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CONFIDENTIAL

Written to FCO
17/7
CO NO. 2



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Prime Minister

This comes down in favour of agreeing to 54 votes as a qualified majority in the enlarged Community. You agreed to this on reading David Williamson's note at the week-end.

PM/84/123

PRIME MINISTER

European Community: Qualified Majority Voting in the Enlarged Community

CJP 16/7

1. The Foreign Affairs Council on 23 July will have to consider how many votes should be given to Spain and Portugal, and the number of votes which will constitute a qualified majority in the enlarged Community.
2. The proposed allocation of votes to Spain and Portugal is not contentious - Spain is to receive fewer votes (8) than the four largest Member States (10), but more than middle-sized countries such as Belgium or Greece (5). Portugal will get 5.
3. Discussion will focus therefore on the size of the qualified majority (and so of the blocking minority). Given that voting takes place mainly on financial and agricultural matters, and with the prospect of somewhat greater recourse to qualified majority voting on non-critical subjects in a Community of Twelve, this will be an important decision with implications for our efforts to maintain budget discipline in the future. OD(E) agreed on 8 March last year that our objective should be to preserve the present situation whereby any two large Member States can form a blocking minority. Translated into figures, this means we want 57 out of 76 votes to form a qualified majority in the enlarged Community. The smaller Member States, all net beneficiaries from the budget, do not

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share this interest. The Danes and Italians want a qualified majority of 54, which would mean that two large Member States plus Denmark could block; Benelux and Ireland support the Commission's proposal of a qualified majority of 51. The figures and their implications are set out in tabular form in Annex.

4. The position of the other two net contributors, France and Germany, therefore is crucial, and we have lobbied very hard indeed in Paris and Bonn to try to persuade them to adopt the same position as ourselves. But French Ministers have decided to go for a qualified majority of 52. The reason given is that this would prevent Spain, Italy and Greece (23 votes in total) from combining to block necessary changes to Mediterranean agricultural regimes (for example olive oil and wine). The Germans have not yet declared themselves. But I see little hope that they will take and stick to a decision to insist on 57 votes as a qualified majority.

5. The Danish proposal (54) would preserve the present ratio of 71% of votes as constituting a qualified majority. It is clearly a good deal better than the present French position, let alone the Commission's proposal. It would mean that two large Member States could not be outvoted if they had the support of any other Member State except Luxembourg. In the most important areas, relating especially to financial matters and budgetary discipline, we could normally expect to have the support not only of the Germans (and increasingly of the French) but also of the Dutch. But it is clearly less satisfactory than 57 votes. None of this, of course, in any way affects the position on the Luxembourg Compromise.



6. We should maintain our position at this stage. But you and other colleagues will wish to be warned that we shall probably find ourselves with no support in the Foreign Affairs Council on 23/24 July. We shall not be able to hold up enlargement on this issue; and I would see considerable disadvantage in making a public issue of the matter only to be obliged subsequently to retreat from such a position, as I think we should have to do. We have warned the French that I shall wish to discuss the subject with M. Dumas when he is here on 16 July, and I shall then urge strongly on him the advantage to France of joining our position. We shall also be making a further effort with the Germans. But if we do not succeed in persuading either the French or the Germans to support this I think we must be prepared to settle at the Foreign Affairs Council on 54 votes - i.e. maintenance of the present percentage - 71% - for the qualified majority.

