

PREM 19/2986

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Possible call on the PM by ~~_____~~
~~_____~~ President of the European Parliament.

EUROPEAN POLICYOctober 1979

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| 31.1.86 | | | | | | | |
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PREM 19/2986

MEETING RECORD

CONFIDENTIAL

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SUBJECT CC MASTER



file

apc

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

1 March 1990

Dear Stephen,

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF THE EUROPEAN
PARLIAMENT

The Prime Minister had an amicable talk this morning with the President of the European Parliament. Sr. Baron was accompanied by his Chef de Cabinet. Sr. Baron, who had plainly set out to be both charming and prudent, did not at any stage raise the question of an Inter-Governmental Conference or the powers of the European Parliament.

The discussion began with an exchange about Sr. Baron's recent visit to Poland. Sr. Baron spoke highly of the Polish Government's efforts to curb inflation. The European Parliament fully supported the Prime Minister's line on the need for a treaty to confirm the border between Germany and Poland. The Prime Minister asked whether Sr. Baron was satisfied that the Community's food aid was effective and getting through to people in need. Sr. Baron confirmed that it was.

The Prime Minister continued that the European Parliament had played a most helpful role generally over reform of the Common Agricultural Policy and in tackling fraud in the Community, for which we were very grateful. She saw major problems ahead in this area, with the absorption of the former GDR into the Community. Sr. Baron said that the Parliament had set up a committee to deal with the consequences of German unification. Unification was likely to prove an expensive exercise for the Community. The Prime Minister said she was glad the European Parliament was taking an interest in this. Our view was that the Federal Republic must take the lion's share of the financial burden of the GDR's membership of the Community. Sr. Baron said that he took the view that unification must not be a rushed process: it needed to be discussed very carefully. It would be particularly important to ensure that strict budgetary control was maintained. The Prime Minister suggested that unification and its implications for the Community might have to

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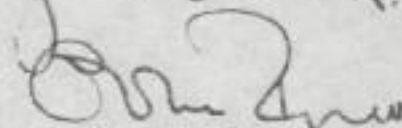
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take priority over other areas of Community work. The Community should concentrate on building up its relations with the other East European countries. There was likely to be a particular problem with making progress on economic and monetary union, as a result of the Federal German Government's proposals for monetary union with the GDR. Other countries would need to assess the effects of this on the Deutschmark. Sr. Baron thought that a majority in the European Parliament would argue that the right course would be to accelerate the pace of EMU, to bind the Germans more tightly into the Community. But he agreed that it was important constantly to remind the Germans that everything they decided had consequences for the rest of the Community, which must be taken into account.

In a brief discussion of the forthcoming elections in the GDR, Sr. Baron predicted that the Social Democrats would emerge as the strongest party. He claimed to detect signs that the FDP in the Federal Republic were beginning to distance themselves from the CDU/CSU, and to be preparing themselves for an alliance with the SPD.

The Prime Minister expressed concern about the increasing powers of the EC Commission. She could think of no other country in the western world in which a non-elected body had such extensive powers. This might have been necessary at the time the Community was founded. But the need now was for a highly professional Civil Service. This was not a reflection on M. Delors, who was first rate. Sr. Baron said that concern about accountability was one reason why the European Parliament wanted to see the Commission elected. The Prime Minister retorted that you did not elect a Civil Service. The Commission's task should be to administer and implement decisions of the Council of Ministers and the Parliament.

I am copying this letter to John Gieve (HM Treasury), Martin Stanley (Department of Trade and Industry), Andrew Lebrecht (Ministry of Agriculture, Fisheries and Food) and Sonia Phippard (Cabinet Office).

Yours sincerely,

Charles Powell

Stephen Wall Esq
Foreign and Commonwealth Office

RESTRICTED

PRIME MINISTER

MEETING WITH THE PRESIDENT OF THE EUROPEAN PARLIAMENT

You are - inescapably - seeing Henry Plumb's successor as President of the European Parliament on Thursday morning. He is Sr. Baron, a Spanish socialist, who made a fairly disobliging speech when you last visited the Parliament. You have to see him on protocol grounds: he also calls on The Queen, the Speaker, the Lord Chancellor and other notables. He comes to London fresh from a visit to Poland.

Reasonably uncontroversial subjects to discuss are EC aid to Poland, progress with the Single Market, and the consequences for the Community of German unification. You can congratulate him on the work done by the European Parliament to highlight the problem of fraud.

Economic and monetary union and the scope of an Inter-Governmental Conference are likely to prove rockier terrain. The European Parliament want to be involved in the IGC, and look to it for a substantial increase in their powers (they want co-decision with the Council of Ministers, the right to agree to nomination of members of the Commission, the power to propose legislation). We take the view that the arrangements for informing the Parliament of the work of the IGC devised at the time of the last one in 1985 are perfectly adequate and should be followed this time: and that the additional powers given to the Parliament under the Single European Act are plenty enough for now.

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- 2 -

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C.D.P.
Charles Powell
27 February 1990
c: European (MJ)

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Foreign and Commonwealth Office

London SW1A 2AH

26 February 1990

John Charles,

Call by Sr Enrique Baron Crespo, President of the
European Parliament: Thursday 1 March

The President of the European Parliament will be calling on the Prime Minister at 0930 hrs on 1 March.

Sr Baron's two-day visit, part of the round of EC capitals traditionally made by newly-elected Presidents of the EP, will also include an audience of The Queen (on which, see below), lunch with the Foreign Secretary, and calls on the Lord President of the Council, the Speaker and the Lord Chancellor. In addition, Sr Baron will be meeting Mr Kinnock, Mr Ashdown, the House of Commons Foreign Affairs Committee, the Scrutiny Committees, the CBI and TUC, and attending Question Time in the House on 1 March.

Sr Baron, a Spanish Socialist MEP, was elected for a 2½ year term as President of the EP in July 1989. He served as Spanish Minister of Transport, Tourism and Communications from 1982-85. He was a vice-president of the EP, and President of the International European Movement, from 1987-89. Pleasant, bright and gifted at languages, Baron has not stamped a strong personal mark on the EP.

Sr Baron will have just completed a visit to Poland. The European Parliament has strongly supported a generous Community response to Eastern Europe. (They encouraged the increase of the 1990 aid commitment to Poland and Hungary from 200 mecu to 300 mecu.) One point of potential controversy is the EC Financial Perspectives to end 1992 which will need revision to provide increased amounts for Eastern Europe. We are concerned to limit the scope for the European Parliament to use the revision to increase expenditure in other budget lines.

One useful area of activity for the European Parliament will be in establishing political links to newly-elected pluralist legislatures in Eastern Europe. This was suggested in the UK Framework paper, which the Prime Minister gave to Delors before Strasbourg, as part of an appropriate political response from the EC to developing political reform in Eastern Europe. The Prime Minister might say to Sr Baron that:

- we hope the European Parliament will develop its system of Joint Commissions with other legislative bodies to promote



closer political links with newly-elected legislatures in Eastern Europe;

- we want to develop a range of political responses to Eastern Europe, in addition to trade and economic assistance, to encourage their sustained commitment to political reform, democracy and the rule of law. Contacts with European Parliament could play a useful role.

Sr Baron is also likely to focus on the Inter-Governmental Conference, where the EP line is predictably maximalist. Strasbourg wants to be involved in the IGC, and for it to agree institutional changes going wider than those linked specifically to Economic and Monetary Union. The EP passed a resolution at its November 1989 plenary session which called inter alia for power of co-decision with the Council of Ministers, more majority voting on environmental and social matters, the right to agree the nomination of members of the Commission and the European Court of Justice, and power to propose legislation. The EP also intends to convene a preliminary inter-institutional conference this year, involving the EP, Commission and Council, as well as taking up President Mitterrand's idea to call European "Assizes" involving national parliaments. The Prime Minister may wish to set out our view that:

- the arrangements for keeping the EP informed of the work of the 1985 IGC (an exchange of letters between the EP and Council at the beginning of the IGC, and meetings between the Conference and the EP in the margins of the IGC itself) were entirely satisfactory and should be followed this time; and
- the substantial institutional reforms introduced under the Single European Act, including the strengthening of the EP's role, still need time to bed down fully.

The Prime Minister may like to confirm the Government's wish to see closer cooperation between Westminster and the European Parliament (although this is a matter for the House). We therefore welcomed the meeting which took place in Paris in November 1989 between representatives of national parliamentary committees concerned with European legislation (the UK was represented by Baroness Serota, Mr Nigel Spearing and Mr Robert Wicks) which the EP also attended. The intention is to hold regular six-monthly meetings in the country holding the EC Presidency.

We believe Sr Baron accepts that completion of the Single Market programme should remain the top Community priority. The Prime Minister may wish to suggest that, in addition to its input to the legislative process, the EP could play an important role in ensuring timely implementation, and proper enforcement, of single market legislation across the

[Presumably
Hicks]



Community.

The EP has done some good work in highlighting the problem of fraud in the Community. The Prime Minister may wish to underline the importance we attach to tackling this vigorously. Mr Peter Price MEP is current Chairman of the EP Budgetary Control Committee.

TEMPORARILY RETAINED *S. Gray 16/8/2016*
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I am copying this letter to Tim Sutton (Lord President's Office).

Jans,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

12 December 1989

Dear Amanda,

*noted
at file*

Visit to London by the President of the European
Parliament, Sr Enrique Baron

I write to confirm what we agreed this morning,
that the call on the Prime Minister by the President
of the European Parliament, Sr Baron, will be postponed
from 28 February to 9.30 am on 1 March.

Yours sincerely,

R. H. T. Gozney

(R H T Gozney)
Private Secretary

Mrs Amanda Ponsonby
10 Downing Street



cfc 25

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 October 1989

**OFFICIAL VISIT TO THE UK BY THE
PRESIDENT OF THE EUROPEAN PARLIAMENT**

Thank you for your letter of 30 October about the proposed visit by the President of the European Parliament next year. The Prime Minister could see Sr. Baron at 1600 on Wednesday 28 February.

0930

BF 11

Thursday 1 March

Ring Richard
Gozney on
12/12 to change
meeting.
AP

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

✓



Foreign and Commonwealth Office

London SW1A 2AH

30 October 1989

Amorata
OK

Yes 1600 on
Wed 28 Feb
AP 20710

Sean Charles,

Official Visit to the UK by the President of the European Parliament

Sr Enrique Baron, the new President of the European Parliament, wants to visit London, and other Community capitals, at an early stage of his term of office. Such a round of visits by incoming Presidents of the European Parliament is customary. In recent years Mme Veil (1980), Mr Dankert (1983), M. Pflimlin (1986) and Lord Plumb (1987) all visited the UK and were granted an audience with The Queen. On each occasion the Prime Minister also received the EP President.

Sr Baron had hoped to come to London before the end of the year, ideally in December. In practice, December will be difficult because of preparations for the European Council, the week-long EP plenary which Sr Baron must attend, and the Christmas period. Informal soundings have confirmed that Sr Baron would be happy to come in the New Year instead.

If the Prime Minister agrees, the Foreign Secretary therefore proposes to invite Sr Baron to visit the UK from 28 February to 1 March (arriving on the evening of 27 February if necessary); and recommends that the Prime Minister should receive him during the visit, perhaps in the afternoon of 28 February (no more than a 30 minute call will be required). The rest of the programme might include an audience with The Queen, which I understand might be feasible on 28 February, a lunch/dinner hosted by the Foreign Secretary, and calls on the Lord Chancellor, the Speaker and possibly the leader of the Opposition, and the chairmen of the Foreign Affairs Committee and the Scrutiny Committee.

I am copying this letter to Paul Stockton (Lord Chancellor's Department), Peter Kitcatt (Speaker's Office), Steve Catling (Lord President's Office) and to the Private Secretaries of members of OD(E).

Yours ever,

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

BF 24-11-87

cc: PR
~~DCOP~~
② MWB

Card Plumb's Visit 24-26 Nov 87

THE CONTENTS OF THIS ADMINISTRATIVE PLAN
SHOULD NOT BE RELEASED TO ANY
UNAUTHORISED PERSONS

VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT,
THE LORD PLUMB

24-26 November 1987

ADMINISTRATIVE PLAN

(to be read in conjunction with the official programme)

ARRIVAL

The President of the European Parliament and his party will arrive privately (and separately) in the United Kingdom. The official programme will therefore commence on the morning of Tuesday 24 November. The President and Lady Plumb will stay at their London residence during the visit. The official suite will stay at the Stafford Hotel, St James's Place, SW1, and will make their way separately to the hotel during the afternoon/evening of Monday 23 November.

OFFICIAL WELCOME

Sir Derek Dodson, the Special Representative of the Secretary of State for Foreign and Commonwealth Affairs will call at the London residence of the President and Lady Plumb at 0830 hours on Tuesday 24 November to bid welcome on behalf of the Secretary of State.

TRANSPORT

Cars will be provided by Government Hospitality throughout the programme - see Car Plan at Annex I.

PARTICIPATION IN THE PROGRAMME

It is expected that all members of the Official Suite will accompany the President throughout the programme although not all members of the Suite will participate in the various talks, meetings etc. Participation is given below.

Mr Vincent Fean, First Secretary (UK REP Brussels) together with a representative of European Community Department (Internal), FCO will attend the President at certain calls (as indicated * in the Administrative Plan.

MORAMG

Tuesday 24 November

- 0915 * CALL ON CHANCELLOR OF THE EXCHEQUER AND THE
PAYMASTER GENERAL
- The President will be accompanied by Dr Robert Ramsay and Dr Emyr Jones-Parry.
- 1000 * CALL ON THE LORD CHANCELLOR
- All members of the Official Suite will accompany the President to the meeting
- 1100 CALL AT DEPARTMENT OF TRADE AND INDUSTRY
- Dr Robert Ramsay only will accompany the President to the Department of Trade and Industry (but will not attend at the meeting between the President and Lord Young).
- 1230 AUDIENCE OF HM THE QUEEN
- Dr Robert Ramsay only will accompany the President to Buckingham Palace but will not attend the Audience.
- 1500 MEETING WITH HOUSE OF LORDS EUROPEAN
COMMUNITIES SELECT COMMITTEE
- The President and Lady Plumb will be accompanied by all members of the Official Suite.
- The Meeting will be held in Committee Room 4b (Committee Corridor)
- 1600 MEETING WITH HOUSE OF COMMONS SELECT
COMMITTEE ON EUROPEAN LEGISLATION
- The President and Lady Plumb will be accompanied by all members of the Official Suite.
- The Meeting will be held in Committee Room 19 (Upper Committee Corridor).
- 1700 TEA WITH THE SPEAKER OF THE HOUSE OF COMMONS
- The President and Lady Plumb and their party will be escorted to the Speaker's Office by Miss Jane Fox. Dr Robert Ramsay only will accompany the President and Lady Plumb to tea with the Speaker. The remainder of the party will depart by car to the Hotel.

MORAMG

1800

PRIVATE SUPPER (MRS CHALKER)

All members of the Official Suite have been invited to the supper.

The President and Lady Plumb will return to their residence (time to be arranged) prior to their departure for Buckingham Palace.

2200

BUCKINGHAM PALACE RECEPTION

The President and Lady Plumb will be unaccompanied at Buckingham Palace. Invitations are issued for an arrival time of between 2145 hours and 2200 hours.

* Mr Vincent Fean (UK REP Brussels) and a representative of ECD(I), (FCO) will attend in addition, as indicated above.

Wednesday 25 November

0925 * CALL ON THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

There will be a photo-call when the President calls on the Secretary of State.

The President will be accompanied at the Talks by Doctor Robert Ramsay and Dr Emyr Jones-Parry.

1000 CALL ON THE PRIME MINISTER

The President will be unaccompanied for the Talks with the Prime Minister. The other members in the President's party will be accommodated in the Foreign and Commonwealth Office Main Building (and not at No 10 Downing Street) while awaiting the President's return.

1035 ARRIVAL AT HOUSE OF COMMONS

On arrival at the House, the President and his party will first be escorted to the Central Lobby where Mrs Virginia Bottomley, MP, Parliamentary Private Secretary to the Secretary of State, will join them for coffee.

1055 CALLS AT HOUSE OF COMMONS

All members of the Official Suite will accompany the President to the calls on Mr Robert MacLennan, MP (at 1100) and Sir Russell Johnston, MP (at 1130).

1200 CALL ON THE OPPOSITION SPOKESMAN FOR FOREIGN AND COMMONWEALTH AFFAIRS

The President will be accompanied to the Meeting with the Rt Hon Gerald Kaufman, MP by Doctor Robert Ramsay and Dr Emyr Jones-Parry only.

They will be escorted to Mr Kaufman's office by a Private Secretary to Mr Kaufman.

1245 EUROPEAN PARLIAMENT PRESS LUNCHEON

All members of the Official Suite will attend.

MORAMG

1445 * CALL AT MINISTRY OF AGRICULTURE, FISHERIES AND FOOD

Mrs Hassenstein will not accompany the President and Official Suite to the Meeting with the Rt Hon John MacGregor, MP.

1545 TEA WITH THE LORD MAYOR

Doctor Robert Ramsay and Dr Emyr Jones-Parry only will accompany the President to tea and talks with the Lord Mayor.

1545 The Lady Mayoress will host a separate tea party at the Mansion House for Lady Plumb who will be accompanied by Mr Lionel Stanbrook and Mrs Ursula Hassenstein.

1900 THEATRE SUPPER PARTY

The President and Lady Plumb will be accompanied to the theatre and to the supper by all members of the Official Suite.

In addition, Mr John Kerr (Assistant Under Secretary, Foreign and Commonwealth Office), Mr Mike Webb, European Community Department Internal, Foreign and Commonwealth Office and Mr Vincent Fean, First Secretary (UK REP Brussels) have been invited.

The party will be escorted to the theatre and to the supper by Group Captain Robert Thomson, Government Hospitality.

* Mr Vincent Fean (UK REP Brussels) and a representative of ECD(I), (FCO) will attend in addition, as indicated above.

Thursday 26 November

DEPARTURE

Brigadier Alan Cowan, Secretary, Government Hospitality, will also be present at London Heathrow Airport, Hounslow Suite to bid farewell.

MORAMG

PROGRAMME FOR THE LADY PLUMB

ADDENDUM

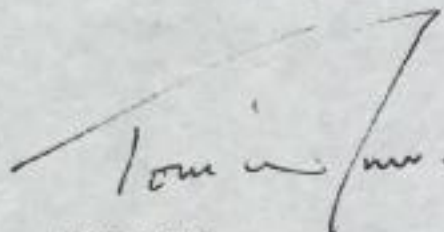
As indicated in the Administrative Plan, Lady Plumb will also accompany the President:

Tuesday 24 November

To: The House of Lords European Select Committee Meeting
The House of Commons Select Committee on European Legislation Meeting
Tea with the Speaker of the House of Commons

Wednesday 25 November

To: Tea with the Lady Mayoress at Mansion House



Tom Wynn
Protocol Department
Foreign and Commonwealth Office

20 November 1987

MORAMG

CAR PLAN

VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT

Car No 1

The Lord Plumb (and the Lady Plumb as appropriate)
Group Captain Thomson

Car No 2

Dr Ramsay
Dr Jones-Parry
Mr Fean/Representative ECD(I)
Group Captain Gray

Car No 3

Mr Stanbrook
Mrs Hassenstein

Alterations will be made as appropriate by the Escort Officers.

