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Private Secretary 2 5 JUN 1985 MILAN EUROPEAN COUNCIL FROM: R W Renwick DATE: 21 June 1985

PS/Mr Rifkind cc: Mr Derek Thomas Mr Braithwaite Sir Michael Butler, UKREP Brussels Mr Williamson, Cabinet Office Mr Fairweather

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- I submit a draft minute to the Prime Minister along the lines suggested by the Secretary of State. The Cabinet Office advise that this should cover the main issues as the Prime Minister will not have had time to read the briefs before her meeting to discuss the European Council on Wednesday. Much of the emphasis, however, is on the way we should handle the Commission's proposals on the internal market; and on the need for us to make positive proposals on the Parliament.
- We are submitting separately a draft reply to Chancellor Kohl's message to the Prime Minister. Kohl seems in effect to be saving. as we had hoped, that he is prepared to settle for a treaty on political cooperation as against his own original ambitions for something more far-reaching. He wants a reference to European union. We have always envisaged that the preamble might include something of this kind (at any rate a reference to promoting the ''ever closer union between the peoples of Europe''). He also gives us an opening on the Parliament by talking of its greater ''involvement'' in decision taking. we can argue, is what we are proposing - though in our conception this would have to be without any change in the Treaty powers.

1.1.1.

R W Renwick

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DECISION TAKING

- (a) In the enlarged Community more use will need to be made of majority voting provisions of the Treaties.
- (b) Member States agree to make greater use of abstention as provided for in Article 148(3) of the EC Treaty so as not to prevent the adoption by the Council of Acts which require unanimity.
- (c) Where it is agreed (by heads of government in the European Council) that a specific objective should be achieved it may also be agreed that Member States will aim not to impede progress by invoking the unanimity rule in relation to the measures necessary for its implementation.
- (d) When a Member State asks that discussion should continue until unanimous agreement is reached, the Member State concerned should be required to explain fully and formally, through a special procedure of the General Affairs Council, why its government considers very important interests in fact to be at stake.

EUROPEAN PARLIAMENT

- The relationship between Council, Commission and the Parliament is not operating satisfactorily.
- Implementation of a genuine and effective conciliation procedure would be a major improvement. This must be the first priority.
- The Council should also substantially improve the way it follows up European Parliament resolutions.
- The European Parliament needs to be enabled to make its own contribution to decision-taking.
- There must be an active partnership between Council, Commission and Parliament, including real consultation between the Council and the Parliament on new proposals of major importance, along the following lines:
 - the Commission should send its outline proposals, as a discussion document, to the Parliament;
 - the Parliament should consider the proposals in committee and give initial reactions. EP Committees could hold hearings on Commission proposals of the kind held in national parliaments;
 - the Commission would take account of the Parliament's views in drawing up its definitive proposals, which would be referred to the Council;
 - the Parliament would thus be enabled to make a positive contribution. Proposals going to Council would take account of the Parliament's view;

- once the proposals had gone formally to the Council there should be an early meeting of EP representatives, the Commission and the Council, providing for real Parliament/ Council consultation.
- In addition, as the President of the Commission has suggested, the enlarged Bureau might choose from time to time subjects which it might study; conduct the necessary hearings; and prepare a resolution in cooperation with the Commission.
- These steps would not affect the power of initiative of the Commission and its prerogative to make proposals. They would enable the European Parliament to influence proposals at the formative stage and would encourage the Commission, Council, and Parliament to work towards agreement in partnership.
- In addition to these collective steps, Parliament itself can do much to enhance its association in decision-taking by targetting its opinions more precisely and ensuring that they contain clear recommendations, on which action by the Council or proposals by the Commission could be based.
- These changes could be implemented quickly. There should be an early meeting between the Presidency, representatives of the Parliament and the Commission to discuss ways of putting them into effect.