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10 DOWNING STREET

*From the Private Secretary*

24 January, 1986.

**EUROPEAN COMMUNITY:  
INTER-GOVERNMENTAL CONFERENCE**

Thank you for your letter of 23 January describing the position reached over the results of the meeting of Heads of State in Luxembourg last December. The Prime Minister has noted this.

I have drawn to the Prime Minister's attention the fact that once the new treaty provisions agreed at Luxembourg come into effect, the description "European Parliament" will be embodied in formal treaty language. She has acknowledged this.

(C.D. Powell)

C.R. Budd, Esq.,  
Foreign and Commonwealth Office.

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Prime Minister CONFIDENTIAL

You will want to pay particular attention to X on page 2. The point is that the existing Treaty speaks of European Assembly; but the texts agreed in Luxembourg speak of European Parliament, and this

London SW1A 2AH

23 January 1986

Dear Charles will now become the general usage in the Treaty. We formally accept that title anyway, though in practice you speak of 'Assembly'.

European Community: Inter-Governmental Conference *Agree that the term in the Treaty shall henceforth be Parliament?*

At the Foreign Affairs Council on 27 January the Netherlands Presidency will be seeking final approval of the agreements reached by the Heads of Government in Luxembourg. As regards the outstanding reserves the position is as follows.

(a) We have made clear that we shall not be prepared to approve the text on the working environment without inclusion of a provision, based on that proposed by the Presidency, which affords protection for small and medium enterprises. The Italians and Germans are still making difficulties, but other member states have accepted this.

[This includes 'financial']

(b) The Italians may not be in a position finally to confirm their agreement to the package next week. Since the European Parliament has been obliged reluctantly to acquiesce in the agreed reform package, they can be expected to do so shortly.

(c) The Danes will not be in a position to give final approval because they were unable to get a majority in the Folketing on 21 January. Although Social Democrat leaders saw little wrong with the package, the party as a whole decided to vote against it to embarrass the government. Mr Schluter is well aware that there is no possibility of changing what was agreed by the Heads of Government and accepted by him in Luxembourg. Mr Elleman-Jensen came to see Sir Geoffrey Howe yesterday and said that it would be helpful for us to confirm this to him, which the Foreign Secretary has done. The Danes are getting the same message from the Presidency and all other member states. Mr Schluter's intention is to put the matter to a vote in a referendum. In the referendum campaign he will be arguing that a refusal to accept the package would be extremely damaging to Denmark, which derives large material benefits from membership of the Community through the CAP.

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If the Danes do not secure a positive vote in the referendum, it will not be possible for them to ratify the agreement. If they do, it will take up to a year before ratification procedures are completed in all member states. In the interim the Presidency will try, pending ratification, to handle business so far as possible in accordance with last month's Luxembourg agreement. We can accept that on a "best endeavours" basis (as we proposed before Milan), on the clear understanding that the agreement will have no binding effect until it is ratified by all member states.

X | / On the European Parliament, the attached text providing for changes in the cooperation procedure, without increasing the power of the Parliament, was agreed by the Heads of Government. Despite attempts by the Italians, Belgians and others to re-open the issue that text was adopted at the last meeting of the Inter-Governmental Conference on 17 December. Our insistence that none of the texts agreed in Luxembourg can be changed (save for minor points of clarification) has been the key to ensuring that countries who fared less well than we did in the European Council have been unable to re-open things they agreed to then. As we have made clear in the House, the description European Parliament is the general usage throughout the Community. The government accepted that usage on taking office, as did previous governments, while continuing to use Assembly as the legal title. The Conservative manifesto for the European elections in 1984 referred to the European Parliament, as is the practice in all government documents. Once the new treaty provisions agreed at Luxembourg come into effect, ie as and when they are ratified by all the member states, the description European Parliament will be embodied in formal treaty language.

On a separate point, the operative paragraphs of the English text of the Single Act have been agreed in the form we require them. The key provision refers to progress towards the establishment of European unity - not union - and there is of course no reference to European union in the title. Preambular references add nothing to the declaration issued by the Stuttgart European Council.

Yours ever,  
Colin Budd

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Private Secretary

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EUROPEAN PARLIAMENT



Article 1

A cooperation procedure shall be introduced which shall apply to acts based on Articles 7, 49, 54(2), 56, 57 and 100(a) of the Treaty establishing the European Economic Community. The Cooperation procedure shall also apply to acts based on Article 11(2) of the text on research and technological development and on Article 5 of the text on cohesion and also on acts to be taken by a qualified majority pursuant to Article 118.

Article 2

The provisions of Article 149 of the Treaty establishing the European Economic Community shall be replaced by the following:

1. Where, in pursuance of this Treaty, the Council acts on a proposal from the Commission, unanimity shall be required for an act constituting an amendment to that proposal.
2. Where, in pursuance of this Treaty, a Council act is adopted in cooperation with the European Parliament, the following procedure shall apply:
  - a) The Council, acting by a qualified majority under the conditions of paragraph 1 above, on a proposal from the Commission and after obtaining the Opinion of the European Parliament, shall adopt a common position.
  - b) The common position of the Council shall be transmitted to the European Parliament. The Council and the Commission shall inform the Parliament fully of the reasons which led the Council to adopt its common position and also of the Commission's position.



If, within three months of such communication, the European Parliament approves this common position or has not taken a decision within that period, the Council shall definitively adopt the act in question in accordance with the common position.

c) Within the period of 3 months referred to in paragraph 2b, the European Parliament may, by an absolute majority of its constituent members, propose amendments to the common position of the Council. The European Parliament may also reject the common position of the Council by the same majority. The result of the proceedings shall be transmitted to the Council and the Commission.

If the Parliament has rejected the common position of the Council, unanimity shall be required for the Council to act on a second reading.

d) The Commission shall, within the period of 1 month, re-examine the proposal on the basis of which the Council adopted its common position, by taking into account the amendments proposed by the European Parliament.

e) The Council, acting by a qualified majority, shall adopt the proposal re-examined by the Commission.

Unanimity shall be required for the Council to amend the re-examined Commission proposal.

f) The Council shall be required to act within a period of 3 months.

3. As long as the Council has not acted, the Commission may alter its original proposal at any time during the procedure.



Article 3

The provisions of the first paragraph of Article 237 shall be replaced by the following:

Any European state may apply to become a member of the Community. It shall address its application to the Council which, after consulting the Commission, shall act unanimously after receiving the assent of the European Parliament which shall act by a majority of its members.

Article 4

The provisions of the second paragraph of Article 238 shall be replaced by the following:

These agreements shall be concluded by the Council, acting unanimously and after receiving the assent of the European Parliament which shall act by a majority of its members.