DISTRIBUTION

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Mr Fountain

Buckingham Palace

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Mr Kerr
Mr Wall
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Mrs MacBride
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Security Department (Mr Papworth)

Treasury

PS/Mr Lawson (2)

Lord Chancellor's Department

PS/Lord MacKay (2)

Department of Trade and Industry

PS/Lord Young (2)

House of Commons

The Speaker's Office (2)
PS/Mr Maclennan (2)
PS/Sir Russell Johnston (2)
PS/Mr Kaufman (2)

European Parliament Information Office (3)

Ministry of Agriculture, Fisheries and Food

PS/Mr MacGregor (2)

Mansion House

PS/The Lord Mayor (2)

MORAMG



10 DOWNING STREET
LONDON SW1A 2AA

25 November 1987

From the Private Secretary

Dear Sir,

PRIME MINISTER'S MEETING WITH
THE PRESIDENT OF THE EUROPEAN PARLIAMENT

The Prime Minister had a meeting this morning with Lord Plumb. The talk covered two subjects: preparations for the European Council and Lord Plumb's proposed world food conference.

Preparation for the European Council

The Prime Minister welcomed the robust line taken by the European Parliament on agricultural issues. Unfortunately, we were simply not getting the progress we needed on agriculture in the Council of Ministers. The basic problem was that France and Germany wanted to go on producing agricultural surpluses regardless of the cost. We were ready to make a major effort to reach agreement at Copenhagen, but only on the basis of adopting sane, sound and sensible policies which would get results. Following this week's meeting in Brussels, she was increasingly pessimistic about the prospects. It was no good other Member States thinking that a solution would become easier if it was postponed for a few months. The arguments which we would put forward at Copenhagen would be just as valid when it came to Hanover or to Athens. We were not going to move on the essentials of our position. The Prime Minister noted that she had had a difficult session with Conservative backbenchers on the subject of the Community's finances the day before. They could not understand why, if we succeeded in getting reforms of the CAP, there was any need to increase the 1.4 per cent ceiling on own resources.

Lord Plumb said that the Parliament saw eye-to-eye with Britain on the need for reform of the Community's agricultural policy and the need for budget discipline. Personally, he had liked the clean slate approach proposed by the Prime Minister for the disposal of existing surpluses. His own view was that the French and Germans would give in at Copenhagen. The Germans would not want to have to deal with all these problems under their Presidency. There would be a very difficult situation if no agreement was reached. The Community would have to go to provisional twelfths. This would not make much impact on agricultural spending in the first six months of next year but would affect other spending. He thought the

File Plumb
cc Surber
Cradel

Plumb

oils and fats tax could be killed off, although he was slightly dubious whether Germany would stand firm on this. His general impression was that most people in the Community realised that the Prime Minister was in the driving seat on this whole nexus of issues and that what she was trying to achieve, in terms of bringing agricultural spending under control, was basically right. She should stand absolutely firm. The Prime Minister said that this was what she intended to do.

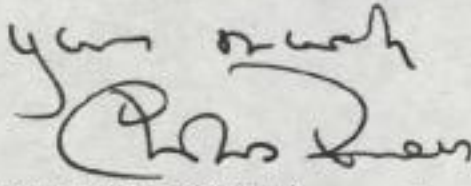
Lord Plumb continued that the Parliament would want to play a part in budget discipline. It should be possible to move towards a multi-annual budget rather than the usual annual wrangle. But this was something to be addressed once the decisions on future Community financing had been taken and agricultural stabilisers were in place. The Parliament supported the Commission over the doubling of the Structural Funds although he realised perfectly well that this was not a realistic target. Delors was taking a very strong line on it (empire-building interjected the Prime Minister). Lord Plumb said that he intended to remain in Copenhagen during the European Council and would be available if the Prime Minister wanted to consult him.

World Food Conference

Lord Plumb referred to the world food conference which he was organising in Brussels in April next year. He would ensure that the Prime Minister saw the draft agenda. His intention was to bring together 150 top agricultural experts from all round the world. The United States had responded particularly well to his proposal.

The Prime Minister wondered precisely what the conference was intended to achieve and whether it did not risk cutting across negotiations in the GATT. Lord Plumb said that the Secretary General of GATT was enthusiastic about it. If he thought that this conference would damage the GATT negotiations, he would certainly not go ahead with it. What he most wanted to achieve was recognition on the part of all the industrialised countries that they must put their house in order and reduce the level of agricultural subsistence. He was convinced that, if this could be achieved, world prices would rise. This would benefit both the developing countries and the Community budget. The Prime Minister warned of the risk that developing countries would seek financial compensation if their prices fell. She urged Lord Plumb to define the objectives of the conference very carefully.

I am copying this letter to Shirley Stagg (Ministry of Agriculture, Fisheries and Food), Alex Allan (H. M. Treasury), Alison Brimelow (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

Yours much

 (CHARLES POWELL)

Lyn Parker, Esq.,
 Foreign and Commonwealth Office.

leaf



FROM: J M G TAYLOR
DATE: 24 November 1987

NOTE FOR THE RECORD

EOP
25/11

MEETING WITH LORD PLUMB (PRESIDENT, EUROPEAN PARLIAMENT)

The Chancellor had a meeting this morning with Lord Plumb. The Paymaster General was also present. Lord Plumb was supported by Dr Ramsay (Chef de Cabinet) and Dr Jones-Parry (Deputy Chef de Cabinet). Mr Edwards and Mr Cropper (Treasury), Mr Fean (UKREP), and Mr Crow (FCO) were also present.

2. Lord Plumb asked about prospects for Copenhagen. The Chancellor said we were keen to get a settlement. He was not certain that a conclusion would be reached; it would require political will on all sides. There were indications that Germany might prefer to reach a conclusion under its Presidency.

3. Lord Plumb said everything hinged on a satisfactory conclusion on agriculture. The European Parliament's Agricultural Committee had voted against stabilisers, but a large majority of the Parliament had voted in favour in the plenary session. Stabilisers were essential to budget discipline. The Chancellor said that we fully supported the Commission on stabilisers. But there were other member states who wanted either weak stabilisers, or none at all.

4. Lord Plumb asked how the Chancellor saw a regime of provisional twelfths developing. The Chancellor said there was no option: a provisional twelfths regime would obtain until budgetary agreement. The Paymaster General said that an agreed budget before the end of the year was theoretically possible, provided that agreement could be reached at Copenhagen. If no early settlement were possible, the absence of a budget would concentrate minds at



Hanover. Lord Plumb thought that, in any event, the Parliament would be unlikely to agree a budget until its February plenary. This would be more orderly than a rushed decision in December. The Chancellor agreed.

5. The Chancellor said that there were three essential conditions for UK agreement at Copenhagen. These were: a satisfactory system of budget discipline; satisfactory reform of the CAP, including stabilisers, and a tightly drawn exceptional circumstances clause; and preservation of our abatement, on which we could certainly not accept anything less than Fontainebleau. The Parliament could play an important part in reaching a satisfactory conclusion. Its farm lobby was not as strong as those in certain member states, Many MEPs now recognised the global nature of the agricultural problem, and that Europe had to play its part if greater dangers were to be avoided. Lord Plumb agreed that there was a growing sense of realism within the agricultural lobby in the Parliament. He commented, also, that the UK rebate no longer seemed to be at issue amongst MEPs.

6. Lord Plumb asked the Chancellor about the proposals for the structural Funds. The Chancellor said that we were opposed to doubling the Funds, and were not alone in this. Increases of this sort would be inconsistent with budget discipline, and with public expenditure constraints in member states. The proposal also presented a particular problem for France: the French could not be seen, domestically, to take a tough line on agriculture and a soft line on other forms of spending. We did see a case, however, for any increase to be tilted towards Spain and Portugal. Lord Plumb agreed, but noted that suitable quids pro quo should be extracted from Spain, such as removing trade barriers.

7. Lord Plumb said he would be seeing President Mitterand next week. Were there any points we should like him to make? The Chancellor hoped France could be more positive on agricultural

CONFIDENTIAL



stabilisers. France should also be encouraged not to push the oils and fats tax. Such a move could provoke US protectionist retaliation; this, more than anything, might precipitate a full blown international recession.

8. Lord Plumb said the Parliament wanted to be formally part of the budget discipline arrangements. The Paymaster General recalled that he had participated in a dialogue procedure during the UK's last Presidency. It was clear then that the Parliament had sought only to delay decisions. Lord Plumb said that the Parliament now took its role more seriously. Tripartite responsibility for budgetary matters would further enforce this. Lord Plumb added that once a water-tight budgetary discipline mechanism was agreed, the next step would be to settle an agreed multi-annual procedure. The Chancellor made no comment on this.

9. There were also short exchanges on Lord Plumb's "world food conference", and on UK membership of the ERM.

JF

J M G TAYLOR

Euro Pol - Miss Lardner



PRIME MINISTERMEETING WITH LORD PLUMB

You are to see Lord Plumb tomorrow morning. He is on an official visit to the United Kingdom as President of the European Parliament.

You will want to have a word about the European Council. The Parliament has been quite helpful in recognising the need for budgetary discipline and control of agricultural spending but wants more money and supports the Commission's proposals to increase own resources to 1.4 per cent GNP and double the Structural Funds. You will want to explain our approach, mentioning your idea of disposing of existing agricultural surpluses by national financing.

He will be concerned about the 1988 budget on which we have been taking a tough line. You will want to leave him in no doubt that, if there is no agreement in Copenhagen, the 1988 budget will have to remain within the 1.4 per cent VAT ceiling; and in the absence of an agreed budget, the Community will have to go on to provisional twelfths. If the Community tries to establish an illegal budget by qualified majority, we shall take them to the European Court.

Lord Plumb has proposed a world food conference to discuss agricultural production and trade. Details are in the folder. There is a risk this will cut across the GATT.

Two further points which he will have in mind are the next elections to the European Parliament (June 1989) in which he wants to see greater interest; and better contacts between the European Parliament and national Parliaments. We are looking at ways we might help.

The European Parliament continues to get up to ludicrous antics eg, on Gibraltar and on Spycatcher.

A background letter is in the folder. *mt*

C.D.P.
C. D. Powell

24 November 1987



Foreign and Commonwealth Office

London SW1A 2AH

23 November 1987

Dear Charles,

Official Visit of Lord Plumb, President of the
European Parliament, to the UK: 24-25 November

Lord Plumb will call on the Prime Minister at 1000 hrs on 25 November as part of his programme of calls during his official visit to the UK.

// I enclose a copy of the programme for Lord Plumb's visit. I also enclose a CV for Lord Plumb. Lord Plumb's visit follows the customary pattern for official visits by Presidents of the European Parliaments to each of the member states during their term of office. But Lord Plumb is keen to make his meetings more than an exchange of courtesies. He has indicated a number of subjects he will want to talk about. These are:

- prospects for the European Council at Copenhagen, including his presentation of the European Parliament's views on the future financing of the Community; despite his background as a farmer, Lord Plumb is firmly in favour of budgetary discipline and control of agricultural spending, so that resources can be switched "from products to people"; the European Parliament resolution on future financing, which will provide the line for Lord Plumb to take when he addresses the members of the European Council in Copenhagen, accepts the need for budgetary discipline and CAP reform, approves the principle of expenditure stabiliser mechanisms (though with reservations about the proceedings for implementation), and supports the permanent switch from EAGGF advances to reimbursements and annuality in EC accounting. All of this agrees with the UK's position. But the resolution also agrees to the increase in own resources to 1.4% of GNP by 1992 and the doubling of structural funds;

- the 1988 EC budget;

- Lord Plumb's proposals for a world food conference to discuss agricultural production and trade and to attempt to seek solutions for the problems of regional over-production, subsidies, and food shortages and underproduction;



- the Single European Act, including particularly the working of the cooperation procedure under which the European Parliament now has the opportunity to deliberate twice on proposals for legislation in some areas, eg harmonisation of regulations: the EP is keen to extend the application of the cooperation procedure beyond what was envisaged by the drafters of the Single European Act, and Lord Plumb may wish to explain the approach of the Parliament as a whole and what he has been doing to try to moderate their views;

- litigation by the European Parliament against the Council, and particularly the proposal for the European Parliament to take the Council to court over the failure to agree a 1988 budget by the 5 October deadline, and the case by the European Parliament against the Council on comitology, in which the Council argue (and HMG agree) that the European Parliament has no locus to take court action;

- the next elections to the European Parliament in June 1989: Lord Plumb has said publicly that one of the objectives of his Presidency is to attract greater interest in the European Parliament and achieve a better turn-out in 1989 than 1984;

- contact between the European Parliament and national parliaments: in particular he may want to talk about contacts between UK MEPs and Westminster MPs, as well as contacts between MEPs and HMG: the Cabinet Office and Foreign Office are looking at ways to promote greater contact as a result of the meeting of OD(E) on 12 November;

- EC relations with COMECON, the Soviet Union and some Eastern European countries appear keen to promote contact with the European Parliament as part of the process of developing relations with the Community: Lord Plumb is well aware of the need to keep the door open for bilateral contacts between the Community and individual CMEA member states, and not to offer any concessions in return for Soviet diplomatic recognition of the Community.

The Prime Minister may also wish to be aware of recent issues in the European Parliament which have been controversial or of interest to HMG.



(i) Air Transport

The European Parliament voted its opinion last week on the proposed Community package of air transport liberalisation measures which the UK strongly supports. The German (Socialist) rapporteur tried to include an unwelcome amendment recommending the exclusion of Gibraltar for the package which is due to be decided by the Transport Council on 7 December. But this was rejected by his Committee and by the Parliament as a whole. Lord Plumb and his staff worked hard to achieve this result.

(ii) Gibraltar

Gibraltar itself has also become a matter of some controversy within the European Parliament. When Sir Joshua Hassan, Chief Minister of Gibraltar, visited the European Parliament in September, the Spanish members of the European Democratic Group (45 of whose 66 members are British Conservatives) threatened to leave the Group if Hassan was received by Lord Plumb as President of the European Parliament. In the event, no official meeting took place. Since then we have been taking steps to defuse the Gibraltar issue at the European Parliament. The European Parliament's Political Affairs Committee will discuss Gibraltar on 24 November and may subsequently prepare a report. Lord Plumb and his staff have been working hard behind the scenes to minimise discussion and avert a report.

(iii) Spycatcher

British Labour MEPs tried to have passages from "Spycatcher" put into the record of proceedings of the September plenary of the European Parliament as part of their explanations of vote on unrelated issues. Lord Plumb ruled that the lengthy passages submitted in written explanations of vote should not go into the record since they were not germane to the subject being voted on.

Yours ever,
A C Galsworthy

(A C Galsworthy)
Private Secretary

LORD PLUMB OF COLESHILL

Lord PLUMB, DL, MEP, FRSA, FRAGS was elected President of the European Parliament in January 1987. He has been the MEP for the Cotswolds (England) since the first direct elections in 1979 and was re-elected in June 1984. From 1979 to May 1982 he was Chairman of the Parliament's Agriculture Committee and from 1984 he was a member of the Transport Committee. He was Chairman of the European Democratic Group (which includes the British Conservatives) from 1982 to 1987.

Lord PLUMB was born in 1925 and educated at Ansley Church of England School and King Edward School, Nuneaton. He is married with two daughters and a son. He has eight grandchildren. He farms at Coleshill in Warwickshire in partnership with his wife and son.

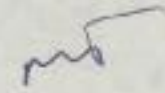
Lord PLUMB was the second longest serving President of the National Farmers Union of England and Wales, holding this position for nine years and retiring just prior to his election to the European Parliament.

In 1977 he was the President of the Royal Agricultural Society of England and was deputy to His Royal Highness the Prince of Wales in 1978. For some years he has acted as Chief Steward to the International Pavilion of the Royal Show.

Lord PLUMB has long been a committed European, and was actively involved in the European League for Economic Co-operation and in the 'Britain in Europe' Campaign during Britain's referendum on membership of the EEC. He has always seen the Community in the wider world context and in May 1979 was elected as President of the International Federation of Agricultural Producers. His European connections were further widened by his election as President from January 1975 to May 1977 of the Comité des Organisations Professionnelles Agricoles de la CEE (COPA).

Lord PLUMB was knighted in 1973 and has received the Order of Merit from the German Federal Republic. He was created a life peer in February 1987 and took his seat in the House of Lords in April 1987.

THE WORLD FOOD CONFERENCE



The World Food Conference will take place in Brussels on 7 and 8 April 1988, in the European Parliament Building.

Experts on agriculture and development will meet to discuss some of the central issues posed by the twin problems of surplus food production in the West and continuing rural deprivation in the Third World.

Lord Plumb, President of the European Parliament and Chairman of the World Food Conference, hopes to focus attention on some of the practical problems posed to governments and others in the current debate about world agricultural trade, now underway in the GATT. Proposals from the USA, the EC, and the Cairns Group, among others, have already been made to the GATT.

The aim of the Conference will be to enable experts and advisers representing all links in the food chain world-wide to pool their knowledge and expertise in a common forum and to make common recommendations. It is not an inter-governmental conference. Its immediate aim will be to draw up and publicise a comprehensive and coherent set of proposals for action to correct the present imbalances in world food production, trade and consumption.

The final communiqué of the Conference will be transmitted to the European Parliament, the World Food Council and other interested bodies for their considered responses - as well as to the GATT.

A preliminary draft agenda is attached, along with background papers on the current world food situation and on the principal issues to be addressed in the Conference.

5.11.87

**WORLD FOOD CONFERENCE:
SUGGESTED ISSUES FOR DELIBERATION**

The Conference will aim to adopt a comprehensive approach to the world food 'equation'. This paper attempts to identify the principle issues to be addressed.

International Trade in Agriculture

1. A successful series of negotiations in the GATT in respect of agricultural trade is a political and economic imperative. Failure in these negotiations will be catastrophic for the industrialised and developing world alike.
2. The extent to which national agricultural policies to expand output which were developed in the 1960s and 1970s can be considered as no longer appropriate, and the extent to which they are now harming world trade by transferring excess capacity into major trade problems, particularly for the Third World.
3. Any agreed trade rules between industrialised countries should not try to install common and uniform agricultural trading arrangements. However, all systems could be notifiable and verifiable. The systems used in the different countries could all work in such a way as to achieve the same objectives. In general, the industrialised countries could agree to operate within a framework that generates international prices more in line with underlying scarcities and production costs.
4. The extent to which trade liberalisation measures should be accompanied by radical changes in domestic support policies.

Farm subsidies

5. The US, the EC and the Cairns Group could together set an example by commencing a process of progressively reducing subsidies and export protection measures. In general, it is suggested that all increases in farm output necessary to meet future increased demand for food should be produced by low-cost agricultural producers.

6. The extent to which such a commitment should be concerted and binding on all participants. The following derogations are suggested:

- farms could receive subsidies for strictly defined operations: alternative land use, alternative product use, regional employment needs, direct income aids in areas of regional underdevelopment. These subsidies should be conditional on binding quotas in the event of any resulting increase in agricultural production.
- subsidies can be granted as compensation for natural disasters.
- subsidies, in the form of direct income aids, can be made available to farms in areas of low investment and of regional underdevelopment according to an approved list of such areas.

7. Quotas, where necessary, could be imposed by product and by quality and, together with subsidies, could be notified immediately to the Agreement, between the participating countries, just as GATT now receives notification of tariffs.

Regulation of markets

8. In the context of concertation between the US, EC, the Cairns Group and others, the programmes of withdrawing subsidies and decreasing the guaranteed prices may have to be protected by the assurance of stability in the international markets, particularly in cereals.
9. The major exporters of wheat could agree not to sell below a prearranged minimum price, which should be revised each year and indexed to a basket of currencies. The IWC could monitor compliance with this agreement. Such an agreement would last as long as the subsidies are being dismantled and the guaranteed prices are being reduced.

