



PM/81/52  
PRIME MINISTER

*I don't think we can just show our own Parliament - especially in view of the opinion should be given a general welcome & remitted for further study. There would seem to be obvious tactical advantage in doing so. Agree?*

*Prime Minister. You are not being asked to approve these ideas at this stage: merely to agree that they should be given a general welcome & remitted for further study. There would seem to be obvious tactical advantage in doing so. Agree?*

*See also - welcome letter dated 13/11*

Political Cooperation: Herr Genscher's Ideas

*initiative - but not the proposals themselves*

In my minute of 6 May about European political cooperation, I mentioned Herr Genscher's ideas for giving a renewed political impetus to Europe.

These ideas have now been approved by the German Cabinet. They are likely to be circulated to the Ten soon; Genscher plans to explain them publicly in a major speech to the European Parliament on 19 November. The German intention seems to be that the European Council should then agree to remit their proposals for further study, possibly in a special ad hoc group.

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As the Presidency, we have received in confidence an advance copy of the German proposals. There are two documents: a draft "European Act" and a draft statement on questions of economic integration. I attach both, together with a summary of the main points in the "European Act", which is rather long. The Italians, who have been closely involved with the Germans in recent weeks over the preparation of the proposals, are likely to endorse the proposal for the "European Act" as it stands, but may put forward an alternative draft on the economic aspects, or at least amplify it in Signor Colombo's covering letter.

The following are, I think, the main points about the European Act.

(a) The Germans

*The F.S and I must discuss. This will respect all the old wounds in the Tory Party and needs another split. We just can't do it. reb*

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- a) The Germans have accepted the advice that we (and others) have been offering them, and have (at least for the time being) dropped the idea of a Treaty. The "European Act" could be agreed by the European Council, and would not require ratification by Parliament.
- b) As regards its substance, the draft is long-winded and Germanic. But the proposals include nothing strikingly new. They try to tie together a number of existing strands - the Community itself, the European Council, political cooperation and the Parliament. The emphasis on strengthening and developing political cooperation is welcome, that on Parliament less so. But the Germans are in fact not suggesting that the Parliament be given any new powers. The details of the proposals are likely to prove more indigestible to others than to us - the Irish for example, have problems over the discussion of security issues in political cooperation, (though there are things, such as the commitment to put a draft Treaty on European Union to the European Council within five years, which are likely to give us difficulty).
- c) A tactical point. Our overriding aim in Europe at the moment is a satisfactory outcome on the Community budget question. For this, we need German cooperation. We shall also find it easier to persuade our partners to make the substantial moves we need from them if we can provide them with evidence of simultaneous progress on the wider, vaguer and more theological issues addressed in the German proposals.

I therefore believe that we should, both at the European Council and in public, welcome the German proposals, in line with what I have been saying to Genscher in the last six months, and make clear both that we agree with their purpose and that we are ready to play a constructive part in discussion of their details. At the same time, I shall tell him privately that we

/appreciate

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*We can't get away with this without reliance to Parliament.*

*??*



appreciate his decision not to present us with a proposal for a new treaty.

Although Geoffrey Howe may have some comments on the draft statement on questions of economic integration, it seems to me to be relatively non-controversial. It picks up in general terms some of the main themes of discussion in the Mandate Group on the development of Community policies other than agriculture. The Italians will probably wish more emphasis to be placed on economic convergence. We would support them on this, but I do not think that the German text poses any major problems for the UK as it stands, and the reference to an improvement in the budgetary structure is helpful.

I am sending copies of this minute to the other members of OD and to Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a large, stylized letter 'C' with a horizontal line underneath it.

(CARRINGTON)

Foreign and Commonwealth Office



EUROPEAN UNION

SUMMARY OF THE OPERATIVE PROVISIONS OF THE DRAFT 'EUROPEAN ACT'

1. The draft Act formally establishes the merging of the structures for decision-making in the European Communities and Political Cooperation under the responsibility of the European Council, which is defined as the organ of political guidance for both.

2. The European Parliament's right to seek comments from Foreign Ministers on its resolutions is reaffirmed; the President of the European Parliament is to be consulted before the appointment of the President of the Commission. There is a vague formula for the extension of the conciliation procedure to particularly significant decisions (currently it applies only to decisions with significant financial implications). Parliament to be informed on a continuous basis of negotiations for accession or association of states with the Community.

