She would, with some reluctance, be ready to accept the language on this matter in the draft recitations as they stand but baulks at the first paragraph of Article 1. We need to explore an alternative formulation for this. Would it be possible, for instance, to talk of a "European identity" or a "Union of European States"? The latter has the advantage for British ears of making explicit that the countries preserve their separate status. You will wish to reflect on this, but should be in no doubt that the Prime Minister does not wish us to agree the paragraph in question in its present form.

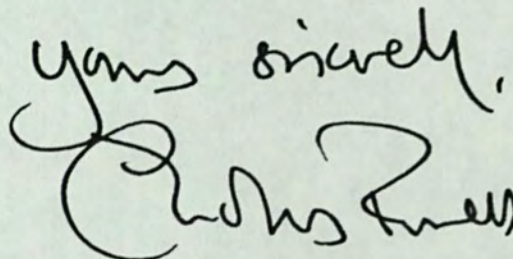
I note that the Foreign Secretary will let the Prime Minister have advice later on the title for the preamble. I should warn you however that the Prime Minister will not accept "Act of European Union", though would I think go along with "European Act" This has the advantage of being meaningless.

The Prime Minister emphatically does not agree with the way in which it is proposed to handle our reserve on the new Article on Social Policy. She recalls that she caused similar wording to be struck out of Article 99 (though it did of course creep back in to the new Article on the

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Environment). She thinks that the wording you propose will be taken as a clear signal that we are ready sooner or later to be pushed to qualified majority voting.

I am copying this letter to David Williamson (Cabinet Office).

Yours sincerely,


(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

FOLLOW-UP TO EUROPEAN COUNCIL

A number of points of follow-up to the European Council will come up at the Foreign Ministers' meeting next week. This minute deals with those on which your views are needed.

Draft Preamble

The Presidency have circulated a revised draft preamble (attached) to cover both the proposed amendments to the Treaty of Rome and the new Treaty on Foreign Policy Cooperation (while preserving the distinction between them). The Foreign Secretary is content with it. But you will want to consider how far the references to European Union cause you difficulty. These are to be found in the first two recitations and in the first paragraph of Article 1. The language in the recitations is very close to what you accepted in the Stuttgart Declaration (and was accepted by the last government in the conclusions of the 1976 European Council at the Hague). Substantive Article 1 arguably goes a bit further than these earlier statements, though the differences are semantic. But the earlier texts were political declarations: this is a Treaty text which the Government will have to get through the House.

There is also a proposal to call the document "Act of European Union", though it is not clear how far others will press this.

If you feel all this is more than you and the House will bear, you might instruct the Foreign Secretary:

(a) to secure the agreement of his colleagues that "European Union" will be translated in all English language texts as

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"European Unity". This somehow sounds better: but I am bound to say that the big OED does not support much of a distinction between the two. 'European Identity' would be better but is unlikely to be satisfactory to the others. The only other suggestion I have is to speak of "the establishment of a Union of European States" which makes clear that the states preserve their individual status.

(b) to instruct him to oppose the title "Act of European Union" if it is proposed and to argue either for no title or for something blander like "European Act", which is fatuous but harmless.

Social Affairs

You insisted on unanimity on this new Article. It may be proposed that, as in the case of Article 99, we should say that unanimity will be proposed unless the Council decides unanimously that certain decisions can be taken by qualified majority.

The second part of Article 99 was struck out.

Agree:

(a) to accept references to European Union in the recitations?

Reluctantly - but I dislike it intensely.

(b) to seek to amend the wording of Article I of the Preamble?

Yes.

(c) to oppose "Act of European Union"?

Opined not

(d) to proposed compromise on the Social Affairs Article?

No

CDP

CDP

11 December, 1985.



Foreign and Commonwealth Office

London SW1A 2AH

11 December 1985

*Dear Charles,*European Council: Follow Up

You asked about the draft Single Act to cover the treaty amendments and treaty on foreign policy co-operation which was remitted to Foreign Ministers by the European Council. The Prime Minister's briefs for the European Council covered the French draft preamble for the agreements now arrived at, with a commentary on that draft (copies enclosed).

In drafting their document the French did so in a way which fully met their concern and ours that the treaty on co-operation in foreign policy must be kept juridically separate from the Treaty of Rome (so that there is no question of the Commission having the right to make proposals or of the jurisdiction of the Court applying to political co-operation). There is unanimous agreement on this among the member states. The French text did, however, contain some objectionable features, which we pointed out to the Luxembourg Presidency.

