



cc: [initials]

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Secretary of State for Trade and Industry
PS/

30 April 1985

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Private Secretary to the
Secretary of State for Foreign and
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Foreign and Commonwealth Office
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NBRM
CDP
3/4.

Dear Colin,

DEVELOPMENT OF THE EC

Thank you for sending me a copy of your letter of 18 April to Rachel Lomax. My Secretary of State has discussed its attachment with the Foreign Secretary.

2 He recognises the need to counter some of the proposals which we may expect before the Milan Council about improving the functioning of Europe by advancing practical suggestions of our own. The latest French proposal - Eureka - confirms this. We must now set about consolidating a strategy of our own rather than simply responding to other States' proposals.

3 My Secretary of State therefore welcomes the proposals in paragraph 12 of the Foreign Secretary's paper. He agrees with the comments on handling relations with the Parliament and on political co-operation. Perhaps DTI officials could be given the chance to see the proposed text on this at an early stage.

4 This leaves 'decision taking'. Mr Tebbit recognises the place this has taken in discussions in the Dooge Committee and the difficult corner which Mr Rifkind has had to fight. Paragraph 15(c) seems to be a fair summary of the Treaty's juridical and political options for Member States anxious to make progress while paying proper regard to legitimate national difficulties. It could be strengthened by reference to the desirability of using those options (including Article 148) to get maximum progress on opening up the Common Market. My Secretary of State doubts whether the presentationally different formulation in paragraph 14 will be sufficient to silence the radical Member States. And he

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can see it provoking interminable disputes in the European Council about the delineation of the internal market, the nature of the 'specific steps' to advance its realisation and the target dates attached to each one.

5 I am copying this letter to Private Secretaries to other members of OD(G), Richard Hatfield (Cabinet Office) and Charles Powell (No. 10).

Yours sincerely

Maureen Dodsworth.

MAUREEN DODSWORTH
Private Secretary

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EURO. BL: Budget 1 Pt 29.

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