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European Policy
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NOTE OF THE PRIME MINISTER'S DISCUSSION WITH THE COMMITTEE OF THE
THREE WISE MEN AT 10 DOWNING STREET ON 16 JULY 1979 AT 1015

Present: Prime Minister Mr. Barend Biescheuvel
Foreign and Commonwealth Secretary Mr. Edmund Dell
Mr. Michael Franklin (Cabinet Office) Monsieur Robert Marjolin
Miss Alison Bayles
Mr. B.G. Cartledge

The Commission

After welcoming the Committee, the Prime Minister commented that the remit which they had been given by the Presidency was very vague. She herself was only just beginning to understand, in the light of practical experience, how the Community worked. The Prime Minister said that she thought that one effect of the enlargement of the Community would be to diminish the amount of effort which was devoted to "harmonisation", which all too often meant standardisation. The European Commission had, in her view, concentrated excessively on harmonisation, whereas one of the great virtues of the Community was its variety. Enlargement would bring a greater sense of perspective. The directly-elected European Parliament, moreover, would have a significant effect on the Commission's operations, although it remained to be seen to what extent the European Parliament would devote its attention to internal matters. It had to be recognised that the Parliament might swell the Community's bureaucracy.

Mr. Biescheuvel recalled that his Committee had been nominated by the European Council at the end of 1978 and asked to consider adjustments to the machinery and procedures of the Community's institutions. He and his colleagues were also charged with safeguarding progress towards European union, in the context of the forthcoming enlargement. The Committee proposed to submit their report in October 1979. During the first three months of their work they had visited eight capitals out of the Nine, and the European Commission, their meeting with Mr. Callaghan having been postponed because of the British Election campaign. The drafting of their report was now under way.

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/Mr. Biescheuvel

Mr. Biescheuvel told the Prime Minister that he and his colleagues had encountered widespread criticism in the capitals of the Nine with regard to the way in which the Community's institutions functioned and concerning the lack of co-ordination between the Commission, the Council of Ministers and the European Council. The question of the co-ordination of Community work in each national capital, with the objective of producing clear guidance for national delegations, was also relevant to the Committee's mandate. The Committee were nevertheless very conscious, Mr. Biescheuvel said, that the major problems which faced the Community could not be solved simply through adjustments in procedure and mechanics. He was conscious, however, that the Committee had to take account of a problem which was preoccupying a number of people in the Community, namely that of what the Community should and what it should not attempt to do. During their enquiries, the Committee had been greatly struck by the difference in the economic environment which could be expected in the 1980s and that which they recalled from the 1960s. In tackling the problems which would result from this, the European Council might have a very important role to play, by giving clear political guidance as to which problems the Community should try to resolve and as to how this could be done.

Mr. Biescheuvel said that the Committee had also looked at the question of the co-ordination of the work of the specialised Councils. They thought that the role of the Foreign Affairs Council could perhaps be improved by strengthening the role of the Presidency. So far as the Commission was concerned, it clearly had a management role to fulfil and a supervisory function, in addition to its function of initiating legislation. The position of the Commission had in fact tended to weaken in recent years and he and his colleagues had discussed this question with the Spierenburg Committee. The two Committees were agreed that the Commission's work should be rationalised and that economies could be made. It had been suggested that the number of Commissioners should be reduced from 13 to 10: Mr. Biescheuvel said that he would welcome the Prime Minister's views on this.

/The Prime Minister

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The Prime Minister said that she for her part - although she had been briefed in the opposite sense - agreed with the view that there should be one Commissioner for each member of the Community. She realised that the advantage of having two Commissioners was that it was possible to achieve a party political balance between them. She nevertheless believed that this problem could be solved by choosing the right man to be a country's sole Commissioner. She would be happy to accept, for example, Mr. Roy Jenkins or Mr. Dell as the UK's Commissioner, although she could think of some members of the Opposition party who would be less acceptable. The alternative to ten Commissioners, however, was 17: this would be ridiculous. The Prime Minister said that she would be content for there to be one British Commissioner, so long as every other member of the Community was limited to one as well.

