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DESKBY FCO 120700Z

FRAME GENERAL

FM BONN 111820Z FEB 85

TO IMMEDIATE FCO

TELEGRAM NUMBER 115 OF 11 FEBRUARY

INFO IMMEDIATE UKREP BRUSSELS, ROME

GERMAN VIEWS ON DOOGE COMMITTEE

SUMMARY

1. FEDERAL CABINET COMMITTEE ON EUROPE DECIDED THEY COULD NOT ACCEPT DOOGE COMMITTEE LANGUAGE ON FURTHER DEVELOPMENT OF EMS, THAT THE FEDERAL GOVERNMENT SHOULD SUPPORT EXTENDING THE USE OF MAJORITY VOTING TO NEW AREAS (THOUGH WITH SOME EXCEPTIONS EG ART 103) AND THAT THE ATTEMPT SHOULD BE MADE TO FIND AREAS OF COMMUNITY BUSINESS (BUT NOT REVENUE QUESTIONS) WHERE THE PARLIAMENT COULD SHARE IN THE LEGISLATIVE POWER OF THE COUNCIL.

2. COUNSELLOR (ECONOMIC) HAD THE FOLLOWING ACCOUNT FROM TRUMPF (AUSWAERTIGES AMT) AND THIELE (FEDERAL CHANCELLERY) TODAY ON THE DISCUSSION ON THE DOOGE COMMITTEE INTERIM REPORT AT THE MEETING OF THE FEDERAL CABINET COMMITTEE ON EUROPE ON 7 FEBRUARY.

3. THREE MAIN TOPICS WERE DISCUSSED:

(A) EMS:

(B) DECISION MAKING:

(C) POWERS FOR THE PARLIAMENT.

EMS

4. THE STOLTENBERG LINE PREVAILED. THE FRG COULD NOT ACCEPT THE FORM OF THE FOURTH INDENT OF CHAPTER 2A (B) ON PAGES 9 AND 10, ESPECIALLY THE LAST SENTENCE. IN THE GERMAN VIEW CERTAIN CONDITIONS, EG THE ABOLITION OF CONTROLS ON CAPITAL MOVEMENTS, THE GREATER CONVERGENCE OF ECONOMIC POLICY AND PERFORMANCE; NOT TO MENTION NORMAL INTERVENTION LIMITS FOR THE LIRA, A SINGLE RATE FOR THE BELGIAN FRANC AND THE INCLUSION OF THE POUND IN THE EXCHANGE RATE MECHANISM, WOULD HAVE TO BE MET BEFORE THE EMS COULD MOVE TO THE INSTITUTIONAL STAGE. STOLTENBERG'S OBJECTION TO "SPECIAL FINANCIAL MEASURES FOR COUNTRIES WITH WEAK ECONOMIC STRUCTURES JOINING THE EXCHANGE RATE MECHANISM" WAS ALSO UPHELD. STOLTENBERG AND TIETMEYER ARGUED WITH SUCCESS THAT THERE WAS NO POINT IN ESTABLISHING A EUROPEAN FUND FOR MONETARY COOPERATION (EFMC) IF IT HAD NOTHING TO DO. TRUMPF SUGGESTED TO BEAMISH THAT THE GERMAN LINE WAS NOW VIRTUALLY THE SAME AS THAT OF THE UK.

DECISION MAKING

5. ACCORDING TO THIELE, THE FEDERAL GOVERNMENT'S POSITION WAS THAT THE COMMUNITY SHOULD RETURN TO THE ORTHODOXY OF THE TREATIES AND APPLY MAJORITY VOTING WHERE PROVISION FOR IT EXISTED. FOR THEIR PART THE FEDERAL GOVERNMENT WOULD NEITHER RECOGNISE NOR INVOKE THE LUXEMBURG COMPROMISE. HOWEVER, FEDERAL MINISTERS

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RECOGNISED THAT THE LATTER WAS A FACT OF LIFE, THAT NEW MEMBERS HAD JOINED THE COMMUNITY BELIEVING THAT IT WAS PART OF THE ACQUIS AND THAT THE PRICE FOR EXTENDING MAJORITY VOTING TO OTHER PARTS OF THE TREATY WOULD PROBABLY ENTAIL CONCEDING (SIC) THE RIGHT OF VETO. THERE WERE CERTAIN KEY AREAS WHERE THE FEDERAL GOVERNMENT COULD NOT ACCEPT MAJORITY VOTING (EG ARTICLE 103). (COMMENT. THERE IS CLEARLY REAL CONCERN HERE THAT THE FRG COULD BE COERCED INTO ACTING AS LOCOMOTIVE FOR THE REST OF THE COMMUNITY ECONOMY).

6. TRUMPF MAINTAINED THAT THE GERMAN POSITION WAS CONSISTENT WITH ACCEPTING THE EXISTING LANGUAGE IN THE DOOGE COMMITTEE CHAPTER 3(A), SUBJECT TO ANY FORMULA THAT HERMAN AND DONDELINGER MIGHT WORK OUT. HE ADDED THAT DECISIONS ABOUT WHICH AREAS SHOULD QUALIFY FOR MAJORITY VOTING COULD BE WORKED OUT AT AN INTERGOVERNMENTAL CONFERENCE. TRUMPF AND THIELE SAW SOME FORCE IN OUR ARGUMENT THAT THE GERMANS WOULD BE SAVED A LOT OF SELF CONTORTION AND THE COMMUNITY A LOT OF TROUBLE IF THE BRITISH APPROACH WERE ADOPTED, IE REDUCING THE RANGE OF ISSUES NEEDING CONSENSUS, RATHER THAN TRYING TO ESTABLISH WHICH AREAS SHOULD NOT ATTRACT MAJORITY VOTING.

