

PRIME MINISTER

THE DOOGE COMMITTEE

You were worried about some of the ideas being floated in this Committee and asked for an interim report. This is attached.

The letter summarises the main issues. There are also more detailed analyses of the Ruhfus proposals on Political Cooperation (Flag A) and the Faure draft Report on the European Council (Flag B).

It would be helpful for the FCO to have guidance on the line they should take in further discussion.

There are some ideas which we clearly cannot accept ✓
(majority voting in political cooperation or any other commitment which would hinder us from acting in defence of essential British interests, extension of the powers of the European Parliament, 'objective tests' for invoking the Luxembourg compromise, a declaratory treaty on European Union, participation in EMS, new Community social legislation).

Most others are either positively useful or harmless. This applies for instance to most of the Ruhfus ideas except those rejected above.

But there are two points which come into a grey area:

(a) can we accept an Agreement which would formalise existing commitments in POCO, but not bind us to do any more than at present?

(b) can we agree to a case by case look at possible extension of majority voting in Community (not POCO) business, subject to maintenance of the Luxembourg compromise?

No

In view of our manifesto incl. the 'first sentence of the statement' - I do not see how we can.

My view is that we should be able to play these cards, because they would enable ^{us} to head off much more ambitious ideas, while yet offering those such as the Germans who are desperate for some advance enough to present as a significant step forward. You will recall that Kohl is talking rather wildly of a Treaty to be signed only by those member states willing to participate. What is proposed on majority voting in particular is consistent with the Conservative manifesto (also attached). *No work to be done*

I attach a draft letter of instructions. If you agreed this it might save a meeting.

Agree letter?

OR

Hold a meeting?

C.D.P.

16 November 1984

PRIME MINISTER

DOOGE COMMITTEE

I have some difficulty in interpreting your comments on the attached papers. We are already saying no to virtually all the things you dislike.

It seems to me that what we have to do is rein the Germans and others back from some of their more madcap schemes: a new Treaty: a political entity etc. There is plenty of evidence that they are heading towards this, with the intention of leaving out ^{member} weaker states who don't want to go along. Very silly of them, but also undesirable from our point of view.

The question is whether we can prevent them from this folly by moving a little way towards them.

I think it can be done if we place very clear limits on how far we can go, on two points:

(i) Majority voting. There is no question of diluting the Luxembourg compromise. But extending majority voting on a case by case basis does not do this. You can still invoke the Luxembourg compromise on issues where majority voting is the rule. So unanimity is preserved. It is thus fully consistent with the Conservative manifesto.

(ii) An agreement formalising existing commitments in POCO. All we would be saying is that we agree formally to do what we do now. What's the point? In the real world none at all. But it might help head the Germans and others off something far more ambitious.

My draft letter attached was intended to place very clear limits on how far we would go. But without something on these lines, we have no cards to play at all in this game.

Would you be willing to discuss?

CJP

20 November 1984

SLHAGB

B.P.

To issue
CR

SAHAF

As 14/11/73
amended not

DRAFT LETTER FROM C.D. POWELL TO C.R. BUDD, FCO

THE DOOGE COMMITTEE

Thank you for your letter of 16 November reporting on the work of the Dooge Committee.

In general the Prime Minister agrees with the views set out in your letter and the attached analyses of the Ruhfus proposals and the Faure report. There are clearly a number of ideas which we cannot accept. These include:

- majority voting in POCO or any other commitment which hinder us from acting in defence of essential British interests;
- extension of the powers of the European Parliament;
- 'objective tests' for invoking the Luxembourg compromise;
- a new European Treaty;
- UK participation in the Exchange Rate Mechanism;
- new Community social legislation;
- Community preference in arms procurement.

There are quite a number of others which are either positively useful or at least unobjectionable. This applies for instance to points 1-4 and 7-10 of the note analysing the Ruhfus proposals.

The crux comes in the formalisation of arrangements for political cooperation and the extension of majority voting. The Prime Minister agrees that ^{perhaps} we should adopt ^{she says} a more open position than hitherto on these proposals subject to the

following qualifications:

(i) on POCO, we should not agree to do more than formalise existing informal arrangements. We should not accept any new obligations which would hinder our ability to promote our interests as we think best.

(?) ~~Any formal arrangement must clearly be outside the scope of the existing Treaty. ?~~

(ii) On majority voting, the key requirement is that the Luxembourg compromise should be preserved intact. *The PM is quite understanding*
~~Subject to that we can look on a case by case basis at possible extensions of majority voting, preferably only on decisions implementing policies already agreed in principle.~~ *but understands*
That other countries would also agree
strictly against particular cases, as they arise.

The position on these two issues which I have outlined would need to be deployed in a way which would make clear that they were not the starting point for fresh bargaining but the limit to which we could go to reach agreement.

I am copying this letter to David Williamson (Cabinet Office).

CONFIDENTIAL

FILE SAH AFC



10 DOWNING STREET

From the Private Secretary

21 November, 1984

The Dooqe Committee

Thank you for your letter of 16 November reporting on the work of the Dooqe Committee.

In general, the Prime Minister agrees with the views set out in your letter and the attached analyses of the Ruhfus proposals and the Faure Report. There are clearly a number of ideas which we cannot accept. These include:

- majority voting in POCO or any other commitment which hinders us from acting in defence of essential British interests;
- extension of the powers of the European Parliament;
- 'objective tests' for invoking the Luxembourg compromise;
- a new European Treaty;
- UK participation in the Exchange Rate Mechanism;
- new Community social legislation;
- Community preference in arms procurement.

There are quite a number of others which are either positively useful or at least unobjectionable. This applies for instance to points 1-4 and 7-10 of the note analysing the Ruhfus proposals. The Prime Minister has commented, however, that a permanent political cooperation secretariat simply means ever more bureaucracy.

The crux comes in the formalisation of arrangements for political cooperation and the extension of majority voting. The Prime Minister agrees that perhaps we could adopt a slightly more open position than hitherto on these proposals

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subject to the following qualifications:

- (i) on POCO, we should not agree to do more than formalise existing informal arrangements. We should not accept any new obligations which would hinder our ability to promote our interests as we think best.
- (ii) On majority voting, the key requirement is that the Luxembourg compromise should be preserved intact. The Prime Minister is against extensions of majority voting, but understands that other countries would also argue fiercely against particular cases, as they arise.

BK 11
The Foreign Secretary may like to pursue these points further at the meeting already arranged for 28 November.

I am copying this letter to David Williamson (Cabinet Office).

C. D. POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office



Foreign and Commonwealth Office

London SW1A 2AH

16 November, 1984

Dear Charles,

PA.
CM. 25/11The Dooge Committee

1. Thank you for your letter of 30 October, in which you ask for a report on the work of the Dooge Committee. The Committee met again on 7/8 November and I enclose the reporting telegrams.

2. Inevitably in a committee of this kind, where some of the members represent their Governments and some do not, the papers which have been tabled express widely differing views on the future of the Community, some of which are quite unrealistic. It is impossible at this stage, when there has been little real discussion of some issues, to forecast with any certainty how matters will develop. For us, the immediate questions arise from consideration of three papers before the Committee: Mr Rifkind's paper on the Internal Market; Ruhfus' paper on Political Cooperation and the Faure draft interim report to the Dublin European Council.

Mr Rifkind's paper on the Internal Market

3. Mr Rifkind's paper has been well received. It concentrates on the achievement of practical goals. No member of the Committee has disputed that the Community has an outstanding obligation under the Treaty of Rome which must be fulfilled. Some have argued that completion of the internal market would be facilitated by the use of majority voting; and there has been a disposition in the Committee to try to develop a highly theoretical debate on this subject.

4. In an enlarged Community there will be a need for somewhat more frequent recourse to majority voting if we are to prevent filibusters by the smaller Member States. Provided there is no interference with the Luxembourg Compromise - ie where a Member State considers that very important national interests are at stake discussion should continue until agreement is reached - we would have nothing to lose by agreeing to look practically, on a case by case basis, at where majority voting, subject to unanimity on any vital issue, might best help us to achieve our objectives on the internal market. This is in line with the approach we are already taking in Mr Channon's standards initiative (his letter of 2 August to Sir Geoffrey Howe). This would turn what at present threatens to become a theological debate, in which we shall get little effective support, in a more practical and useful direction. It would be fully in



A / keeping with the Conservative manifesto for the European elections. ("However we recognise that if the Council is to be an effective decision-taking body, a Member State's right to block a decision should be used only as a last resort" - the relevant passage is attached). Such an examination is likely to expose the fact that some of the Member States now advocating an extension of majority voting will themselves find it hard to agree to any changes. We shall be considering this further with the DTI and other interested Departments. Meanwhile, I attach a note on provisions of the Treaty relating to the internal market. This makes clear that there is scope for somewhat greater use of majority voting, within the existing Treaty arrangements, in one or two areas where it could be of advantage to us. We should not go along with any change in this area unless it was in our practical interest to do so.