7. I am copying this minute to OD(E) colleagues and Sir Robert Armstrong.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
13 July 1984

QUALIFIED MAJORITIES

Present situation	QM 45 out of 63 (71%)	Blocking minority 19 Two large <u>or</u> one large and two intermediate
Commission proposal	QM 51 out of 76 (67%)	Blocking minority 26 Two large and one intermediate and one small <u>or</u> Two large and two smalls (<u>not</u> Luxembourg) <u>or</u> Two large and Spain
UK position	QM 57 out of 76 (75%)	Blocking minority 20 Two large member states <u>or</u> One large and Spain and Luxembourg
Possible alternatives	(a) QM 54 out of 76 (71%)	Blocking minority 23 Two large and one small (not Luxembourg) <u>or</u> One large and Spain and one intermediate
	(b) <u>French</u> 52 out of 76	Blocking minority 25 Two large and one intermediate <u>or</u> + two smalls

Votes	FRG, F, I, UK	10 (large)
	Spain	8
	B, GR, NL, Port	5 (Intermediate)
	DK, IRL	3)
	L	2) (Small)

16 JUL 1984

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10 DOWNING STREET

From the Private Secretary

cc NIO MAFF
CO HMT
DTI
LOD
LPSO
16 July 1984

European Community: Qualified Majority
Voting in the Enlarged Community

Sir Geoffrey Howe mentioned this matter to the Prime Minister on 13 July and the Prime Minister reflected on it over the weekend. Her conclusion was that at the end of the day we should have to settle for 54 as the number of votes necessary for a qualified majority. This coincides with the conclusion of the minute which Sir Geoffrey Howe has subsequently sent her.

I am copying this minute to the Private Secretaries of members of OD(E) and to Richard Hatfield (Cabinet Office).

C. D. POWELL

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

BM



Qz 03822

MR POWELL - No 10 Downing Street

Prime Minister

This was the point mentioned by Geoffrey Howe this evening. C.D.P. 13/7

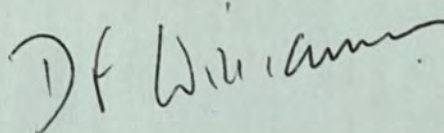
EUROPEAN COMMUNITY: SIZE OF A BLOCKING MINORITY VOTE AFTER ENLARGEMENT

1. I understand that the Foreign and Commonwealth Secretary may raise with the Prime Minister at the meeting at 6.30 pm this evening the question of the size of the blocking minority vote in the Community after the accession of Spain and Portugal. I suggest that, as other Ministers are concerned, it would be appropriate to take only a preliminary view and to invite the Foreign and Commonwealth Secretary to confirm his position in a minute which would be circulated more widely.
2. In the Community now the total votes of Community countries are 63. A qualified majority, in those areas where the Treaty permits such decisions, requires 45 votes. Thus two large member states, each with 10 votes, can block a decision. As a percentage of the total votes the qualified majority is about 71 per cent.
3. In the enlarged Community the total votes will be 76 (the existing 63 votes plus Spain 8 and Portugal 5). The Commission has proposed that the qualified majority should be 51. This means that, even if two large and one medium member state (eg Germany, United Kingdom, Netherlands) voted against a proposal, it would still go through. We have suggested that the qualified majority might be 57 votes but have received no support. Most other member states are in favour of 54 or 52 votes. The United Kingdom will need to decide its attitude to 54, 52 or 51 votes. Our recommendations are:

/(i)

- (i) 51 votes. No argument in favour. It would make the blocking minority a lower percentage of the total votes than now. The combination of Germany, the United Kingdom and the Netherlands would not be sufficient, for example in the Budget Council, to block a decision.
- (ii) 52 votes. The argument advanced in favour of this figure is that it would prevent a Mediterranean combination of Italy, Spain and Greece (total: 23 votes) from blocking a qualified majority decision. It would still enable the United Kingdom, with Germany and the Netherlands to block decisions and in the last resort therefore might be acceptable.
- (iii) 54 votes. In our view the priority should be to reduce the chance of the United Kingdom itself being outvoted, particularly in the Budget Council. On this principle we should try to get agreement on 54 votes, which would permit a blocking minority of two large member states (eg United Kingdom, Germany) with any other member state (other than Luxembourg). As a percentage of the total votes the qualified majority would be 71 per cent as at present.

4. I am sending a copy to Sir Robert Armstrong.



D F WILLIAMSON

13 July 1984