Lord Carrington said that he thought that the Commission has become less powerful as the role of the European Council had grown. Commissioners, therefore, had a less important part to play than had previously been the case. He agreed with the Prime Minister that the argument for having two Commissioners was that it was possible to maintain a political balance. Mr. Dell put the argument that the larger member states of the Community might have less confidence in a Commission on which they thought they were inadequately represented. Mr. Biescheuvel said that it was rather difficult to tell the smaller members of the Community that one Commissioner per member was sufficient on the grounds that the Commission itself had diminished in importance. He foresaw that the smaller members might wish actively to restore the powers of the Commission.

The Prime Minister said that she thought that the role of one Commissioner per member country could be defended entirely adequately on the twin grounds of equity and efficiency, just like the United States Senate. It was, however, for consideration whether the Presidency of the Commission itself should count as one of the ten national seats or whether it should be additional.

Mr. Biescheuvel told the Prime Minister that the Spierenburg Committee would probably recommend that the President of the Commission should be able to nominate a Vice President who could assist him in

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the responsibility for internal co-ordination and for the budget. Other Commissioners would have specific portfolios and the number of Directors General cut down. The Prime Minister said that the first principle should be to avoid any further increase in members of the Commission and the number of Directors General.

Lord Carrington pointed out that if the larger members were to have only one Commissioner a piece, problems would arise if these Commissioners were not allocated the most important portfolios. Mr. Dell suggested that the President might be given a decisive voice in the allocation of portfolios in the Commission so as to reduce the risk of the appointment of unsuitable or inadequately qualified Commissioners, whose Governments had put their names forward in order to get them out of the way.

The Prime Minister thought that if the President of the Commission were empowered to allocate portfolios, this would inevitably lead to ill feeling: such appointments could only be made by general agreement. Mr. Dell recalled that Mr. Jenkins had been appointed to the Presidency on the basis that he would definitely have a say in senior appointments. Despite this, however, a number of very unsuitable appointments had been made during his term of office, since he lacked any formal power in the matter. The Prime Minister said that she thought that the power to make appointments could only increase friction and distrust of the President. If each member were allowed only one Commissioner, they were likely to be even more careful about their choice.

European Council

The Prime Minister made the general comment that all the Councils met far too often. There should be fewer meetings,

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with properly prepared agendas and competent chairmanship. It was unnecessary for the European Council to meet three times a year. At the only European Council meeting she had attended so far, it had been necessary to pad out the agenda for the second day in order to use up the time. It should be quite sufficient for the European Council to meet once during each Presidency. The Prime Minister said that she thought that, quite apart from Community occasions, there was much too much summitry in the international calendar: this obliged Heads of Government to divert their attention from the national problems which should be their main concern. The Prime Minister made the further comment that a Presidency of only six months might be too short. Lord Carrington pointed out that if each Presidency lasted for a year, it would only come round to the members of the enlarged Community once in 12 years.

Mr. Dell asked the Prime Minister how she saw the role of the European Council. The Prime Minister replied that she thought its purpose was to deal with the major issues facing the Community, such as the CAP and the budget. The CAP, she said, was a protectionist mechanism which ran contrary to one of the basic principles of the Treaty of Rome, namely the increase of free competition.

M. Marjolin said that if the European Council was to be the Community's major source of political initiative and political momentum, it might be the informal parts of the Council's programme which had the most value. The Prime Minister acknowledged that this might be true in principle, but said that in practice the contributions made round the table by individual Heads of Government, even on the informal occasions, were very uneven: some Heads of Government rarely intervened at all. The Prime Minister went on to say that European Councils were accompanied by far too great a volume of paperwork: the outcome of the Council's discussions was always predictable but they were nevertheless preceded by an enormous preparatory operation. Discussions in the European Council tended to be woolly and generalised; the invariable decision was to "have some more work done" on the matter in hand. Bilateral meetings were sometimes more useful.