The paper by Herr Ruhfus on Political Cooperation

B / 5. I enclose a summary and analysis of Ruhfus' paper. There is much in it that we can accept and its general thrust follows the lead which we gave in "Europe - the Future", where we said that the Ten must show more political will to act together and that they should work towards the progressive attainment of a common external policy. Our record on political cooperation is second to none and, if we are able to support the bulk of Ruhfus' ideas we should go a long way to satisfying Chancellor Kohl's wish to see positive results from the work of the Dooge Committee. We can accept a small secretariat to service Political Cooperation provided it is very modest (not more than 4 or 5 people). By contrast, Ruhfus' idea of qualified majority voting in certain areas of political cooperation, eg human rights, is not appropriate. Nor are others likely to agree (it is directed primarily against the Greeks). Ruhfus' suggestion that the obligation to consult should be formalised is one to which Kohl is greatly attached (see Bonn telegram no 1045). In Sir Geoffrey Howe's view, we could only consider formalising the existing informal arrangements for political cooperation if this did not in practice impose any additional requirements on us, other than those which already exist and which we have been punctilious in observing. There could be no question of any commitment so rigid as to be an impediment to action in defence of an essential national interest. The French will be no less adamant on that point. They are prepared, however, to consider formalising the political cooperation arrangements provided this is by means of an inter-governmental agreement outside the scope of the existing Treaty (and in no way subject to the jurisdiction of the European Court). We should keep in mind that some instrument of a rather general character on political cooperation (as Ruhfus has proposed) could help to deflect



the German desire to have a new Treaty on European Union into channels which are less difficult for us.

Faure Report

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6. The Faure report is described as an interim report to the European Council. It is a compendium of ideas including ours on the internal market. A summary and commentary is enclosed. Faure has been discussing his ideas with Mitterrand. But some of them, eg in relation to extension of the powers of the European Parliament and the suggestion that Commissioners should be chosen by the President of the Commission rather than by national Governments, are in advance of French Government thinking and are unlikely to be accepted by some other Member States.

NO
NO
7. On Faure's first point there is pressure within the committee - including from the Germans - to increase the legislative powers of the European Parliament. There have even been suggestions - unlikely to be supported - of giving it some role in relation to revenue. Mr Rifkind has made clear that we shall not be prepared to see the Parliament granted co-legislative or revenue powers. We are only prepared to consider improved use of the conciliation procedure.

8. In an attempt to make acceptable greater use of majority voting, Faure has suggested that the Luxembourg Compromise might be formalised, without time limit, with its invocation subject to some unspecified "objective" test of whether a country is justified in pleading that a very important national interest is at stake. That is a will of the wisp and Mr Rifkind has said so in terms. It must be for the country concerned to judge whether its very important national interests are at stake. The French, however, are concerned about the possible increase, in the enlarged Community, of the invocation of the Luxembourg Compromise by smaller Member States when there is no justification for its use (eg the Danes on all fisheries issues and the Greeks more generally). While pressing the essential requirement that it must remain for the Member State to determine when its very important interests are at stake, the French want to ensure that invocation of the Luxembourg Compromise is properly justified. We shall be discussing with them what precise form this might take. Mr Rifkind has indicated a readiness to consider the introduction of more formal procedures (as suggested in "Europe - the Future") to prevent capricious use of the veto.

9. In discussion of progress towards monetary integration, some Committee members inevitably have argued that full participation of all Member States in the exchange rate mechanism of the EMS is an essential first step. We have



made our position absolutely clear. There has been little discussion of other aspects of this topic.

10. One helpful feature of the report worth noting is that Faure has taken up our idea that there should be only one Commissioner per Member State after enlargement. This has attracted considerable support. We should follow it up at the Dublin European Council.

Strategy for future handling of the Committee

11. In the Dooge Committee on 7/8 November, Mr Rifkind strongly resisted the idea of an interim report recording differences of view, especially when some papers before the Committee had not been discussed. Senator Dooge concluded that there would be a written report recording areas of agreement and of disagreement (setting out the alternatives) and possibly an oral introduction by Dr Fitzgerald at the European Council which might indicate where the majority stood on key issues. We have recommended, in the briefing for the Anglo/Irish Summit, that the Prime Minister should urge on Dr Fitzgerald the undesirability of a substantive report at this stage, especially a divided one.

12. Neither Kohl nor Mitterrand will be willing to agree to a new Treaty of the kind drafted by the European Parliament, but they have made clear that they want something to emerge. The question is what? Particularly on the German side, it is doubtful if they know yet. Kohl continues to hanker after a new Treaty of some kind. The Germans at times appear to be thinking of an umbrella Treaty covering the existing Treaties and Political Cooperation, and stating that the goal of European Union had in some way been attained. President Mitterrand probably is prepared to go a bit further than previous French policy because he thinks further enlargement will require some adjustments. The French appear to be thinking of an agreement on political cooperation outside the Treaty. Mitterrand talks also of increased cooperation within the Community on internal security, health and culture. The French position on majority voting is described in paragraph 8 above.

13. A declaratory Treaty on European Union would have no appeal for us. We must continue to seek to direct the work of the Committee into more practical directions. Mr Rifkind has insisted that we should first decide what more the Member States want to do together; then decide whether we cannot achieve our purposes within the framework of the existing Treaties; and only thereafter consider whether any new instrument might be required. We shall continue to argue that virtually everything that the Community wants to achieve can be achieved within the framework of the Treaty of Rome, in particular the preamble, and Articles 2, 3 and,



for that matter, Article 235 (which of course requires unanimity - I enclose copies) and that what is required is to make those Articles a reality. In this, we can present ourselves as principal proponents of the Treaty which has proved itself a flexible instrument to cover most areas in which Member States wish to cooperate.

14. The French and Germans accept some of these arguments, but will still want something more to come out of the exercise than just some further impetus towards completion of the internal market. If we seek to influence these discussions on the line set out above it could turn out to be not very much more. By considering some of the ideas on political cooperation in Ruhfus' paper and showing willing to look at majority voting under the Treaty in a strictly practical way on a case by case basis - subject always to maintenance of the Luxembourg Compromise - we should be in a position to work with others to steer the Committee's work in a direction we can accept.

15. Dumas in particular has views on some of these matters - especially the Luxembourg compromise and the powers of the Parliament - which, his officials suggest, may be quite close to ours. Sir Geoffrey Howe will be discussing the work of the Committee with him, to see how much common ground we can establish.

16. It may be that others will still want to go further than we shall be prepared to do, though for the most part such "progress" would be likely to be largely rhetorical. We shall not be able to make a judgement until next year. To influence the outcome in the sense we desire Sir Geoffrey Howe believes that Mr Rifkind will need to defend our position and seek to advance our proposals in the Committee on the lines set out above.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street



ANALYSIS OF THE RUHFUS PROPOSALS ON EUROPEAN POLITICAL COOPERATION

1. Appoint Political Cooperation Secretary General of some Stature

*Done
bureaucracy*

Idea merits study. Secretary General could be valuable repository of experience and factor for continuity. But level must not be such as to affect primary responsibility of Presidency for Political Cooperation, and relationship with Secretary General of Council will need to be considered.

2. Establish Permanent PoCo Secretariat in Brussels

*Why
even more
bureaucracy*

Such a secretariat could usefully reinforce PoCo, particularly during weak Presidencies. To be fully effective, would need to work hand in glove with Presidency and other Foreign Ministries. Should be staffed with officials seconded from those ministries and stay in close contact through travel and telephone. Should be small (perhaps 5 people). No unnecessary bureaucracy. !!!

3. Hold all Official Level PoCo Meetings in Brussels

We support this idea, in principle, particularly for Working Groups. Minor administrative disadvantages for Presidency should be offset by gains from giving PoCo one central site. EC/PoCo coordination would be improved.

4. Ten should define their Common Foreign and Security Policy Interests

*Is the
Parallel
joint N.S.P.O.*

Useful in clarifying areas where joint action by Ten would be appropriate.

5. Qualified Majority Voting in Certain Areas (eg Human Rights)

*I have seen
this a while
many times -
and watched
those who were
opposed - just
fade away when
the argument got
brought - leaving us
alone to fight
them down
pub.*

Greeks, Danes, etc, certain to shoot this down. Major concern for us would be sovereignty implications (what would be nature of commitment to respect result of vote? Could any member contemplate this without a "Luxembourg compromise" to protect important national interests?). The German proposal, however, is designed to deal with the major impediment to Political Cooperation: systematic Greek obstruction.



6. Formalise Obligation to Consult

Existing obligation to consult (eg in London Report) already clear and stringent. And UK amongst most punctilious in observing it. More formal agreement therefore would cost us nothing (provided, as at present, that commitment to consult carries no implication that acquiescence of others is needed before we act) and may increase pressure on less punctilious partners (France) to consult more.