Taking land out of production

10. The US and the EC and other surplus producing countries should agree on concerted measures to take a percentage of land and animals out of production altogether. A target date and percentage reduction should be envisaged. The measures could be accompanied by international

policies to encourage non-farm uses for the land taken out of production. Increased support for regional development funds could be characterised by these priorities, especially in the areas of tourism, leisure, forestry and 'cottage industries'.

Development Aid and Food Aid

11. Finance for agricultural development aid: the countries in the Agreement could undertake to pay to a common development fund a percentage of the difference between the world price and the rate being paid in the countries concerned. US subsidies would have to be calculated in terms of the structure of guarantee pricing, or vice versa, producing a type of "Agricultural Subsidy Normal Value" calculation. The execution of these payments would be verified on the basis of contracts which the IWC would receive full and automatic notification. Richer importing countries could be invited to contribute to this fund on a voluntary basis.
12. The common development fund could also act as an information clearing house and notification centre of the agricultural policies of developing countries participating in the programme outlined above.
13. The extent to which policies to promote agricultural production in the third world should be integrated with measures to provide a minimum of food to the most vulnerable groups.
14. The rules and procedures for domestic food policies to be agreed upon between donor and recipient. The Committee on Food Aid Policies and Programmes, the Governing Council of the World Food Programme, have proposed such rules and procedures. These could be examined by all countries as a basis for possible adoption.
15. Between 400 and 800 million people in the world go without adequate protein. Hunger will not be overcome until the undernourished have access to meaningful employment and income-generating opportunities.
16. There are four cardinal principles relating to the provision of food aid which could be used as a basis for adoption among the countries concerned in the food aid equation.

- Food aid to be explicitly linked to the food policy of participant countries.
- Food aid to be transferred so as to maximise general economic gain in the recipient countries. It should be made available so as to provide specific incentives for the development of an integrated food policy.
- Food aid contracts to be long-term and without recourse to subsequent adjustment on political grounds.
- Food aid to be used for human capital investment, research and food policy costs.

The Conference will also need to discuss how best to support the: Research Centres of the Consultative Group on International Agricultural Research (CGIAR); the International Development Association (IDA) of the World Bank Group; the International Fund for Agricultural Development; and the expansion of the Cereal Support Facility of the International Monetary Fund, as well as to extend and expand this type of facility to include non-cereal imports.

5.11.87

**WORLD FOOD CONFERENCE:
BACKGROUND PAPER ON WORLD FOOD SITUATION**

The objectives and resolutions of the World Food Conference are intended to influence the GATT negotiations. This paper sets out the background against which the deliberations of the Conference will take place.

- A. The world agricultural and food system is undergoing a profound structural crisis. An increasing gap is opening up between the level of world food production and consumption, causing surpluses that are difficult to dispose of and whose creation is even more difficult to restrain. These have caused major disruptions in international trade and substantial domestic political difficulties for the governments involved.

There has also arisen a public perception that management measures taken by governments appear not to offer long-term solutions to the problems thus caused. Worse still, many governments are placing faith in protection or trade restraint measures which only exacerbate the problems, both internationally and domestically.

The extent of famine and malnutrition in the Third World is as big a problem as ever. In many areas rural poverty has significantly worsened. At the same time some countries, who have in the past experienced inadequate or low production of food, are now in a position, however temporary, of being able to market a food surplus, thus reducing the international market for disposable surpluses.

Lastly, general public concern about this imbalance in food production has been particularly strong in recent years. It is difficult to explain in simple and convincing terms why half the world should be producing too much and half the world should be consuming too little.

In the industrialised countries in particular, policy makers are urgently investigating ways of reducing the level of existing production in food. The surpluses are symptoms of the past political failure to cut production which are now causing major problems in international trade.

The main reasons for structural surpluses are:

1. Systems of guaranteed prices or subsidies which do not incorporate quantitative limitations on production.
 2. Technological and scientific innovations, bringing large increases in quality, productivity and yields.
 3. Concentration of production and effective disincentives to farm in smaller units.
 4. Food consumption has levelled worldwide. Low or zero population growth in the West.
 5. Patterns of food consumption, especially in the West, have changed according to recent developments in diet and health care.
- B. International cooperation in agricultural trade has been accepted for many decades as an important conditioning element of national agricultural policies.

Management in agricultural trade was to some extent hidden by the more significant climate of commercial expansion and market flexibility in the years up to the late 1970s. Over 40 international commodity agreements have been concluded since 1931. Nevertheless, virtually none can now be said to be in good working order.

The climate has now changed, and for many food products the era of ever-expanding markets has gone. This development in itself is a tragic and illogical situation when seen against the overall explosion of population growth in the world since 1974. The missing factor is the lack of increased buying power in the Third World.

Since 1974, the West's focus on the need for agricultural development in the Third World has been sharpened by increasing concern about rising levels of surplus production of food in the industrialised world.

- C. The distribution of surpluses, cheaply or freely, to countries and areas with low food production would appear to many as the most straightforward and most suitable solution to the problem of the severe imbalances in

world food production and consumption. However, a distinction has to be drawn between continuing 'structural' or long-term development aid and short term emergency aid. Some commentators have even argued that aid of either type has had a negative impact on agricultural development in the Third World.

At any rate, it cannot be overemphasised that a simple transfer of food does not of itself solve the problem; it often makes the problem worse. Bad storage, communication and distribution systems can negate the apparent benefit. The problem of transport is especially serious in the least developed countries, and particularly those which are land-locked, where the food must be handled in the ports of neighbouring and sometimes unfriendly countries.

It is clear from the above that the way in which food is received is as important in the aid process as the way in which it is given. Too often, food aid is not used at all for reasons beyond the control or responsibility of donor countries or organisations. In the developed countries this has long been recognised and acknowledged, and great efforts are made to secure the safe passage of aid to where it is most needed. It is for this reason that aid is more and more characterised by the provision of on-ground technical and organisational management by non-governmental organisations, and by the participation of the NGOs in 'triangular operations'. In the past few years much more emphasis has been placed on the provision of people and not products, and it is well understood by many agencies that in general terms a sum of money spent in providing technical services is better value than the same amount of money spent on food aid.

Food aid should be linked comprehensively to the food policy of the participating countries, and should be made available so as to provide the incentive for the development of an integrated food policy. It should fundamentally be used for human capital investment, research and food policy costs.

Many developing countries have begun to change their agricultural and trade policies. In developing countries which cannot produce enough food for themselves, the prime importance is to provide encouragement to the governments concerned to switch more resources into the development of an agricultural economy and market.

Export taxes and quotas have all too often tended to discourage agricultural production, especially in Africa, once used as the granary of the Roman Empire. Government revenue from these sources must shift from production to consumption if the countries concerned are to be weaned away from reliance on international food aid.

Reform of pricing and trade policies that affect farmers cannot be separated from politics since many of the problems in food production arise from the widespread use of public sector marketing agencies.

Maintaining low food prices for urban consumers will depress agricultural production unless the low prices are produced by specific programmes of deficiency payments or direct consumer subsidies, programmes in which developed countries should consider the merits of increased participation. Western development aid should aim to increase the market price of food for the Third World producer. This should be varied according to the degree of cultivation needed and to the level of rural deprivation in the area concerned.

A number of specific political steps are prerequisites, and involve wide-ranging cooperation in food policies between the countries concerned. Rules and procedures should be clearly agreed. All countries with substantial food aid programmes should be encouraged to adopt the norms laid down and approved by the UN World Food Programme, drawn up in 1974.

- D. Trade liberalisation measures must accompany this process, even lead the process. Developing countries' exports need the stability afforded by a better market access to developed countries. No firm estimates are possible of the total gain in world income if agricultural trade were liberalised: it has never been properly tried.

In the late 1980s, less government intervention, especially by industrial countries, would help to stabilise world prices in the medium term and would be of incalculable benefit to developing countries in attaining their objective of stability in agricultural incomes and food prices.

While full liberalisation is most unlikely in the short term, developed countries should make every effort to speed up their liberalisation programmes. To begin with, the World Bank has suggested that each developed country should make an immediate review of the farm products

whose prices are most divorced from world market prices. In the USA these products include sugar, cotton, rice, wheat and peanuts. In the EC these products include milk, fats, beef, sugar and cereals.

There is a general consensus that the mechanisms which are producing the surpluses and the high stock levels should, as a matter of urgency, be changed in such a way to ensure that they are not re-created.

With over 60% of all world agricultural trade the EC and the USA together hold the key to restoring a world balance in food production.

In September 1986 the Uruguay Round of multilateral trade negotiations was launched. For the first time, the member countries of the GATT agreed to negotiate on all agricultural measures that affect world trade or which limit market access. A failure in the GATT agricultural negotiations would have far-reaching effects, and might possibly even undermine the political credibility of the GATT itself.

The US Administration has declared that it proposes to abolish subsidies completely in ten years, or by the year 2000. The counterpart EC action would entail a programme to cut their guarantee prices to world price levels within the same period, although the EC negotiating mandate identifies a two-stage process towards the reduction of subsidies in agriculture. The Cairns Group of countries have made their own submission to the GATT. The Group proposes a freeze on all subsidies by the end of 1988.



10 DOWNING STREET
LONDON SW1A 2AA

Who
cc to PC
Andy

From the Private Secretary

21 October 1987

H
Thank you for your letter of
19 October about the visit of Lord
Plumb. I confirm that the Prime Minister
can see him at 0930 on 25 November.

CHARLES POWELL

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

ls

oio

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

19 October 1987

Dear Charles

ASP

This is in the diary

At the invitation of my Secretary of State Lord Plumb, the President of the European Parliament, is to make an official visit to the UK on 24/25 November. The Queen will grant him an audience at 12.40 on Tuesday, 24 November.

per

It is customary for each President of the European Parliament to make an official visit to every member state of the European Communities once during his/her term of office. In recent years Mme Veil (1980), Mr Dankert (1983) and M Pflimlin (1986) all visited the UK and were granted an audience with The Queen.

On each occasion the Prime Minister has also agreed to receive the EP President and we have discussed a possible time for such a call on this occasion (0930 on 25 November). The Foreign Secretary thinks this need be for no more than half an hour.

Lord Plumb will also be calling on Ministers at the Foreign Office, Treasury and MAFF as well as the Speaker, the Lord Chancellor and Leaders of Opposition parties.

Yours ever

(Signature)

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

2 June 1986

Dear Charles,

M. Pflimlin's Visit to London, 20/21 May

You may wish to see the enclosed letter from UKRep Brussels about how delighted M. Pflimlin was with his visit to London and with his meeting with the Prime Minister.

I am copying this letter and enclosure to David Williamson.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

RH/6
Le Président
du Parlement Européen

(4)
Prime Minister
Thank you
letter from
M. Pflimlin
CDP

May 30th 1986

ms
Dear Mrs Thatcher,

Please allow me to express my thanks for
the welcome you extended to me during my recent
visit to the United Kingdom.

The discussions I had on this occasion, with
yourself and other members of Her Majesty's Govern-
ment, have been most fruitful, notably in the
preparation of the United Kingdom's Presidency of
the Council in the second half of this year.

I should like to underline the great per-
sonal pleasure this visit gave me, and to thank
you for the warmth of my reception.

With my very best wishes

Spink



Office of the United Kingdom Permanent Representative
to the European Communities

Rond-Point Robert Schuman 6
1040 Brussels

Telephone 230 62 05

*Prime Minister (2)
I am getting
quite worried ...
CDP
2/6*

S Wall Esq
ECD(I)
FCO

Your reference

Our reference

Date 26 May 1986

Dear Stephen,

ms

PRESIDENT PFLIMLIN'S VISIT TO LONDON 20-21 MAY

1. President Pflimlin reported on his visit to the Enlarged Bureau on 22 May. You will see from the enclosed report, prepared by the Council Secretariat, that the President was clearly delighted with his visit, and with the reception he had been given in London. He singled out his meeting with the Prime Minister and his audience with The Queen, and was clearly grateful for the time given by the Secretary of State. This very favourable reaction has also been passed on to us by his Cabinet, and by that of Vinci, the Secretary General of the EP. The latter was apparently particularly struck by the meeting with the Prime Minister, and he returned a committed fan!

2. The visit was particularly timely on the eve of our Presidency. It has provided an earnest of our commitment to work closely with the EP. It has clearly established a fund of good will for our Presidency, which should be much helped by the Ministerial attention which we will be giving to both Plenaries and the Committees. This will be invaluable credit when it comes to the difficult negotiations over the budget, where the President's visit helpfully secured agreement that Mr Brooke, Vice-President Christophersen, and Mr Cot should meet soon after the results of the Court action are known in order to plot the way ahead.

*Yours ever
Emyr Jones Parry*

Emyr Jones Parry

cc A Fergusson Esq, FCO
M Jay Esq, Cabinet Office
C Crabbie, HMT

[informal translation]

MEETING OF THE ENLARGED BUREAU OF THE EUROPEAN
PARLIAMENT: 22 MAY 1986

Official visit of President PFLIMLIN to London

President PFLIMLIN opened the meeting by referring to his recent official visit to London, emphasising the excellent conditions in which it had taken place.

President PFLIMLIN said that he had had an audience of The Queen and had had in-depth discussions with the Prime Minister and the Foreign Secretary, as well as with other political figures including members of opposition parties.

He had noted that the UK Presidency intended to maintain close relations with the European Parliament. He particularly welcomed the fact that a comprehensive programme of Council Presidents' contacts with the relevant European Parliament Committees had already been drawn up.

President PFLIMLIN had also been able to compare the conduct of Question Time in the Commons with that in the European Parliament.

Finally, he was hopeful that the United Kingdom would be able to ratify the Single European Act in the near future.

Sir Henry PLUMB mentioned that the UK political figures concerned had much enjoyed meeting President PFLIMLIN. The meetings seemed to have occurred at just the right moment to create a good atmosphere for the UK Presidency which will have in mind above all the completion of the internal market and the Single European Act.

VISIT OF HIS EXCELLENCY MONSIEUR PIERRE PFLIMLIN
PRESIDENT OF THE EUROPEAN PARLIAMENT:
20-21 MAY 1986

ADMINISTRATIVE PLAN

(to be read in conjunction with the official programme)

20 MAY 1986

ARRIVAL

When the aircraft has landed, a Representative of the British Airports Authority will escort the greeting party to the point of arrival where Monsieur Pflimlin will be welcomed by the following:-

Sir John Stow,
Special Representative of the Secretary of State for
Foreign and Commonwealth Affairs

Mr Roger Broad,
Head of the European Parliament Information Office,
London

Brigadier Alan Cowan,
Secretary, Government Hospitality

Group Captain Robert Thomson,
Escort Officer, Government Hospitality

The party will proceed to the VIP Suite.

TRANSPORT

Cars will be provided by the Government Hospitality throughout the programme - see Car Plan at Annex I.

INTERPRETATION

Tuesday 20 May

Mrs Taylor will interpret during talks with the Prime Minister and at the call on the Secretary of State for Foreign and Commonwealth Affairs and at the call on Sir Russell Johnston MP.

Wednesday 21 May

For the calls on Mr George Robertson MP, The Rt Hon Roy Jenkins MP and Mr Alan Beith MP, interpretation will be carried out by the European Parliament Interpreters.

IVSAAU

PHOTO-CALLS 20 May

There will be a photo-call when M. Pflimlin calls on the Secretary of State.

PARTICIPATION OF THE OFFICIAL SUITE IN MONSIEUR PFLIMLIN'S PROGRAMME

Monsieur Pflimlin will be accompanied by his official Suite throughout his programme except on the following occasions:-

Tuesday 20 May

0945 Call on the Secretary of State for Foreign and Commonwealth Affairs

1030 Call on the Minister of State, HM Treasury

Monsieur Pflimlin will be accompanied by Monsieur Vinci and Monsieur Collowald only.

1220 Audiences with HM The Queen

Monsieur Collowald, only, will accompany Monsieur Pflimlin to Buckingham Palace but will not attend the Audience.

1320 Luncheon given by the European Communities Committee

Monsieur Vinci and Monsieur Collowald are also invited.

1500 Prime Minister's Question Time, Distinguished Stranger's Gallery

Monsieur Pflimlin will be accompanied by Monsieur Vinci and Monsieur Collowald only.

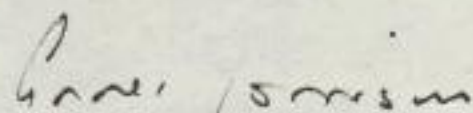
1630 Call on the Prime Minister

Monsieur Pflimlin will be accompanied by Monsieur Vinci and Monsieur Collowald only.

1930 Dinner, hosted by the Secretary of State and Lady Howe - Admiralty House

Monsieur Vinci and Monsieur Collowald are also invited.

19 May 1986


Mrs Anne Morrison
Inward Visits Section

CAR PLANSLONDON HEATHROW AIRPORT TO THE SAVOY HOTEL

Car 1 His Excellency Monsieur Pflimlin
 Mr Broad
 Group Captain Thomson

Car 2 Signor Vinci
 Monsieur Collowald

Car 3 will be available on 21 May. Car plans will be adjusted as necessary, throughout the visit, in conjunction with Group Captain Thomson.

DISTRIBUTION

10 Downing Street

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Press Secretary (2)
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PS/Lady Young
PS/Mrs Chalker
PS/PUS
Mr Braithwaite
Mr Renwick
Mr Barrington
ECD(E) (1)
ECD(I) (6)
News Department (3)
Protocol Department (6)
Mrs McBride (1)
PRU (1)
GHF (12)



alc

10 DOWNING STREET

20 May 1986

From the Private Secretary

Dear Colin,

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF THE
EUROPEAN ASSEMBLY ON 20 MAY AT 1630

The Prime Minister saw the President of the European Assembly in her room at the House this afternoon. M. Pflimlin was accompanied by Signor Vinci and M. Collowald. Sir David Hannay was also present.

The Prime Minister said that the European Community had been successful in tackling some of the major problems facing it over the past two years. It was now necessary to consider very seriously the reform of the Common Agricultural Policy. The problems of agricultural surpluses were not unique to Europe. They were shared with the United States and Japan. There had been some useful progress at the Tokyo Economic Summit where the main industrialised countries had agreed to tackle their agricultural problems in a cooperative spirit. The Prime Minister continued that she was also concerned by the budgetary problems of the Community. She detected a tendency to practice economy in national budgets but to throw caution to the winds when it came to the European Community budget. She had to say that in her experience the European Assembly was too ready to spend money.

M. Pflimlin said that the European Assembly had recently adopted a resolution on agriculture which he thought would meet the Prime Minister's approval. A majority in the Assembly recognised the need to limit agricultural spending. He was aware that the Assembly had the reputation of being too ready to spend money. It was necessary to keep a sense of proportion about this. The Community budget was only some one per cent of the GNP of member states. Agriculture took up by far the biggest proportion and, despite measures to limit spending, would remain a major item.

M. Pflimlin continued that the main role of the Community was to provide a framework in which the Federal Republic of Germany could be firmly anchored into the western community of nations. Its existence was also justified because there were areas where the European countries acting together could achieve more than they could individually. But if the Community was to remain only an agricultural community with no new policies in other areas,

people would become disillusioned with it. That was why the European Assembly was keen to support structural programmes and a Community research and development effort. He was disappointed that the recent Research Council had appeared to dismiss the Commission's proposals in this field. He was also concerned that the German Government appeared to want no provision in the 1987 budget for anything except agriculture.