POWERS FOR THE PARLIAMENT

7. RUHFUS AND FERRI HAD BEEN COMISSIONED TO WRITE A PAPER. THEY HAD NOT BEEN ABLE TO AGREE. FERRI WOULD BE CIRCULATING A PAPER (TRUMPF THOUGHT TODAY) ON HIS OWN AUTHORITY. THE ITALIAN APPROACH WAS THAT THE PRINCIPLE OF CO-DECISION BY THE COUNCIL AND THE EUROPEAN PARLIAMENT SHOULD BE APPLIED TO ALL AREAS OF COMMUNITY BUSINESS. DIFFERENCES OF OPINION COULD BE RESOLVED IN A CONCILIATION COMMITTEE OR PROCEDURE. THE ITALIANS WERE NOT CLEAR ABOUT THE PROCEDURES AND IN PARTICULAR ABOUT WHO SHOULD HAVE THE LAST WORD. THE GERMANS THOUGHT THE ITALIANS WERE GOING TOO FAR. THEIR POSITION WAS THAT IT WAS NOT ACCEPTABLE POLITICALLY THAT THE PARLIAMENT BE WITHOUT LEGISLATIVE POWERS AND THAT THEREFORE CERTAIN AREAS SHOULD BE FOUND IN WHICH THE PARLIAMENT COULD SHARE LEGISLATIVE POWER WITH THE COUNCIL. BUT TIME WAS SHORT. IT WAS UNLIKELY TO BE POSSIBLE FOR THE DOOGE COMMITTEE TO WORK OUT, LET ALONE AGREE, WHAT THE PROCEDURES GOVERNING CO-DECISION SHOULD BE AND TO WHICH AREAS IT SHOULD APPLY. ALL THIS COULD BE WORKED OUT LATER, EG AT AN INTERGOVERNMENTAL CONFERENCE. THE GERMANS SAW VERY GREAT DIFFICULTIES IN GIVING THE PARLIAMENT POWERS OVER REVENUE. THEY THOUGHT THAT IN CASES OF DEAD-LOCK THE COUNCIL SHOULD HAVE THE LAST WORD. POSSIBLE AREAS WHERE PARLIAMENTARY INVOLVEMENT COULD BE HELPFUL WERE THE INTERNAL MARKET AND THE HARMONISATION OF LEGISLATION. NEITHER TRUMPF NOR THIELE GAVE THE IMPRESSION THAT THEY EXPECTED MUCH TO COME OF THIS PART OF THE DOOGE EXERCISE OR THAT IT WAS OF MUCH SIGNIFICANCE. THIELE DISMISSIVELY SUGGESTED THAT THE PARLIAMENT COULD BE GIVEN CO-DECISION RIGHTS ON MEDIA POLICY.

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NUMBER OF COMMISSIONERS

8. ACCORDING TO TRUMPF, RUHFUS WAS CRITICISED IN THE CABINET COMMITTEE FOR ACCEPTING THE PRINCIPLE OF ONE COMMISSIONER PER COUNTRY. THE GERMAN VIEW WAS THAT THE COMMUNITY WAS NOT JUST ANOTHER INTERNATIONAL ORGANISATION AND THAT IT WAS ENTIRELY APPROPRIATE FOR THE FEDERAL REPUBLIC TO HAVE MORE COMMISSIONERS THAN LUXEMBURG. THIELE WARNED THAT ONE COMMISSIONER PER MEMBER STATE WOULD TILT THE BALANCE DANGEROUSLY IN FAVOUR OF THE MEDITERRANEAN.

FORM OF FINAL REPORT

9. TRUMPF CONFIRMED THAT THE GERMANS WOULD CONTINUE TO WORK FOR THE WIDEST POSSIBLE AGREEMENT BUT THOUGHT THAT SOME DISSENTING FOOTNOTES COULD NOT BE AVOIDED. HE DID NOT THINK THE DEVICE OF OPTIONS COULD GET ROUND THIS. THE GERMANS WOULD CERTAINLY HAVE TO ENTER A RESERVE ON THE EMS SECTION AND ALSO ON THE LANGUAGE RELATING TO CONVERGENCE AND THE NUMBER OF COMMISSIONERS. HE ALSO FORESAW THE POSSIBILITY OF GERMAN RESERVES ON THE SECTIONS DEALING WITH TECHNOLOGY AND SOCIAL AFFAIRS.

FCO PLEASE ADVANCE TO:

NO. 10

FCO: PS, BRAITHWAITE, RENWICK, FAIRWEATHER, WALL, SHEPHERD

CABINET OFFICE: WILLIAMSON, STAPLETON, LAMBERT

HM TSY: FITCHEW

MALLABY

(ADVANCED AS REQUESTED)

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