7. Strengthen Commitment to act together in UN

We support, in principle. Ten most effective in UN when united. But precise text would require close study in order to protect our independence of action in Security Council and on important national interests.

8. Establish Political Cooperation Secretariat Office at UN

Who would pay? Would there be work for it to do? Should consult our missions to the UN. We could support only if answers to these questions are satisfactory.

9. Establish Joint Overseas Representations in small or remote Third Countries where Ten not represented individually

In principle, may be possible. But administrative/cost implications clearly require study.

10. More Contact on PoCo Matters between Presidency and European Parliament

This is primarily for each Presidency to say whether it can carry increased burden. If so, we can support.

11. Political Cooperation Treaty

What would this add to existing arrangement? (In practice such a treaty, or lesser legal instrument, would make little difference to the working of PoCo but may be of symbolic importance to certain partners (eg FRG). We would certainly want to avoid any text which could result in PoCo matters ending up in the European Court, but so will French and others. Greeks, Danes and Irish can be relied on to oppose whole idea.)



ANALYSIS OF THE FAURE DRAFT REPORT TO THE DUBLIN
EUROPEAN COUNCIL ON THE WORK OF THE DOOGE COMMITTEE

1. Introduction. A rather pessimistic analysis of the state of the European Community. The remedy should be the setting up of a "political entity" which must be provided with the means to attain its priority objectives.)!!

That would not provide

Comment.

Much too pessimistic. In last year or two Community has shown that it can take major decisions on issues such as fisheries and the budget which have been hanging over the Community for years. The Fontainebleau agreements demonstrate the Community's will to establish the conditions which would permit the Community to concentrate on its future development.

a remedy - merely a new and expensive problem

- No such thing.

2.1: A true political entity. What is required is to present the various proposals for the development of the Community in a global manner by the formation of a true political entity of European states.

Comment.

Agree on the need, as "Europe: The Future" put it, to "create the sense of common purpose and momentum needed to hold together a Community of Twelve". But the first priority ought to be to aim for practical results from the Dooge Committee. We need to decide first what we want to do together. Can then decide whether this cannot be done within the existing Treaty framework. Only then need to consider possible need for any new instrument. Relevance of a "political entity" of a purely declamatory kind not clear.



3.II: Priority objectives.

A. A homogeneous internal market area.

(a) Through the completion of the Treaty. The aim is to bring about a vast internal market. A number of elements are listed including: mutual recognition of standards; introduction of a single customs document; gradual introduction of a common transport policy; long-term creation of a genuine common market for insurance; liberalisation of public procurement; adaptation of company law; harmonisation of tax and trade legislation; strengthening of European financial integration.

Comment.

Strongly agree with the aim. The creation of a fully integrated internal market, as envisaged by the Treaty of Rome, would allow Europe to benefit from the dynamic effects of a single market with immense purchasing power. The impact in terms of greater prosperity, faster growth and more jobs would be very great. Completion of the internal market would also make the Community a reality for its citizens. We can agree with all the detailed proposals though in some cases they should be strengthened by agreement to a clear time table for implementation.

4.(b) Through the completion of the EMS. The EMS is one of the major achievements of the last decade. But the time has come to fill out the gaps and forge ahead towards monetary integration. A number of detailed proposals are made, including promoting the use of the ECU, the creation of a European Monetary Fund and 'the opening up of the EMS'.

Comment.

We agree on the significance of the EMS. But the detailed proposals need proper consideration in the Monetary Committee.

/We



We would prefer to develop the role of the European Monetary Cooperation Fund than to create a European Monetary Fund. There are no difficulties so far as the United Kingdom is concerned in promoting the use of the ECU. The report does not commit the UK to join the Exchange Rate Mechanism.

No 5.(c) Through mobilisation of the necessary resources. The need for additional Community expenditure subject, however, to budgetary discipline.

Comment.

It is satisfactory that the importance of budgetary discipline is reaffirmed, as is the need for corresponding savings in Member States for additional expenditure on a Community basis. We will point out however that not all new Community activity requires additional expenditure - the best example being the completion of the internal market.

6.B. Promotion of the common values of civilisation. The logic of integration has led Member States to cooperate in fields other than the economy. This trend will continue. A number of proposals are set out including: action against environmental pollution; the gradual achievement of a European social area; the creation of a European legal area; joint measures to combat crime and terrorism; protection of human rights; promotion of the action of the European Foundation.

/Comment.

Comment.

These proposals are broadly in line with those we have already subscribed to in the Genscher/Colombo Solemn Declaration preamble and objectives (copy attached). However we oppose new Community social legislation where this would have the effect of reducing the competitiveness of industry in the Community.

7.C. The search for an external identity. This can be achieved only gradually within the framework of political cooperation. So far as defence is concerned, 'the aim of European Union is indeed the cohesiveness and solidarity of the countries of Europe within the larger framework of the Atlantic Alliance'. But this will only be achieved by stages and by paying special attention to the different situations of the Member States.

Comment.

An unexceptionable statement of the situation.

8.a) External policy. This section contains a number of proposals for strengthening political cooperation, e.g., the setting up of a Secretariat under a Secretary-General; through the codification of political cooperation in the form of a Treaty; by strengthening political cooperation in third countries. It is also suggested that, whenever possible, Member States should have a common representation in international institutions of an economic and commercial nature.

Comment.

These proposals are drawn from those in the Ruhfus paper. We are prepared to consider the establishment of a Secretariat provided bureaucracy does not proliferate. The idea of a PoCo agreement is premature (until we see the outcome

not on .

/of



of the present exercise.] We have managed very well so far without a Treaty. Any more formal arrangements would need to be sufficiently flexible to enable us to achieve our aims. We are also ready to consider common representation at international institutions, though separate national representations will remain necessary in all major organisations such as the UN, the IMF and the IBRD.

9.b) Defence. To be given special treatment in view of the framework which already exists in NATO and WEU and the different means and responsibilities of Member States. The objective is to encourage greater awareness of the common interests of the future European Union in security matters. Among the specific proposals is a commitment to respect the principle of Community preference in arms procurement and more generally in high technology.

Comment.

While we share the objectives, we could not accept that procurement should be on a basis narrower than NATO-wide preference. We need also not to undermine the activity of such organisation as the IEPG which includes non-EC countries, and which has an operational equipment standards role to which we attach importance.

III. The means.

A. Efficient Institutions.

(a) Easier decision making. Defined as meaning primarily changes in practice and certain adjustments to existing rules.

/Comment.



-6-

Comment.

We are ready to consider more frequent use of majority voting where the Treaty so provides, subject to the continuance of the Luxembourg Compromise in its present form. We contest the belief, which seems to lie behind Faure's proposals, that it is the Luxembourg Compromise which is preventing the Community moving ahead. We are also prepared to consider procedural changes stopping short of the Treaty amendment which would permit detailed implementation of selected policies by majority voting once agreement had been reached unanimously on the principles, and the potential for the greater use of Coreper so that decisions are taken (though without formal voting) at a lower level than than of the Council. Any idea of amending Treaty provisions would have to be considered on a case by case basis: should recognise the difficulties in agreeing changes to existing Treaty rules.

*Impossible?
to work
why? we
have to
answer to
Parliament*

11.(b) A strengthened Commission. Faure proposes that the Commission's powers should be increased and that it should be made completely independent in the performance of its duties. The main proposal is that the President of the Commission, himself appointed unanimously by the European Council, should choose the Commission Members who would number 10 in the existing Community and 12 in the enlarged Community.

Comment.

We are glad to see that our idea for a smaller, more effective Commission is endorsed by Faure. Cannot accept however that the President of the Commission should be free to choose the Commissioners. (Nor, we believe, would the French government accept this.) For the health of the Community, Member States must be confident that their Commissioner represents their interests. This means a more effective Commission not a less independent one.



It is NOT a Parliament

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12.(c) The European Parliament as a guarantor of democracy in the European system. An effective European Parliament cannot continue to be restricted to a consultative role. Its role should be enhanced by increased participation in legislative power, increased control over the various policies of the Union, and by giving it responsibilities in decisions on revenue. It is also proposed that a Uniform Electoral Procedure should be agreed for European Parliament elections.

Comment.

We agree that we have to find ways of bringing the European Parliament closer to the other Community institutions. Too often its views show little understanding of the real world. But the way to do this is by increased contact and improved conciliation procedures. We cannot agree to an increase in the formal powers of the European Parliament. Co-decision taking along the lines proposed by the Parliament itself would be unworkable.

13. IV. The method. An inter-governmental conference should be convened to negotiate a draft European Treaty based on the Faure report and the Genscher/Colombo Solemn Declaration and guided by the spirit and the method underlying the draft Treaty adopted by the European Parliament.

Comment.

The Community's first task is to make a reality of the existing Treaties. The key objectives are set out in the preamble and Articles 2 and 3 of the Treaty of Rome. These have not yet been attained. Let us first attain them; then consider whether any new Treaty arrangements are required. Note that this is for consideration in any case in 1988 as part of the procedure agreed under the Genscher/Colombo Solemn Declaration.

