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Foreign and Commonwealth Office

London SW1A 2AH

27 June, 1985

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Dear Charles,

Prime Minister's Meeting with Signor Craxi: Check List

I attach a check list for the Prime Minister's meeting with Signor Craxi, together with copies of our proposals on decision taking and ideas on the European Parliament.

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

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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PRIME MINISTER'S MEETING WITH SIGNOR CRAXI: CHECK LIST

Football Hooliganism:

- First opportunity to express regret in person since Liverpool/Juventus match.

European Community:

- Italian Presidency has it in their hands to achieve a success in Milan.
- This cannot be achieved by returning to the differences in the Dooge Committee. The discussion has moved on since then.
- There is a broad consensus that in the enlarged Community more use will need to be made of the majority voting provisions of the Treaty; and that a procedure should be introduced requiring any country which insists that discussion must continue until unanimous agreement is reached, fully and formally to explain why very important interests are in fact at stake.
- Decisions on this and other key issues can only be

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taken by the heads of government themselves. There have been months of debate: must now reach decisions. If these issues cannot be settled by the heads of government, they will not be settled in a conference. Must concentrate on the substance, not procedure.

- Have made clear and precise proposals on decision taking and for a formal and binding agreement on political cooperation. If we can reach agreement on these matters, and give a real impetus to completion of the common market, we have the makings of a real success.

- What is required vis à vis the Parliament is to provide for real consultation and to get the Parliament involved in a positive and more constructive way in decision taking. Will have precise ideas to put forward on this. No Treaty change required. "Joint decision taking" a recipe for paralysis.

- Look forward to discussion on research and technology. "EUREKA" projects must be variable geometry and organised between the companies themselves. Primary task for the Community is to create the right environment for the commercial

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exploitation of research through opening up of a true common market for high technology goods and services. Shall have proposals to put forward on this also.

- If decisions reached by heads of government, follow up work to be carried on between Milan and Luxembourg European Council, which could act as a conference of the heads of government to sign formal political cooperation agreement, endorse other conclusions.

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MEETING WITH CRAXI

European Union

Most of the Franco-German draft is based on my proposal for a draft agreement with binding obligations to consult on all major foreign policy issues, including the economic and political aspects of security. The title has been changed; and there already is a Secretary-General of the Council. We should decide now to enter into a formal agreement on Political Cooperation and instruct Political Directors to produce a final version for signature by heads of government in Luxembourg.