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/In further

In further general comment, the Prime Minister expressed the view that the CAP was appalling from an intellectual standpoint. She also pointed out that the tradition of equity which was so strong in the UK did not, evidently, prevail in Europe. In the Community, every member seemed to approach a problem by fighting his national corner.

Lord Carrington said that if the powers of the Presidency were increased there was a danger that they could be used for national interests and purposes.

Mr. Dell said that the European Council might work a little better if its secretariat were more effective. The Prime Minister said that it would be helpful if an agenda could be fully agreed in advance and then adhered to. Mr. Dell said that he and his colleagues had found general agreement in their consultations that the quality of the Council secretariat could and should be improved.

The Prime Minister said she had been appalled by the difficulty of drafting the European Council's conclusions in such a way as to reflect the decisions which had been reached. Mr. Franklin suggested that there should be a secretary to the Council who could give the definitive view as to what had been decided. At Strasbourg, the meeting of Foreign Ministers early on the morning of the second day had been a helpful innovation.

The Prime Minister said that she would wish to retain the power of veto (the Luxembourg Compromise): she was very wary of going over to the system of majority voting. M. Marjolin commented that the Prime Minister's views on the Luxembourg Compromise seemed to be generally shared, although it was important that the power of veto should not be abused.

European Parliament

The Prime Minister said that relations with the European Parliament should be handled exclusively by the Commission. The President should visit the European Parliament only in

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order to give an annual "state of the Community" message. Mr. Dell forecast that the directly-elected European Parliament would inevitably demand the presence of Ministers at its sessions. The Prime Minister commented that the Parliament could request but not demand. It was essential that the question of where legal responsibility lay, as between the European Council and the European Parliament, should be correctly defined and not blurred. The Council of Ministers had the final say. M. Marjolin commented that the question of the Commission's responsibility vis-a-vis the European Parliament was theoretical, since the Commission now had no power. The Parliament would be keen to go to the real source of power, namely the Council.

The Prime Minister pointed out that if the European Parliament wished to acquire power, the national groups within it would have to work in close co-operation with the members of their own national Parliaments, where the only true authority and responsibility lay. She said that she regarded the elected European Parliament as a catastrophe: the situation had been much better when the national Parliaments sent delegations. But she accepted that the direct elections had to take place.

Mr. Dell pointed out that the European Parliament did in fact possess some powers, for example, for the financial field. It would be necessary to establish some degree of liaison with the Parliament on such issues as, for example, the Community budget. The Prime Minister repeated that it should be sufficient for the President of the day to visit the Parliament once during his Presidency. Lord Carrington pointed out that Irish Ministers, during their Presidency, were clearly planning to spend a considerable amount of time in Strasbourg. The Prime Minister commented that what the Irish did need not constitute a precedent for anybody else. Lord Carrington said that it nevertheless made it more awkward for the Ministers of other member states to neglect the Parliament and Mr. Biescheuvel agreed.

/ Other Questions

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Other Questions

Lord Carrington suggested, and Mr. Biescheuvel accepted, that if the remaining questions could not be covered over lunch they might be put down on paper. In the few minutes remaining, the question of the two-speed Community could be considered.

The Prime Minister said that the two-speed Community was a fact of life. Lord Carrington commented that the two-tier division of the Community should nevertheless not be formalised since this would make convergence more difficult. The Prime Minister said that it would be dangerous to hold the faster members back. Mr. Dell said that a problem arising out of the two-speed Community was that the Community endeavoured to assist the slower members with subsidies which ran counter to the Treaty principle of the free flow of goods and services.

As the discussion ended, the Prime Minister expressed the view that more contact between the European Community and NATO was needed: there were too many demarcation disputes between them and it was absurd that we and other Community members should have three Ambassadors in Brussels. Lord Carrington pointed out that different plays required different casts.

The discussion ended at 1125.

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16 July, 1979.

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