

GRS 1300

UNCLASSIFIED

FM UKDEL STRASBOURG

TO DESKBY 120900Z FCO

TEL NO 264

OF 112045Z DECEMBER 85

AND TO DESKBY 120930Z UKREP BRUSSELS

INFO ROUTINE ROME THE HAGUE PARIS BONN

INFO SAVING BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG ATHENS

INFO SAVING LISBON MADRID

FRAME INSTITUTIONAL

FROM UKREP BRUSSELS

EUROPEAN PARLIAMENT : INTERGOVERNMENTAL CONFERENCE

SUMMARY

1. PARLIAMENT REJECTS THE OUTCOME OF THE EUROPEAN COUNCIL BUT RESERVES ITS FINAL POSITION UNTIL AFTER THE 16/17 DECEMBER GAC. MOTION ADOPTED BY 244 FOR, 47 AGAINST WITH 9 ABSTENTIONS, SPELLS OUT EP'S DEMANDS TO THE COUNCIL. IF NOT MET ON 16/17 DECEMBER, THE EP WILL PROPOSE SPECIFIC AMENDMENTS TO THE IGC CONCLUSIONS, WHICH WERE ABLY DEFENDED BY PRIME MINISTER SANTER AND PRESIDENT DELORS.

DETAIL

2. SANTER (PRESIDENT) SUMMARISED THE OUTCOME OF THE EUROPEAN COUNCIL, THE FIRST TO ADDRESS THE FUTURE OF THE COMMUNITY. SIGNIFICANT PROGRESS HAD BEEN MADE. THE TREATY ON POLITICAL CO-OPERATION WENT BEYOND THE STATUS QUO, AND INCLUDED USEFUL INNOVATION. THE IGC COULD NOT COVER ALL POSSIBLE AREAS OF WORK : THE PRESIDENCY HAD TRIED TO IDENTIFY THE HIGHEST COMMON POSITION ON THE MAIN AREAS. IT WAS ENCOURAGING THAT THE OUTCOME WAS CRITICISED BY BOTH EXTREMES OF THE SPECTRUM. THE INTERNAL MARKET HAD BEEN A PRIORITY : THERE WAS A COMMITMENT TO ACHIEVE IT BY 1992, WITH MEMBER STATES' CAPACITY TO BLOCK PROGRESS DIMINISHED. THE ECU AND THE EMS WERE NOW SITUATED IN THE TREATY, TOGETHER WITH A POSSIBILITY OF FUTURE DEVELOPMENT. THE PROVISION ON SOLIDARITY WAS A CAREFUL BALANCE BETWEEN THE INTERESTS OF MEMBER STATES. SIMILARLY TECHNOLOGY COVERED BOTH GLOBAL ACTION AND SPECIFIC MEASURES. THE INCLUSION OF ENVIRONMENT WAS A NOTABLE INNOVATION. WHILE PROGRESS ON THE EP HAD BEEN LESS THAN HE PERSONALLY FAVOURED, IT OFFERED A SUBSTANTIAL GAIN FOR THE EP WHICH COULD AMEND OR REJECT COMMON POSITIONS OF THE COUNCIL. ALL IN ALL THE OUTCOME REPRESENTED USEFUL PROGRESS INVOLVING SUBSTANTIAL CONCESSIONS BY ALL MEMBER STATES, AND JUSTIFIED AMENDMENT OF THE TREATY. IF REJECTED, HE COULD NOT GUARANTEE THAT THERE WOULD BE AN EARLY OPPORTUNITY TO RECONSIDER THE ISSUES. HISTORY WOULD JUDGE THAT THE COMMUNITY HAD BEEN RIGHT TO ACCEPT THE POSSIBLE.