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

DETERMINED to lay the foundations of an ever closer union among the peoples of Europe,

RESOLVED to ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe.

AFFIRMING as the essential objective of their efforts the constant improvement of the living and working conditions of their peoples,

RECOGNISING that the removal of existing obstacles calls for concerted action in order to guarantee steady expansion, balanced trade and fair competition.

ANXIOUS to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions,

DESIRING to contribute, by means of a common commercial policy, to the progressive abolition of restrictions on international trade,

INTENDING to confirm the solidarity which binds Europe and the overseas countries and desiring to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations,

RESOLVED by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who share their ideal to join in their efforts,

HAVE DECIDED to create a European Economic Community and to this end have designated as their Plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:

Mr. Paul-Henri SPAAK, Minister for Foreign Affairs,
Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian Delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad ADENAUER, Federal Chancellor,
Professor Dr. Walter HALLSTEIN, State Secretary of the Federal Foreign Office;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Christian PINEAU, Minister for Foreign Affairs,
Mr. Maurice FAURE, Under-Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. Antonio SEGNI, President of the Council of Ministers,
Professor Gaetano MARTINO, Minister for Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Joseph BECH, President of the Government, Minister for Foreign Affairs,
Mr. Lambert SCHAUS, Ambassador, Head of the Luxembourg Delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. Joseph LUNS, Minister for Foreign Affairs,
Mr. J. LINTHORST HOMAN, Head of the Netherlands Delegation to the Intergovernmental Conference;

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED as follows:

ARTICLE 2

The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.

ARTICLE 3

For the purposes set out in Article 2, the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein:

- (a) the elimination, as between Member States, of customs duties and of quantitative restrictions on the import and export of goods, and of all other measures having equivalent effect;
- (b) the establishment of a common customs tariff and of a common commercial policy towards third countries;
- (c) the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital;
- (d) the adoption of a common policy in the sphere of agriculture;
- (e) the adoption of a common policy in the sphere of transport;
- (f) the institution of a system ensuring that competition in the common market is not distorted;
- (g) the application of procedures by which the economic policies of Member States can be co-ordinated and disequilibria in their balances of payments remedied;
- (h) the approximation of the laws of Member States to the extent required for the proper functioning of the common market;
- (i) the creation of a European Social Fund in order to improve employment opportunities for workers and to contribute to the raising of their standard of living;
- (j) the establishment of a European Investment Bank to facilitate the economic expansion of the Community by opening up fresh resources;
- (k) the association of the overseas countries and territories in order to increase trade and to promote jointly economic and social development.

ARTICLE 235

If action by the Community should prove necessary to attain, in the course of the operation of the common market, one of the objectives of the Community and this Treaty has not provided the necessary powers, the Council shall, acting unanimously on a proposal from the Commission and after consulting the Assembly, take the appropriate measures.

MAJORITY VOTING AND THE INTERNAL MARKET

1. Majority voting is well established practice in agricultural and budget matters. In the internal market unanimity is the normal practice, even though some of the key Treaty provisions concerned provide for majority voting:

- 54 (2) - right of establishment
- 57 (1) - mutual recognition of diplomas
- 57 (2) - right of establishment for some self-employed
- 63 (2) - liberalisation of services
- 69 - capital movements
- 75 (1) - inland transport
- 87 (1) - competition rules
- 94 - state aids
- 101 - eliminating market distortions.

2. There are points under several of these articles on which some Whitehall departments would not wish to see the UK outvoted (eg architects, commercial agents and lorry weights) though the Luxembourg Compromise would always be available. But there must be a strong UK interest in looking seriously at more majority voting under 63(2), 75(1) and possibly 94.

3. Other important Treaty provisions on the internal market require unanimity:

- 57 (2) - right of establishment for self-employed in medicine, banking etc
- 84 (2) - liberalisation of sea and air transport
- 99 - harmonisation of indirect taxes
- 100 - harmonisation generally, including standards
- 235 - new fields outside existing Treaty provisions.

4. The unanimity requirement in Article 100 has produced such inertia that Member States are already looking at ways of introducing limited majority voting (albeit in CEN and CENELEC, not the Council) to speed up standards-making. It would be worth while to look at both Article 100 and Article 84(2) to see if there could be any scope for introducing majority voting, whether by formal Treaty amendment or (as in the Community standards initiative) by other means.



Mr Wall

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73
SEE

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5144

GTN 215)

(Switchboard) 215 7877

cc PS
PS/Mr Riskind

Mr Renuick

From the Minister for Trade

Minute to P.M. copied to Mr. Budd

At 31/8

2/8

1/ cc Mr C. Titchell
M. Fairweather dir
M. P. Thomas

2/ Mr. Sanders

The Rt Hon Sir Geoffrey Howe MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign & Commonwealth Office
Whitehall
London
SW1H

see later pps

RECEIVED IN REGISTRY
9 AUG 1984
REGISTRY
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2 August 1984

Dear Geoffrey

This is a positive development. A
issues -
Wall
3/8

EUROPEAN COMMUNITY: STANDARDS

OD(E) 3rd meeting considered an interim report by officials on the scope for a UK initiative in the Community on standards which the Prime Minister had asked to be set in hand in the aftermath of Fontainebleau.

2. In opening up the internal market by simplifying standardisation requirements we must avoid inadvertently exposing consumers, workers and others to imports of dangerous products. Equally, however, I am convinced that, if we are seriously to tackle technical barriers in the internal market, we have both to improve and speed up the harmonisation of product standards and get a framework in which Member States' accept others' standards in their markets, provided always that these do not undermine their health and safety legislation. I propose a UK proposal to the Community (set out in more detail in Annex's A and B) to:

i. Develop lists of national standards that are presumed to conform to the Community health and safety objectives set out in the Directive;

ii. Oblige Member States to give free access to their markets for products complying with such national standards unless and until they are shown not to meet the health and safety objectives;



iii. Oblige Member States wishing to withdraw free access on the grounds that the health and safety objectives are not being met, to seek the support of a qualified minority of votes. This would mean in the case of the UK, pre-Enlargement, persuading one other large Member State or two/three smaller ones that the safety doubts about the standards were justified. I believe such a voting system to be necessary to prevent Member States from invoking the safeguard clause frequently and for protectionist reasons.

3. This proposal seems to me to be an improvement on the present situation. It also will avoid the criticism from industry that in order to get free access to the internal market they have to agree to a Single Technical Standard imposed after Community discussion and compromise and which can stifle innovation and impose unnecessary extra costs.

4. My officials have already set in hand a wide ranging consultation with industry to determine the product areas which would be of most benefit in opening up the internal market. The CBI's recent letter to you is also a useful general list of non-tariff barriers which officials are following up. I hope that you and other OD(E) colleagues will take the opportunity in your contacts with industry to help push home the need for a positive and considered reaction from them if the UK is to take full advantage of the opportunity that now exists.

5. As you know the French and Germans have for some time now held discussions designed to open up their markets to each others' exporters by giving full legal equivalence to each others' standards across a wide range of products. These now appear to be beginning to bear fruit. This means that time is not on our side. We must try to head-off a Franco-German agreement covering the market and obliging us to adopt their standards.

6. I understand that my proposal has met with broad agreement at official level. I am satisfied that it contains adequate safeguards for health and safety to serve as a suitable basis for more detailed discussion in the Community. I hope that you and other OD(E) colleagues will agree to my making this proposal in the Internal Market Council on 9 October seeking to get an agreed framework for standardisation directives to enable the Dublin European Council to set a timetable for the first list of new-style directives to be presented to the Internal Market Council during the first part of 1985.



7. Copies of this letter go to the Prime Minister, Members of OD(E), Peter Walker and to Sir Robert Armstrong.

Yours,

RAUL CHANNON

Raul



UK CONTRIBUTION TO THE COMMISSION WORKING GROUP ON GENERAL REFERENCE
TO STANDARDS

The United Kingdom attaches great importance to the completion of the Community internal market which implies the creation of an homogeneous regulatory environment throughout the Community so as to facilitate free competition between suppliers of industrial products, to the benefit of the consumer and wider international competitiveness. To this end the United Kingdom has consistently maintained its commitment to harmonising standards within the Community in support of the programme for the elimination of technical barriers to trade under Article 100 of the Treaty of Rome. Recognising, however, that existing procedures for harmonising legislation with a view to eliminating disparities in regulations and standards have not produced results sufficiently quickly, the United Kingdom welcomed the comprehensive initiative set out in Document 10888/83 of 28 November aimed at accelerating and strengthening standardisation in the Community.