The Prime Minister agreed that the Community could not just be an agricultural community. There were many other areas where progress was needed just to fulfil the original objectives of the Treaty of Rome let alone move beyond it. She had in mind particularly completion of the internal market. It was nonsense that agricultural spending should be such a large proportion of the budget as a whole. But the right conclusion to be drawn was not to expand the budget but to make the Germans see sense. There had been some tendency in the past on the part of the Germans to say that as paymasters of the Community, they should call the tune. From this point of view she welcomed the fact that France had now joined Britain and Germany as a net contributor. If the Germans insisted on doing certain things for their farmers they should do so by national financing. Indeed one could argue that each country should finance its own surpluses. The Prime Minister continued that one of the main reasons for the success of the United States economy was that a smaller proportion of GNP went to public expenditure than in almost any other industrialised country. The European Governments were in general too keen on spending. She agreed that the Community needed to be active and develop in areas other than agriculture. But in research and technology, for instance, it must be selective and not try to enter every field or promote collaboration for the sake of it. We also attached particular importance to ensuring that the results of European technological cooperation could compete fairly in every Community country, including public purchasing.

M. Pflimlin said that, in his concept, Europe should only try to deal with problems which could not be settled satisfactorily at the national level. He regretted that there had been no common European response to the Chernobyl disaster which was a supreme example of a problem which transcended national boundaries. The Prime Minister welcomed M. Pflimlin's definition of the Community's role, with which she agreed. This was why she got angry when the European Assembly passed resolutions on Northern Ireland and Westland.

M. Pflimlin said that he would like to see the Community develop a European defence policy within NATO, covering not just cooperation in defence procurement but also strategic questions. He believed that opinion in France was gradually coming round to this. The Prime Minister said that she would be concerned at anything which distanced the United States and Canada from Europe's defence. There was also the problem of Ireland's neutrality. It was for this reason that we tended to favour

discussion of European defence issues in the WEU rather than in the Community. The matter was best pursued among the larger countries.

I am copying this letter to Rachel Lomax (H.M. Treasury), John Mogg (Department of Trade and Industry), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), John Howe (Ministry of Defence) and David Williamson (Cabinet Office).

Yours sincerely
Charles Powell

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

MEETING WITH THE PRESIDENT OF THE EUROPEAN ASSEMBLY

You are to see M. Pflimlin for half an hour. He is 79: was a French Minister in the 1940's and again under De Gaulle: was Mayor of Strasbourg for nearly 25 years: was supported for President of the European Assembly by the British Conservative Group: and speaks passable English.

You might start with the relatively uncontroversial subject of our Presidency of the Community. Our priorities will be the internal market, lifting burdens on business, launching of a GATT round, dealing with EC/US and EC/Japan trade problems, and launching a thorough discussion of the CAP reform (on which the Assembly has mirabile dictu passed a sensible resolution). You will be ready to continue the tradition which you launched of reporting personally on our Presidency to the European Assembly in December.

You will then want to utter some stern words on the Community Budget. For too long the Assembly has increased commitments without regard to resources. The Community simply has to learn to live within the available resources. Under the Own Resources Decision there is no provision for any increase in the VAT ceiling before 1988. We embarked on legal action against the Assembly because of its breach of the maximum rate provisions in Article 203 (9) of the EC Treaty. Once the outcome of the case is known, the Assembly must establish a valid 1986 Budget. The Assembly simply has to learn to handle taxpayers' money responsibly.

You might also say something about relations between the Assembly and the Council during our Presidency. We have for some time proposed early informal contact between the Presidency and the Assembly as a way of giving the latter the chance to make its views known. We shall be pursuing this during our Presidency and will also be ready to discuss ways of improving a conciliation procedure.

You might say that the Assembly does not on the whole enjoy a good reputation in the United Kingdom because of what is regarded as its totally unwarranted interference in Britain's domestic affairs, for instance the resolutions on Westland and the miners' strike. This low esteem is reflected in the low turnout at European elections. You hope that the Assembly will look to improvements in its image by behaving more responsibly and acting less extravagantly.

Finally, you might take the chance to say some kind words about Henry Plumb.

Some of this goes beyond the line recommended by the Foreign Office and you will not want to row with M. Pflimlin who is a nice old gent. But the points need to be got across.

C.D.P.

C.D. POWELL
19 May 1986

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CC PC
BJUP

Foreign and Commonwealth Office

London SW1A 2AH

19 May 1986

Dear Charles,

Prime Minister's Meeting with M. Pierre Pflimlin,
President of the European Parliament,
20 May at 1630 hours

I enclose briefing for the Prime Minister's use at this meeting.

Those accompanying M. Pflimlin on the call on the Prime Minister will be Signor Enrico Vinci, Secretary General of the European Parliament, and M. Paul Collowald, Director of M. Pflimlin's Cabinet. Sir David Hannay will also be present.

Our interpreter Mrs Taylor will be available, but you will find that M. Pflimlin does speak adequate conversational English.

I am sending a copy of this letter and the brief to the Private Secretaries of the Lord Chancellor, the Secretary of State for Trade and Industry and the Minister of State, HM Treasury who will also be seeing M. Pflimlin and to David Williamson.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CALL BY M. PFLIMLIN, PRESIDENT OF THE EUROPEAN
PARLIAMENT, ON THE PRIME MINISTER: 20 MAY AT 1600 HOURS

Points to Make

- Considerable achievements since last UK Presidency
(Fontainebleau, Enlargement, Single European Act).

- UK equally keen this time to ensure good

Council/Parliament relations:

- New cooperation procedure in Single European Act
provides opportunity for European Parliament views to
be fully taken into account before adoption of
proposals by Council.

- Recognise difficulties of securing effective input
with so many political parties involved. But could EP
do more to hold expert hearings as Committees of
national parliaments do, so that recommendations are
seen to be based on objective assessment?

- I began tradition of reporting personally to
European Parliament on our European Council in December
1981 and will do so next December.



- UK Ministers will be in regular touch with EP committees on their subjects.

- Our main Presidency tasks/objectives:
 - internal market, especially transport liberalisation
 - lifting burdens on business and labour market flexibility as as to generate prosperity and employment
 - successful launching of new GATT round
 - conclusion of new Multi-Fibre Arrangement
 - handling EC/US and EC/Japan trade issues
 - more effective political cooperation eg in responding to international terrorism.

- Community must maintain pace of reform of the CAP, which is in the interest of farmer who does not benefit from 50% of total budget being spent on storage and disposal of surpluses, and in interest of 90% of EC workforce not involved in agriculture.

- Very glad to note EP support for continued CAP reform in recent resolution.



- Budget:

- for too long, Council and Parliament have increased commitments without regard to resources.

- Community has to live within the available resources.

[If necessary]

- Under Own Resources Decision no provision for any increase in ceiling before 1988 and then only by unanimity.

- Council's case against Parliament was necessary if we are to avoid present confusion over budgetary powers. Parliament did not observe maximum rate provisions in Article 203 (9) of EEC Treaty. Need to establish legal certainty.

- But, when outcome of Court case is known, must establish valid 1986 Budget.

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M. PFLIMLIN'S VISIT TO LONDON, 20-21 MAY 1986

Background Brief

1. The Foreign Secretary invited M. Pflimlin to visit London during his visit to the European Parliament in November 1985. M. Pflimlin's predecessors had also visited London (Mme Simone Veil in 1980 and Mr Pieter Dankert in 1983). The main aim is to improve links between Ministers and M. Pflimlin and between HMG and the European Parliament generally, particularly in view of the UK's forthcoming Presidency.

UK Relations with the European Parliament


2. For several years the Parliament tried to obstruct our efforts to solve the UK budget contribution problem. After Fontainebleau a major cause of friction between the UK and the Parliament was largely removed.



3. The Parliament usually wants more spending, especially on the structural funds. In December 1985 it illegally adopted a Budget in excess of what the Council could agree, and is being sued by the Council in the Court of Justice. The UK and several other member states have also brought their own separate national actions.

4. The Parliament has however recently gone against previous form by adopting a resolution on the Common Agricultural Policy which takes a responsible line on agricultural prices. This reflects growing resistance by MEPs to seeing the structural funds over which they have greater control in the budget being squeezed by CAP spending.

5. The Parliament was disappointed by the Single European Act, including the new cooperation procedure which will give the Parliament the right to be consulted more often but leaves the last word on EC legislation with the Council of Ministers. But M. Pflimlin is a realist and is not a supporter of the Spinelli draft Treaty on European Union.



Specific Points

(i) UK Presidency: Council/Parliament relations

1. M. Pflimlin and M. Vinci (Secretary General of the European Parliament, who will be with him) have been expressing interest in improving the conciliation procedure during the UK Presidency. The present procedure is generally thought to be unsatisfactory because the institutions have usually fixed their given positions before the meetings take place.

2. We proposed at Stresa and Milan early, informal contacts between the Presidency and the Parliament as a way of giving the latter the chance to make its views known. The Dutch have done this during their Presidency. Informal meetings between the President of the Internal Market Council and MEPs have taken place just before a meeting of the Council. But the Dutch have also tried to conduct a meeting between MEPs and the whole Council. This was a flop. Accordingly, Mr Clark does not intend to follow up this idea during our Presidency but envisages holding Presidency-only meetings with MEPs (though not necessarily before every




Council).

3. A provisional list of Ministerial appearances
/ before EP plenary sessions is attached.

(ii) Budget

4. The ECJ's judgment on the 1986 Budget dispute between the Council and the Parliament is expected in July. It is unlikely that the Council will take decisions before then either on the 1986 Supplementary Budget or the 1987 Preliminary Draft Budget, both of which use up available headroom within the 1.4% VAT ceiling without however exceeding it. There is a possibility that if the Court annuls the main 1986 Budget a revised version will have to be rushed through both Council and Parliament in July/September.

5. Negotiations will be complicated by Commission assertions that to stay within the 1.4% ceiling agreed expenditure will have to be deferred, and by the powerful lobby in the Parliament who want priority given to the structural funds rather than agriculture. As Presidency we will need to steer a careful middle course while insisting that the 1.4% ceiling cannot be



exceeded. Nonetheless, the Commission is likely to launch a debate on raising the ceiling to 1.6% in 1988 towards the end of the year, and the Parliament will want to formulate its position before then. There may also be discussions at Presidency level on budget discipline to which the Parliament is hostile but about which it has recently put forward its own ideas.

(iii) CAP

6. The European Parliament gave a surprisingly robust opinion on the price-fixing package before it was agreed. For the first time declarations on the side of CAP reform outweighed those from agricultural lobby in the resolution adopted. The main features of the EP's resolution were:

- broad support for the Commission's proposed price freeze and production cuts for products in surplus.
- acceptance of higher quality standards for cereals, limits on quantity of cereals entering intervention and on export refunds.
- support for further all-round 3% cut in milk quotas



above that in the outgoers scheme.

- proposal for pluri-annual price-fixing system.


POSSIBLE APPEARANCES BY BRITISH MINISTERS AT EP PLENARY SESSIONS, INCLUDING QUESTION TIME

| <u>MINISTER</u> | <u>DATE</u> | <u>PLENARY</u> |
|--|-------------------|-------------------------------------|
| The Rt Hon Sir Geoffrey Howe MP, Secretary of State for Foreign & Commonwealth Affairs | 8 July | Set out Presidency Programme |
| The Rt Hon Sir Geoffrey Howe MP, Secretary of State for Foreign & Commonwealth Affairs | 8 July | Question Time |
| Mr G Pattie MP, Minister of State for Industry & Information Technology | 9 July 16.00h | R & D, Eureka |
| The Rt Hon Mr J Selwyn Gunner MP, Minister of State for Agriculture, Fisheries & Food | ? 9 September | Possible agricultural/fish subjects |
| The Hon P Brooke MP, Minister of State for Her Majesty's Treasury | 9 or 10 September | Presentation of Budget |
| Mrs J Chalke MP, Minister of State for Foreign and Commonwealth Affairs | 9 September | Question Time |
| Mr D Mellor MP, Parliamentary Under Secretary of State for Home Affairs | 7 or 8 October | Drugs Debate |
| Mrs J Chalke MP, Minister of State for Foreign and Commonwealth Affairs | 7 October | Question Time |
| The Hon P Brooke MP, Minister of State for Her Majesty's Treasury | 21 or 22 October | Budget Debate |

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| | | |
|--|-------------------|----------------------------|
| The Hon A Clark MP, Minister for Trade | 21 October | Internal Market |
| Mrs L Chalker MP, Minister of State for Foreign and Commonwealth Affairs | 21 October | Question Time |
| The Rt Hon Sir Geoffrey Howe MP, Secretary of State for Foreign & Commonwealth Affairs | 11 November | Question Time |
| The Rt Hon Mr K Clarke MP, Paymaster General | 11 or 12 November | Employment debates |
| The Rt Hon Mrs M Thatcher MP, Prime Minister | 9 December | Report on European Council |
| Mrs L Chalker MP, Minister of State for Foreign and Commonwealth Affairs | 9 December | Question Time |
| The Rt Hon Sir Geoffrey Howe MP, Secretary of State for Foreign & Commonwealth Affairs | 10 December | Report on UK Presidency |
| The Hon P Brooke MP, Minister of State for Her Majesty's Treasury | 9-11 December | Budget debates |



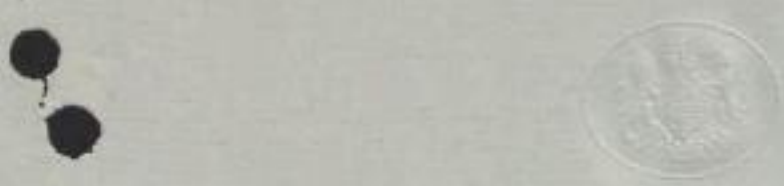
PFLIMLIN, PIERRE (FRENCH)

President of the European Parliament (EP) since July 1984.

Born Roubaix 1907. Higher education at the Institut Catholique in Paris and then at the University of Strasbourg. Holds a doctorate in law. Centre-Right (Republican) Deputy in the French Parliament 1945-1967. MEP 1959-1967 and from 1979. Minister of Agriculture 1947-49 and 1950-51; Minister for Trade 1951-53; Secretary of State responsible for relations with the Council of Europe 1952; Minister for Overseas Territories 1952-53; Minister for Finance 1955-56 and 1957-58. Prime Minister, May 1958 (immediate predecessor of Gen. de Gaulle). Senior Minister under de Gaulle, 1958-1959 and 1962. Mayor of Strasbourg 1959-83. Now Honorary Mayor. Senior Vice-President in the European Parliament, 1979-1984.

Visited London as Minister of Agriculture in 1948 to discuss the pork market, and again in 1952 as Minister for Overseas Territories to discuss West Africa with Mr Lyttleton (later Lord Chandos: died 1972).

Has played his cards skilfully to keep the European Parliament in Strasbourg, wooing MEPs assiduously. He was supported by UK Conservative MEPs in the EP



Presidential elections. During the 1985 Inter-governmental Conference on EC Treaty changes he avoided espousing the federalist line advocated by some MEPs.

Widower. Speaks conversational English.



10 DOWNING STREET

From the Private Secretary

12 May 1986

VISIT OF THE PRESIDENT OF THE EUROPEAN
ASSEMBLY: 20/21 MAY

Thank you for your letter of 12 May about M. Pflimlin's visit. I agree that M. Pflimlin should be accompanied by any two of his four supporters. I am sure that the Prime Minister would be pleased to see Sir David Hannay as well.

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

085



Foreign and Commonwealth Office

London SW1A 2AH

12 May 1986

Dear Charles,

Visit of the President of
the European Parliament: 20/21 May

In your letter of 31/January you said that the Prime Minister would see M. Pflimlin at 1630 on 20 May.

M. Pflimlin will be accompanied in London by four of his staff (plus the head of the Parliament's London Information Office). This is clearly too many for the meeting with the Prime Minister. If you agree, we suggest that he should be accompanied to Number 10 by whichever two officials he prefers to have with him - probably M. Paul Collowald, Director of his Office, and Signor Enrico Vinci, Secretary General of the European Parliament. Sir David Hannay will also be available to attend, should the Prime Minister find that useful.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

EUR. POL: visits by Pres. of European Parliament

Postage and Commission (if any)
to be paid by addressee



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Rflimlin



told
FCO

10 DOWNING STREET

24/3/86

COP

PM is meeting the President of
European Parliament on
20.5.86.

FCO are arranging for
Mrs Taylor to interpret at
FCS' meeting with Mr ~~Flimlin~~ ^{Flimlin}?

Do you wish her also to
be present at the meeting
with PM?

Yes please
CO

Manjo

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CCPC ✓

10 DOWNING STREET

From the Private Secretary

31 January 1986

PRESIDENT OF THE EUROPEAN PARLIAMENT

Thank you for your letter of 30 January about the visit of M. Pflimlin.

The Prime Minister would be ready to see M. Pflimlin at 1630 on 20 May.

I am copying this letter to David Williamson (Cabinet Office).

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

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Foreign and Commonwealth Office

London SW1A 2AH

30 January 1986

Dear Charles,

Yes
ml

Prime Minister
Agree to a meeting
with M. Pflimlin
CDP

President of the European Parliament

When Sir Geoffrey Howe was in Strasbourg on 13 November, he invited M. Pflimlin to visit the United Kingdom before our Presidency of the Community begins on 1 July 1986. M. Pflimlin accepted.

M. Pflimlin has already visited most other EC states. His predecessors since the first elections in 1979 both visited the UK, Mme Veil in 1980 and Mr Danker in 1983. Both visits included calls on the Prime Minister. We shall be obliged by the duties of the Presidency to have frequent dealings with the European Parliament. M. Pflimlin has sought to exert a moderating influence and his cooperation will be important during the Presidency. The Foreign Secretary therefore recommends that the Prime Minister should receive him for 45 minutes on Tuesday 20 May or the morning of Wednesday 21 May. Although he usually has interpreters present in Strasbourg, M. Pflimlin speaks quite good English. One possibility, if it fitted in with the Prime Minister's engagements, would be for him to attend the Prime Minister's questions on 20 May and to call on the Prime Minister at No 10 afterwards.

1130
17.15
20 May

Much of the rest of M. Pflimlin's programme has yet to be fixed. It will however include a call on The Queen on 20 May, a dinner hosted by the Foreign Secretary and a call on the Speaker.

I enclose a biographical note on M. Pflimlin, who was briefly Prime Minister of France in 1958 and took part in the negotiations leading to General de Gaulle's return to power.

I am copying this letter to David Williamson (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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CONFIDENTIAL

PFLIMLIN, PIERRE (FRENCH)

President of the European Parliament since July 1984.

Born Roubaix 1907. Higher education at the Institut Catholique in Paris and then at the University of Strasbourg. Holds a doctorate in law. Deputy in the Parliament since 1945; Minister of Agriculture 1947-49 and 1950-51; Minister for Trade 1951-53; Secretary of State responsible for relations with the Council of Europe 1952; Minister for Overseas Territories 1952-53; Minister for Finance 1955-56 and 1957-58. Prime Minister, May 1958. Mayor of Strasbourg 1959-83. Now Honorary Mayor. Senior Vice-President in the European Parliament 1982-84.

Identified closely with the Strasbourg interest in preventing the Parliament being moved elsewhere. Has played his cards on this very successfully, wooing MEPs assiduously. He was supported by UK Conservative MEPs in the EP Presidential elections but he remains a critic of much UK policy in the EC.

Married. Speaks conversational English.

cc B1



The Chancellor spoke tonight to Mr. Dankert too.

A.J.C. 22/6.

