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10 DOWNING STREET

From the Private Secretary

29 October 1985

EUROPEAN COMMUNITY INTER-GOVERNMENTAL CONFERENCE

The Prime Minister had a talk with Sir Michael Butler this afternoon about the progress (or lack of it) of the Inter-Governmental Conference and the way ahead.

The Prime Minister wondered whether it would be possible to reach conclusions by the time of the European Council in Luxembourg. But a good reason for trying to reach agreement there was that the longer the conference dragged on the greater would be the risk of others trying to do more.

The Prime Minister wanted to know more about the possible impact of an extension of majority voting on our interests. I understand that a paper is in preparation in the Cabinet Office which would identify areas where we would want to avoid majority voting and those in which we could accept it with equanimity. It would be helpful to have an early sight of this.

The Prime Minister was sceptical of the need for new Treaty articles on the environment and technology but acknowledged that in some circumstances such articles could actually work to our advantage.

On the European Assembly, the Prime Minister saw no case for going significantly beyond our own proposals at the June European Council.

The Prime Minister's conclusion from the meeting was that for the time being we should continue to keep our cards close to our chest and go on grinding down the unrealistic aims of other member states and of the Commission. She recognises that, nearer the time of the European Council, officials may need to become more closely involved in drafting elements of a package which might be acceptable at the European Council. But it must be made clear that we enter this exercise without commitment and that the main purpose is to prevent others from drafting conclusions which would be unacceptable from our point of view. Officials should therefore continue to make clear that they do not know what the Prime Minister would or would not be able to accept when it comes to the Council itself.

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Subject cc Master

Joe KAYACX

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I am copying this letter to David Williamson in the
Cabinet Office.

CHARLES POWELL

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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