2 In endorsing the principles contained in Document 10888/83 the United Kingdom clarified its understanding of the fourth indent viz that in future Article 100 Directives would establish the necessary conditions of health and safety and protection of consumers to which technical standards adopted in respect of products covered by those Directives would have to conform. This reflects the United Kingdom Government's firm view that it is for the national authorities to establish and maintain levels of health and safety and that this responsibility cannot be delegated to private standards bodies. More precisely, it reflects the fact that national governments are responsible to their own citizens for the maintenance of health and safety levels. This being the case, any new Article 100 procedures must not entail a lowering of existing levels of health and safety in Member States. Harmonisation must therefore take place at the higher end of the spectrum of safety levels existing within the Community - levelling up as opposed to levelling down.



3 It is noted also that at its first meeting on 18 May the Working Group decided to interpret its terms of reference (which mention only the technique of general reference to standards) broadly and that its task should in fact be to examine how standards might be used in Article 100 Directives and to recommend a model Directive.

The UK Approach

4 The present approach to harmonisation of Member States' technical laws is fragmented, in terms both of product coverage and of the structure of individual Directives. Commitment to an homogeneous internal market suggests the need for an overall framework which deals with the widest possible range of products; which provides a menu of uniform mechanisms capable of coping with the wide variety of product types and the uneven degree of consensus among Member States on the appropriate technical requirements to protect health and safety and the environment; and which facilitates and provides an impetus towards early harmonisation of these requirements.

Overall Framework

5 The UK suggests that a Model Directive should include articles covering product scope, general safety objectives, essential mandatory safety requirements, references to harmonised standards, provisions for dealing with the situation where harmonised standards do not yet exist, arrangements for demonstrating conformity with the safety objectives and a safeguard clause embodying procedures for resolving difficulties. Such a model Directive when agreed can be applied sector by sector according to priorities.

Scope

6 Each sector Directive will need to identify clearly the product range concerned and the hazards which were being addressed. In some circumstances a narrow product range might be covered in relation to a wide range of hazards whilst in others it might be more appropriate to cover a wider product sector but for a narrower range of dangers.



In addition each sector Directive would need to recognise that additional precautions might be required by the competent national authorities to be provided at the workplace in order to provide adequate protection of workers using or exposed to the products covered by the Directive. Such additional precautions - eg extra guarding - would have to be in respect of matters not already covered by the Directive or the standards which it called up (for example the special requirements of a particularly harsh working environment). Although these extra aspects would not impinge upon any right to free circulation conferred by the sector Directive vis a vis matters covered therein, the existence of the Sector Directive would not prevent competent national authorities within Member States from taking steps to prevent the articles use in unimproved form.

General Safety Objectives

7 The pattern of Article 2 of the Low Voltage Directive provides a suitable model. In the light of paragraph 3 above, however, it is considered that the phrase "good engineering practice in safety matter in force in the Community" would need modification or rather definition so as to make clear that what was meant was practice which produced levels of safety sufficient to satisfy the requirements of all Member States. Practice acceptable to one Member State which produced levels of safety considered inadequate by other Member States would not come within the definition.

Essential Safety Requirements

8 It would be permissible but not obligatory within a sector Directive to specify essential safety requirements either in the Directive itself or in a technical annex. Such requirements would require unanimous agreement for their adoption or modification. The extent to which such requirements should be identified would need to be decided on an ad hoc basis.



Harmonised Standards

9 Clearly the general safety objectives and essential safety requirements need to be complemented by harmonised standards. Such standards may on some areas already exist but where they do not it will be necessary for the appropriate Directive working group to give guidance (in the form of a mandate) to the European Standards Bodies on the safety characteristics relating to the products concerned, to be covered. Member States would then decide whether or not each such harmonised standard or its subsequent revision should be listed under the Directive as meeting the safety objectives and embodying the essential safety requirements. Reference to such standards would therefore be to dated editions in all cases. Given national government direct responsibility to their citizens for levels of health and safety their position in this respect must be safeguarded. It is not suggested however that this requires the procedure for harmonising standards mandated under a sector Directive to be based on unanimity. An adoption procedure based on qualified majority voting should be sufficient provided that there was an effective safeguard procedure (see later section on the safeguard clause). The qualified majority voting procedure would reduce the chances that one Member State might prevent harmonisation in order to protect its narrow trading interests

10 Where harmonised standards are not available from the outset for the whole of a selected sector the first priority will be to commission these. Probably however it will be desirable to adopt Directives in advance of the availability of comprehensive coverage by harmonised standards. In these cases the sector Directive would need to provide that where standards have not been harmonised the general safety requirement would be interpreted by reference to safety levels in force in the Member States, subject always to the constraints of Article 36. However each sector Directive would also confirm the right to free circulation of products providing an equivalent level of safety by another technical means including where the importing Member State had existing mandatory technical requirements.



Demonstration of Conformity

11 A model Directive would list various possible methods of demonstrating product conformity. Each sector Directive would, by unanimous agreement, define which of these were applicable in the particular case and the legal significance to be attached to them. Any bodies designated for the purpose of demonstrating conformity with the safety objectives should comply with appropriate published international guides such as ISO Guide 40 (Conditions for the acceptance of Certification Bodies).

Safeguard Clause

12 Each sector Directive would contain a safeguard procedure allowing a Member State to challenge a harmonised standard which had been or might be adopted. The basis for challenge would be either that the standard did not conform to the general safety objectives and essential safety requirements or that it did not afford an equivalent level of safety to that currently existing in the Member States own territory. Disagreement on either issue would be referred to a committee comprising representatives of the competent authorities of Member States.

13 The safeguard procedure would be available at any time. Thus a Member State could challenge a harmonised standard that had been established for some time on the basis that it no longer reflected good engineering practice.

14 Each sector Directive would contain further safeguard provision which would permit Member States to suspend admission to their internal market and the marketing of a product known not to conform with an adopted standard or with the general or specific safety objectives if, for example, it had been accorded a certificate of conformity, test mark etc as provided. Similarly disagreement on any of these issues would also be referred to the committee of representatives of competent authorities referred to above.

Department of Trade and Industry



UK CONTRIBUTION TO WORKING GROUP ON GENERAL REFERENCE TO STANDARDS
AREAS NOT COVERED BY HARMONISED REQUIREMENTS

1 Each sector Directive would establish that where requirements had not been harmonised the general health and safety objectives would be interpreted by reference to the health and safety levels in force in the importing Member State, subject always to the constraints of Article 36. However the sector Directive would also establish the right of free circulation of products providing an equivalent level of health and safety by other technical means (including where the importing Member State had introduced mandatory technical requirements).

2 Establishing the right of access for products affording equivalent safety would inevitably lead each Member State to an assessment of the standards applied by other Member States. This in turn would open up the possibility of moving towards giving some status to suitable national standards. Any system to put this into effect should not however call for the immediate assessment of all those national standards applicable to a particular sector Directive since this could impose unmanageable resource problems on Member State authorities.

3 The UK therefore suggests a system whereby, for a defined product range and specified hazards within scope of the sector Directive, each Member State might list the standards and other technical requirements which it applied. There would be no immediate requirement for Member States to approve or vote on standards so listed, but the safeguard procedure would be available to Member States at any time. Standards would remain on the list unless or until challenged by a Member State. The basis for challenge, as for harmonised standards, would be either that the particular national standard did not conform to the general safety requirements (if appropriate, as interpreted by means of essential safety requirements specified in the sector Directive) or that it did not afford an equivalent level of health and safety to that



currently existing in the Member State's own territory. A challenge to a standard would be referred to the Committee comprising representatives of the competent authorities of Member States and would trigger a voting procedure whereby the standard would be removed from the list if a "qualified minority" objected to it.

4 Subject to any outstanding challenge made by a Member State under the safeguard procedure any product conforming to a listed standard would be afforded free circulation by the sector Directive. The Directive would specify the period after the listing of a standard within which Member States should take the necessary measures to remove any legal or administrative obstacles to the free circulation of such products. If however the enforcement authorities doubted the safety of a product it would be impracticable and unreasonable to require the product to be tested against all the applicable standards which might have been listed. UK suggests the following procedures depending on whether a manufacturer claimed conformity with a listed standard or the product was marketed without any claim to conformity. In the first case the authorities should test the product to the standard it purported to conform with and if it were found not to conform the authorities might require its removal from the market or take other steps to safeguard the health and safety of their citizens for example to require modifications to the product. If it were found to conform but the authorities still believed, by reference to their national levels of health and safety in force, that it failed to meet the health and safety objectives in the Directive, it would be open to them to take urgent safeguard action and they would then have to challenge the listed standard within a specified time. If there was no claim of conformity with a listed standard the authorities need only show that the product fell below their national levels of health and safety in force before they acted against the product.

Department of Trade and Industry
July 1984

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Extract from Conservative Manifesto for European
Elections - 14 June 1984.

THE EUROPEAN PARLIAMENT

in how Community funds are spent has increased, but it has little direct responsibility for how the money is raised. It has shown itself unwilling to make cuts in some areas of Community expenditure so that within the limits of available resources other areas might benefit. Conservatives will work to ensure that the Parliament shows itself capable of making political choices of this kind.

