

MEETING OF THE EUROPEAN COUNCIL IN BRUSSELS ON 12/13 JULY
FIRST SESSION 3.30 p.m. 12 JULY [Reconstruction from the
Secretary of State's own notes: not a full record]

Mr Den Uyl ran through the prospective agenda. Mr Callaghan said we wanted to add the Common Fisheries Policy, and to circulate a draft statement by the European Council later in the afternoon. Herr Schmidt said he would like to add terrorism. Both additions were agreed.

Direct elections

2. Mr Den Uyl said there was already agreement on the principle and the timing. What they now had to consider was the number and distribution of seats. It was not a world-shaking issue and they were not about to make a permanent decision. There were six variants on the table. He would start with the Luxembourg Presidency Mark II proposal.
3. Mr Callaghan said we too wanted agreement and positions were getting closer. But they would have to watch the size of constituencies, which needed to be related to population. We therefore wanted the maximum number of seats and would have to pay particular attention to the position of Scotland and Wales. From this point of view, the Luxembourg Presidency Mark II proposal would be impossible. Mr Joergensen said Denmark could accept the French proposal or a doubling of the French proposal; or indeed some modification of this. As for the UK proposal, he could accept 78 seats for the Big Four, but not a uniform reduction of six seats by each of the small countries. He therefore preferred the Luxembourg Presidency Mark II proposal. Mr Tindemans said Belgium could accept her own proposal, or the Luxembourg Presidency Mark I proposal, or the UK variant.
4. President Giscard said the problem was being needlessly complicated because the principles both of the Treaty and of proportionality had been deserted. It was all very arbitrary. He therefore started off from the position of the Treaty distribution, together with some adjustments to meet the special needs of the UK. He preferred the Luxembourg Presidency Mark I proposal or the UK alternative.
5. Mr Cosgrave said Ireland could accept the addition of six seats for the Big Four as in the UK proposal, but not the reduction of six seats for all the small countries. He preferred the Luxembourg Presidency Mark II proposal, though with some further minor adjustment. Herr Schmidt said he could live with any of the proposals. Mr Van der Stoep said the Netherlands would prefer the Luxembourg Presidency Mark II proposal, but would be prepared to look at any variant provided the Netherlands had at least 6% of seats.
6. Sgn Moro said Italy could look at any proposal. M Thorn said Luxembourg could accept any of the proposals, his order of preference being that presented in the Annex to the Note from the Presidency. He would be prepared to take the UK variant, with one or two more seats for the smaller countries.

variant showed six in favour (UK, Belgium, Germany, France, Italy and Luxembourg) and three against (Netherlands, Denmark, insisting on 16, and Ireland who also objected to the UK Mark II variant). A tour de table on the UK Mark II variant showed Denmark objecting on the grounds that she must have 16, while Belgium protested about agreement among the Big Four, although seemed disposed to accept solution (e). President Giscard argued for concentrating on the Danish problem.

11. Mr Den Uyl from the Chair then summed up, on the UK Mark II variant, that eight countries could accept it (this was not correct). He said six countries could accept the first UK variant. Herr Schmidt then suggested (f) that the first UK variant should be taken with one seat being shifted from Belgium to Denmark, to give Luxembourg 6, Ireland 15, Denmark 16, Belgium 21, Netherlands 22 and 78 for each of the Big Four. After further desultory discussion, another adjournment took place.

12. When discussion resumed a consensus emerged for the following solution (put forward by President Giscard): Luxembourg 6, Ireland 15, Denmark 16, Belgium 24, Netherlands 25, and 81 seats each for the Big Four = total 410. Mr Tindemans said that he could not agree to this, but Belgium would make a concession to reach a consensus. Mr Callaghan said that he could not formally ratify his agreement until after the debate in the House of Commons that evening.

13. President Giscard asked about the legal form of the agreement to establish direct elections. After Monsieur Ortoli had explained about the Convention, Mr Callaghan said that we were strongly in favour of having a Convention, as the Assembly itself had proposed, rather than any other form of Community Act. People were expecting a Convention and to change tack might well cause confusion. It was important to avoid any possibility of question as to the legal basis for direct elections, which could conceivably be exploited by those who were opposed to the elections in principle. In the UK Parliament, there were people who watched such legal matters closely.

14. After a discussion on the date for direct elections, it was agreed that the aim should be to hold them in May or June 1978.

15. Mr Den Uyl raised the question of continuing national derogations. Mr Callaghan said that we must retain the possibility of nominating members in 1978 if this proved to be necessary. We would do our utmost to hold elections in the United Kingdom at the same time as elsewhere in the Community, and hoped that we would not need to make use of the derogation. But the business of drawing up constituencies would inevitably take us longer than member states who used a list system, and we would have important constitutional legislation to enact. Mr Joergensen also confirmed that the Danes would have to maintain their derogation.

16. The Heads of Government then moved on to the Tindemans Report (very briefly) and to the CFP.