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PRIME MINISTER

cc Mr Ingham

INFORMAL EUROPEAN COUNCIL, DUBLIN

Tomorrow's European Council in Dublin is ostensibly about the EC aspects of German unification. That is the main item on the agenda: and there are other important issues to discuss - relations with Eastern Europe, Lithuania, CSCE, GATT and agriculture, the site of the EBRD. But so far as the media and public perceptions are concerned, there is only one issue by which the outcome of the meeting will be judged: political union, and how you respond to the proposals (if one can dignify such vague references as such) put forward by President Mitterrand and Chancellor Kohl. The stories which they are looking for are either "Thatcher isolated" if you uncompromisingly reject the notion of political union or "Thatcher backs down" if you indicate willingness to engage in discussion. As in Bermuda we need to trump their stories, deprive them of a confrontation and come out with a distinct point of view of our own.

We have the material for that:

- you are not isolated. There is support for your view that the Community has more pressing business (the six priorities) than political union. Delors seems to be of that persuasion.
- there are also degrees of alarm among some of the other member states (Luxembourg, Denmark, Portugal, Spain - on some aspects at least) about rushing bald-headed into commitments on ill-defined political union.
- your reservations also have a strong resonance in the House.
- we have some good ideas of our own on institutional reform.

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We can build on all these in what you say in the Council, at your subsequent press conference, and in the House on Tuesday to create a strong and positive position. You yourself defined the main thrust of it in talking to the Foreign Secretary yesterday. It might run as follows:

- you have listened with your customary scepticism to the renewed call for political union. There are some serious issues to be discussed and you are more than ready to engage in the debate. But we need to be clear what we are and are not talking about.
- first you assume that talk of political union is not just a diversionary tactic to evade serious consideration of the pressing practical tasks facing the Community (the six points). For a start we should reaffirm our determination to tackle these and bring them to a successful conclusion.
- beyond that we need to clear our minds about the meaning of political union. Since everyone seems to have difficulty in defining what it is, you want to suggest a novel approach: we should begin by defining what it is not. Perhaps it is a linguistic problem. Perhaps it is a philosophical problem. But the fact is that in some parts of the Community, and certainly in the United Kingdom, the term political union rouses real anxieties and suspicions which cannot just be ignored.
- so lets start by seeing whether we can all agree on what political union will not involve. It will not mean giving up separate Heads of State. It will not mean abolishing national Parliaments, or restricting their powers or the accountability of national ministers to them. It will not mean altering the Council of Ministers' role as the Community's main decision-making body. It will not mean an attempt to

What is it?

Already urgent agenda and big one

Would help to define what political union is not

Monarchy & Presidents continue or head of state? Parliament through whom each of us is accountable, Council of Ministers - decision making body

Reject constant
centralisation at
expense of ~~centralisation~~
~~disperse~~ devolved
power. Europe
rejecting centralisation.

Does not weaken defence
through N.A.T.O.

National statements
should be made
then statements
continued.
Keep our sovereignty

Sheddy for
Political Co-operation

accrue more powers to centralised institutions at the expense of national governments and Parliaments i.e. we should confirm the concept of subsidiarity and that the Community should only do those things which it can do better than individual countries. It will not mean that we abandon or weaken our commitment to defend Europe through NATO.

if we can put at rest fears about these matters then there is plenty of scope for constructive discussion. But if some of us are intent on a federal Europe in which our distinct national institutions, sovereignty and characteristics would be merged, it is better to say so now and get it into the open. Then we shall all know where we stand and that we face profound differences.

provided everyone accepts that we are not talking about merger, then whether you call it 'political union' or 'institutional reform' matters less. My strong inclination is to approach it from the latter perspective, because I think there are many ways in which the functioning of the Community could be improved.

for instance, I think the role of national Parliaments ought to be explicitly recognised, not because they derive their powers in any way from the Community - they do not - but because it is to them that Heads of Government and other Ministers are accountable. We would like to see the Commission made more accountable for its actions - and I am sure M. Delors as a former parliamentarian would welcome that. We need to look at the legislative procedure in the Community and in particular whether it really still makes sense to confine the right of initiative to the Commission.

these are just some ideas and there will be others. They raise very large and important questions. It

Country Architects
Exclusive right
Draft due done
by Commission can
only be amended
by unanimity.
Power to amend by
qualified majority
by Council

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really would be putting the cart before the horse to agree now that there will be an Inter-Governmental Conference to consider them. The first step is surely for people to put forward some practical ideas, not just slogans, and see whether we have the material to make an IGC worthwhile. That is a task for Foreign Ministers and they should be given enough time to do it properly.

- France
Germany*
- above all let us be practical. For instance, there's not much point in talking about a common foreign policy when two of our number fire off a message to the Lithuanians telling them to suspend their declaration of independence. The Lithuanians have expressed their wishes and it's not for us to tell them what to think. Certainly we can encourage them to discuss all these matters, but that is different. This is just one example of how big the gap is between rhetoric about political union and reality.
 - so let us avoid symbolic diplomacy and ringing declarations which sound hollow when matched to the reality. I thought the Wall Street Journal put it very well in an article earlier this week, when it said that we ought not to be moving towards dictatorship of a technocratic elite: that is precisely what the countries of Eastern Europe are moving away from. We should be moving towards much closer, more effective co-operation between us on issues which cross national boundaries both within the Community and beyond.

I think that something on these lines - and the FCO may come up with a more felicitous version - would give you a strong position: an approach which is as robust as ever, does not reject the idea of improving the way the EC operates and has some positive ideas. It needs to be put forward very coolly, with no trace of indignation or last-ditchism. I believe it would have a real chance of securing support from some of the others, particularly if you were to have a word with them - the Dutch,

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Luxembourgers, Danes - in advance and give them an idea of your approach.

C.D.P.

Charles Powell

27 April 1990

c: dublin (MJ)

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