*Then - the U.K. Parliament will want the same principle.*

*do.*

3. Councils of Ministers of Culture and Justice are established.

*Why? - We rejected this when the Italians were with us.*

4. No separate Council of Ministers is established for security matters but the draft Act provides that the Foreign Affairs Council may convene 'in a different composition' for detailed discussions on security matters. The draft stresses the importance of 'common action in matters of security'. *Please define 'security'!*

*Am very much of course*

5. The draft calls for greater use of voting in Community institutions and for written explanations by any Member State invoking the 'Luxembourg compromise' to avoid a vote.

*This will be dynamic in our own Parliament*

6. Provision is made for Foreign Ministers to submit to the European Council a draft Treaty on European Union five years after the signature of the Act, to incorporate in Treaty form the progress achieved.

Stand: 4. November 1981

Draft

EUROPEAN ACT

The Heads of State and Government of the ten member States of the European Communities, meeting within the European Council,

- resolved to continue the work begun with the Treaties of Paris and Rome and to create a united Europe capable of assuming its responsibilities in the world and of rendering the international contribution commensurate with its traditions and its mission,
- considering what has been achieved in the construction of Europe in the spheres of economic integration and political co-operation, as well as the political objectives of the Community, which enjoy the broad support of the democratic forces in Europe,
- convinced that the unification of Europe in freedom and respect for its diversity will enable it to make progress and develop its culture and thus contribute to the maintenance of equilibrium in the world and to the preservation of peace,
- proceeding from the foundation of respect for basic rights as expressed in the laws of the Community and its member States as well as in the European Convention for the Protection of Human Rights and Fundamental Freedoms,
- determined to work together for democracy, the human and basic rights and notably for the dignity, freedom and equality of man, as well as for social justice,

- aware of the international responsibility devolving upon Europe by virtue of its level of civilization, its economic strength, and its manifold links with the States and nations of other continents,
- convinced that the security of Europe must also be guaranteed by joint action in the field of security policy which at the same time helps to maintain the common security of the partners in the Atlantic Alliance,
- in accord with the decisions taken by the Heads of State and Government of the member States of the European Communities in Paris on 21 October 1972 and the Document on the European Identity published by the Foreign Ministers on 14 December 1973,
- mindful of the statement made by the European Council in The Hague on 29/30 November 1976 concerning the progressive construction of European Union, and in particular the goal, set by the Heads of State and Government, of establishing a comprehensive and coherent common political approach,

reaffirm their political will to develop the whole complex of the relations of their States and create a EUROPEAN UNION. To this end they have formulated the following principles of a EUROPEAN ACT as a further contribution to the establishment of the EUROPEAN UNION:

Part One: Principles

1. Our peoples expect the process of European unification to continue and to bring increasing solidarity and joint action. To this end the construction of a united Europe needs a firmer orientation to its political objective, more effective decision-making structures, as well as a comprehensive political and legal framework capable of development. The EUROPEAN UNION to be created step by step will be an ever closer union of the European people and States based on genuine, effective solidarity and common interests, and on the equality of the rights and obligations of its members.

2. Desiring to consolidate the political and economic progress already achieved towards the EUROPEAN UNION, the Heads of State and Government endorse the following aims:

- to strengthen and further develop the European Communities as the foundation of European unification, in accordance with the Treaties of Paris and Rome,
- to enable member States, through a common foreign policy, to assume joint positions and take joint action in world affairs so that Europe will be increasingly able to assume the international rôle devolving upon it by virtue of its economic and political importance,
- the co-ordination of security policy and the adoption of common European positions in this sphere in order to safeguard Europe's independence, protect its vital interests and strengthen its security,
- close cultural co-operation among the member States, in order to promote an awareness of common cultural origins as a facet of the European identity, while at the same time drawing on the existing variety of individual traditions and intensifying the mutual exchange of experiences, particularly among young people,
- the harmonization and standardization of further areas of the legislation of the member States in order to strengthen the common European legal consciousness and create a legal union,
- the strengthening and expansion of joint activities by the member States to cope, through co-ordinated action, with the international problems of the public order, major acts of violence, terrorism and transnational criminality in general.

3. The European Communities, which continue to be based on the Treaties of Paris and Rome, European Political Co-operation, the rules and procedures of which are governed by the Reports of Luxembourg (1970), Copenhagen (1973), and London (1981), and the European Parliament shall co-operate in the pursuit of the above aims.
  
4. The following shall serve in particular to further the development of European Political Co-operation:
  - intensified regular and timely consultations among the Ten with a view to united action on all international questions of common interest,
  
  - the adoption of final positions only after consultation with the other member States,
  
  - acceptance of statements by the Ten as a binding common basis,
  
  - strengthened worldwide contacts with third countries of particular interest to the Ten,
  
  - increased consideration of resolutions of the European Parliament in reaching decisions by the Ten.

