

PRIME MINISTER

MEETING WITH CHANCELLOR KOHL, ON

18 MAY, 1985

Your meeting with Chancellor Kohl on 18 May will be crucial in determining whether we succeed in channelling the debate on the future of the European Community over the next months towards sensible conclusions with which we can live. On the one hand we have to convince the Euro-enthusiasts if not the Euro-fanatics that Britain is prepared to move ahead. On the other we don't want to succumb to the drivel about European union.

You have already agreed some general guidelines for the discussions between now and the June European Council. These are in brief:

- priority for completing the internal market;
- no more powers for the European Parliament;
- more use of majority voting where the Treaty already provides for it, subject to the Luxembourg compromise being formalised;
- formalising the existing arrangements for political co-operation.

We have already got the Community moving on the internal market. Political co-operation is the other area where we can give a lead and conduct the debate on our terms without giving away anything essential.

The attached paper sets out a draft agreement on political co-operation with the suggestion that you launch/^{it} on Chancellor Kohl on 18 May as a substantial British initiative.

/The draft

The draft agreement would be an agreement between Member States and therefore not part of the Community law. It simply codifies and sets down in formal language what we are already doing. It does not restrict our national independence of action.

In short, it is dressing up mutton to look like lamb. But it will appeal to the Germans because it is an agreement and should be a "step forward" The experts will not be convinced. But I think you could sell it politically to Chancellor Kohl and to wider Community opinion as a British initiative, stake out a strong position, and make it impossible for others to put us in the dock as being a backmarker on European union.

If you agree, we would get it translated into German so that you could give it to him at Chequers and base your discussion with him on it. We would subsequently use it with other Member States.

The Attorney General has been through the text and is content with it, ⁱⁿ particular that it does not in any way give the Community competence over our foreign policy.

Agree to launch this initiative on 18 May?

C.D.P.

Yes. it seems fairly reasonable
not

3 May, 1985