



Foreign and Commonwealth Office

London SW1A 2AH

27 June 1985

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Dear Charles,

European Council: Milan: Scene-setting message from Signor Craxi

I sent you earlier today a revised draft opening speaking note for the Prime Minister on decision-taking, taking account of Signor Craxi's intention to open with a round table discussion of the Dooge Committee's conclusions. I now enclose a copy in convenient form of the Dooge Report. A note summarising its main features will follow.

Craxi in his letter refers again to Andreotti's draft mandate for an inter-governmental conference. I enclose a copy, together with a suggested Dutch revision which was circulated before Stresa.

We shall obviously want to avoid letting the Italian mandate get back on to the table. This will mean emphasising the need for decisions by Heads of Government with follow up in working groups. The only inter-governmental conference should be that of Heads of Government themselves in December.

Other issues mentioned by Craxi are already covered in the briefing (flagged copy attached) as follows:

- Red Flag A: Committee on a People's Europe (Brief 2E)
- " " B: Implementation of the Internal Market (Brief 2D)
- " " C Technology (Brief 3B)

At a meeting in Paris yesterday, GEC, Thomson, Philips and Siemens announced an agreement to collaborate in various areas which are likely to include production of advanced micro processors, integrated circuits, etc as a EUREKA-type project. This has been woven into the revised speaking note for the Prime Minister (submitted separately by David Williamson).

- Red Flag D: Economic and Social Situation (Brief 3A)

/Craxi



Craxi also refers to examining the ECOFIN report on growth and employment, the ECOFIN document on the EMS and the conclusions reached by the group of Ten in Tokyo. The Treasury are providing additional material.

Red Flag E: Famine in Africa (Brief 3G)
A speaking note is now enclosed

" " F: EC/Comecon Relations (Brief 4F)
A revised brief is being prepared

X " " G: Middle East (Brief 4C)
Additional material on terrorism is being prepared in the light of developments.

Craxi also refers to an initiative by President Mitterrand for a European Movement against cancer. David Williamson will be letting you have a separate note on this.

We have now received the French paper on the development of the Community, including President Mitterrand's ideas on science and culture. Cooperation in new areas (including culture) is already covered in Section 3 of the Steering Brief (see Flag H). We will let you have a summary and analysis of the French paper shortly.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street



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DOOGE REPORT: SUMMARY

1. The report considers proposals for the development of the Community under the following headings:

Chapter II: Priority Objectives (P14-23)

- (a) A homogeneous internal economic area through completion of the Treaty, increased competitiveness of the European economy, promotion of economic convergence, creation of a technological Community and strengthening of the European Monetary System.
- (b) Promotion of the common values of civilisation.
- (c) The search for an external identity, dealing with external policy including the improvement of political cooperation.

Chapter III: Efficient and Democratic Institutions
(P25-31)

dealing with:

- (a) Decision-taking in the Council. Page 27 sets out the majority (France, Italy, Benelux and Germany) and minority (UK, Denmark, Greece, Ireland) views on voting.



(b) The Commission; P.29 suggests that Commissioners be proposed by the President elect for appointment by the European Council (UK reserve) and includes a German reserve on the idea of a Commission of 12 after enlargement.

(c) The European Parliament; Page 30 contains the suggestion of co-decision taking with the Council (UK reservation).

(d) The Court of Justice; practical proposals for improving the functioning of the court (P31).

Chapter IV: The Method (P32): a proposal for the convening of an intergovernmental conference.

Reservations/Footnotes

2. Out of 36 footnotes/reservations in the report the UK has 3 reservations (selection of commissioners (p29) and EP (p30) and intergovernmental conference (p32)).

3. Following is line-up of reservations (excluding positions on decision taking):



Denmark - statement of overall reservation at Annex A.

10 reservations on:

- the notion of "union" (p12)
- security (p13)
- CAP (p15)
- financing of new policies (p18)
- external policy (p21)
- institutions (p25-31)

Greece - Statement of overall reservation at Annex B.

13 reservations on:

- political entity (p13)
- internal market/technology (p14/15/17)
- political cooperation and external policy
(p21-23)
- selection of commissioners (p29)
- EP (p30)
- intergovernmental conference (p32)

Germany - 3 reservations on:

- economic convergence (p15)
- use of the ECU (p18)
- size of the Commission after enlargement
(p29)



Belgium - 2 reservations:

- economic convergence (p16)
- decision taking (p27)

Italy - 1 reservation on minority cultures (p21)

Ireland - 1 reservations on defence security (p23)

Netherlands and Luxembourg had no reservations.

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