#### Part Two: Institutions

The following measures shall serve to amalgamate the existing structures of the European Communities (EC), European Political Co-operation (EPC) and the European Parliament and to strengthen the political orientation of the work of European unification:

1. The structures for decision-making in the European Communities and European Political Co-operation shall be merged under the responsibility of the European Council. The European Council is



the organ of political guidance of the European Community and of European Political Co-operation. It is composed of the Heads of State and Government and the Foreign Ministers of the member States.

2. The European Council shall deliberate upon all matters concerning the European Community and European Political Co-operation. Its meetings shall be prepared on the special responsibility of the Foreign Ministers. The European Council may take decisions and lay down guidelines.

Matters concerning the European Communities shall continue to be governed by the provisions and procedures laid down in the Treaties of Paris and Rome and the supplementary agreements thereto.

3. The Heads of State and Government reaffirm that central importance attaches to the European Parliament in the development of the European Union, an importance which must be reflected in its participatory rights and control functions. They therefore envisage the following improvements for the Community within the scope of the Treaties of Paris and Rome:

- (1) The European Parliament shall debate all matters relating to the European Community and European Political Co-operation.
- (2) The European Council shall report at half-yearly intervals to the Parliament. It shall further submit an annual report to the Parliament on the progress towards the EUROPEAN UNION. In the debate on these reports the European Council shall be represented by its President (by one of its members).
- (3) The European Parliament may submit oral or written questions concerning all aspects of European Union to the Councils of Ministers and the Commission. It may make

recommendations to the European Council, the Councils of Ministers, and the Commission. The resolutions of the European Parliament shall be forwarded to the Council of Foreign Ministers for discussion by it. If the Parliament asks for the Council's comments in this respect, the Council shall comply with the request. The President of the Council shall keep the European Parliament informed through the latter's Political Committee of the subjects of international policy dealt with in the scope of European Political Co-operation.

- (4) Before the appointment of the President of the Commission, the President of the Council shall consult the President of the European Parliament. After the appointment of the members of the Commission by the Governments of the member States, an investiture debate should be held in which the Parliament shall discuss the programme of the Commission.
- (5) The Parliament is associated with legal acts of the Community, which are of general importance and have significant financial implications, on the basis of the joint declaration of 4 March 1975 of the European Parliament, the Council and the Commission on the conciliation procedure. The conciliation procedure shall be applied *mutatis mutandis* in a way suited to practical requirements in normative decisions by the Councils of Ministers pursuant to the Treaties of Paris and Rome if in its comments the Parliament requests the initiation of the conciliation procedure because of the particular significance of such decisions.
- (6) Before the accession or association of further States and before the conclusion of international treaties by the European Communities the European Parliament shall be heard;

its appropriate committees shall be informed on a continuous basis. In formulating the expanded hearing procedure, due regard shall be given to the requirements of confidentiality and urgency.

- (7) In the further development of basic and human rights, special legitimacy attaches to the deliberations and decisions of the European Parliament.
  - (8) Continuous reciprocal contacts and consultations between the European Parliament and the national Parliaments should be developed further, with the latter defining the relevant procedures, with a view to enhancing public awareness of European unification and making the debates on aspects of European Union more fruitful.
4. (1) The Council of Foreign Ministers shall be responsible for European Political Co-operation.

This shall not affect the powers of the Council of the European Communities pursuant to the Treaties of Paris and Rome.

The co-ordination in matters of security should promote common action with a view to safeguarding the independence of Europe, protecting its vital interests and strengthening its security. For these discussions the Council may convene in a different composition if there is a need to deal with matters of common interest in more detail.

- (2) In addition, a Council of Ministers responsible for cultural co-operation and a Council of Ministers of Justice shall be established.
- (3) The European Council may decide on the establishment of further Councils of Ministers to co-ordinate the policy of the member States in areas not covered by the Treaties of Paris and Rome.

- (4) The Council of Foreign Ministers may appoint committees to deal with specific questions; they shall report to the Council. Both the Council and the committees may avail themselves of the services of experts.
  - (5) The role of the Presidency in European Political Co-operation will be strengthened by both expanding its powers as regards initiatives and co-ordination and enhancing its operative capabilities.
5. The Council of Ministers responsible for cultural co-operation shall hold regular exchanges of views on close co-operation in the cultural sphere in order to harmonize their positions on cultural matters as far as possible. For these deliberations the member States may be represented by their respective competent Ministers in accordance with constitutional provisions.
6. The Council of Ministers of Justice shall hold regular exchanges of views on aspects of co-operation in matters of legal policy in order to promote the EUROPEAN UNION in this sphere too.
7. The European Council and the Councils of Ministers shall, where matters pertaining to the European Communities are concerned, be assisted by the Secretariat of the Council and, in the fields of foreign policy, security policy and cultural co-operation, by an expandable Secretariat of European Political Co-operation.
8. (1) In view of the need to improve the decision-making processes and hence the European Communities' capacity for action, decisive importance attaches to the voting proce-

dures provided in the Treaties of Paris and Rome. The member States will utilize every opportunity to facilitate decision-making.

