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FM ROME 200720Z JUN 85

TO IMMEDIATE FCO

TELNO 606 OF 20 JUN 85

INFO IMMEDIATE UKREP BRUSSELS

INFO PRIORITY BONN, PARIS

INFO ROUTINE ATHENS, COPENHAGEN, THE HAGUE, BRUSSELS, DUBLIN,  
LUXEMBOURG.

MILAN EUROPEAN COUNCIL.

1. I CALLED ON THE SECRETARY GENERAL OF THE MFA YESTERDAY EVENING AND ASKED HOW HE SAW THE PROSPECTS AFTER THE MOST RECENT FOREIGN AFFAIRS COUNCIL AND THE BILATERAL WITH MITTERRAND AT FLORENCE.

2. RUGGIERO SAID THAT NOT ALL THE CHIPS WERE DOWN YET, BUT HE SAW THREE OPTIONS FOR THE COMMUNITY. THE FIRST WAS THE DOOGÉ COMMITTEE REPORT WHICH WAS ON THE TABLE. THE RECOMMENDATION FOR A NEW TREATY ON EUROPEAN UNION WOULD BE THE INEVITABLE STARTING POINT FOR DEBATE. THE SECOND OPTION WAS THE MODIFICATION OF THE EXISTING TREATIES, AS FAVOURED BY THE BENELUX COUNTRIES. THE THIRD ALTERNATIVE WAS THAT PUT FORWARD BY BRITAIN, FOR DEVELOPMENT OF THE COMMUNITY WITHIN THE FRAMEWORK OF THE TREATIES. RUGGIERO CLEARLY SAW THE SECOND OPTION AS PROVIDING THE CENTRAL PART OF THE DISCUSSION AT MILAN. HE ALSO SAW A FUNDAMENTAL DIFFERENCE BETWEEN THE FIRST AND SECOND OPTIONS, WHICH WOULD MEAN THE ADOPTION OF A NEW TREATY BY A LIMITED NUMBER OF EXISTING MEMBERS OF THE COMMUNITY AND THE THIRD WHICH REQUIRED NO SUCH BASIC CHOICE.

3. DISCUSSION OF THE SECOND OPTION, RUGGIERO SAID, WOULD FALL INTO FOUR SECTIONS,

- (A) THE NATURE OF THE EUROPEAN UNION, POLITICAL COOPERATION AND POLITICAL SECURITY
- (B) THE INTERNAL MARKET
- (C) INSTITUTIONAL CHANGES
- (D) NEW POLICIES SUCH AS CULTURE, NEW TECHNOLOGY, DRUGS, HEALTH, ETC.

COMMENTING ON THESE, HE SAW THE BRITISH PAPER AS A USEFUL STARTING POINT FOR THE DISCUSSION. IT WAS CLEAR FROM WHAT DR FITZGERALD HAD SAID IN ROME EARLIER THAT DAY, THAT IRELAND WOULD BE VERY DIFFICULT ABOUT POLITICAL SECURITY. OTHERS WOULD WISH TO ADD TO OUR PROPOSALS (AND MAKE ITS STATUS MORE FORMAL). HE SPOKE MORE FULLY ABOUT THE COMMISSION PAPER ON THE MARKET WHICH HE HAD READ IN FULL. HIS OWN VIEW WAS THAT THESE IDEAS, WHILE ADMIRABLE IN MANY WAYS, WOULD CONSTITUTE THE CREATION OF A UNITED STATES OF EUROPE: AND IF ANYTHING ON THESE LINES WAS CONTEMPLATED, A MAJOR ADDITION TO THE POWERS OF THE EUROPEAN PARLIAMENT WOULD BE REQUIRED TO PROVIDE THE NECESSARY DEMOCRATIC CONTROL. HE SPOKE ON FAMILIAR LINES ABOUT THE NEED TO SATISFY INSISTENT DEMANDS OF A MORE SATISFACTORY ROLE FOR THE PARLIAMENT. I REMINDED HIM OF OUR STATED WISH TO CONTINUE DEMOCRATIC CONTROL BY NATIONAL PARLIAMENTS AS EXERCISED IN PRACTICE AT WESTMINISTER, AND OF THE DANGERS OF THE THEORY OF CODECISION WHEN APPLIED IN PRACTICE.

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THIS LED ON TO A DISCUSSION ABOUT DECISION-MAKING. RUGGIERO ACCEPTED THAT MANY IF NOT MOST IN THE COMMUNITY ACCEPTED THE NEED FOR A REDEFINITION OF THE LUXEMBOURG COMPROMISE, BUT HE THOUGHT LITTLE OF OUR IDEA OF A MILAN COMPROMISE, WHICH HE CLAIMED LACKED ANY CREDIBILITY IN THE COMMUNITY AT LARGE.

