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NOTE FOR THE RECORD

EUROPEAN COMMUNITY, INTERGOVERNMENTAL CONFERENCE: DISCUSSIONS WITH M. SANTER AND M. DONDELINGER, 30 AUGUST 1985

Mr Renwick (FCO) and I, accompanied by Mr Miles (H M Ambassador, Luxembourg) had a meeting today with M. Santer, Prime Minister of Luxembourg and current chairman of the European Council, and more extensive discussions with M. Dondelinger, chairman of the official group preparing the intergovernmental conference. Mr Renwick is recording separately what was said about South Africa.

2. M. Santer said that the Luxembourg Presidency would be working for a result from the intergovernmental conference which would be acceptable to all member states. He had been impressed with some of the practical ideas put forward by the United Kingdom before and at the Milan European Council, including the text on political cooperation. During his holidays he had also been reading the Commission's communication on completing the internal market ("the Cockfield White Paper") and, in the light of this, he could well understand that amendment of the Treaty to introduce majority voting for some articles might be necessary in order to achieve the common market within the timescale proposed. He would himself be making a tour of capitals in good time before the European Council in Luxembourg and hoped that he would see the Prime Minister.

3. We said that the Prime Minister would be pleased to see him and that H M Ambassador was in touch about a date (5pm on 21 November - Mr Flesher's letter of 7 August to Mr Ricketts (FCO)). We wished also to stress two points. First, Milan had shown the difficulties of the course being followed

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through an intergovernmental conference. Nonetheless, the United Kingdom would play a constructive role in order to see whether an agreement acceptable to all could be achieved. We expected, however, that the United Kingdom would not necessarily take a view separately on individual proposals which might be put forward but would judge the results when the shape of any package became clear. Secondly, we urged the Luxembourg Presidency to lay down and to maintain clear rules for the better organisation of the next European Council. It was essential that there should be adequate time for proper consideration of proposals in capitals. In our view this meant that there should be in good time a single report of the work of the intergovernmental conference, either from the Foreign Ministers or, if they could not agree, from the Presidency. A deadline should be respected. There should not be last minute papers either from member states or from the Commission. It was not good enough that, as had happened at Milan, important documents were only available in capitals after some heads of government had boarded the plane or that the European Council should be asked to approve voluminous policy statements distributed at the last minute. M. Santer said that they intended to apply a deadline.

4. In the discussions with M. Dondelinger we did get some further information both about the Presidency's thinking and about the possible proposals to be submitted by other member states. There has been a Benelux coordinating meeting this week and at least some contact with the French. It is interesting that M. Dondelinger had no knowledge at all of Italian intentions and, until asked by us, never referred once to the Italian position. The main points were:-

(i) political cooperation. M. Dondelinger said that the Commission was still trying to find some way of incorporating the new agreement into the existing Treaty. M. Noel had given notice that M. Delors would press for this at the first meeting of the intergovernmental conference. The Presidency had advised strongly against such an intervention,

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which was doomed to failure. It was quite clear that most, if not all, member states were not prepared to bring political cooperation within Community rules but were prepared to formalise in a separate treaty the existing cooperation between member states;

(ii) procedure of the intergovernmental conference. The Presidency was planning on the assumption that the Foreign Affairs Council on 19 November would conclude the work of the intergovernmental conference and submit a report to the European Council. The Presidency expected to set a deadline of mid-October for the last submission to the conference of proposals for Treaty amendment;

(iii) possible Treaty changes: Presidency views. M. Dondelinger's reflections had already led him to recognise the problem of those who wanted Treaty amendment that, on the one hand, it would be difficult to propose majority voting for article 100 as a whole but, on the other hand, a complicated and partial amendment would not sound like a ringing declaration of progress in Europe. He therefore suggested that it might be possible to leave article 100 as it is (unanimity) but to insert new articles on the internal market, on technology and on the environment. Questioned by us about the basis for decision taking in the new articles, he suggested that on the internal market the framework regulations should require unanimity but the implementing regulations majority voting. On technology and the environment he was not entirely clear but seemed to be thinking in terms of majority voting. He did not, however, rule out the "variable geometry" possibility that a member state which could not support the majority might have an assurance that it could have a derogation subject to review. It is not possible at this early stage to know whether any of these ideas will see the light of day. There are some obvious difficulties such as the definition of the matters covered by the internal market. This is also,

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however, a potential method of leaving unchanged the decision-taking (unanimity) on certain important taxation or other issues under article 100;

(iv) possible proposals of other member states.

M. Dondelinger said that

(a) the Germans are working on a paper containing specific proposals

(b) the French would probably put forward some proposals for Treaty amendment on the European monetary system (presumably article 107), the social dimension and the commercial defence of the Community

(c) the Netherlands had some draft proposals on institutional questions but had not yet decided whether to table them

(d) he was not aware of any Italian proposals;

(v) institutions. The discussion about the European Parliament was inconclusive. M. Dondelinger appears to favour the view that there should be a greater role for the European Parliament within a few very strictly circumscribed fields but he repeated that the last word must rest with the Council. He mentioned for the first time that the Benelux had been thinking about a possible amendment of article 155 (role of the Commission).

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30 August 1985

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