3. DELORS (COMMISSION) SAW THE OUTCOME AS POSITIVE FOR THE FUTURE OF THE COMMUNITY. THE RESULTS SHOULD BE VIEWED REALISTICALLY. WHILE THE INTERNAL MARKET WAS VITAL, THERE WERE GENUINE DIFFICULTIES, AFFECTING ALL MEMBER STATES, AND NOT DICTATED BY NATIONAL SELFISHNESS. HE CITED AS EXAMPLES FREE MOVEMENT OF PERSONS, TAX HARMONISATION, PLANT HYGIENE MEASURES, AND STRICTER NATIONAL STANDARDS IN SOME MEMBER STATES. THE TEXT EMBODIED A LEGAL REQUIREMENT TO ACHIEVE THE MARKET BY 1992. THERE HAD ALSO BEEN PROGRESS ON COHESION. MONETARY CO-OPERATION HAD BEEN GIVEN LEGITIMACY. TWO THIRDS OF THE DECISIONS NECESSARY TO ACHIEVE THE INTERNAL MARKET COULD BE TAKEN BY QUALIFIED MAJORITY. BUT IN PRACTICE, THIS WOULD ALSO NEED A CHANGE IN VOTING HABITS. THE COUNCIL WOULD NEED TO TAKE DECISIONS. ARTICLES 145 AND 149 OFFERED THE COMMISSION AN OPPORTUNITY TO FACILITATE DECISION-MAKING. THE EP WAS BEING OFFERED LEVERAGE RATHER THAN POWER, BUT IN CRUCIAL AREAS. NATURALLY, THE EP WOULD SEEK ENHANCED POWERS, BUT IT WAS TIME TO CONCENTRATE ON THE MAIN ISSUES. THE COMBINATION OF THE COMMISSION, ANSWERABLE TO THE EP, AND THE EP ITSELF COULD MAKE THE NEW ARRANGEMENTS WORK. A VACUUM EXISTED IN THE PROPOSAL ON THE POWERS OF THE EP, AND THIS COULD BE REMEDIED BY THE GAC. THE COMMUNITY APPROACH HAD BEEN REALISTICALLY ADVANCED. THE TEMPTATION OF SOME MEMBER STATES TO PRESS FORWARD ALONE HAD BEEN AVOIDED. IF THE PROVISIONS OF THE INTERNAL MARKET DID NOT WORK WITHIN TWO YEARS, THE COMMISSION WOULD PRESS FOR ANOTHER IGC, AND THE EP/COMMISSION LINK, NOT INTENDED TO BE ANTI-COUNCIL, WOULD BE A DYNAMIC FORCE FOR PROGRESS. TRIUMPHANT DECLARATIONS HAD NOT WORKED IN THE PAST. THIS EUROPE OF THE POSSIBLE COULD ONE DAY BECOME THE IDEAL.

4. ARNDT (SOC) WANTED ALL MEMBER STATES TO ACCEPT THE OUTCOME OF THE EUROPEAN COUNCIL, WHICH REPRESENTED MODEST PROGRESS. PROGRESS HAD BEEN MADE IN SOME AREAS, BUT THE OBJECTIVE WAS TO REDUCE UNEMPLOYMENT. HE HAD LITTLE TIME FOR THOSE WHO RHETORICALLY CRITICISED THE LUXEMBOURG COMPROMISE BUT THEN APPLIED IT. THE DEMOCRATIC DEFICIT WITHIN THE COMMUNITY WAS INCREASING. KLEPSCH (CD) RECOGNISED THAT ALL MEMBER STATES HAD PARTICIPATED. MEASURED AGAINST THE PARLIAMENT'S TREATY, NOT MUCH HAD BEEN ACHIEVED. BUT THE GAC COULD IMPROVE THE TEXT ON THE EP'S POWERS, AND ON DECISION MAKING. FINAL JUDGEMENT SHOULD AWAIT AN AGREED TEXT.

5. PLUMB (EDG) PICKED OUT THE INTERNAL MARKET AS THE MOST SIGNIFICANT DEVELOPMENT. BUT THE LUXEMBOURG COMPROMISE REMAINED, AND THERE WAS NO TIME LIMIT FOR THE COUNCIL TO TAKE ITS FIRST READING. THE COMPROMISE SHOULD BE FUNDAMENTALLY REVISED AND ITS SCOPE MUCH REDUCED. THE EP'S AMENDMENTS SHOULD STAND UNLESS REJECTED BY THE COUNCIL WITHIN THREE MONTHS. JUDGEMENT ON THE PACKAGE SHOULD AWAIT FURTHER CONSIDERATION BY THE COUNCIL. ARTICLE 145 THREATENED TO PREVENT THE COMMISSION DISCHARGING