4. I ASKED IF HE HAD REACHED ANY CONCLUSIONS ABOUT HOW THE BUSINESS AT MILAN MIGHT BE HANDLED. WAS THE PRESIDENCY THINKING OF CIRCULATING DRAFT CONCLUSIONS, OR AN ANNOTATED AGENDA? RUGGIERO REPLIED THAT THERE WAS STILL A LOT OF CONFUSION, AND NATIONAL POSITIONS WERE NOT YET CLEAR - AGAIN, THE CHIPS WERE NOT YET DOWN. THERE HAD HOWEVER BEEN A USEFUL DISCUSSION WITH MITTERRAND, WHO HAD SAID AT FLORENCE THAT FRANCE WISHES TO MOVE IN THE DIRECTIONS INDICATED BY DOOGE, BUT WAS NOT YET SURE THAT THE TIME HAD COME TO MAKE THE MOVE. MITTERRAND HAD ADDED THAT, IF A DECISION WERE NOT TAKEN IN THIS SENSE BY THE COMMUNITY AS A WHOLE, IN THE NEXT TWO COUNCILS, OR IN THAT APPROXIMATE TIMESCALE, SOME MEMBERS OF THE EC WOULD WISH TO MAKE THAT MOVE ON THEIR OWN. IN OTHER WORDS, IF ALL COULD NOT JUMP TOGETHER, SOME WOULD WISH TO JUMP SEPARATELY. IF THAT CAME TO PASS, RUGGIERO ADDED, ITALY WOULD WANT BRITAIN TO BE IN THE GROUP WHO JUMPED.

5. I ASKED WHETHER THE ITALIANS WERE STILL STICKING TO THEIR ORIGINAL IDEAS ABOUT HOLDING AN INTERGOVERNMENTAL CONFERENCE. REMARKS BY ANDREOTTI QUOTED IN THE PRESS SUGGESTED THE ITALIANS MIGHT BE PREPARED TO MODIFY THE PROPOSAL. RUGGIERO SAID THIS WAS PART OF DOOGE, BUT THOUGHT ANDREOTTI WOULD WANT TO HANDLE THIS AT THE END OF THE DISCUSSION AT MILAN, AS A PROCEDURAL QUESTION ONCE OBJECTIVES HAD BEEN AGREED.

6. ALSO ON THE HANDLING OF THE MILAN MEETING, RUGGIERO SAID THAT HE THOUGHT ANDREOTTI WAS INCLINED TO START WITH A TABLE ROUND ON THE FIRST OPTION (THE DOOGE RECOMMENDATIONS), AND IF NO CONSENSUS EMERGED IN FAVOUR OF THAT, TO PROCEED TO THE SECOND. CRAXI HAD BEEN ADVISED IN THIS SENSE, AND MIGHT WRITE TO HIS COLLEAGUES TO SUGGEST THIS PROCEDURE, BUT HAD NOT YET FINALLY DECIDED SO TO ACT. HE ASKED HOW WE WOULD REACT TO A POSSIBLE COMPROMISE ON DECISION-TAKING ON THE SECOND OPTION, WHEREBY MAJORITY VOTING WOULD BE GRADUALLY INTRODUCED ON A TIMETABLE, WITH SOME POWERS OF DECISION BEING RESERVED FOR THE COUNCIL OF MINISTERS FOR STATED PERIODS. I REMINDED HIM OF OUR OBJECTION TO TREATY AMENDMENT WHICH THIS IDEA WOULD IMPLY. WHEN HE PRESSED ME FURTHER, I SAID THAT I SAW NO LIKELIHOOD OF A MOVE ON OUR PART. AS HE HAD SAID, NOT ALL THE CHIPS WERE DOWN AND WE COULD NOT BE EXPECTED TO CONSIDER SUCH IDEAS, AFTER MAKING OUR OWN VIEWS VERY CLEAR, AND WHEN THERE REMAINED UNCERTAINTY ABOUT THE OPINIONS OF OTHER IMPORTANT MEMBERS OF THE COMMUNITY.

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7. RUGGIERO AGREED THAT THIS WAS A REASONABLE POINT. HE WOULD BE PRESENT WHEN CRAXI SAW KOHL LATER TODAY AND HAD ARRANGED TO SEE TELTSCHIK AFTERWARDS. HE HOPED TO BE ABLE TO TELL ME MORE AT OUR QUEENS BIRTHDAY PARTY THIS EVENING, BUT WOULD IN ANY CASE LIKE TO SUGGEST A FURTHER DISCUSSION IN ROME EARLY NEXT WEEK WITH A SENIOR OFFICIAL (HE HOPED WILLIAMSON WOULD BE ABLE TO COME). HE WOULD ALSO OF COURSE BE IN TOUCH WITH OTHERS, AND HAD BEEN IN CONTACT WITH ATTALI BY TELEPHONE YESTERDAY. HE WILL REPORT AGAIN WHEN HE HEAR FURTHER FROM RUGGIERO.

BRIDGES

FRANC STRUCTURAL  
(COG)

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