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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.

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CAB - WILLIAMSON, STAPLETON, LAMBERT.
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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

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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 EEKELLEN (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

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