- (2) To this end greater use should be made of the possibility of abstaining from voting so as not to obstruct decisions. A member State which considers it necessary to prevent a decision by invoking its "vital interests" in exceptional circumstances will be required to state in writing its specific reasons for doing so.
  - (3) The Council will take note of the stated reasons and defer its decision until its next meeting. If on that occasion the member State concerned once more invokes its "vital interests" by the same procedure a decision will again not be taken.
  - (4) Within the scope of European Political Co-operation as well, the member States shall utilize every opportunity to facilitate decision-making, in order to arrive more quickly at a common position.
9. The Heads of State and Government stress the particular importance attaching to the COMMISSION as guardian of the Treaties of Paris and Rome and as a driving force in the process of European integration. In addition to its tasks and powers under the Treaties of Paris and Rome, the Commission advises and supports the European Council, whose meetings it attends, with proposals and comments. It is to be associated closely with European Political Co-operation.
  10. The COURT OF JUSTICE of the European Communities has an important role to play in the process leading to the EUROPEAN UNION. In ensuring the observance and further development of Community law, it acts in accordance with the Treaties of Paris and Rome. It should be granted appropriate powers of interpretation and possibly of arbitration under international treaties concluded between member States.

Part Three: Perspectives

1. All other European States which share the values and aims embodied in this Act and become members of the European Communities may accede to the "European Act" to participate in the realization of the EUROPEAN UNION.

On acceding to the European Communities they undertake to accede to this "European Act".

2. The Heads of State and Government shall subject this "European Act" to a general review five years after its signing with a view to incorporating the progress achieved in European unification in a Treaty on the EUROPEAN UNION. To this end a draft shall be submitted to the European Council by the Foreign Ministers before the end of such period and presented to the European Parliament for comment.

3. IN WITNESS WHEREOF, the undersigned High Representatives of the member States, conscious of the great political importance which they attach to this Common Declaration, and resolved to act in accordance with their will as expressed above, have appended their signatures to this EUROPEAN ACT.

DONE at \_\_\_\_\_ this \_\_\_\_\_

ON BEHALF OF

The Kingdom of Belgium:

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Prime Minister

The Kingdom of Denmark:

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Prime Minister

The Federal Republic of Germany:

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Federal Chancellor

The Hellenic Republic:

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Prime Minister

The French Republic:

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President of the Republic

The Irish Republic:

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Prime Minister

The Italian Republic:

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President of the Council of Ministers

The Grand Duchy of Luxembourg:

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Prime Minister

The Kingdom of the Netherlands:

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Prime Minister

The United Kingdom of Great Britain  
and Northern Ireland:

.....

Prime Minister



Draft statement on questions of economic integration

1. The achievement of the European Union requires further progress as regards the economic integration of Europe. Therefore the Heads of State and Government reaffirm in the European Act the primary goal of strengthening and developing the European Communities in accordance with the Treaties of Paris and Rome.
2. The solution of the problems currently being dealt with in the European Communities is essential if the solidarity of the Community is to be strengthened.
3. This implies, in the interest of all member States and the standard of living of their citizens, a functioning internal market, an adjustment of the common agricultural policy and an improvement in the budgetary structure. The Common Market must not only be maintained but brought to completion.
4. The European Monetary System, which has led to the creation of a major zone of monetary stability, is a positive element. Beyond the monetary stability guaranteed by the EMS, the member States should strive to achieve an increasing convergence of their economies. In the perspective of Economic and Monetary Union which, as a part of the European Union, is to consolidate the economic and financial solidarity of the Community, they should aim at a closer coordination of their economic policies, not least in view of the further development of the EMS.

The member States should examine how, within the framework of the means available, Community policies suitable for achieving the goal of integration might be developed.

5. The accession of Spain and Portugal to the European Community should become reality in the interest of consolidating democracy in Europe, expanding the European economic area and strengthening Europe's position in the world.
  
6. A European Community completed and strengthened in this way will be in a position to utilize the potential of the European economic area, increase its competitiveness, improve possibilities for investments and thus reduce the level of unemployment.

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