On a growing range of issues, the Parliament is regarded as 'the voice of Europe'. It has an important part to play on human rights questions, for example. Conservative MEPs will help to ensure that the European Parliament makes a responsible contribution to the maintenance and expression of the democratic ideals upon which the Community is founded.

These three criteria - effectiveness, consistency and responsibility - allied to a concern to keep the Parliament closely in touch with the electorate, are fundamental to the Conservative approach. This approach has helped us to work very closely on key issues with members from many other like-minded parties across the Community. With these parties the Conservatives have held the initiative on all important issues since 1979, from the Falklands crisis and cruise missiles to policies for economic recovery.

Conservatives have insisted that member states should retain the right to protect their vital national interests in the Council of Ministers by being able to invoke, where necessary, the principle of unanimity. However, we recognise that if the Council is to be an effective decision-making body, a member state's right to block a decision should be used only as a last resort. It is not in our interest that other member states should, without proper justification, veto agreement on measures which would benefit the United Kingdom.

We welcome practical reforms in the workings of the Community institutions. But we do not support attempts to force the pace of institutional reform, especially in ways which might jeopardise the defence of genuinely vital national interests or which would not command the necessary degree of common agreement and public support.

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FRAME INSTITUTIONS

FM UKREP BRUSSELS 081002Z NOV 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 3645 OF 8 NOVEMBER,

INFO BRUSSELS COPENHAGEN THE HAGUE ROME DUBLIN PARIS

BONN LUXEMBOURG ATHENS,

INFO SAVING LISBON MADRID STRASBOURG.

AD HOC COMMITTEE ON INSTITUTIONS (DOOGE COMMITTEE),
7/8 NOVEMBER 1984.

NATURE OF REPORT TO EUROPEAN COUNCIL.

SUMMARY

1. DISCUSSION OF NATURE OF REPORT TO DUBLIN EUROPEAN COUNCIL DOMINATED A SCRAPPY MEETING, MARKED BY SOME FRANK TALKING (NOT LEAST BY MR RIFKIND) AND POOR CHAIRMANSHIP. MR RIFKIND SUCCEEDED IN FENDING OFF ATTEMPTS TO PUT FORWARD A REPORT ALREADY IDENTIFYING MAJORITY AND MINORITY VIEWS. BUT LARGE MAJORITY REMAIN DETERMINED TO RESPOND TO FITZGERALD'S EXPECTATION THAT THE COMMITTEE WILL DELIVER A REPORT CONTAINING SOME SUBSTANCE. FINAL MEETING BEFORE DUBLIN WILL THEREFORE CONSIDER AMENDMENTS NOW TO BE TABLED TO FAURE DRAFT: WHERE NO AGREEMENT IS POSSIBLE REPORT WILL SIMPLY SET OUT POSSIBLE ALTERNATIVES.

DETAIL

2. DOOGE INTRODUCED THE FIRST ROUND BY EXPRESSING HIS VIEW THAT THERE SHOULD BE AN INTERIM REPORT WITH SUBSTANCE. FERRI (ITALY) THOUGHT THE QUESTION PREMATURE, SINCE NOT ALL THE TECHNICAL PAPERS HAD BEEN DISCUSSED. MR RIFKIND ENDORSED THAT VIEW VIGOROUSLY. IN THE ENSUING DISCUSSION TRUMPF (FRG, IN RUHFUS' ABSENCE ON LEAVE) SAID THAT KOHL WOULD BE VERY UNHAPPY IF DUBLIN HEARD A REPORT WHICH CONTAINED NO SUGGESTION OF POLITICAL VISION. DISCUSSION THEN PASSED TO THE PAPANTONIOU PAPER ON CONVERGENCE AND MOLLER'S PAPER ON ADVANCED TECHNOLOGY (SEE M I F T).

3. DURING DINNER FAURE REJECTED AS INADEQUATE A REPORT COVERING PARTS I AND II OF HIS DRAFT, WITH ONLY ANODYNE PASSAGES ON THE KEY INSTITUTIONAL QUESTIONS. DIFFERENCES OF VIEW SHOULD BE IDENTIFIED, AND LABELLED AS MAJORITY AND MINORITY VIEWS. HE WAS SUPPORTED BY MOST OTHER SPEAKERS. MR RIFKIND, WITH SOME SUPPORT FROM VAN EEKELEN, MOLLER AND TO A LESSER EXTENT PAPANTONIOU, ARGUED FORCEFULLY AGAINST IDENTIFYING PUBLICLY MAJORITIES AND MINORITIES ON SUBJECTS WHICH HAD BARELY BEEN DISCUSSED. TO DO SO WOULD ENTRENCH POSITIONS AND RENDER FURTHER DISCUSSION AFTER DUBLIN DIFFICULT, IF NOT FRUITLESS. NO CONCLUSION WAS DRAWN.

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4. AT THE BEGINNING OF THE MORNING SESSION DOOGUE CLAIMED THAT AGREEMENT HAD BEEN REACHED AT DINNER THAT UNANIMITY WOULD NOT BE REQUIRED FOR THE INTERIM REPORT. MR RIFKIND DISPUTED THIS CONCLUSION. THE EUROPEAN COUNCIL HAD NOT ASKED FOR AN INTERIM REPORT. SUCH A DOCUMENT WOULD BE USEFUL ONLY IF IT CONTRIBUTED TO REACHING FINAL AGREEMENT. IT MIGHT PROVE UNAVOIDABLE TO RECORD DIFFERENCES OF VIEW IN THE FINAL REPORT, BUT IT WAS NOT APPROPRIATE TO TRY TO PUSH THROUGH AN INTERIM DOCUMENT ON THAT BASIS, ESPECIALLY WHEN THE ATTEMPT PRECLUDED EVEN A FIRST DISCUSSION OF SOME PAPERS. THAT WAS NO ADVERTISEMENT FOR THE ASSURANCE THAT MINORITY INTERESTS WOULD BE PROTECTED IF THERE WERE, AS MANY WANTED, WIDER USE OF MAJORITY VOTING. IF A REPORT WERE PRESENTED IN TERMS OF MINORITIES AND MAJORITIES HE FAILED TO SEE THE VALUE OF FURTHER DETAILED DISCUSSION. BUT HE HAD INDICATED THAT HE WAS PREPARED TO CONSIDER PUTTING FORWARD A REPORT IN WHICH PARTS I AND II UNANIMOUSLY AGREED, WHILE SETTING OUT OPTIONS FOR THE REST.

5. FERRI POINTED OUT THAT FITZGERALD HAD TOLD THE E.P THAT HE HAD ASKED THE COMMITTEE TO PRODUCE AN INTERIM REPORT. HERMAN (BELGIUM) COMPLAINED THAT MR RIFKIND WAS MERELY REPEATING THE SAME OLD STORY AS HAD BEEN HEARD FROM THE U.K SINCE MESSINA (BUT LATER APOLOGISED FOR BEING OFFENSIVE). NOLLER (DENMARK) WAS PREPARED TO WORK ON THE BASIS OF PARTS I AND II BUT STRESSED THAT HE DID NOT ACCEPT THE OVERALL APPROACH OF THE FAURE DRAFT AND CERTAINLY NOT PARTS III AND IV. HE TABLED AN ALTERNATIVE APPROACH, WITHOUT EXPLANATION OF ITS CONTENT. PAPANTONIOU (GREECE) WAS PREPARED TO WORK ON THE FAURE DRAFT PROVIDED IT WAS TAKEN AS A WHOLE: HE COULD NOT GO FORWARD ON ONE PART BUT NOT ANOTHER. FAURE REPEATED HIS REFUSAL TO PROCEED ONLY WITH THE FIRST HALF: THAT WOULD PRODUCE ANOTHER FLACCID EUROPEAN COUNCIL CONCLUSION. DONDELINGER (LUXEMBOURG) DID NOT SEE THAT 3 MORE MONTHS DISCUSSION WOULD CHANGE POSITIONS. THE IDEAS IN QUESTION HAD BEEN AROUND AT LEAST SINCE THE 1972 SUMMIT.

6. MR RIFKIND IN REBUTTAL POINTED OUT THAT THE COMMITTEE ITSELF HAD NOT DISCUSSED THE IDEAS IN QUESTION, HOWEVER LONG THEY MAY HAVE BEEN CURRENT. THE COMMITTEE RISKED APPEARING AS A SHAM IF MEMBERS INTENDED NOT TO MINIMISE DIFFERENCES BUT SIMPLY TO REGISTER MAJORITY SUPPORT FOR PRECONCEIVED IDEAS. IF THAT WERE SO FURTHER DISCUSSION WOULD SERVE NO PURPOSE. FAURE'S PAPER HAD SOUGHT TO BRIDGE SOME DIFFERENCES, BUT OTHER COMMITTEE MEMBERS DID NOT SEEM TO WANT TO TRY TO DO THAT.