RECORD OF A DISCUSSION BETWEEN THE CHANCELLOR AND THE PRESIDENT OF THE EUROPEAN PARLIAMENT, AT NO.11 AT 10.00 A.M. ON 24 JUNE

| | | |
|----------|---------------------|-------------------|
| Present: | Chancellor | Mr Pieter Dankert |
| | Chief Secretary | Mr Toornstra |
| | Financial Secretary | Mr Lowe |
| | Mr Unwin | Mr Prillewitz |
| | Mr Marsden (UKREP) | |

The Chancellor welcomed Mr Dankert, and queried his public suggestions that the Stuttgart European Council had been a disaster. Mr Dankert explained that he did not think it possible to negotiate a long term solution to the UK problem without an agreement on an increase in "own resources". And such an increase was unavoidable; talk of "ecretement des soldes" was not helpful, and only aroused opposition from eg the Dutch and Danes. The Parliament would take its last look at the 1984 Budget immediately after the Athens European Council on 6 December, and would do so against the background of whatever long term perspective for community financing was agreed at Athens. There could be no satisfactory long term perspective which did not include an agreed increase in own resources.

2. The Chancellor said that we did not necessarily rule out the idea of an increase for all time. But we thought it right to constrain agricultural expenditure and insist on more efficient financial management; Mr Dankert had in the past himself advocated both. Moreover we had to insist on a fair solution to the problem of our wholly inequitable budgetary burden. It was paradoxical that the Parliament, which had long sought the reform of Community financing arrangements, an aim which the UK strongly shared, should be contemplating blocking the 1983 supplementary budget, or the UK refunds in the 1984 budget, steps which would be damaging primarily to the UK, and would be of most benefit to the French. The weapons which the Parliament was considering using would be most damaging to its allies, and hence to the cause of improved financial control. And it was quite unrealistic to expect that the Athens council would produce a final, cut and dried, long term solution: there would be more progress, but if the Parliament were now to raise their expectations unrealistically, they might as a result back themselves into a corner in December.

3. Mr Dankert said that December was a long way off. In the meantime, the Parliament's



threats should help to concentrate minds.

4. The Financial Secretary pointed out that proper control of CAP costs would postpone or eliminate the need for an increase in "own resources". Parliament should be attacking the problem at that end too; and should not forget that the most effective form of CAP control would be proper price restraint. Yet in each of the last three years, the Parliament had called for higher agricultural price increases than the Commission had proposed. But the key point which Mr Dankert should realise from his visit was that it would quite simply be impossible for the UK Government to command the support of the House of Commons for a Bill to increase the "own resources" ceiling unless the problem of our inequitable budget share had demonstrably been resolved.

5. The Chancellor added that if the Parliament were to think that blocking UK refunds would cause the UK Parliament, or Government, to be more accommodating towards an increase in the own resources ceiling, they would be making a fundamental mistake. The reaction in this country to the blocking of the Stuttgart agreement would be very sharp, and its effects would be the opposite of those which the Parliament might envisage.

6. Mr Dankert said that he understood the point. It was too soon to say what the European Parliament would regard as sufficient progress at Athens on 6 December. But the fact was that the "own resources" ceiling was de facto already broken, and the financial devices to which the Commission had been obliged to resort seriously undermined Parliament's powers. He was sure that it was right to bring home to all concerned the gravity of the present situation, as seen by the Parliament.

A handwritten signature in dark ink, appearing to be 'J O Kerr'.

J O KERR

24 June 1983

Distribution

PS/Chief Secretary
 PS/Financial Secretary
 Mr Middleton
 Mr Littler
 Mr Unwin
 Mrs Hedley-Miller
 Mr Edwards
 Mr Fitchew
 Miss Court
 Mr Peet

Mr Coles - No.10
 PS/S of S, FCO
 Sir M Butler - UKREP
 Mr Williamson - Cabinet Office
 Mr Hannay - FCO
 Mr Marsden - UKREP
 Mr Butt - UKREP



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p.a.

With the compliments of

EUROPEAN COMMUNITY DEPARTMENT

(INTERNAL)

FOREIGN AND COMMONWEALTH OFFICE

LONDON, SW1A 2AH

RECORD OF MEETING BETWEEN THE FOREIGN AND COMMONWEALTH SECRETARY AND MR PIETER DANKERT, PRESIDENT OF THE EUROPEAN PARLIAMENT AT THE FOREIGN AND COMMONWEALTH OFFICE, 3 PM 24 JUNE.

PRESENT:

| | |
|---------------------------------------|--------------------|
| Mr Pieter Dankert | Secretary of State |
| Mr Toornstra (Chef de Cabinet) | Mr Hannay |
| Mr David Lowe (Member of the Cabinet) | Mr Marsden (UKRep) |
| Mr Prillewitz (Press Adviser) | Mr Bone |
| | Mr Hallett |

1. The Secretary of State invited Mr Dankert to open the discussion. Mr Dankert said that the problem of the Community budget was the central issue. The key question for him was how the European Parliament could play its full part in the current negotiations in accordance with its budgetary powers as laid down in the Treaties.
2. The Secretary of State agreed that this was important. The agreements reached at Stuttgart had not made any specific reference to the role of the European Parliament but it was implicitly understood that the Parliament would play its normal role. He agreed on the importance of the institutions maintaining a constructive dialogue in the budgetary procedure.
3. Mr Dankert stressed that if appropriate procedures were not found for involving the Parliament in the negotiations it might be forced to adopt resolutions which some might regard as unhelpful. How helpful the Parliament was depended essentially on the Council's approach.
4. The Secretary of State said that we agreed with the Parliament on the importance of the longer term solution to the Community's financial problems. The European Parliament's views were clearly important and these must be taken fully into account in the negotiations. He stressed however that the interim solution for the

/UK

UK for 1983 was distinct from decisions on the longer term solution and that there was no linkage between the two. Mr Dankert replied that the Parliament did not necessarily share this view since they had not been consulted.

5. The Secretary of State said that the Stuttgart decisions took account of the part the European Parliament had played over the 1982 Supplementary Budget. Without the Parliament's action, we would not have moved so quickly towards negotiating a longer term solution. The Secretary of State stressed that we had not excluded the possibility of increasing own resources in the context of the longer term solution. Mr Dankert said that the crucial question was when this would be agreed. The pressure to agree to an increase in own resources might become acute before the Athens European Council meeting.

6. The Secretary of State said that all problems connected with the longer term solution had to be tackled concurrently. Our willingness to consider an increase in own resources was related to agreement on satisfactory measures for containing the CAP and for ensuring that there was no recurrence of unacceptable situations. We did not as yet regard the case for increased own resources as proven, but we recognised that the problem was accentuated by the prospect of enlargement.

7. Mr Dankert said that there was a problem in the Community in that the Parliament's responsibility for controlling expenditure was completely divorced from any responsibility for raising revenue. No-one was currently suggesting any change in this respect. It did not even feature in the Commission's proposals for the longer term.

8. The Secretary of State said that he hoped we could solve all the basic components by 6 December and asked how Mr Dankert saw the European Parliament's role in this process.

9. Mr Dankert said that if the Council were to make contact with the Parliament before it adopted definite conclusions this would help to avoid conflict. This could be done informally, but it was essential

/to

to preserve the Parliament's right of co-responsibility in the budgetary field.

10. Mr Hannay stressed that the Presidency had an important role to play and there should not be any attempt to by-pass the Greeks who were very sensitive about their Presidency prerogatives. He recommended that the Parliament make early contact with the Greek Presidency. The Parliament would have a clear role to play in examining the papers which the Commission produced following the Stuttgart agreements.

11. Mr Dankert said that there were dangers in this approach if, for example, the paper on the CAP were to be referred to the Agriculture Committee. It was important to keep the question as far as possible in the hands of the Parliament's Budgetary rather than Agriculture Committee. The Parliament operated primarily through its Committees and it made a lot of difference to which Committee a particular question was referred.

12. The Secretary of State said that despite the election victory we might still have difficulties with the British Parliament and it was important that we were able to resolve once and for all the question of unacceptable situations. Mr Dankert said that he was concerned by what he regarded as the "benign neglect" of the question of the European Parliament's powers which he detected on the part of the United Kingdom. The Secretary of State replied that informal conventions regarding the working of the institutions were more important than formal powers. He thought the problems of the Community institutions were over-stated and he had been impressed by how well the institutions worked in practice. He recognised that the Community Treaties probably did not provide a fully satisfactory basis for inter-institutional relations, but it was important to proceed pragmatically in this area.

13. Mr Dankert raised the problem of the six-monthly rotation of the Council Presidency as a factor which inhibited continuity. He suggested some kind of permanent chairmanship along the lines of the

/NATO

NATO Secretary General.

14. Mr Dankert asked whether there had been any change in the UK position regarding participation in the European Monetary System (EMS). It was difficult for the Community to make further progress in this area without full UK participation. The Secretary of State replied that the position was essentially unchanged. It remained our intention to join when the conditions were right. The EMS had generally worked well as a framework for discipline, but there had been a number of realignments since it had been set up and any more would have undermined its credibility. The UK would not wish to join it if this added further strain. We were certainly considering the possibility but an early decision to join should not be expected. We did not consider this problem to be of overriding importance for the Community's future however. It was much more important that we made real progress on removing internal barriers to trade within the Community.

15. In conclusion the Secretary of State repeated the importance which we attached to satisfactory progress in the budget negotiations and that we hoped the European Parliament would adopt a constructive approach. He said we hoped that, in particular, they would not cause us too much trouble over the 1983 refunds.

Distribution

| | |
|---------------|--------------------------------|
| PS | Mr Fairweather, ECD(I) |
| PS/Mr Rifkind | Mr de Fonblanque, ECD(I) |
| PS/PUS | Mr Fry, ECD(I) |
| Sir J Bullard | Mr Coles, No 10 |
| Mr Evans | PS/Chancellor of the Exchequer |
| Mr Hannay | Mr Marsden, UKRep Brussels |

CONFIDENTIAL file

Brc



10 DOWNING STREET

From the Private Secretary

24 June 1983

Call on the Prime Minister
by the President of the European Parliament

I enclose a record of the conversation between the Prime Minister and Mr. Dankert today.

I am copying this letter and enclosure to John Kerr (HM Treasury), Robert Lawson (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

A. J. COLE

Roger Bone, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

VC.

advantages from the Community. For example, it had a special arrangement in respect of trade with East Germany. Our position was different. Our income per head was slightly below the average. We had brought assets to the Community; in particular, we provided two-thirds of the fisheries resources. We were helping to finance not just the poor Member States but some of the richer Member States. The latter were only too glad to accept our subsidies though if she were in their position she would find it rather shaming. We expected to make a reasonable contribution but it was absurd that we should contribute to countries who had a level of prosperity above the average.

As regards own resources, she was not prepared to agree to an increase unless there was a fair basis for budget contributions (the concept of equity ran deep in Britain) and there was proper control of expenditure. The Community's agriculture expenditure had increased by 40 per cent last year. The original function of our own Parliament was to control the executive's spending. It was not the function of any Parliament to put its hand more deeply into taxpayers' pockets. The European Parliament had a duty to ensure that money was properly spent.

Chancellor Kohl and Mr. Lubbers had been most helpful at Stuttgart. Britain had a natural affinity with the Netherlands. We were both by nature outward looking. But some Member States regarded the Community as a protectionist club. The criteria agreed at Stuttgart for a long term settlement involved various ways of controlling agricultural expenditure. It was not the proper function of the Community to produce agricultural surpluses, some of which were then sold at a subsidised price to the Soviet Union while others disturbed overseas markets.

She was committed to the Community. She believed in freedom and democracy and for that reason thought it right to facilitate the accession of Spain and Portugal. But she had to emphasise again that Parliaments in Member States were trustees of the Government's resources, not the instrument of their expansion.

Mr. Dankert said that, in its exercise of budgetary powers the Parliament had behaved as responsibly as national parliaments. On the question of the British refund, there was a difference between Germany and the United Kingdom. Germany had profited from the macro-economic arrangements of the Community. But there was some basis for the German grievance in that the present levels of Danish and Dutch income from the Community could not be justified.

The Prime Minister said that she had no doubt that the European Parliament would complain about the settlement agreed in Luxembourg and go through many contortions. But in the end it would agree to the British refund of 750 ecu net because of the consequences if it did not so agree. There was no connection between the agreement on the British refund and decisions on long term financing. The refund arrangement was free standing. The fact that the Community continually made difficulty over our refunds undermined support in this country for the Community. The European Parliament should take this into account and recognise that this year Britain would be contributing some £700m. towards Community resources. She would continue to state in public that we should obtain our refund. Mr. Dankert commented that in the end this would happen.

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The Prime Minister said that if we had not obtained this arrangement at Stuttgart, a White Paper would have been laid before Parliament this week setting out the many Community promises which had been broken. So Stuttgart had been a critical meeting. Depending on events, it might still be necessary to put the White Paper before Parliament and then consider what action to take. Mr. Dankert had been very critical in public about the outcome of Stuttgart, but the difficulties must be understood. If we did not obtain our refund, we should have to take action. Mr. Dankert repeated that the final outcome would be reasonable. The Prime Minister said that the Parliament should be reasonable at the outset, not just at the end. Her own attitude to the Community was constructive.

Mr. Dankert said that the abyss was approaching because the Community was running out of money. If the budgetary problems could not be solved, protectionist forces within the Community would increase. The Prime Minister said that it would be better if, instead of inveighing against Britain, MEPs criticised the stupidity of the Common Agricultural Policy. Mr. Dankert commented that there were two kinds of agriculture in Europe. The first sort did not really need the CAP. The second was based on social considerations. The Prime Minister said that in her view the CAP should not bear the cost of social considerations - though for her part she believed in helping small farmers to survive. Mr. Dankert said that a deficiency payments system would ruin the Community.

/The Prime Minister

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The Prime Minister said that it was necessary to address the fundamental problems constructively. She could not agree to an increase in own resources until these problems had been examined. The idea that all problems could be solved by growth was an illusion. She repeated that she supported the Community because she believed in the area of democracy and stability which it represented. Mr. Dankert observed that this asset was at risk so long as current tensions in the Community continued. There had been agreement on the fundamental problems and that was why the Parliament was applying pressure. The Prime Minister said that she understood that point but the Parliament should not try to force an increase in own resources.

Mr. Dankert observed that Spanish accession necessitated an increase in own resources, and Spain needed support, particularly in view of its debate about membership of NATO.

The Prime Minister said that some people were inclined to solve problems of accession by treating southern products in the same way as northern products. Mr. Dankert said this was an unacceptable approach.

The Prime Minister recalled that when she had visited the European Parliament she had observed that genuine debate was not possible because of the linguistic problem. This meant that the Parliament lacked the unity of national parliaments. Mr. Dankert replied that he believed that this situation was changing. During the employment debates in Brussels there had been real political emotion and divisions on party lines. In the last four years the functioning of the Parliament had improved greatly. The basic problem

/was

was that institutional arrangements made in the 1950s, which were devised for a federal organisation, did not function now. Serious examination of the way the institutions functioned were needed. Steps should be taken to decrease the isolation of the bureaucrats from the real world.

The Prime Minister said that the Genscher/Colombo declaration had usefully reminded us of the basic ideals of the Community. Mr. Dankert agreed that this was true as far as the inter-governmental arrangements dealt with by the declaration. But he did not agree with the declaration's handling of the Community institutions. The veto was of course a political reality but it should not have been put into a legal text and thus allowed to acquire constitutional status. The negotiation of the Genscher/Colombo declaration had lasted for two years. The outcome was minimalist and lacked political credibility.

Mr. Dankert asked for the Prime Minister's views on Mr. Lubbers' initiative with regard to economic recovery. The Prime Minister said that she did not believe that this initiative could produce any new solutions but it had a value in reminding the Community of what it should be doing. In particular, it underlined the need for European industry to concentrate on producing new products which met the need of customers and in particular to compete in the field of electronics.

Mr. Dankert said that it was also important to strengthen the internal market. He believed that a European capital market was essential. The fact that the United Kingdom was not a member of the EMS fragmented the capital market and was a factor in the failure of the European capital market to compete with that of

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the United States and Japan. The Prime Minister said that she doubted this analysis. There was no shortage of capital for sound projects. The American capital market thrived because it was a bastion of the free market economy. Investors put their money there because it was a stable society. She had great sympathy with the United States and none at all for anti-Americanism. It was important that the United States and the Community should stick together, though the agricultural problem made this more difficult.

Mr. Dankert said that one of the virtues of the Community was that it had resulted in a considerable improvement in the political stability of Europe. The Prime Minister thought that the Community had great potential for influence but it had to keep its larger aims in mind. It was in that connection that the Genscher/Colombo declaration was so useful. The Community should not follow policies which alienated other democracies.

Mr. Dankert said that he hoped that the United Kingdom would help the Parliament to change the development policy of the Community so that it was less focussed on Lome countries and rather more directed towards Asia. The Prime Minister observed that multilateral aid created problems in that we obtained little recognition for our contribution. In the case of Community aid, British firms did less well than other European firms in obtaining contacts under the various aid programmes.

The discussion ended at 1120.

A.J.C.

24 June 1983

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PRIME MINISTER

PRESIDENT OF EUROPEAN PARLIAMENT

He will be accompanied by four people:

| | |
|----------------|------------------------------|
| Mr. Toornstra | (Head of his Private Office) |
| Mr. Prillevitz | (Information Adviser) |
| Mr. Lowe | (Adviser) |
| Mr. Rosewarne | (Secretary) |

I have asked Malcolm Rifkind and David Hannay to come and help. Please let me know if you don't want them.

Dankert is an advocate of more own resources and more Community spending on non-agricultural policies.

We must avoid giving him material to criticise us.

Best to begin on long-term Community financing. Say that we have been pressing for lasting reform just as much as the Parliament.

Defend outcome of Stuttgart as having launched the negotiations. Stress our desire to make real progress quickly and obtain decisions at Athens on 6 December.

Explain our wish to restructure budget by curbing CAP expenditure and developing sensible other policies.

Explain the need for budget arrangements to be fair to all.

Describe very carefully our position on own resources - do not let him claim either that we are blocking Community progress or that we have now virtually agreed to an increase in revenue.

Only then come on to the interim and with a light touch. He himself has said that some interim measure is needed. Long term is what we really want but no way long term can be implemented in time for 1983 - so 1983 refunds essential. Hope Parliament will be realistic.

23 June 1983

A.J.C.

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PETER DANKART - INTERVIEW ON BRITAIN'S EEC BUDGET REBATE

Transcript from: BBC Radio 4, Today, 23 June 1983

INTERVIEWER : (John Timpson) ... Now I mentioned Mrs Thatcher was pleased with that, what does the rest of Europe think of that meeting in Stuttgart.

DANKART: Well I heard and read already that that a few Governments don't think that rebates should be granted automatically and that it's part of a package that still has to be decided somewhere in Athens in December. And the European Parliament also has to give its approval in the budget to that sum. And last time we rejected the British contribution, or rebate, because we didn't think it is a good way to run Community money and we then said we'd never accept it again.. So if we follow the line we have taken we should not accept it. I'm not sure when it happens I think if a number of conditions are met it could perhaps go through but we are not yet there.

INTERVIEWER : Is Britain making itself a little unpopular with this frequent argument about rebates?

DANKART: Well it costs much time in the Community. If you look at Stuttgart for instance; the number of hours spent on the British rebate before one could start serious business it is a very important problem. And therefore I think that we should find a long term solution which can please everybody and won't stop the Community from developing.

INTERVIEWER : Is this what you're going to tell Mrs Thatcher today?, or tomorrow?

DANKART: We certainly will discuss that tomorrow morning, yes.

INTERVIEWER : Well now what do you think of Britain's view in general of the European Parliament because there does seem to be a feeling over here that it's more of a talk shop than actually doing anything constructive?

DANKART: Well it is in part of course very much a talking shop because we have no legislative power. But an area

where one can call it a Parliament, that is the area with budgetary powers. And as Community agricultural expenditure runs widely beyond expectations, and as own resources - the financial means of the Community - are close to exhaustion and may even be exhausted this year - I think it's time for Parliamentarians because the European Parliament in that area has a lot to say.

