



PM/84/174

PRIME MINISTEREuropean Community

1. At the moment of writing this, it still looks as though a good deal of the time at Dublin will be taken up with enlargement, particularly by wine and fish. We shall be discussing these separately in the light of the latest state of play at Brussels. This note is about the other subject that is likely to loom large - the development of the Community. This is bound to take as its starting-point the interim report of the Dooge Committee.

2. I had a chance to discuss this with my colleagues at the Foreign Affairs Council lunch in Brussels yesterday. I arranged to discuss it as well at separate meetings with Dumas and Ruhfus. From all this it became reasonably clear that most people are looking for no more than a preliminary discussion in Dublin, and that the main discussion will take place at the European Council in March. We shall need at Dublin to keep that later discussion in mind.

3. It is now pretty clear to me that the main thrust for the recent burst of activity is coming from Chancellor Kohl. Ruhfus explained his thinking very candidly: and it is far from fully thought out. One part - with which we can identify completely - is impatience for faster progress on the establishment of a truly common market. The other part -

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Prime Minister
This is based on the expectation that others will stand up to be counted. There is little by way of precedent to encourage such a belief.

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much less clear - is his wish for further evidence of political progress. This is why he is said to be determined to achieve a new "inter-governmental agreement" of an essentially declaratory kind, dealing inter alia with political cooperation. He is under political pressure at home and the French see an interest in helping him counteract tendencies which worry them in German opinion. Mitterrand appears ready to go along with a new agreement in the interests of Franco-German relations - and also of course to promote French interests in the Community. And Kohl believes, according to Ruhfus, that he needs to make headway (if at all) ahead of the French elections in 1986. Mitterrand intends to propose cooperation in fields not covered by the existing treaties, notably internal security, health, education and culture. None of this would necessarily amount to much more than statements of intent.

4. On the real substance, the French position is closer to ours: they will not agree to any effective transfer of authority. Mitterrand will not want a Treaty that represents any substantive change on e.g. the Luxembourg compromise. Nor will he accept any commitment which hinders him from acting in defence of essential French interests in political cooperation. But he probably will accept a properly qualified obligation to consult, of a kind we also could accept, given our record on consultation. Dumas made clear to me that the Germans want to go further than the French will be prepared to go. But I expect Mitterrand will wish, for the reasons I have given, to endorse the idea of a new agreement. Even so, I think it should be possible - certainly it is desirable - for us to try (not too obviously) to establish some common ground with the French. We should try to leave it to them (and some of the others) to make some of the running, so that it is not left to us to block those proposals that would also give them difficulty.



5. We should be able to respond to many of Kohl's ideas simply by raising a number of questions, which other Member States too will be hard put to answer. What precisely would the content of a new agreement be? Would a new treaty leave the existing treaties and institutions as they are? Or would it seek to change them? If so, in what respects? (Any changes would of course require unanimity.) Is it proposed to try to negotiate a new treaty among the Ten? Or among the Twelve? Will proposals to increase the role of the Parliament (for example) really increase our chances of making faster progress towards greater market unity? The fact is that there will be no general agreement to change the existing Treaties; and any agreement superimposed on them therefore can be of very limited effect. We should adopt a questioning attitude, not in such a way as to arouse a hostile reaction, but to channel the discussion in the direction we want.

6. I think it is extremely important for us to avoid falling into the essentially defensive position that some of the others expect us to adopt. Nor do I think there should be any need for this. It will serve our interests far better to play an active part, but constantly trying to bring the discussion back on to ground of our own choosing - particularly when we know that that ground is likely to appeal to Kohl or Mitterrand or both. We certainly need not leave it to others to make all the running. We should try to match the French in ingenuity in seeking to turn to our advantage Kohl's declared enthusiasm for completion of the internal market, where progress otherwise will continue to be painfully slow. We should try (we both know how often others hang back on questions of this kind) to leave it to the French or the Danes, for instance, to declare their own objections to any obligations in political cooperation which would inhibit them from playing an independent role.



7. Throughout all this we need to keep clearly in mind our wider, long-term, British objectives. Both in Europe and outside we must be seen to be playing no less central a role than France and Germany in the Community. It is a fundamental British interest that we should be centrally involved in the leadership of Europe; and it will be no less important to our influence within the trans-Atlantic partnership that we should be seen to be so. We should keep all this in the forefront of our minds at Dublin, though not on public view. Rather than just reacting to what others propose, we should emphasise that no one is keener than we are to see the strengthening and development of political cooperation; and that our record is second to none in that regard. We have put forward a series of positive proposals for the development of the Community. Our attitude to the ideas of others will be affected by the willingness of other Member States to implement the existing treaties, and in particular to commit themselves to take specific actions to bring the completion of the internal market within a given timetable. The President of the Parliament (M. Pflimlin) told members of the Council this week that in the 1950s the Community had set itself the task of removing tariff barriers in ten years and had succeeded: it must now set itself a new target of removing all non-tariff barriers by the year 2000. We should press for all such barriers to be removed within this decade.

8. The main point we need to get across to Kohl and others is that there are enough areas for action by agreement within the Community in terms of completing the Treaties and developing political cooperation to represent real reform without having to involve ourselves in all the ideas canvassed by the Dooge Committee. The way to a more united Community cannot be through a route which would divide some Member States from others and which could only undermine the commitments we all entered into in the Stuttgart Declaration. We want to see agreement on measures contributing to the real development of the Community. We are ready to work with

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all our partners to achieve practical results. On this basis the Dublin European Council should instruct the Committee to go away and look above all for proposals on which agreement might be possible. A movement might develop - which we should not discourage - to have that task remitted to representatives of the Member Governments. The idea of an inter-governmental conference (one of the Dooge suggestions) would only work if there was already a substantial measure of prior agreement about the subjects it would deal with and what precisely could be achieved.

9. I doubt if you need go into detail about this in your telephone conversation with Chancellor Kohl. It would suffice to emphase that we certainly want to see something positive come of this work, including the strengthening of political cooperation. It should be carried forward in a way which strengthened European unity, rather than risking a division between Member States so soon after our success in carrying Stuttgart to a conclusion. There may not be time for more than an introductory discussion at Dublin. That could be followed up at the Brussels Council in March. You will wish to discuss our and his ideas in detail at your meeting in January. The purpose should be to reach agreed decisions we can all accept.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
27 November 1984

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