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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

There is no way you can have a true foreign policy without a true defence policy. And what is the ultimate aim of Dear Charles where for us?

Can the Foreign Secretary agree to the formulation of European Political Cooperation in a "European foreign policy". It won't happen in our life-times. But it seems an unexceptionable long term goal.

15 November 1985

Intergovernmental Conference: 19 November

At the 19 November meeting of the Intergovernmental Conference, which Sir Geoffrey Howe will attend, EC Foreign Ministers will discuss the draft treaty on Political Cooperation on which Political Directors have been working since the Milan European Council.

Discussions at official level have progressed well. Ministers will have before them a Presidency text which seems likely to command a wide measure of agreement. This text is based on our proposal, retains its essential features, and meets all our principal objectives. Sir Geoffrey Howe therefore proposes to encourage his colleagues on 19 November to resolve the few remaining outstanding issues quickly so that the Presidency can put to the European Council a text which can be agreed as part of whatever package emerges from the remainder of the IGC.

attached → In the negotiations we have been guided by the points in your letter of 21 November 1984. The text now on the table:

- (a) formalises existing informal arrangements, specifically the commitment to consult and to work for joint actions and joint positions;
- (b) avoids any commitment to majority voting or any other procedures which might hinder us from acting in defence of or promoting essential British interests. The statement that Member States will "refrain as far as possible from impeding the formation of a consensus" is no more than a description of the present practice;
- (c) makes provision for the discussion in Political Cooperation of the political and economic aspects of security, as already agreed in the 1983 Stuttgart Declaration. Although our own original text went further, the merit of the present text is that the Irish, on Dr FitzGerald's authority, have been able to accept it. We have therefore argued, and Sir Geoffrey Howe will if necessary continue to do so, that it is crucial to have a text which all Member States can accept in toto. The Irish have greatly appreciated our support;

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- (d) gives no greater role to the European Parliament than it has now;
- (e) does not in any way constrain our freedom of action to speak and act as we see fit in the Security Council. Furthermore we have succeeded in ensuring that the text no longer carries the implication in the Franco-German rival draft that national positions in institutions such as the IMF and IBRD might have to be subject to coordination and common positions among the Ten.

Discussion on 19 November is likely to focus on three points: the security question (to which I have already alluded), on which the Italians and Benelux still hanker after something stronger; the Franco-German proposal for a Secretary-General; and the ultimate aim of the treaty.

On this last point the aim is defined in Article 1 of the present draft as being "the formulation and implementation of a European [foreign][external] policy". We have argued long and hard that if it is necessary to set out the aim in such terms at all it would be better to refer to "external policy". But there are some cogent arguments the other way. The Milan conclusions refer to "foreign (and security) policy", and so did the Stuttgart Declaration. Sir Geoffrey Howe considers that there would in fact be advantage in using the phrase "foreign policy", as did the recent Queen's speech in this context. To do so would make more secure our means of ensuring that our freedom of manoeuvre is not restricted in bodies such as the IMF/IBRD. Agreement to a general objective related to foreign policy concertation alone would commit us to no more than what is in the subsequent Articles of the treaty, i.e. formalisation of the present informal arrangements. And by agreeing to "foreign policy", which is preferred by all our partners, we should leave ourselves better placed to press for early agreement on the treaty as a whole.

The French and Germans have still not abandoned their proposal to rename the European Council and give it a Secretary-General. All the other Member States favour our more modest concept of a very small secretariat staffed by officials on secondment from national foreign offices. The Germans privately have dissociated themselves from the French. The prospects of agreement on a Secretariat on the lines of our original proposal seem good. The other points raised in your letter of 21 November 1984 have been met.

If the Prime Minister wishes, Sir Geoffrey Howe would

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be happy to have a word with her about these points before he goes to Brussels.

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

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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From the Private Secretary

19 November, 1985

INTERGOVERNMENTAL CONFERENCE

Thank you for your letter of 15 November about the further discussions on the draft treaty on Political Co-operation which will be held today. You asked in particular about the proposal to define the aim of the Treaty in Article 1 as being "the formulation and implementation of a European foreign policy".

The Prime Minister's starting point is that the notion of a European foreign policy, to which for instance the United Kingdom and the Republic of Ireland could both subscribe, is bizarre and bears no relation to reality. She takes the view that European foreign policy makes no sense even as a concept without a European defence policy. She also sees a significant difference between talking about "strengthened co-operation on foreign policy" or "the possibilities of joint action in the field of foreign policy" on the one hand, and a "European foreign policy" on the other.