INTERVIEWER: And do the British delegates play a full part in this?

DANKART: They always have, a considerable part, because one can say of British delegates and of their EEC mentality from time to time a lot of things, but they are very active Parliamentarians and that's what we need in Europe.

INTERVIEWER: What do you say of their EEC mentality at times Mr Dankart?

DANKART: Well I understood that it may change a little bit since the last elections. I have no definite commitments. But it's of course a bit difficult in a Parliament which has a role in European construction to have a number of Parliamentarians who are out to destruct that same Europe because they are called anti-marketeers down here.

INTERVIEWER: They make quite an impact on the proceedings do they?

DANKART: They make an impact in the proceedings but - in a way - I mean, the European Parliament receives from time to time some negative publicity on b..... and on money spent and on champagne and all these kind of things. I think one has to see it also a little bit in the context of anti-marketeer members trying to be destructive on that kind of publicity and popular opinion always do that.



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Release 17.30 hrs
23rd June 1983

Extract from a speech by Mr Pieter Dankert, President of the European Parliament to the Royal Institute of International Affairs in London

Europe has got itself into a "mess", said European Parliament President Pieter Dankert in London tonight. And he put the blame squarely on the ruling Ministers from the ten countries for postponing decisions - "fiddling while the Treaty of Rome burns".

Mr Dankert, who is on a three-day official visit to London - he had an audience with the Queen today (Thursday) and sees the Prime Minister at Downing Street tomorrow (Friday) - was addressing the Royal Institute of International Affairs at Chatham House.

The Stuttgart summit, he said, was disappointing since apart from a conditional decision on compensation for Britain's 1983 budget payments, only "procedural and calendar" decisions were taken.

"This is the third Summit meeting in a row which has failed to give any new political impetus to the European Community and which has refused to tackle unemployment and the economic crisis... Not a single one of Parliament's conditions on the nature and the form for subsequent budgetary repayments to the UK has been met. I am sure the Parliament will draw its own conclusions from that".

Note: When agreeing the '1982' refund to Britain, the European Parliament declared that it was the last time it would accept an ad hoc annual settlement; there had to be a long-term solution.

The only way to bridge the "democratic gap" in the European Community was by finding proper and long-lasting solutions. The gap had been caused by the gradual deterioration of a situation which the European Parliament had constantly denounced and sought to avoid while the Council of Ministers had merely postponed decisions until later.

A "fourth power" had profited from the lack of parliamentary control over the Community policy of their governments. The European Community had fallen into the clutches of the permanent representatives in Brussels and of national finance ministries. "It is being governed by senior national officials who have no political responsibility ... making a mockery of national parliamentary control and denaturing any exchange of views between the European Parliament and representatives of the Council into a pointless sham".

If the Member States refused to release the stranglehold on the ceiling of Community resources, Europe's democratic experiment would be "wiped out". Parliament's budgetary powers were the only possible way of making the needs and aspirations of the citizens felt.

* * * * *

Mr Dankert will hold a Press
Conference at 11.45 am tomorrow,
Friday 24th June, at the London
Office of the European Parliament
2 Queen Anne's Gate, Westminster

* * * * *



Foreign and Commonwealth Office

London SW1A 2AH

22 June 1983

John Selwyn

Visit of the President of the European Parliament

As you know M. Dankert will be calling on the Prime Minister at 1030 on Friday. The Secretary of State has already had a word with the Prime Minister about the line to take with M. Dankert. I enclose personality notes on M. Dankert and other members of his party and briefs on the subjects likely to arise.

The key subject is of course the future financing of the Community and we think that the Prime Minister will want to concentrate on this in her talk with M. Dankert. The main points in the other briefs are summarised in the remainder of this letter, though I am enclosing a full set of briefs for reference purposes.

If M. Dankert raises the role of the European Parliament and its relations with the Council the Prime Minister will want to make clear our wish to see a good working relationship for which we worked hard during our Presidency (she herself was the first Chairman of the European Council to report to the Parliament). At the same time we do not see any reason for changing the powers of the Parliament as laid down in the Treaties; the Parliament's role was extensively discussed in the context of the Genscher/Colombo Solemn Declaration and the text agreed represents the consensus of Member States. We see no point in initiating further debate on this subject.

Another subject which Dankert may raise is the Council's failure to agree on a uniform electoral system for the 1984 European Parliament elections. The Prime Minister will want to make it clear that our difficulty over proportional representation was not the only reason for the Council's failure to agree - there were many other problems. She might say that we will of course play a constructive part in discussions aimed at the 1989 elections though proportional representation remains a difficulty for us. If Dankert asks what we are doing to implement the (non binding) Council Resolution in which Member States undertook to do their best to ensure that all European citizens can vote in the 1984 elections, the Prime

/Minister



Minister might say that we are considering whether there is anything we can do though this would require legislation and time is now short.

If Dankert refers to unemployment (on which the Parliament held a special session in April) the Prime Minister might take the opportunity to mention our satisfaction with the recent Council agreement on the new Social Fund Regulation, which rightly gives priority to the needs of young people. She might also express the hope that the Parliament will not hold up its adoption by pressing for "conciliation" as they show signs of doing.

If the opportunity arises the Prime Minister might welcome the interest which the Parliament (in particular Mr Basil de Ferranti) have taken in the Internal Market which has complemented our own efforts in this area. If Transport is raised she might say that we too want to see progress toward a Common Transport Policy (eg for air services and lorry movements) but we do not think that the Parliament's action in taking the Council to the European Court is likely to help.

If Enlargement is raised the Prime Minister might say that we, like the Parliament, want to see early progress. This will be essential if the Community is to meet the Stuttgart objective that Accession Treaties and the results of the negotiations on future financing should go forward for ratification at the same time.

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Prime Minister: Dankert

1. Dankert an advocate of more own resources and more Community spending on non-agricultural policies. Critical of Community "descent into national self-interest". (See Guardian interview attached.)
2. Must avoid giving him anything which he could use afterwards to criticise our position. Thus on Community financing, best to concentrate on the long term. Stress that it is a lasting reform for which we have been pressing just as much as the Parliament.
 - a) Defend outcome of Stuttgart as having launched the negotiation;
 - b) stress our desire to make real progress quickly and meet timetable of decisions at Athens. I went to Foreign Affairs Council yesterday to ensure special Council got to work quickly - first meeting to be on 8 July;
 - c) explain our wish to restructure the budget by curbing CAP expenditure and developing sensible other policies;
 - d) explain the need for budget arrangements to be fair to all;
 - e) describe very carefully our position on own resources - do not let him claim either that we are blocking Community progress or that we have now virtually agreed to an increase in revenue.
3. Only then come on to the interim and then with a light touch. He himself has said that some interim measure needed. Long term is what we really want but no way long term can be implemented in time for 1983 - so 1983 refunds essential. Hope Parliament will be realistic.



VISIT OF PRESIDENT OF THE EUROPEAN PARLIAMENT, 22-24 JUNE 1983

List of Briefs

- A: Personality notes on Mr Dankert and his party
- B: Community financing
- C: Role of the European Parliament and Council/Parliament Relations
- D: European Parliament Elections
- E: Community's role in increasing Employment
- F: Internal Market and Transport
- G: Enlargement

DANKERT, PIETER (DUTCH)

President of the European Parliament since January 1982.
Member of the European Socialist Group.

Born Stiens (Friesland) 1934. A farmer's son. Trained as a teacher with a Dip Ed in history. Former Chairman of Dutch Young Socialists and then international secretary of the Dutch Labour Party (PvdA). Member of the Dutch National Parliament and Member of the European Parliament since 1977.

Achieved a blaze of publicity in the directly elected European Parliament as Rapporteur for the 1980 Budget when he pressed his views about cutting CAP expenditure.

Highly articulate in several languages (Dutch, English, German, French). Expert knowledge of budgetary and other EC matters. Advocate of seating European Parliament in Brussels and of gradual development of the Parliament's role, particularly by use of its budgetary powers and by improving its public image. Long known as keen Atlanticist.

His wife, Paulette, is French. Three children.

CURRICULUM VITAE - DICK TOORNSTRA

Date of Birth: 21.3.49

Place of Birth: Munnekeburen, the Netherlands

Nationality: Dutch

Education: Doctorate in Fiscal Law at Groningen University

Career:

1973-1976: Civil Servant at the Finance Ministry, the Hague

1976-1977: Member of Staff - European Parliament Socialist Group Brussels

1977-80: Deputy Secretary-General of the Confederation of the Socialist Parties of the European Community

1980-1982: Secretary General of the Confederation of the Socialist Parties of the European Community

1982-present: Head of the Private Office of the President of the European Parliament

Member of the Dutch Labour Party and since 1979 first Dutch Labour Party candidate on the reserve list for Members of the European Parliament

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1150 BRUSSELS

CURRICULUM VITAE - JAN PRILLEVITZ

Date of Birth: 27 . 3 . 1933

Place of Birth: Rotterdam, The Netherlands

Nationality: Dutch

Education: Primary and Secondary Education
School for Philology and Literature,
The Hague (Ned. H.O.)

Career: 1950 - 1968 Journalist
1968 - 1971 Civil Servant at the Central Information Service
of the Dutch Government
the General Affairs Ministry
1971 - Civil Servant European
Parliament, Head of Division,
responsible for the
Information Offices of the
E.P. in Brussels and The
Hague
Since '82 Information Advisor
to the President of
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CURRICULUM VITAE - DAVID LOWE

Date of birth: 13.1.50

Place of birth: Wandsworth, Great Britain

Nationality: British

Education: Woking Grammar School
Guildford Technical College
Manchester Polytechnic
London School of Economics

Previous employment: 1975-1978
Lecturer: University of Paris 11.

1978-1980
Lecturer: University of Lancaster

1980-1983
Research Officer in the International
Department of the Labour Party,
London

Present employment: 1.2.83 -
Advisor to the President of the
European Parliament

CURRICULUM VITAE -- LOUISE ROSEWARNE

| | |
|-----------------------------|--|
| <u>Date of Birth:</u> | 12.11.56 |
| <u>Place of Birth:</u> | Barnet, London |
| <u>Nationality:</u> | British |
| <u>Education:</u> | Dean Close School, Cheltenham Diploma in Languages for Business at Wolverhampton Polytechnic |
| <u>Previous Employment:</u> | Secretary at INSEAD, France Secretary at the North Atlantic Assembly, Brussels |
| <u>Present Employment:</u> | Secretary to David Lowe in President Dankert's Private Office |

VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT : 22-24 JUNE
COMMUNITY FINANCING

Points to Make

1. The negotiation on future financing is crucial to the Community's future. We are at one with the European Parliament in wanting to see early decisions. We have always sought a lasting reform of the budget system. We are agreed too with the Parliament on the need for a better balance of spending policies. On budgetary imbalances, it was the Parliament which in the Lange resolution first put forward the idea of a redistributive financial mechanism.

~~_____~~

2. Noted that you were disappointed with the outcome of Stuttgart, but think that the reaction is unfair. The negotiation on the long-term is now well and truly launched. It has a deadline - the Athens European Council on 6 December. It has a special procedure of Ministerial meetings. And it has a detailed agenda. No doubt both of us will need to keep up the pressure to ensure that progress is really made this time; the approach of the 1% VAT ceiling should be an incentive to early decisions. At the Foreign Affairs Council immediately after Stuttgart we took the lead in pressing for the special Council to meet early - it is to be on 8 July.

3. The review will of course look at the scope for sensible new Community policies. The UK has actively worked for such policies, eg completing the internal market, expanding the Regional and Social Funds and concentrating their resources on the areas of most need, a Community coal strategy, and Community initiatives in telecommunications and information technology (cf Positive Approach booklet). New expenditure on such policies must of course be cost effective and should not lead to an additional burden on the taxpayers of Europe.

4. The other element in improving the structure of the budget

must be better control of CAP expenditure. We have no wish to destroy the principles of the CAP, but I think you agree that its operation requires reform. Stuttgart agreed that the Commission should come forward by 1 August with new proposals and that decisions should be taken as soon as possible. Key element is a financial guideline that CAP expenditure should grow at a rate markedly lower than the own resources base. This will free resources for other policies. However we must agree on changes in the regimes so that the guideline can be implemented. This should be in time to affect expenditure in 1984. Commission's proposed expenditure of 16.5 billion ecu in 1984 is excessive. We have been sometimes disappointed by Parliament's attitude, eg vote for price increases this year larger than those expected by the Council. Hope that the Parliament will lend full support to attempts to bring CAP expenditure under control.

5. Financing review must also produce a lasting solution to the problem of budgetary imbalances. We must get away from these annual haggles over refunds. The Parliament has shown sympathy with our position but sometimes criticises a "juste retour" approach to this problem. That is not what UK is seeking. We are willing to be a modest net contributor, as we have shown over the last four years. Nor is it true that we assess the benefits of Community membership in terms of budgetary balances alone. We gain major benefits from eg the Common Market and the common commercial policy but so do all other Member States.

6. Restructuring Community expenditure will contribute to the solution of budgetary imbalances, but it would be unrealistic to expect it to solve the problem quickly enough or to a sufficient degree. Commission's modulated VAT idea could also help, but only to a limited degree (one quarter of UK problem). That is why we believe some form of safety net will be needed to ensure that no member state has to bear an intolerable burden. A member state's burden would be limited in accordance with its relative prosperity. Could be implemented by VAT abatement. Member States could then assess policies on their merits.

7. Finally the review will consider the Community's need for revenue. We would be prepared to consider an increase in own resources provided that we reached agreement on an effective control of the rate of increase of agricultural and other expenditure and provided that it is accompanied by an arrangement to ensure a fair sharing of the financial burden so that no country has to pay a share disproportionate to its relative national wealth. But it would not be right to seek new revenue without first bringing expenditure, particularly on the CAP, under proper control. If it is brought under control we remain to be convinced that new revenue will be needed. We certainly cannot prejudge that.

Interim Solution

8. We aim to reach agreement on the long term before the end of this year, but it will take time to implement after that. Hope that the necessary ratification can take place during 1984, so that a long term solution is in place in 1985 and can be applied in respect of 1984. But it is absolutely clear that the long term solution cannot be implemented in time to apply to 1983. Welcome your recognition in your speech in The Hague on 4 May of the need for interim arrangements. Now that Stuttgart has agreed on the necessary interim refund for the UK, very much hope European Parliament will be realistic. Do not want again to find the UK caught in the middle of a dispute between the two institutions.

9. For the 1982 refunds, we agreed that they be paid not all through supplementary measures but partly through energy projects of Community interest. Willing to be similarly flexible on the method of payment of the 1983 compensation.

10. Expect you know that further sums are still due to the UK under the 1982 risk sharing provisions. These should be included in the next 1983 supplementary budget. This is simply the implementation of the 1982 agreement, which Parliament has now accepted in principle. Hope it will cause no problems with the Parliament.

Essential Facts

11. Dankert was a leading member of the Parliament's Budgets Committee before becoming President. He was the rapporteur for the 1980 budget, which the Parliament rejected. Our impression is that he is looking for a way to use his position as President to assert the Parliament's authority on the 1984 budget and on provisions for long term financing of the Community. A copy of his statement after the Stuttgart European Council is attached. It is unhelpful eg in its reference to juste retour and its call for an increase in own resources.

12. On CAP expenditure, however, Dankert is a potential ally. He has been an outspoken advocate of cutting agricultural expenditure and of efficient management of all Community expenditure. Indeed the Socialist Group as a whole in the Parliament has been speaking convincingly about the need for practical measures to control CAP expenditure. The record of the Parliament as a whole is however very different. In debates on the CAP price-fixing it has repeatedly called for larger increases than the Council has eventually accepted.

13. Dankert has some sympathy with the need for a more equitable system of financing. He said recently in a speech in The Hague that "interim solutions such as a financial mechanism to increase benefits and compensate disadvantages seem virtually unavoidable". The Parliament has advocated a system of financial equalisation since the Lange Resolution in 1979. But the main thrust of Dankert and the Parliament is on the need to increase EC expenditure in non-agricultural areas. They want to see a lifting of the own resources ceiling. In 1982 the Parliament blocked our 1982 refunds for the sake of this more general ambition. In the Resolution in May it repeated its opposition to temporary solutions whilst the shape of the Community's future financing remained unclear. The Parliament might again seek to make a link between progress on the long term solution and agreement to budgetary provision for our 1983 refund. We shall also require

the Parliament's agreement later this year to a supplementary budget containing our 1982 risk-sharing provision.

EUROPEAN PARLIAMENT
Secretariat

Stuttgart, 19.6.1983

INITIAL REACTION TO THE RESULTS OF THE EUROPEAN COUNCIL BY MR PIET DANKERT,
PRESIDENT OF THE EUROPEAN PARLIAMENT

(transmitted by telephone at the end of the Stuttgart summit via the Head of the
Information Department, Mr Guido Naets [?])

Despite the fine words on the future of Europe uttered in particular in the
solemn declaration, the results of the European Council are not
clear. For this reason, the results are not satisfactory; they are even
disappointing.

One cannot speak of true Community spirit if the European Council concerns
itself above all with economy measures in an already tight budget, with decimating
community policies and fighting for a "juste retour". Instead, the Council should
have concentrated on formulating new Community policies, which alone are
capable of helping ^{Europe} to advance and overcoming the crisis.

The European Parliament will be in at the finish. In the week following the
Athens summit, the Parliament will give the Community budget its second reading
and will pronounce on it. As early as 29 and 30 June the European Parliament
will discuss the results of the summit in the presence of Mr KOHL and Mr GENSCHER
who will give a report to the Parliament.

At all events, the laboriously adopted text relating to the future financing
of the European Community presents no clear or practical prospect of an increase
in the Community's own resources, which is, however, indispensable. In a few
days' time the Commission of the European Communities should present a supplementary
budget for 1983 of 2000 mecu, thus exhausting the current own resources.

The Member States cannot go on year after year stifling the Community financially

and thus depriving the directly elected Parliament of its only real power. One year before the next European elections the Heads of State and Government have given no assurances in Stuttgart that would make it possible to go beyond the "1% Community". On the contrary, they showed their criticism and distrust of Community policies, whose faults and shortcomings can, however, be attributed only to the Governments themselves.

VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT, 22-24 JUNE

ROLE OF THE EUROPEAN PARLIAMENT AND COUNCIL/PARLIAMENT RELATIONS

Points to Make [As necessary]

General

1. The UK considers that European Parliament has important role in Community's decision making process and in future development of Community. Essential that Council, European Parliament and Commission maintain close and constructive working relationship. We worked hard during our Presidency to promote a better dialogue between Council and Parliament (eg innovation of report by Prime Minister on European Council) and will continue to do so. Would be glad to have your views about how dialogue can be improved.
2. We think the Genscher/Colombo "Solemn Declaration" provides a satisfactory basis for future development of relations between the Council and the Parliament. We are aware of the European Parliament's view that it does not go far enough to meet the Parliament's wish for an expanded role. However text finally agreed represents the only basis for a consensus of the Member Governments as to what is possible at present.
3. [If asked about increasing powers of Parliament]
We consider that the Parliament can play its full part within the framework of its powers as laid down in the Community Treaties. We see no need at present to extend these powers.
4. [If Dankert raises French desire to reduce Parliament's budgetary powers] Revision of the Treaty provisions to alter the balance of powers between Council and Parliament seems to us undesirable and unrealistic. Agreement of 30 June last year was useful in clarifying the Treaty provisions on budgetary procedure. Hope we can avoid a dispute over 1984 budget. All involved should be realistic and have regard to the general restraint on public spending in all Member States.

[If asked about UK position on the conciliation procedure and/ or the Parliament's role in Treaties]

6. These questions were dealt with in the Genscher/Colombo text. The details will obviously have to be worked out in discussions between the Council and the Parliament.

