

PERSONAL AND CONFIDENTIAL



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01- 233 8319

From the Secretary of the Cabinet: Sir John Hunt GCB

11th April, 1979

Ref. A09342

Dear Miss Stevens,

The enclosed envelope contains a personal and confidential letter from Sir John Hunt to Mrs. Thatcher dealing with a matter on which Sir John promised Mrs. Thatcher a note when they met on 5th April.

Yours sincerely
Martin Vile

(M. J. Vile)
Private Secretary

Miss Caroline Stevens

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CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir John Hunt GCB

10th April, 1979

Ref. A09340

Dear Mrs Thatcher.

One of the things which we discussed when I came to see you on 5th April was responsibilities for European matters, and I undertook to let you have a note about this.

I enclose this note herewith and hope it may be of some help.

Yours sincerely.

John Hunt.

The Rt. Hon. Margaret Thatcher

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EEC: Supervision of United Kingdom Policy

There are two distinct requirements: the identification and co-ordination of policy options, and the handling of our negotiations in the Community.

Identification and Co-ordination of Policy Options

2. Most Community business raises issues of domestic policy (e. g. agriculture and fisheries, convergence, our contribution to the Budget, energy, competition policy, regional aids, transport and social policy). Even external matters like trade, aid and EMS have considerable domestic implications. Furthermore in most cases more than one Department has an interest, particularly if there is an expenditure angle: and differences between Departments have to be reconciled. The only matter which is solely "overseas" and only a matter for the Foreign and Commonwealth Office is discussion of foreign policy matters ("political co-operation" in Community jargon) which takes place on a regular basis but outside the framework of the Treaties.

3. Apart from co-ordinating domestic interests it is necessary to keep a central eye on all the various negotiations taking place in Brussels both to ensure that they conform to our overall strategy and because it is sometimes desirable to make a concession on an objective of minor importance in order to secure one of paramount significance. We cannot fight on every front at the same time.

4. Ever since we joined the Community, this co-ordinating and monitoring role has been played by the European Secretariat in the Cabinet Office. It also has a watching brief to ensure that our own legislation is consistent with Community law and in respect of the work of the Scrutiny Committee.

5. This is not a question of back-seat driving from the Cabinet Office but of being aware of what is going on and calling in for central discussion matters which would otherwise go astray. It is the more necessary given the amount of discussion which takes place with the Commission etc. at official level.

6. These arrangements have worked well. The Foreign and Commonwealth Office could but would not wish to take over this co-ordinating role: and other Departments would be reluctant to see them do it.

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7. During the last Conservative Government the European Secretariat in the Cabinet Office, in playing this co-ordinating role, reported both to the Prime Minister directly and also to the Chancellor of the Duchy of Lancaster (Mr. Rippon and then Mr. Davies). The latter sat in the Cabinet Office but also deputised for the Foreign and Commonwealth Secretary in the Council of Ministers. Most people felt that this arrangement did not work very well. Since 1974 the Chancellor of the Duchy has had no remit on Europe. The European Secretariat in the Cabinet Office has reported through me to the Prime Minister on matters which need concern him (e. g. the European Council) but has also had direct access to the Foreign and Commonwealth Secretary (who has also chaired the main Ministerial Committee on Europe).

Handling our Negotiations

8. The reason why the experiment of making the Chancellor of the Duchy responsible at Ministerial level for the co-ordination of our policies towards the Community was not wholly successful lay in the difficult relationship which he had with the Foreign and Commonwealth Secretary. This was not wholly, or even mainly, a matter of personalities.

9. The Foreign and Commonwealth Secretary is inevitably the Minister who must represent us on Political Co-operation because it covers the whole foreign policy field and not matters within the Community's competence. As regards other issues, the Foreign Affairs Council (a misnomer since many of the issues it deals with are domestic!) is the main Council, although the work of the specialist Councils has grown: and of course it plays the main part in preparations for the European Council of Heads of Government. Whatever his internal standing, anyone who is not a Foreign Minister tends not to be treated as an equal in the Foreign Affairs Council (or to know his opposite numbers so well). There would also be problems over attendance at the informal meetings of Foreign Ministers which tend to range over both Community issues and Political Co-operation, and at the European Council itself which is restricted to Heads of Government and Foreign Ministers. Finally there is a real difference between the arts of co-ordination (a typical Cabinet Office role) and negotiation (the bread and butter of the Foreign and Commonwealth Office).

10. Hence we have made a clear distinction between the Foreign and Commonwealth Secretary taking the lead on negotiations in Brussels, for which he needs the support of the Foreign and Commonwealth Office and the whole diplomatic backing of our Embassies in Community countries; and his co-ordinating role, for which the Cabinet Office provides advice, in chairing the main European Ministerial Committee in Whitehall. Thus the Foreign and Commonwealth Secretary fills two roles for which he has different support.

Is any Change Required?

11. In general these arrangements have worked well. There have been no demarcation problems as between the Foreign and Commonwealth Office and the Cabinet Office. When difficulties have arisen these have normally been due to differences between Labour Ministers in their attitude to the Community rather than to any defect in the machinery. The only real problem has been when the Foreign and Commonwealth Secretary has been concentrating so much on one non-Community area (cf. Dr. Owen and Africa) that he has found it difficult to give sufficient attention to Community matters: it is therefore essential that he should be well supported by an able Minister who can take some of the load off him, either of the European or non-European work.

12. On balance I would favour leaving things as they are. However organisation should fit the wishes of Ministers and not the reverse. There are in practice three options:-

- (i) Go back to the pre-1974 arrangements with a co-ordinating Minister for Europe in the Cabinet Office. At home this could be held to mark a new emphasis on our relations with the Community, but in addition to the disadvantages in Europe set out in paragraph 9 above, there is a further point which needs to be taken into account. Departments are now more used to having a European dimension to their policies and we do not want to encourage a belief that Europe is something "outside". There would therefore be correspondingly less work for a European co-ordinating Minister in the Cabinet Office to do. Everything would of course depend on the personal relationship he or she had with the Foreign and Commonwealth Secretary. The arrangement could be made to work only if the two had a clear understanding of each other's roles

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and if one or other was seen to be in the lead: they could not be rivals. And political co-operation would have to stay with the Foreign and Commonwealth Secretary.

- (ii) Have a Minister for Europe of Cabinet rank within the Foreign and Commonwealth Office. This would mean double-banking the Foreign and Commonwealth Office on the lines of the two Cabinet Ministers at the Treasury. Much would depend on who the Foreign and Commonwealth Secretary was and where his main interests lay. If the Foreign and Commonwealth Secretary was a Peer and for that reason you felt it necessary to have a Cabinet Minister to handle foreign affairs in the Commons, then the latter also could take the lead on European matters (cf. Lord Home and Mr. Heath during the original entry negotiations). It would however still mean the Foreign and Commonwealth Secretary going to Political Co-operation and the European Minister to the Foreign Affairs Council. If the Foreign and Commonwealth Secretary was in the House of Commons, a Peer could of course be given the European role. But it might be difficult to have two Foreign and Commonwealth Office Cabinet Ministers in the House of Commons.
- (iii) Retain the present arrangements but give the Foreign and Commonwealth Secretary a really first-class Minister of State to assist him on European negotiations (as distinct from co-ordination). The latter would ease the Foreign and Commonwealth Secretary's work-load in Whitehall without however dividing responsibilities. He would accompany him to the Council of Ministers and if necessary handle some items there on the Foreign and Commonwealth Secretary's behalf. This is the general practice in other Community countries.