The Presidency have now put forward their own proposal for a draft preamble (attached) and have removed some objectionable features from the French draft. The preamble defines "European union", as the French draft did, as consisting of what has already been achieved - on the one hand in the Community framework including the treaty changes now agreed, and on the other, political co-operation. This is in line with

- (a) the conclusions of the 1976 European Council in The Hague that: "European Union will be built progressively by consolidating and developing what has been achieved within the Community, with the existing Treaties forming a basis for new policies"; and
- (b) the declaration issued by the Stuttgart European Council in June 1983 that: "European Union is being achieved by deepening and broadening the scope of European activities, so that they inherently cover a growing proportion of Member States' mutual relations and of their external relations".

The title is left open. The French, with German support, propose that this should be "Act of European Union", though

/Italy



Italy may argue that what has been agreed is not enough to be described as "union". The Presidency know that what others describe as "union" in English has a meaning closer to "unity".

The Presidency have watered down the references to the role of the European Council to meet Benelux objections to the original French draft. We consider that the proposed changes go in the right direction.

Following consultation with us, the Presidency have struck out the proposal in Article 5 of the French draft for a Secretary General of the European Council.

The Presidency draft will be discussed in the preparatory group and at the Foreign Affairs Council on 16 December. The Foreign Secretary considers some of the language could be improved, but that in general we should be able to agree to the revised draft. He will make a recommendation about the title in the light of the discussion among Foreign Ministers. Our position meanwhile will be reserved.

With strong encouragement from us, the Luxembourg Presidency are insisting that the texts as agreed in the European Council are final. Since we won all our key points in the European Council, it is essential for us that the texts should not be changed. We have, however, been able to get some points usefully clarified in translation. There will now be a jurists/linguists group to put these into the correct form.

The European Parliament will debate the agreement today. They can be expected to vote against it. The Italians will then try to seek amendments. We shall make clear that the text on the Parliament, along with the other texts agreed by the heads of government, cannot be changed.

We shall be seeking to bring this process to a conclusion on 16 December, and to ensure that the other proposals for treaty change which were not discussed at the European Council and which, generally, have attracted little support should be set aside. We have only one outstanding point ourselves, namely our requirement to maintain unanimity for decisions on the working environment. The Luxembourg Presidency may propose language on the lines of that used elsewhere in the texts agreed at Luxembourg - ie that unanimity should be maintained except insofar as the Council unanimously agrees that certain decisions can be taken by qualified majority. If the Presidency do make such a proposal the Foreign Secretary thinks we should accept. The Department of Employment agree.

/I am

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I am writing separately about the draft declaration on East-West relations.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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PRESIDENCY PROPOSAL (5 DECEMBER)

SINGLE ACT

PREAMBLE

THE HIGH CONTRACTING PARTIES,

- Moved by the will to continue the work undertaken on the basis of the Treaties establishing the European Communities and to transform relations as a whole among their States into a European Union in accordance with the Stuttgart Solemn Declaration.
- Resolved to implement this European Union on the basis firstly of the Communities operating in accordance with their own rules and, secondly, of European cooperation among the States Signatory in the field of foreign policy and to invest this union with the necessary means of action.
- Aware of the responsibility incumbent upon Europe to speak as often as possible with one voice and to act with consistency in order more effectively to protect its common interests and independence, in particular to display the principles of democracy and compliance with the law to which they are attached and to move towards the ideal of friendly relations between nations and towards the preservation of international peace and security in accordance with the undertaking entered into by them in the framework of the United Nations Charter.

- Determined, on the occasion of the further enlargement of the Community, to contribute to improving the economic and social situation by extending common policies and implementing new forms of action and to improve the functioning of the Community by enabling the institutions to exercise their powers under conditions most in keeping with Community interests.

HAVE AGREED AS FOLLOWS:

TITLE I

COMMON PRINCIPLES

Article 1

The European Communities and European Political Cooperation shall share the objective of contributing together to the unification of Europe with a view to the establishment of the European Union.

The European Communities shall be founded on the Treaties of Paris and of Rome and on the subsequent Treaties and Acts modifying them.

Political Cooperation, conducted in line with the procedures agreed in the reports of Luxembourg (1970), Copenhagen (1973) and London (1981) and in accordance with practices gradually established among the member states shall be governed by Title III hereinafter.

Article 2

The European Council shall bring together the Heads of State or of Government of the member states of the Community together with the President of the Commission of the European Communities. They shall be assisted by the Ministers for Foreign Affairs and by a member of the Commission.

The European Council shall meet at least twice a year, constituted as the Council of the Communities, and pursuant to Political Cooperation.

TITLE II

PROVISIONS AMENDING THE TREATY OF ROME

TITLE III

PROVISIONS GOVERNING POLITICAL COOPERATION

TITLE IV

GENERAL AND FINAL PROVISIONS

Article X

Subject to Title II above, the provisions of this Act shall not affect the Treaties establishing the European Communities or any subsequent Treaties amending them.

Article Y

Ratification and entry into force.

Article Z

Language versions and deposit.