

MR. HEALY (13)

re.
CPB

SPECIAL EUROPEAN COUNCIL, ROME, 27/28 OCTOBER 1990

BRIEF NO 1

POLITICAL UNION

OBJECTIVES

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- Take note of the Presidency report and agree further preparatory work needed before the IGC opens in December.
- Resist any effort to give the IGC a mandate.

POINTS TO MAKE

First Table Round

- Welcome report from Foreign Ministers. Obvious much more work is needed. Agree Foreign Ministers should continue preparations and report back to us in December.
- We will continue to play a full and constructive part. IGCs will be important aspect of the Community's work in the coming year. But they must not be allowed to dominate our agenda. Community should remain open and outward-looking, participating fully in world affairs. We must not develop a reputation for introspection.
- Should remember what we're trying to achieve. Not changing internal machinery for its own sake, but in order to make the Community more efficient, more effective and more democratically accountable. Of course Britain wants a strong Community, but we also need to accept that Europe cannot be built by ignoring or suppressing the deep sense of nationhood amongst our peoples. Maintaining the right balance between what we do together and what we do nationally is the only way to promote the principles of political and economic liberty which we all share.

- Agree that Community must become more effective in coordinating its foreign policies. Political cooperation has worked well over the Gulf Crisis and on other occasions. We want to improve it. But see no alternative to continuing to operate by consensus.

- Security issues are already discussed within EPC. That too should continue. It is right that Europeans should take on more responsibility for their own security. But our collective defence can only be maintained through the partnership between Europe and North America in NATO, resting on a single military structure. Our overall aim must therefore be to strengthen NATO through a more effective European input. If we can agree on this, it will be easier to address the development of European defence institutions to reflect a stronger European role within the Alliance. There may be scope for using the WEU as a bridge between NATO and the Twelve.

- We should also increase the Community's efficiency. Our citizens expect good government from Community institutions. We must examine ways to ensure Community legislation is properly implemented and enforced by member states, and judgements of the European Court complied with.

- Welcome the emphasis on subsidiarity. More work is needed on this. Essential for the future development of the Community that there should be a clear recognition that responsibility rests with member states except where it has been explicitly agreed that the Community has a necessary role.

- A more democratically accountable Community means action on two fronts. First, a greater role for the European Parliament as watchdog over the Commission, particularly spending. Second, we should examine how national

parliaments can be involved more effectively in Community business. We welcome the proposed Parliamentary Conference in Rome, involving the EP and national parliaments.

Points for subsequent use

[If Presidency seek 'mandate' for IGC, at October or December European Council]

- We agreed at Dublin that IGC would set its own agenda. Not for us to pre-judge the IGC negotiations. Further work by Foreign Ministers will no doubt involve some winnowing of ideas which command little or no support.

[If Commission etc urge extension of competence]

- Strongly opposed to extension of competence. Matters such as industrial relations and immigration policy should remain with member states.

[If Commission suggest discussion of budgetary issues in IGC]

- Would be a great mistake to widen the negotiations still further. We must stick to the Dublin remit. The 1988 future financing package was agreed for five years.

- Of course new obligations arise, but we must be flexible in changing priorities, and remember that financial markets, third countries and the international financial institutions all have a role to play, for example in aid to Eastern Europe.

[If involvement of European Parliament in IGC raised]

- Must stick to Community rules for Inter-Governmental Conferences, set out in Article 236. No constitutional role for EP. Useful precedent set during IGC that led to Single European Act. It kept them abreast of negotiations and allowed them to feed in their views. We should follow that example.

- References: A: Presidency report on
work of Foreign
Ministers
B: Covering letter by
Italian Foreign
Minister on FAC
discussion
C: Luxembourg telno 392:
22 October FAC
D: Conclusions of Dublin
European Council
E: Commission Opinion

BACKGROUND

1. Foreign Ministers have agreed an interim Presidency report for the European Council on preparatory work for the political union IGC. This has kept within the bounds of the remit agreed at the Dublin European Council in June, though work on foreign and security policy cooperation has taken on a higher profile, not least because of the Gulf crisis. The paper includes most of the elements we want to see discussed including greater financial accountability, better implementation, a strengthening of European Political Cooperation, a recognition of subsidiarity and an improved role for national parliaments. But it is still larded with plenty of options that we oppose, such as the extension of competence to health, education and culture; the extension of qualified majority voting; and new powers for the European Parliament. At this stage, however, our aim is to avoid the Italian Presidency trying to narrow down the options for the IGC or trying to draw premature conclusions. The more we can push substantive negotiation into the Luxembourg Presidency, the better.

2. No decisions are therefore required at this European Council. Andreotti told the Prime Minister that the

European Council should simply hear the Foreign Ministers' report and commission them to continue their work and report further in December. We support this approach, but we may need to resist Presidency attempts to introduce tendentious language into the Conclusions implying more support for their ideas than actually exists. We shall also need to resist a likely Italian attempt to get the December Council to agree an IGC 'mandate'. The remit agreed in Dublin is perfectly adequate for the preparation of the IGC up to the launch in December.

3. The Commission are (predictably) at the maximalist end of the scale on most issues and Delors has announced a wish to bring budgetary and financing questions into the negotiations. The Commission's formal Opinion (required under Article 236) proposes a common foreign policy in areas defined by the European Council with some form of majority voting in those areas and includes a reference to a common defence policy; some modest additions to European Parliament powers and a consultative committee of national parliaments; extended Community competence on immigration, social and other issues; an extension of QM voting to all areas except constitutional articles, taxation and social security; and a strengthening of the EP and Commission on budgetary matters.

4. Germany also supports more power for the EP and some representation for the regions. It seems willing to extend QM voting to new areas and EPC to cover security (but probably not defence despite a commitment at last week's Italian-German Summit to do so). A Franco-German initiative is in the offing, but may not surface before the Special European Council given the apparent gap between their positions. It is likely to concentrate on a common foreign and security policy - the main French objective for the IGC - and may reflect other French ideas for strengthening the role of the European Council and establishing a "Congress" of national parliamentarians (in return for conceding some increase in the EP's powers). The French are torn between

their desire to tie Germany into a Community framework and maintaining their own national freedom of action.

5. Spain is also hesitant on some details (QM voting on the environment, subsidiarity) but keen to appear an enthusiastic European, and influenced by promises of funding. It will support proposals for a common foreign and security policy, including a defence component and will press its ideas on citizenship.

6. Most of the small countries - eg Netherlands, Greece, Luxembourg and Denmark - favour an incremental approach though some would be prepared to move a long way on eg. co-decision or QM voting. But they are likely in the end to go along with emerging consensus among the major member states. Luxembourg has difficulty with some of the citizenship ideas (eg voting) and does not favour increased EP powers. Denmark has ideas close to our own on EPC. Portugal has been fairly silent and though its instincts are minimalist it, too, is likely to be susceptible to bribery. Ireland is opposed to a security or defence role for EPC.

7. The Presidency may raise their proposals for organising the IGCs (attached to de Michelis' letter): see the brief on economic and monetary union (No 2). On the question of EP involvement, we have no objection to Presidency/EP contacts, but want to limit the frequency and ensure the informal nature of EP contacts with member states: there were six ministerial meetings of the SEA IGC, but informal meetings with the EP in the margins of only three of them.