7. VAN EEKELN (NETHERLANDS) SUGGESTED WORKING ON THE FAURE DRAFT TO SEE HOW MUCH AGREEMENT COULD IN FACT BE REACHED, AND THIS SUGGESTION WAS ACCEPTED, THOUGH IT WAS NOT SERIOUSLY PUT INTO EFFECT DURING THE REST OF THE DAY. AFTER A DISORGANIZED DISCUSSION (SEPARATELY REPORTED) OF THE VAN EEKELN, RIFKIND, FERRI AND HERMAN PAPERS ON INSTITUTIONS, WHICH STRAYED INTO PART III OF THE FAURE DRAFT, A FURTHER ROUND ON THE NATURE

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OF THE REPORT TOOK PLACE OVER LUNCH. AFTER BILATERAL CONTACT WITH MR RIFKIND A SOMEWHAT CHASTENED HERMAN BUSIED HIMSELF TO PERCUADE OTHERS NOT TO INSIST ON IDENTIFYING MAJORITY AND MINORITY VIEWS. THE CONCLUSIONS REACHED AT LUNCH AND REPORTED BACK WAS THAT THERE WOULD BE A WRITTEN REPORT RECORDING AREAS OF AGREEMENT, AREAS OF DISAGREEMENT SETTING OUT THE ALTERNATIVES, AND POSSIBLY AN ORAL INTRODUCTION BY FITZGERALD TO THE EUROPEAN COUNCIL ON HIS OWN RESPONSIBILITY WHICH MIGHT INDICATE WHERE THE MAJORITY STOOD ON KEY ISSUES: THAT LAST ELEMENT COULD ONLY BE DECIDED ONCE THE WORK WAS COMPLETE.

FUTURE PROCEDURE.

8. AFTER MUCH NEEDLESS WRANGLING ABOUT THE ROLE OF THE SECRETARIAT IN DRAFTING IT WAS AGREED THAT AMENDMENTS TO THE FAURE PAPER SHOULD BE SUBMITTED BY 13 NOVEMBER. THE SECRETARIAT WOULD DISTRIBUTE CONSOLIDATED AMENDMENTS ON 16 NOVEMBER, WHICH ASSISTANTS WOULD MEET (IN BRUSSELS) UNDER THE SECRETARY'S CHAIRMANSHIP ON THE AFTERNOON OF 19 NOVEMBER TO REVIEW, IN PREPARATION FOR THE NEXT MEETING OF THE COMMITTEE WHICH WILL BEGIN AT 1400 ON 21 NOVEMBER BUT, CONTRARY TO EARLIER EXPECTATION, ONLY EXTEND INTO 23 NOVEMBER IF ABSOLUTELY NECESSARY. PFLIMLIN (PRESIDENT OF E.P) WILL ATTEND AT 0900 ON 22 NOVEMBER.

9. AFTER THE DUBLIN EUROPEAN COUNCIL THE COMMITTEE WILL MEET ON 12/13 DECEMBER, 16/17 AND 30/31 JANUARY, 13/14 AND 27/28 FEBRUARY.

FCO ADVANCE TO:

FCO - P.S, PS/MR RIFKIND, RENWICK, FAIRWEATHER.
CAB - WILLIAMSON, STAPLETON, LAMBERT.
NO.10- POWELL.

FCO PASS SAVING LISBON MADRID AND STRASBOURG.

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FRAME INSTITUTIONS

FM UKREP BRUSSELS 081907Z NOV 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 3646 OF 08 NOVEMBER 1984

INFO BRUSSELS, COPENHAGEN, THE HAGUE, ROME, DUBLIN, PARIS,
BONN, LUXEMBOURG, ATHENS, INFO SAVING LISBON, MADRID, STRASBOURG.

AD HOC COMMITTEE ON INSTITUTIONS (DOOGE COMMITTEE) 7/8 NOVEMBER 1984
PAPERS ON CONVERGENCE AND ADVANCED TECHNOLOGY

SUMMARY

1. UNREMARKABLE DISCUSSIONS OF GREEK AND DANISH PAPERS. SOME TRACE OF EACH SHOULD APPEAR IN INTERIM REPORT.

DETAIL

A. CONVERGENCE

2. PAPANTONIOU (GREECE) INTRODUCE HIS PAPER ARGUING FOR A 'VAST INCREASE' IN EC STRUCTURAL SPENDING THROUGH A LARGE INCREASE IN OWN RESOURCES: BETTER TARGETTING OF STRUCTURAL POLICIES TO LESS DEVELOPED REGIONS: INTRODUCTION OF ELEMENTS OF CONVERGENCE INTO OTHER EC POLICIES SUCH AS INDUSTRIAL POLICY: AND SUBSIDISED COMMUNITY LOANS TO PROMOTE CONVERGENCE.

3. ONLY FERRI (ITALY) GAVE THE REPORT UNQUALIFIED SUPPORT. MOST OTHERS AGREED THAT THERE WAS A PROBLEM BUT QUESTIONED THE ANALYSIS OF THE PROPOSED REMEDY. MR RIFKIND OBSERVED THAT ~~THE~~ PROBLEMS IDENTIFIED PARTICULARLY AFFECTED PERIPHERAL AREAS OF THE COMMUNITY. BUT THERE COULD BE NO CERTAINTY THAT THROWING HUGE RESOURCES AT THE PROBLEM WOULD SOLVE IT. IN ANY CASE THE GREEK CALL FOR A VAST INCREASE IN OWN RESOURCES FOR THIS PURPOSE WAS WHOLLY UNREALISTIC. THE COUNCIL HAD LABORIOUSLY AGREED AN INCREASE OF THE VAT RATE TO 1.4 PERCENT AND A SYSTEM OF BUDGETARY DISCIPLINE. THERE COULD BE NO QUESTION OF EXEMPTING NEW POLICIES FROM THE CONSTRAINTS OF THE MAXIMUM RATE. IN ANY CASE THE PROBLEM WAS THE IMBALANCE BETWEEN SPENDING ON THE CAP AND ON REGIONAL POLICIES, NOT THE ABSOLUTE SIZE OF THE BUDGET. IF THE COMMUNITY REALLY WANTED CONVERGENCE RATHER THAN A SYSTEM OF PERMANENT SUBSIDY FOR LESS DEVELOPED AREAS IT SHOULD CONCENTRATE ON CREATING A GENUINELY OPEN INTERNAL MARKET.

4. SUMMING UP THE DISCUSSION DOOGE NOTED THREE STRANDS OF DEBATE: (A) THE GREEK PAPER REFERRED TO CONVERGENCE OF LIVING STANDARDS. THIS HAD TO PROCEED IN PARALLEL WITH CONVERGENCE OF POLICIES. IT WAS IMPORTANT BOTH TO DISTINGUISH THE TWO AND TO SEE THE RELATIONSHIP BETWEEN THEM.

(B) THE PAPER CONCENTRATED ON THE PRESSURE CREATED FOR LESS DEVELOPED REGIONS BY THE COMMON MARKET WHILE IGNORING ITS POTENTIAL FOR BRINGING ABOUT CONVERGENCE.

(C) THE GREEK PAPER WAS OVER OPTIMISTIC ABOUT THE FEASIBILITY OF

RESTRICTED

/MOBILISING

RESTRICTED

MOBILISING SUCH LARGE EC RESOURCES FOR CONVERGENCE.
HE DREW NO PROCEDURAL CONCLUSION.

B. ADVANCED TECHNOLOGY

5. AFTER MOLLER HAD INTRODUCED HIS PAPER FERRI AND HERMAN ARGUED THAT IT CONTAINED A FUNDAMENTAL INCONSISTENCY. IT TOOK AS ITS PREMISE THAT THERE SHOULD BE NO CHANGE IN THE EXISTING TREATIES, YET ALL THE ARGUMENTS POINTED TO THE NEED FOR SUCH A CHANGE.

6. ANDRIESEN (COMMISSION) QUESTIONED THE TREATMENT OF ADVANCED TECHNOLOGY AS A SPECIAL CASE. HE WAS ALSO CONCERNED ABOUT THE IMPLICATIONS OF THIS FOCUS FOR THE COMMUNITY'S COMPETITION/STATE AIDS RULES. THE EMPHASIS SHOULD BE ON PRE-COMPETITIVE RESEARCH AND DEVELOPMENT. VAN EEKELEN (NETHERLANDS) AGREED AND POINTED TO THE DIFFICULTY OF 'PICKING WINNERS'.

7. SUMMING UP, DOOGE SAID THE PAPER SHOULD BE AMENDED TO GIVE MORE INFORMATION ON THE NATURE OF THE PROBLEM AND OF PROGRAMMES ALREADY UNDER WAY TO MEET THE CHALLENGE (EG ESPRIT, EURONET). THE REVISED PAPER SHOULD ALSO CONSIDER WHETHER NEW DECISION-MAKING PROCEDURES MIGHT BE NEEDED TO ACCELERATE COMMUNITY PROGRAMMES IN RESEARCH AND DEVELOPMENT, JOINT MARKETING AND EVEN JOINT PRODUCTION.