[If work of the "Spinelli Committee" on a Treaty on European Union is raised]

7. Our view, which is reflected in text of Solemn Declaration is that we should review the results of this before deciding on the need for a Treaty on European Union. Understand Spinelli Committee's work still at a preliminary stage. Our general view is that Community should develop in an evolutionary and pragmatic way.

[If Seat of the Parliament is raised]

8. UK view is that until Member Governments are able to reach agreement on a permanent location, as provided for in the Treaties, the present position regarding the location of the Parliament, should be broadly maintained.

Northern Ireland [If raised]

9. The decision of the Political Affairs Committee to produce a report on Northern Ireland was widely resented in this country. But the important thing now is to ensure that the report does not prejudice the chances of peace. I hope I can count on your support on this. In my view, the report will do least damage if it concentrates on social and economic affairs, which are within the competence of the European Community while constitutional and political arrangements for Northern Ireland are not.

Essential Facts

1. Detailed background on the role of the European Parliament and Council/Parliament relations is set out in the note prepared by UKRep Brussels (Annex A).
2. Since the European Parliament became directly elected in June 1979, its members consider that they have greater legitimacy than their predecessors, (who were nominated from the national Parliaments), and have consistently sought to expand their power and influence. Dankert himself regards an increased role for the Parliament as one of the main objectives of his Presidency. This greater assertiveness on the part of the Parliament has given rise to a degree of friction in its relations with the Council.
3. A number of Community Member Governments notably those of Germany, Italy, Netherlands and Belgium generally support the European Parliament in its efforts to expand its power and influence. The United Kingdom Government, on the other hand, and those of France, Denmark and Greece, take the view that no increases in the Parliament's powers are necessary at present and that these should remain as laid down in the Community Treaties. This difference of view was clearly reflected in the negotiations on the European Parliament section of the Genscher/Colombo Solemn Declaration, where the view of those favouring no increase in the Parliament's formal powers eventually prevailed. The result was a text which makes virtually no concessions to the Parliament's demands for an expanded role (and involved no increases in its formal Treaty powers). The Parliament's dissatisfaction with the outcome was made clear in a series of meetings between Dankert and Genscher in the final stages of work on the proposals.
4. Dankert may wish to discuss the Parliament's budgetary powers. The French have been advocating a reduction in the Parliament's ability to increase expenditure. However much we may sympathise with this, it is not in our interests to pursue it. We need the Parliament's cooperation over our refunds. (It would in any case require unanimous agreement and, given the views of other Member

States there is no prospect of this being achieved.) On 30 June last year the Council, Commission and Parliament reached an agreement on some aspects of budgetary procedure. This helped to ensure that there was no dispute between the Institutions over the main 1983 budget. It did not however prevent the dispute between the Council and Parliament in the early months of this year about budgetary provision for our 1982 refunds. The Parliament eventually agreed to this, while calling strongly for a long term solution.

5. The Parliament's Institutional Affairs Committee (the "Spinelli Committee") is currently working on proposals for a Treaty on European Union, involving a considerably expanded role for the Parliament. The committee's proposals are likely to be debated by the Parliament as a whole some time in the autumn. Mr Dankert may refer to the proposals although he himself has not so far been directly involved. The proposals are likely to go far beyond what would be acceptable to a number of Member States, including the United Kingdom, and there is clearly no chance of their being implemented in the foreseeable future, even if the Parliament itself were to adopt them.

6. Detailed discussions have been going on for some time in Coreper and at Working Group level on Commission proposals for improvements in the "conciliation procedure" (which provides for consultations between the Parliament and the Council on draft Community legislation having important financial implications) and on the Parliament's role in the conclusion of Treaties and International agreements by the Community. Once again, there is a difference of view between those Member States who wish to go as far as possible towards meeting the Parliament's requirements, and others, who wish to preserve the status quo. We are prepared to make some concessions to the Parliament as long as no increase in the formal Treaty powers is involved. Little progress has been made in recent months on either subject. When the Council eventually agrees on a joint position there will be discussions with the Parliament.

7. Mr Dankert may ask our views on the seat of the Parliament, which he would like to be in Brussels. Any change in the present position would however be strongly resisted by the French and Luxembourg Governments. We try to avoid getting involved in this question and generally adopt a low profile. If pressed, we usually take the line that, until the Member Governments are able to decide on a permanent location for the Parliament, the status quo regarding its present provisional locations (Strasbourg, Luxembourg and Brussels) should be maintained.

8. In February, the Political Affairs Committee of the European Parliament decided to produce a report on Northern Ireland. HMG argued that the European Parliament had no business discussing the internal affairs of a Member State and tried (through British EDG MEPs) to prevent the report. Despite these efforts, the report is going ahead, and Mr Haagerup, a Danish Liberal, has been appointed rapporteur.

9. Mr Haagerup is now gathering material for the report, which he is likely to submit in the autumn. He will visit Northern Ireland during the week 18-23 July. As yet he has had no contact with British Ministers in connection with his report, though he has informally requested such a meeting. We have been quietly feeding Mr Haagerup factual background material on the situation in Northern Ireland, primarily through EDG channels.

PRESIDENT DANKERT'S VISIT TO THE UNITED KINGDOM, 22 - 24 JUNE 1983
A BACKGROUND NOTE ON DEVELOPMENTS IN THE EUROPEAN PARLIAMENT

The European Parliament's powers

1. The President of the European Parliament visits Britain in a year when his institution has had a higher profile in Britain than in the past, to which the blocking of the UK's refunds for 1982, the antics of "Captain Kirk" MEP in the North Sea and the Parliament's decision to produce a report on Northern Ireland contributed. Mr Eric Heffer MP was provoked to say in the House of Commons on 13 April of the decision on Northern Ireland, "this underlines what MPs of all sides of this House have been saying, that the European Assembly is becoming a Parliament and flexing its muscles - taking decisions and putting Parliaments like this one into an impossible position". In France too, the Parliament's recent action on the budget has provoked the Government to look for means of curbing it. But in other Member States the Parliament tends to be criticised for its ineffectiveness. Indeed even "Le Monde" on 27 March carried a scathing article entitled "A quarter of a century of existence". Dankert himself admitted in a recent newspaper interview that "in most respects, as far as a real Parliament goes, this is not a real Parliament".

2. The European Parliament is not a legislative body. The Council legislates on the basis of a Commission proposal. But the Parliament does have real teeth in the Community budget process, where its powers are based on a Treaty of 22 July 1975. It is the co-authority for the budget with the Council. It can reject a budget and did so twice in 1979 and 1982. Its control over budget expenditure depends on the type: on "obligatory expenditure" ie that necessarily resulting from the Treaties or subsequent acts (notably the Common Agricultural Policy) its powers are very limited; but on "non-obligatory expenditure" (essentially for policies developed since the original treaties) its word is final.

3. Apart from the budget, the Parliament has only an advisory capacity in legislation, and the opportunities provided it under

Articles 140 and 143 for routine control over the Commission are limited. In contrast, the Treaty gives it in Article 144 the power to dismiss the Commission as a whole. But it provides no real authority for the Parliament over the action of the Council.

Development of the Parliament's influence

4. Since the direct elections in 1979, MEPs have been learning how to take advantage of the limited powers the Treaties provide and the Parliament has become more influential than its non-directly elected predecessor. The very fact that a large proportion of the Members are full-time, and supported by a large Secretariat, has led to greater activity. It is now unusual for the European Parliament not to be consulted on Commission proposals for legislation. On 4 May 1981 the Parliament adopted new rules of procedure designed in part to strengthen its influence vis-à-vis the Commission and Council. For example there is now a procedure under which the Parliament can give an initial reaction to a Commission proposal and then refuse a final opinion until the Commission has provided satisfactory comments on the initial reaction. This innovation was built on a European Court of Justice ruling which annulled a Council regulation adopted before the European Parliament's opinion had been received. The new rules also provide more effective procedures for "urgent" debates. Items can now be brought on to the plenary agenda at only two days' notice.

5. In foreign policy matters, MEPs increasingly indulge in what the "Le Monde" article already quoted has described as "constant flitting about". Underlying this is a serious concern to establish a role in the Community's external relations. The political cooperation machinery has modified its arrangements for keeping MEPs informed of common positions of the Ten. The Parliament is pressing for closer involvement in agreements negotiated within the Community framework. Meanwhile it homes in on topical foreign policy issues and can cause a stir in countries like Turkey and Ethiopia when it takes up a position, and its resolutions on

subjects like the Falklands (which were favourable to the UK) have carried some weight.

Parliament/Commission relations

6. Of the institutions, the Commission has been most affected by the development of the Parliament's influence. It is both scared of the Parliament because of the latter's power of censure and at the same time keen to use the Parliament as an ally in the campaign to convince the Council and Member States to adopt stronger European policies. There is speculation as to whether the Parliament will this year use its ultimate weapon and dismiss the Commission. This would require a two-thirds majority of the votes cast, representing a majority of the Members, ie at least 218 votes. It is not easy for the Parliament to rally such a large majority. The majority might be forthcoming if a clear issue was presented which was thought attractive in the eyes of the European electorate. Future financing of the budget reform is the most obvious candidate.

Relations with the Council

7. The Parliament knows that it has the Commission running scared, but its real problem is lack of influence over the Council, its natural target. The Parliament's relations with the Council rest more on political understandings than Treaty powers. As the Council's power vis-à-vis the Commission has increased, these understandings have developed to provide new procedures, for example for the Parliament's Question Time; Council participation in debates, informal consultation; the "conciliation" procedure; and information on the Community's external treaties. Yet underlying all the procedures is the principle that though the European Parliament can express an opinion on any subject, there is no obligation on the Council to act on that opinion.

Proposals to develop the Parliament's powers

8. The Parliament has adopted, by large majorities, a series of

resolutions calling for greater powers in areas where the Council or Member States are now dominant. These recall the European Council declaration of 1974 that "the competence of the European Assembly will be extended, in particular by granting it certain powers in the Community's legislative process". The Hänsch resolution of 9 July 1981 calls for greater powers of consultation, an extension of the conciliation procedure and reform of the Council's decision-making process. The Blumenfeld resolution, also of 1981, presses for closer involvement in EC treaty-making. Far more ambitious proposals are emerging from the Parliament's Institutional Committee which was set up as a result of pressure from one of the Parliament's political clubs, the "Crocodile Club", organised by Altiero Spinelli, an Italian Socialist and former Commissioner. The Committee is drafting guidelines, to be debated in plenary in July, for a new Treaty on European Union which would replace the Treaty of Rome and bring together EC work and political cooperation, with a stronger role for the European Parliament.

Attitudes of Member States

9. The Germans, Italians, Dutch and Belgians appear ready to accept some real new powers for the European Parliament. They see a sort of "democratic vacuum" in the operation of the Community--especially in certain complicated areas of Community cooperation which are not followed in detail by the national Parliaments and where day-to-day control falls to relatively few Ministers and the bureaucracy. Thus they tend to argue that additional European Parliament influence over EC treaty-making would not mean a reduction in the rights of national Parliaments, but would be a complement to their democratic authority. Chancellor Kohl in his Government policy statement of 4 May 1983 said that the European Parliament must have greater powers so that it can operate as a democratic organ and that the direct elections of 1984 must give proof to the voters, through the MEPs, of a strong and united Europe. Signor Colombo as Foreign Minister expressed, apparently genuinely, a similar view: "The idea of a European Parliament

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electd by direct universal suffrage has never lost its attraction, although it has frequently been disparaged and held to derision. The present organisation of Europe - although a necessary stage in its development - has nonetheless failed to elicit the whole-hearted support of its people who see it as something remotely removed from their everyday life". This attitude inspired the original text in the Genscher/Colombo "Solemn Declaration" which gave the Parliament certain limited new rights notably over the appointment of the President of the Commission, the EC's international negotiations, and the Commission's policy programme. The text was watered down in negotiation to such an extent that the Parliament said that it would be better to have nothing. But it now seems possible that a text can be found which both the Parliament and Member States can live with.

10. Like the UK, the more minimalist group of France, Greece, Denmark and Ireland, often joined by Luxembourg (which takes a well-argued middle position) is not ready for any real increase in the powers of the Parliament, though is in varying degrees prepared to accept informal procedural arrangements to improve the working relationship between the institutions.

The Parliament's image, its "seat" and administrative problems

11. The Parliament's problems are in relation to public opinion as well as other institutions. 110 million Europeans cast a vote for MEPs in 1979 and the polls show that the Parliament is better known than either the Council or Commission. But it has a major problem with its image. The British public are by far the most critical. But in no Member State is the picture satisfactory. The Euro-Barometer poll of December 1982 reported that 50% of those polled had heard of the institution in all Member States apart from France, Denmark and the UK. But the figures were only 52% and 56% for Belgium, with a maximum of 77% for Germany. Of those having heard of the Parliament, only in Italy and Greece did more people have a good impression of the Parliament than a bad one.

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There is extravagance in the European Parliament which can be offensive to public opinion, particularly in the UK, Denmark and Holland. The Political Groups are given too much money to spend as they wish, such as on expensive "study days" in nice places. Parliamentary Delegations are too many and too large.

12. Much of the excessive cost (perhaps half) is, however, caused by two factors beyond the Parliament's control - the multiplicity of official languages and the fact that it has to operate in three working places - Luxembourg (the seat of the Secretariat), Brussels (where Committees meet) and Strasbourg (for plenary sessions). This arrangement is imposed by the unwillingness of anyone of the three governments concerned to let the institution leave, and under the Treaty the decision on the seat rests with the Member States acting unanimously.

UK MEPs

13. There are 81 British MEPs out of the Parliament's total of 434. Of these, 61 are Conservative and 18 Labour. Mrs Ewing (Scottish Nationalist) and Mr Paisley are the other MEPs from the UK. The Conservatives, although they have three Danish Members in their European Democratic Group (EDG) are in contrast to all the other Political Groups, a predominantly un-national block. (Genuine trans-national Political Groupings are beginning to emerge, in particular in the Christian Democrat Group in the Parliament and to a much lesser extent in the Socialist Group. The Communists are split into two distinct Italian and French camps.) The national character of the European Democratic Group can be a disadvantage since it can over-expose UK national preoccupations and make it more difficult to secure the support of other groups. But the sheer size, homogeneity and, by European Parliament standards, good party organisation of the EDG has made it an important force. The British Labour Members are split three ways, between pro-marketeters, anti-marketeters and "agnostics". This has weakened their impact, in spite of the

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energetic individual contribution by their Leader, Mrs Barbara Castle. But there have been occasions when a bi-partisan British approach on such issues as Northern Ireland has been of value to the UK.

UK Relations with the European Parliament

14. The UK approach to the Parliament has been very cautious on institutional change but open to dialogue and informal procedures and allowing MEPs to have their say, since the Council has the last word. The successful handling by the UK of Council/Parliament relations during our Presidency in 1981 stood us in good stead. The range of Ministerial contacts with the Parliament - well within the Treaty provisions - was greater during our Presidency than in previous Presidencies and the pattern we set has become the rule. The Government's efficient and tactful Presidency is remembered.

15. A major factor for the United Kingdom is that the Parliament's greatest power is over the budget - which is our greatest problem in the Community. At the level of general principles there are some important common elements in the positions of the Parliament and the UK on how to deal with budgetary imbalances. The Parliament wants a better balance between agricultural and other spending in areas such as the regions, social policy, energy and transport etc; and the Lange Resolution first put forward the idea of a redistributive financial mechanism. We have an interest in trying to work with the Parliament towards fundamental budget reform. Ten years in the Community has shown just how difficult it is to persuade other Member States to make changes and political pressure from MEPs will be helpful. MEPs will be encouraged to support the UK on budget reform if we can demonstrate that we are working for reform over time by structural means with the development of Community policies other than agriculture. We should be seen to be cooperative when sensible institutional proposals come up in such fields as regional, transport, social,

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industrial, energy and environmental policies where there is a prospect of a net benefit for the UK. But we have to remember that most MEPs favour more own resources, do not want to limit CAP expenditure and, for reasons of national self-interest, do not wish to settle our budget problem on generous terms. Our alliance is essentially tactical, and is fragile. It will be severely tested when we have an interim solution which has to be given budgetary effect.

16. To influence the Parliament effectively we have to work both through the Council and organise our national contacts. The rather weak handling of the Council's position in 1982, under the Danish Presidency, undoubtedly contributed to the Parliament's rejection of the UK refunds. We need to continue to devote effort to ensuring that the Council's position in its negotiation with the Parliament on matters of importance to us is effective. The presentation of the position is important. Fall back positions are nearly always necessary to provide a concession to the Parliament, enabling it to save face.

17. Relations between Westminster MPs and UK MEPs are worse than relations between other MEPs and other national Parliaments. Where there are clear UK interests in pursuing a policy in the Community, it may make sense to work for a degree of common effort between the MPs and the MEPs. One way of improving things is to have small groups of MPs and MEPs in contact with each other on a particular subject (eg CAP reform or regional policy).

18. In contrast, Ministerial contact with Members seems to work quite well, and the UK MEPs are as well treated in this respect as any other national group. They operate very much as individuals and Group coordination is far from perfect, so it is normally valuable, in Ministerial contacts, to ensure that the Group Spokesmen and Leaders of certain key MEPs within the Group are on board. Visits to the UK for a particular purpose by

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non-British MEPs can play a part. Visits to Strasbourg for plenary sessions by Ministers, again for a particular purpose, are occasionally appropriate, but still the exception rather than the rule, because the Presidency has the prime responsibility for relations with the Parliament.

President Dankert's role

19. Dankert was elected President in January 1982 and his term of office is two and a half years - conveniently taking him up to the EP elections (14 - 17 June 1984). His "platform" includes improving the public image of the Parliament and making economies, progress towards a single seat (Brussels) and a gradual extension of the Parliament's influence. His special expertise is on the budget and he appears to envisage a substantial institutional conflict on this in the months before the direct elections. He has put the Commission on notice that they should keep to their word on the need to increase own resources, which could present problems for the UK. However he also accepted that "interim solutions such as a financial mechanism to increase benefits and compensate disadvantages seem virtually unavoidable".

UK Representation to the EC

6 June 1983

VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT, 22-24 JUNE 1983

EUROPEAN PARLIAMENT ELECTIONS

Points to Make [If raised]

1. [If asked what action UK intends to take to extend franchise in time for 1984]. Fully accept objective that all Community citizens resident in Community should be able to vote. We are considering what can be done, but time is now very short and given the pressure on Parliamentary time in the coming session it would be very difficult for us to legislate in time to extend the franchise by 1984.
2. [If asked whether UK will be able to agree to uniform electoral procedure based on proportional representation in time for 1989 elections]. It is no secret that proportional representation is an extremely sensitive issue in this country, all the more so after the recent elections. Acceptance of system based on PR for European Parliament elections would involve a fundamental change in our electoral procedures. UK will naturally participate constructively in discussions on a uniform procedure when these are resumed, but we cannot commit ourselves at this stage to the outcome. But question whether, even if we accepted PR, agreement would be reached easily. All Member States are attached to their own (different) PR systems and are not very ready to change them.
3. [If it is suggested that UK primarily to blame for failure to agree on uniform procedure in time for 1984 elections]. Do not accept that. There were a number of difficult problems apart from the basic question of PR which had still to be resolved when the negotiations were suspended. Text on table was a long way from containing elements of a truly uniform system.