Against this, the Prime Minister acknowledges that we are dealing with Euro-speak; with an ultimate and no doubt distant aim; and a statement to which no legally binding obligations are attached.

The Prime Minister's preference would be to achieve some watering down of the draft Article 1. Possible solutions which occur to me (and no doubt long since to you) are:

- to put the aim of a common foreign policy in the preamble rather than a substantive article;
- to insert the word "ultimate" before "aim";
- to omit the words "and implementation".

The Prime Minister would like a further serious effort to be made to secure an amendment on the lines of one of these, or something having equivalent effect.

Depending on this the Prime Minister would be ready

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herself to discuss the precise formulation of Article 1 at the European Council. I am confident that a solution can be found in the context of a satisfactory overall package at Luxembourg.

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

(C.D. Powell)

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

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From the Private Secretary

21 November, 1984

The Dooge Committee

Thank you for your letter of 16 November reporting on the work of the Dooge Committee.

In general, the Prime Minister agrees with the views set out in your letter and the attached analyses of the Ruhfus proposals and the Faure Report. There are clearly a number of ideas which we cannot accept. These include:

- majority voting in POCO or any other commitment which hinders us from acting in defence of essential British interests;
- extension of the powers of the European Parliament;
- 'objective tests' for invoking the Luxembourg compromise;
- a new European Treaty;
- UK participation in the Exchange Rate Mechanism;
- new Community social legislation;
- Community preference in arms procurement.

There are quite a number of others which are either positively useful or at least unobjectionable. This applies for instance to points 1-4 and 7-10 of the note analysing the Ruhfus proposals. The Prime Minister has commented, however, that a permanent political cooperation secretariat simply means ever more bureaucracy.

The crux comes in the formalisation of arrangements for political cooperation and the extension of majority voting. The Prime Minister agrees that perhaps we could adopt a slightly more open position than hitherto on these proposals

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subject to the following qualifications:

- (i) on POCO, we should not agree to do more than formalise existing informal arrangements. We should not accept any new obligations which would hinder our ability to promote our interests as we think best.
- (ii) On majority voting, the key requirement is that the Luxembourg compromise should be preserved intact. The Prime Minister is against extensions of majority voting, but understands that other countries would also argue fiercely against particular cases, as they arise.

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The Foreign Secretary may like to pursue these points further at the meeting already arranged for 28 November.

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

C. D. POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

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EUROPEAN POLITICAL COOPERATION (EPC) TREATY

ARTICLE 1: 'FOREIGN POLICY'

Queen's Speech 1985:

'Within the Community, they will work for improved decision taking, strengthened cooperation on foreign policy,'

Prime Minister's Statement after Milan European Council:

'It is regrettable however that the opportunity available to the Council to strengthen foreign policy cooperation and to improve decision making was not taken. These issues will now have to be discussed in a further conference.'

Conclusions of Milan European Council:

'The European Council discussed in detail the convening of a conference to work out the following ...:

- a Treaty on a common foreign and security policy on the basis of the Franco-German and United Kingdom drafts;'

Stuttgart Declaration:

Whole chapter headed 'Foreign Policy' included agreement on:

- '- intensified consultations with a view to permitting timely joint action on all major foreign policy questions of interest to the Ten as a whole;'
- '- progressive development and definition of common principles and objectives as well as the identification of common interests in order to strengthen the possibilities of joint action in the field of foreign policy;'

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POLITICAL COOPERATION TREATY: PRESIDENCY DRAFT OF 13.11.85

Preamble

[To be considered in the light of further progress at the IGC]

Article 1

[external] The High Contracting Parties, Members of the European Communities
= have adopted as their aim the joint formulation and implementation
UK only of a European [external][foreign] policy.

Article 2

Greece 1. The High Contracting Parties undertake [to show solidarity in
all areas affected by the present Treaty], to inform and consult
each other on all questions of foreign policy that are of general
interest in order to ensure that their combined influence is
exerted as effectively as possible, through the concertation of
their views, the alignment of their positions and through joint
action.

2. Such consultations shall take place before the High
Contracting Parties adopt final positions.

3. Each Contracting Party shall take full account of the position
of other partners and give due weight to the desirability of the
adoption and implementation of common European positions when
adopting national positions and taking national action.

In order to increase their capacity for joint action in the
foreign policy field, the High Contracting Parties shall ensure
the progressive development and definition of common principles
and objectives.