FCO ADVANCE TO:-

FCO - PS, PS/MR RIFKIND, MR RENWICK, FAIRWEATHER

CAB - WILLIAMSON, STAPLETON, LAMBERT

NO 10 - POWELL

FCO PASS SAVING LISBON MADRID STRASBOURG

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[REPEATED AS REQUESTED]



H. Lay - CH

Interim report of the Dooge Committee: staking out the
United Kingdom position

1. We consider that the Fontainebleau agreement was a watershed, which enables the Community to turn its attention to longer term objectives for a more united Europe. The United Kingdom is participating and will participate fully in the further work of the Dooge Committee and, more importantly, in the discussions between governments resulting from this initiative.

2. Like other member states, the United Kingdom has its own clear objectives. Some of these are well covered in the interim report of the Dooge Committee and we are glad that this is so. Other objectives have not been treated as boldly as they should be by the Committee.

- on the internal market, of course we must sweep away the costly, protective arrangements of non-tariff barriers. We must set a strict timetable for this action

- on political cooperation we must make our combined efforts more effective, if necessary in a more formal framework. The Community should have an active role in the world, not only a reactive one

- on areas for cooperation not covered by the Treaty of Rome, such as health and terrorism and some aspects of defence, we should identify the scope for action

- on institutional improvement it is self-evident that we shall need this in an enlarged Community. Successive presidencies have weakened the Community by not voting when they should have done [mainly because of a fear of French or German reactions]. I am quite prepared to examine the articles of the Treaty to see where there is scope for majority voting.

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15, 11/10/1992

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AFRCA meeting in USA

+ accounts report with steps

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repatriation

3. In the Dooge Committee my representative, Mr Rifkind, has made some reservations on one or two specific references, such as the suggested common currency and the transfer from national parliaments to the European Parliament of some revenue raising powers*. I have some doubts in any event that all my colleagues here will be able to accept all the proposals under discussion in the Dooge Committee. The United Kingdom will certainly welcome further contacts between Governments in the period between now and the presentation of the Dooge Committee's final report, in order to clarify views on some points. I should like expressly to assure my colleagues that the United Kingdom has not taken a position against an intergovernmental conference. A decision now would be premature but, if the final report demonstrates that this would be the best way forward, we shall take it.

4. We are for the substance, not the shadow, of a more united Europe.

Only met 5 times

* (Dooge Committee Interim Report IIIc "An enhanced role will be sought for the European Parliament . . . by giving it responsibility in decisions on revenue as the coping-stone of the establishment of a new basic institutional balance, which will develop in line with the system of own resources".

Project

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FRANCE, BRITAIN AND THE EUROPEAN COMMUNITY: PUBLIC STATEMENTS
BY PRESIDENT MITTERRAND DURING HIS VISIT TO BRITAIN

We have analysed President Mitterrand's public remarks as they are published in The Times' interview of 24 October and in the transcripts of his speech at the Guildhall on 24 October and to the joint session of the Houses of Parliament the same day.

So far as European Union is concerned, President Mitterrand is continuing to choose his words with great care. France is in favour of the more frequent application of majority voting but will remain fully sovereign on certain precise concrete points; France accepts the Spinelli draft Treaty as a basis for further work; the moment has come to make Europe a genuine political reality capable of asserting itself on the international scene. But he avoids defining very clearly what European Union means, contenting himself with a reference back to the Genscher/Colombo Declaration. His main concern seems to be that the Community should look like a political entity (to use the phrasing in M. Faure's draft report for the Dublin European Summit) seen from the standpoint of a third country.

As for his remarks on industrial cooperation, if we want to strike a positive note at the Anglo-French Summit next month, it may be worthwhile playing some of these ideas back at President Mitterrand. We need not be too dismissive of the reference in his speech to the combined Houses of Parliament to the establishment

/of a



of a Franco-British Foundation to encourage collaboration between universities and industry. This is not far away from the Government's aim of making the universities more commercial minded.

European Community Department (Internal)

FRANCE, BRITAIN AND THE EUROPEAN COMMUNITY: PUBLIC COMMENTS
BY PRESIDENT MITTERRAND DURING HIS STATE VISIT TO BRITAIN,
23-27 OCTOBER 1984.

The Development of the Community and European Union

1. "The European Community uses a system of majority voting and France would like to see that system applied more often. So it is not a question of France taking an abrupt decision, from one day to the next to give up its sovereignty. But it is a path we shall have to take if we are to move towards a stronger union in which we would nevertheless continue to be fully sovereign on certain precise concrete points."

(The Times 24 October 1984.)

2. "Such terms as the United States of Europe are loaded with overtones due to arguments which have been going on for the past 35 years. One has to be careful when speaking about moving towards a Europe where a certain number of important political decisions are taken in common. [On Spinelli draft Treaty.] "We accept it as a basis for further work." (The Times 24 October 1984.)

3. "It is no longer enough to add together a number of individual measures. The moment has come, I already said this in The Hague in fact, to make Europe become a genuine political reality, capable of asserting itself on the international scene. What is European Union? Let us not construct a theory. It already has a concrete existence. We clearly stated its major features last year in the formal declaration of the European Council in Stuttgart. I think it would be good now in the context of respect for the identify of each of the Member States pragmatically to confirm its international existence, improve its decision-making capability, increase the responsibilities of its institutions, to open new fields of cooperation so that this Economic Community can, at last, in the world's eyes become what it already is: A Community of civilised nations." (Speech to Parliament.)

/Britain

Britain and the European Community

4. "It is true that we do not have the same conceptions of Europe."

5. "There are some countries who want to strengthen the political union of Europe and some who do not. I do not know exactly what Britain will choose. France has chosen to strengthen the union."
(Times interview)

Two-speed Europe: the Paris-Bonn Axis

6. "It would not be desirable." (To build a strong Europe without Britain.)

7. "France and West Germany founded the Community together. In this area there is a natural tendency for us to work closely together. But we do not want to set up a Paris-Bonn axis. We do not wish to exclude anyone else." (The Times 24 October 1984.)

European Industry, R&D etc.

8. "I don't believe in (European) decline. I think that together we can succeed not only in overcoming the present crisis but also in affirming our presence in the sectors of the future. But to do that we must overcome our petty squabbles." (Guildhall Speech, 24 October 1984.)

9. "We can be proud of certain of our industries. Ariane, Airbus, JET the Esprit programme. All this shows that what is called Euro-pessimism on the other side of the Atlantic is not justified. We can go further and broaden the field of our cooperation in Europe and elsewhere wherever high technology is found. For example aeronautics, telecommunications, robotics, space, energy and naturally the Channel tunnel. You generally applaud when the Channel tunnel is mentioned but it stops there. Well, our industries must learn to work together; to give priority to their alliances; to unite in their research effort; to share their markets. In another speech I recalled that funds devoted to scientific research in four European countries including Britain and France are much larger than the credits for scientific research in the United States or Japan. But the result is

far behind that of these two great countries. Why? Because we are divided. We have however just as many scientists, perhaps more; just as many technicians perhaps more; just as many engineers and qualified workers. I repeat the question then why is Europe behind? Because everyone works for himself and singly each one is weaker than those who are getting ready to dominate the world. Our two governments are conscious of the need (to work together). They can create the conditions favourable to success. But it is for the companies themselves, their managers and their workers to do it, to make this Europe." (Guildhall Speech.)

10. "Let us reflect on the fact that Europe, which is investing more than its major American and Japanese rivals in research, is losing its high technology markets. The reasons for this paradox stems from something that is quite obvious: insufficient cooperation between our firms. This cooperation is already proving itself in the field of aviation. I am happy that in another sector which is vital for our future, telecommunications, a first step has recently been taken by the Ten Community Members when they recommended the adoption of common standards.

11. As regards collaboration between universities and industries, could it not take the form of a Franco-British foundation, which would compare experience in the two countries, promote joint projects and mobilise firms, laboratories, public and private research centres, universities, major scientific institutions?" (Speech to Parliament.)

Economic and Financial

12. Ladies and Gentlemen, you represent industry, commerce and finance in one of the great powers of the world. You understand the importance of the task. You know that industry cannot develop without harmonisation of financial markets and exchange rate stability. The European Community countries hold one third of the world's currency reserves and almost half of its gold reserves. European savings are

/ greater

greater than those of the United States. The banks and financial institutions have no reason to envy those of other important powers. Why should Europe suffer the effects of the fluctuations of the dollar and the monetary disorder which results from this?

13. You, ladies and gentlemen, or your predecessors, down the centuries have invented and still invent new financial instruments every day. You have the prime role to play in the promotion of the use of the ECU so that, alongside the dollar, SDRs and soon the Yen, it will constitute a new pole in the world monetary system.''
(Guildhall Speech.)

European Community Department (Internal)
30 October 1984