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ITS RESPONSIBILITIES. SPINELLI (COMMUNIST) REPEATED THAT THE CONFERENCE HAD REJECTED THE EP'S WISH TO APPROVE ITS CONCLUSIONS. HE APPEALED FOR SUPPORT FOR HIS COMMITTEE'S AMENDMENTS TO THE TABLED MOTION. WHILE PROGRESS HAD BEEN MADE, THE LUXEMBOURG COMPROMISE REMAINED UNAFFECTED. THE EP WAS ONLY BEING OFFERED AN OPPORTUNITY TO GIVE ITS OPINION TWICE. THE COUNCIL SHOULD OFFER GENUINE CO-DECISION AND COMMISSION SHOULD BE UNFETTERED IN EXECUTION OF LEGISLATION. HE WAS LOOKING FOR AN EFFICIENT DEMOCRATIC COMMUNITY, NOT WAR WITH THE COUNCIL. SUTRA (SOC) WANTED TO ELABORATE RATHER THAN REJECT THE CONCLUSIONS. IT WAS ENCOURAGING THAT AT LAST THE TREATY WOULD BE CHANGED. FURTHER PROGRESS COULD BE MADE LATER.

6. SUCCESSIVE INTERVENTIONS MOSTLY SUPPORTED THE LINE AGREED BY THE INSTITUTIONAL AFFAIRS COMMITTEE IN ADVANCE. THERE, SPINELLI, IN A TOUR DE FORCE WHICH BROOKED NO OPPOSITION, HAD DRIVEN THROUGH AMENDMENTS, WHICH WHILE WEAKENING HIS ORIGINAL TEXT, STILL REJECTED THE COUNCIL'S PROPOSALS, AND SET OUT SPECIFIC DEMANDS TO THE 16/17 DECEMBER GAC. LOMAS (UK, LABOUR) REJECTED THE WHOLE PACKAGE AS IRRELEVANT IN TACKLING UNEMPLOYMENT.

7. CONCLUDING SANTER, NOTED THAT HE WAS THE FIRST PRESIDENT OF THE EUROPEAN COUNCIL TO RESPOND TO A DEBATE. THE COUNCIL ON 16/17 DECEMBER WOULD FINALISE THE TEXTS AND DETERMINE ITS PRECISE TREATY FORM. IT WOULD CLARIFY THE PROCEDURAL ASPECTS ON THE EP, AND DISCUSS THE OUTSTANDING RESERVATIONS. THE LUXEMBOURG COMPROMISE WAS A POLITICAL AGREEMENT OUTSIDE THE SCOPE OF THE CONFERENCE, BUT IT COULD BE MODIFIED LATER. THE CONFERENCE CONCLUSIONS SHOULD BE APPROVED AS A SIGNPOST FOR FUTURE CHANGE.

8. DELORS ALSO RESPONDED. HE PRAISED THE QUALITY OF THE DEBATE WHICH HAD BEEN MODEST IN ITS DEMANDS. THE SUCCESS OF THE CONFERENCE CONCLUSIONS WAS NOT GUARANTEED, AND THE COMMISSION WOULD CERTAINLY REQUEST ANOTHER IGC IF THE AMENDMENTS DID NOT WORK. HE ARGUED THAT THE CHANGES TO ARTICLE 145 ADDED TO THE COMMISSION'S POWERS. HE WAS NOT PREPARED TO GIVE UP THE COMMISSION'S RIGHT OF INITIATIVE, BUT THE COMMISSION, IN REVISING ITS PROPOSAL IN RESPONSE TO THE EP, WOULD ALSO PUT FORWARD TO THE COUNCIL THOSE PROPOSALS WHICH IT COULD NOT ACCEPT. THE MILAN EUROPEAN COUNCIL HAD ALREADY ADDRESSED THE NEED FOR DECISIONS TO BE TAKEN IF THREE OR MORE MEMBER STATES WISHED.

9. IN A COMPLICATED VOTE, THE TEXT OF MIFT WAS ADOPTED BY
244 IN FAVOUR, 47 AGAINST WITH 9 ABSTENTIONS. UK LABOUR,
DANISH ANTI-MARKETEERS, GAULLISTS AND FRENCH AND GREEK COMMUNISTS
VOTED AGAINST. THE PROVISION IN ARTICLE 4 TO RESERVE A FINAL
POSITION UNTIL AFTER THE GAC WAS SECURED BY THE EDG. SPINELLI
WAS THROUGHOUT AT THE CENTRE OF COMPROMISE FORMING AND DICTATED
THE OUTCOME.

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FCO PSE ADVANCE TO :-

FCO - PS/MR RIFKIND RENWICK WALL

CAB - WILLIAMSON JAY

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FCO PSE PASS SAVING BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG
ATHENS LISBON AND MADRID

STLNAN 0182

FRAME INSTITUTIONAL
ECD(1)

(ADVANCED AS REQUESTED)

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(REPEATED AS REQUESTED)

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