Essential Facts

1. The European Parliament adopted proposals for a uniform procedure for European Parliament elections in March 1982. These were discussed at Foreign Affairs Councils (it is for the Council to decide what provisions Member States should be recommended to adopt) in late 1982/early 1983.
2. The Government decided in June 1982 that it could not agree to a system based on proportional representation. It was decided however that we should delay revealing this decision to our Community partners for as long as possible to avoid taking the blame for the failure to reach agreement on a uniform procedure. We achieved a considerable degree of success in this approach, and when it was eventually accepted by the Council in early 1983 that, in view of the number of difficult problems which remained, it would not be possible to reach agreement in time for 1984, no undue blame was attached to the United Kingdom. It was however clear to all throughout the negotiations that the UK's inability to accept a system based on PR was one of the main obstacles to agreement, and the point will not have escaped the President of the Parliament.
3. The discussions have been suspended and it is not clear when, or on what basis they will be resumed. When they do there will be strong pressure to agree on a uniform procedure in time for the 1989 elections, and we shall be urged to accept the principle of proportional representation for these elections.
4. The Council was also unsuccessful in reaching agreement on a legally binding Community basis for extending the franchise in time for the 1984 elections. The Council did however adopt, at the 25 May Foreign Affairs Council, a resolution under which Member States agreed "to make every effort, as far as possible" to ensure that all Community nationals resident in the Community were able to vote. The UK is one of the few Member States which at

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present makes no general provisions for its citizens resident in other Member States to vote. Mr Dankert may therefore ask whether we are proposing to take any action to remedy this situation. In view of the shortage of time, and the pressure on the legislative programme, it would now be very difficult for us to legislate to extend the franchise in time for 1984. Mr Rifkind has however written to Mr Mellor at the Home Office suggesting an early meeting to decide whether anything can be done.

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VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT 22-24 JUNE
COMMUNITY'S ROLE IN INCREASING EMPLOYMENT

POINTS TO MAKE (If raised)

1. Welcome interest of European Parliament (demonstrated by special plenary session in April) in developing ways of tackling Community-wide problem of unemployment.
2. Pleased that Council recently reached agreement on new rules for the European Social Fund. It is a good agreement which rightly gives priority to the needs of young people. Believe it also meets the Parliament's main concerns. Very much hope that the Parliament can quickly ratify so that it can come into effect for 1984.
3. (More generally) Sustained reduction in unemployment possible only with the end of world recession and as industry becomes more competitive. Up to national governments to create right conditions for better industrial performance (such as lower inflation). Special measures have a role meanwhile in helping those most vulnerable in the labour market.
4. 'Vredeling' proposals on employee involvement
Government's commitment to the principle of managements informing and consulting their employees is well known. But convinced that this is best achieved voluntarily. Will wish to look carefully at revised proposals agreed by Commission on 15 June (in response to the Parliament's criticism of the earlier proposals).

ESSENTIAL FACTS

1. Mr Dankert may refer to the special session of the European Parliament on employment held in Brussels on 27/28 April. Amongst the resolutions adopted was a call for a concerted approach by national governments to combat unemployment. This emphasised the need to encourage productive investment, to ease burdens on small firms and to double the Regional and Social Funds. But a call for Keynesian-style reflation was rejected.

2. Agreement was reached at the Social Affairs Council on 2 June on new rules for the European Social Fund (which provides grants towards schemes of training, and job creation, and under which we are net beneficiaries.) The United Kingdom should benefit substantially from the priority accorded to young people (75% reserve), the concentration on areas of particularly high unemployment, and the emphasis on training rather than job creation.

3. The Parliament has called for conciliation arguing that the agreement on the Social Fund does not take sufficient account of their Opinion. The Council will write to the Parliament shortly arguing that the agreement takes account of the Parliament's views and asking the Parliament to withdraw their request for conciliation.

4. The Commission has recently put forward proposals on youth unemployment urging the adoption of a Community Programme to encourage special measures which will create jobs for young people under 25. This would set a target of reducing youth unemployment rate to national average unemployment rates within five years. Some of the measures suggested risk distorting the labour market and increasing public expenditure. The proposals will be discussed under the Greek Presidency.

'Vredling' Proposals on Employee Involvement

5. The Commission has recently put forward revised proposals for the consultation of the workforce on major decisions ("Vredeling")

directive). Although these considerably water down the original proposals (which the Parliament criticised) the mandatory element remains and is unlikely to be acceptable to the UK.

Foreign and Commonwealth Office
22 June 1983

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VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT, 22-24 JUNE
INTERNAL MARKET (INCLUDING TRANSPORT)

Points to Make

1. Confirm UK's commitment to visible progress on specific internal market measures. Glad that European Parliament shares this aim. Welcomed recent visit last month by EP Economic and Monetary Affairs Committee (led by M Jacques Moreau MEP) to discuss priorities.
2. Glad German Presidency devoted so much time - four Council meetings - to internal market, but outcome of 21 June Council disappointing. Will work to secure adoption of proposals still outstanding, during Greek Presidency, and hope that a further programme of measures can be undertaken. Important too that work continues as a priority on services, including insurance - an essential complement to the free movement of goods. Despite Presidency's intensive efforts, disappointed that so little progress has been made on the non-life insurance directive. Hope the Parliament will encourage the Commission and the Council to make rapid progress towards free trade in insurance and other services to make a reality of the Treaty.
3. An open, competitive Community Internal Market accords well with HMG's view that market forces are generally the most effective spur to industrial competitiveness.

Transport: European Parliament Court action against the Council
[only if raised]

4. We are keen to make progress towards a Common Transport Policy involving greater freedom of movement for lorries throughout the Community, more scope for competition in air services and so on. But the process of negotiation to meet varying national interests takes time, so we have to proceed step by step. [If necessary] Do not really see how European Parliament's Court action against the Council will help: merely leads to entrenched positions on both sides.

Essential FactsInternal Market

1. The European Parliament has been helpful in focussing attention on internal market issues, particularly through the Movement for Free Movement (co-founded by Mr Basil de Ferranti MEP) and its newspaper, the Kangaroo News, to which the Prime Minister has contributed a congratulatory letter. A Delegation from the EP Economic and Monetary Affairs Committee visited the UK on 10 and 11 May, calling on the Chancellor of the Exchequer, the Secretaries of State for Trade and Industry and the FCO Minister of State (Mr Hurd), to discuss internal market issues.
2. With our support, the German Presidency has given priority to discussion of internal market issues in special Councils. The conclusions of the Stuttgart European Council say helpfully that the impetus must be maintained, and particularly that progress should be made at the 21 June Internal Market Council. Regrettably, no proposals were agreed at that Council, but the Greeks accepted the need to hold two more Councils. The Greeks are not natural enthusiasts for the completion of the Internal Market, and face Commission legal action over several Treaty infringements aimed at protecting domestic industry from Community competition.
3. Several of the items discussed on 21 June have raised the problem of the institutional balance and controls within the Community; the UK favours Council rather than Commission or simply national control. If questioned, this line can be defended as motivated by the desire to lend the Council's weight to the Commission's role as keeper of the Community's conscience on trade policy measures and budgetary control.

Transport

4. The European Parliament - formally through Mr Dankert - has

brought a European Court action against the Council for alleged failure to agree on a Common Transport Policy (CTP) as required by the EC Treaty. The Parliament cites 16 instances where the Council has failed to agree long outstanding Commission proposals. The Court case is likely to be heard later this year. We favour negotiated progress towards a CTP. The European Parliament's action has at least as much to do with challenging the present balance of power between the Community institutions as with Transport issues. The Council has maintained its cohesion in arguing:

- a) that there is no case to answer and
- b) that if the Court disagrees and examines the substance of the Parliament's case, the Council is making slow but reasonable progress towards a common policy.

4

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VISIT OF THE PRESIDENT OF THE EUROPEAN PARLIAMENT:
22-23 JUNE

ENLARGEMENT

POINTS TO MAKE

1. Want to see Spain and Portugal join Community by 1986 as they wish. Means aiming to get negotiations finished as soon as possible - an objective underlined by the conclusions of the European Council.
2. Most immediate task is for Agriculture Ministers to finish their work on reform of Mediterranean agricultural regimes so that progress can be made on agriculture chapters of accession negotiations.
3. (If Dankert presses on link between two sets of negotiations in Stuttgart conclusions) This merely underlines the need to get on with both tasks as fast as possible. Both must be given the highest priority. But we do not accept that there is any more link between them than that.

Enlargement and Own Resources: (If necessary)

4. Enlargement is only one future source of pressure on the own resources system and by no means the most important. Hope that Parliament will lend full support to efforts to bring CAP expenditure under control.

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ESSENTIAL FACTS

1. The Stuttgart European Council did not discuss the Mediterranean agricultural regimes. Action still lies with Agriculture Ministers who will need to make a final push after the Italian elections to resolve the outstanding questions on fruit and vegetables and agree on the way forward on olive oil.
2. It is now generally accepted that the Community should aim to complete the accession negotiations in 1984 so that Spain and Portugal can join by 1986 (the next Spanish elections, and the deadline set by the Spanish Government).
3. Dankert is a strong advocate of new own resources, and may try to argue that our position on this issue threatens the enlargement negotiations, since enlargement requires new own resources. We do not accept this argument: it is rather the spiralling costs of CAP expenditure that have put pressure on the Community budget. The aim set out in the Stuttgart conclusions of submitting the accession treaties "for ratification when the result of the negotiation concerning the future financing of the Community is submitted" will present us with problems if our partners try to interpret the link between the two sets

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of negotiations in too literal a sense; if we are to avoid another interim settlement: we need results from the negotiations on future financing well before the enlargement negotiations are likely to end (the end of 1984 is an optimistic estimate for this). So it would be wisest not to get drawn any further into detailed discussion of the formulation in the Stuttgart conclusion than is absolutely necessary.

European Community Department (External)

22 June 1983

CONFIDENTIAL

~~AFK~~



10 DOWNING STREET

David Hancock asked me
say that No. 10 are
setting on an invite to
Dankent, all others,
including the Palace, have
agreed it. Sir Michael
Butler says Dankent is
annoyed by the delay
and asks for confirmation
of the details later today.
I attach the file which suggest
you have passed approval to the FC

Mark

I did indeed write 11/4

to F.C.O. on 28 Nov. No action.

AM 11/4.



10 DOWNING STREET

From the Private Secretary

28 March, 1983

Visit to the UK by Mr. Dankert

Thank you for your letter of 22 March.
The Prime Minister would be glad to receive
the President of the European Assembly
at 10.30 on Friday, 24 June.

A.J. COLES

R. B. Bone, Esq.,
Foreign and Commonwealth

NR



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Agree to receive the
President of the European
Assembly at 10.30 on
Friday, 24 June?

22 March 1983

A.S.C. $\frac{25}{3}$

Yes
not

for John,

Visit to the UK by Mr Dankert

In your letter of 17 January you said that the Prime Minister would be willing in principle to receive Mr Dankert during his visit to the UK, then planned for 18 - 22 April. I subsequently told you that these dates were no longer possible for Mr Dankert.

We have now established informally that 22 - 24 June is likely to be acceptable for us and for Mr Dankert and we should like to issue a formal invitation to Mr Dankert accordingly. Before doing so, however, I should be grateful to know whether it would be convenient for the Prime Minister to receive Mr Dankert during this period.

Yes

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Euro Pol.
Oct 79. Pres.
visit of Euro
of the Parliament.



12-11-79



file 116

cc Miss Stephens

10 DOWNING STREET

From the Private Secretary

19 January 1983

VISIT TO THE UK BY THE PRESIDENT
OF THE EUROPEAN PARLIAMENT

Thank you for your letter of
17 January.

The Prime Minister would be glad
to receive Mr. Dankert for 45 minutes
at 10 o'clock on 20 April.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

010.

①

Prime Minister



Agree to receive Mr. Dankert for 45 minutes at 1000 on 20 April?
A.J.C. 18.

Foreign and Commonwealth Office

London SW1A 2AH

17 January, 1983

John Taylor

Yes mk

Official Visit to the UK by the President of the European Parliament

Mr Dankert, the current President of the European Parliament, has told us that he would like to follow the pattern set by his predecessors and pay an official visit to each Community capital during his term of office. His immediate predecessor, Mme Veil, was here in November 1980. Douglas Hurd extended an invitation in principle to Dankert when he saw him in Strasbourg on 12 October. Dankert's office have since been in touch with us to suggest dates. Of those they have suggested, a visit during the week 18-22 April seems to be the most convenient from our point of view, and Mr Pym proposes to confirm the invitation for two days during that week.

We have considered carefully the timing of the visit in relation to the current problems with the Parliament over our 1982 refunds. Whether or not the problem has been resolved by then, on balance we consider that a visit by Dankert is likely to provide an important opportunity to put across our concern about the Parliament's handling of the 1982 budget and our thinking generally about a lasting solution to the budget problem.

Mr Pym would envisage a programme along the lines of that arranged in 1980 for Mme Veil (copy enclosed) and hopes that it would be possible for the Prime Minister to receive him at some point during the week concerned.

Yes mk
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

Visit of
Her Excellency
Madame Simone Veil
President of the
European Parliament

6th. - 7th. November 1980

PROGRAMME

THURSDAY, 6 NOVEMBER

1130 hrs Arrive London Heathrow Airport by flight BA 305 from Paris. De Havilland Suite, Terminal 1.

Met by Special Representative of the Secretary of State for Foreign and Commonwealth Affairs, Sir John Stow and Mr J Poston, Foreign and Commonwealth Office.

1150 (approx) Leave the Airport by car.

1230 (approx) Arrive Claridge's. Met by the General Manager, Mr B Lund Hansen.

1245 (approx) Lunch at Claridge's, restaurant, ground floor.

1355 Depart hotel for House of Commons.

1415 The Leader of the Liberal Party, The Rt Hon David Steel MP.

1515 Prime Minister's Question Time.

1630 The Speaker, The Rt Hon George Thomas MP.

1710 Depart House of Commons for 10 Downing Street.

1715 Call on the Prime Minister.

Return to hotel.

1945 Depart hotel for Lancaster House.

2000 for 2015 Dinner given by Her Majesty's Government. Host: The Lord Chancellor, The Rt Hon The Lord Hailsham. Dress: Black Tie.

Return to hotel.

FRIDAY, 7 NOVEMBER

0855 hrs Depart hotel for House of Lords.

0915 (Chairmen, House of Commons and House of Lords Select Committees on Europe.

1030 Mrs Gwyneth Dunwoody MP, Labour Party.

1125 Depart for Foreign and Commonwealth Office.

1130 Call on the Secretary of State for Foreign and Commonwealth Affairs.

1215 Depart for Buckingham Palace, Grand Entrance, entering by North Centre Gate.

1220 Audience of Her Majesty The Queen.

1300 for 1315 Lunch given by Secretary of State for Foreign and Commonwealth Affairs at 1 Carlton Gardens.

1450 (approx) Depart for Office of the European Parliament, 2 Queen Anne's Gate.

1500 Press Conference.

1605 Depart for National Gallery, Trafalgar Square.

1815 Depart National Gallery for Airport, Terminal 2, Kingsford Smith Suite. Mr J Poston, Foreign and Commonwealth Office and Special Representative of the Secretary of State for Foreign and Commonwealth Affairs, Sir John Stow, will bid farewell.

1930 Depart for Paris on flight AF 879.

*The President
of the European Parliament*

Euro Pol

Luxembourg,

193 NOV. 1980

R17/11

Dear Prime Minister,

It was a great pleasure for me to have met you during my official visit to the United Kingdom. I would like to thank you personally and all those concerned for the hospitality shown to me during my stay.

I found our discussions most interesting and these have strengthened my conviction that the United Kingdom has a constructive role to play in the building of Europe.

With kind regards,

Yours sincerely,

(Vul)

The Rt. Hon. Mrs Margaret THATCHER, M.P.,
Prime Minister,
10 Downing Street,
LONDON SW1.



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15 Dec 80

Ref. A03534

PRIME MINISTER

Cabinet: Community Affairs

You might wish to inform the Cabinet of the main points raised in your talks with Madame Veil, President of the European Parliament, on 6th November. The Foreign and Commonwealth Secretary may wish to add his own impressions.

2. The Minister of Agriculture might be invited to report on the outcome of the 10th-11th November Agriculture Council. On New Zealand butter, France and Ireland were isolated on the two main questions of duration and quantity, which were referred to the 24th-25th November Foreign Affairs Council. Other countries accept a three-year arrangement and Mr. Walker is pressing for wording which will imply further extension of the access arrangements after 1983.

3. You are meeting Chancellor Schmidt on 16th-17th November. The Finance Council will meet on 17th November, the Fisheries Council on 17th-18th November and the Development Council on 18th November.

*Fisk.
Walker
MOT.*

RA

(Robert Armstrong)

12th November, 1980

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File RA

Euro PA

cc. Mast et seq.

SUBJECT.



10 DOWNING STREET

From the Private Secretary

7 November 1980

Dear Paul,

CALL BY THE PRESIDENT OF THE EUROPEAN PARLIAMENT

Madame Simone Veil, the President of the European Parliament, called on the Prime Minister yesterday evening. She was accompanied by her Private Secretary, M. Scheer. The Lord Privy Seal was also present. A large number of topics were touched on.

Relations between the European Council and the European Parliament

After^a discussion of the role of the European Parliament, in the course of which Madame Veil commented favourably on the contribution made by British MEPs, the Prime Minister asked whether she should address the European Parliament when the United Kingdom held the Presidency of the Community next year. She knew that the Benelux Heads of Government were keen for the President of the Community to address the Parliament during his or her term of office. But President Giscard on the other hand was opposed to the idea. Madame Veil said that the European Council was now, de facto, a Community institution where decisions were taken. There must, therefore, be a dialogue between the President of the European Council and the European Parliament. She did not think there was any real difficulty for the French Government. They could after all send M. Barre. The Prime Minister said she hoped something could be worked out. She did not wish to have a disagreement with the French Government on this issue.

Energy

Madame Veil said that in the European Parliament it looked more and more as though the only European policy with any substance was the CAP. It was important that there should be other common policies in economic areas. If the ordinary citizen did not see the Community developing in this way there would be considerable dangers. Madame Veil wondered whether there was any possibility of initiating a common energy policy. Could one for instance, envisage common pricing or the use of Community funds to develop new sources of energy? The Prime Minister said that she could certainly envisage more joint research being done on new sources of energy. There was after

all a common need to reduce our dependency on oil from the Gulf States. She thought there could perhaps be common rules on matters such as the temperatures in buildings and that a common approach might be developed to some of the difficulties associated with the development of nuclear energy. But she did not see how it would be possible to proceed to a unified pricing policy. The needs and the costs in Member countries varied too widely.

The Reform of the Budget and of the CAP

The Prime Minister asked about attitudes in the European Parliament on reform of the CAP and of the budget. Madame Veil said that there was a wide recognition of the need for reforms and of the importance of diminishing agricultural surpluses. It was recognised that if present policies continued there would soon be no money for other programmes. At the same time it was realised both that a strong agricultural policy was needed and that there were very great practical difficulties in finding solutions to such problems as the surplus of dairy products. The Prime Minister asked whether anyone favoured the idea of national aids. Madame Veil thought these would be difficult. However, it was obvious that with the approach of the 1 per cent VAT ceiling, something would have to give. The Prime Minister said that the 1 per cent VAT ceiling was the main incentive to secure reforms in the CAP. HMG would stand on it absolutely. Madame Veil said that the European Parliament also recognised the importance of the 1 per cent VAT ceiling in the short term. But eventually more funds would be needed. In the absence of such funds, new policies could not be developed. If there were no new and dynamic policies in the years ahead, Europe itself would be endangered.

As regards the 1981 budget, Madame Veil said that, although she was not certain, she expected that it would be voted through by the Parliament in December. However, it was possible that the Parliament would vote more than the maximum sum envisaged by the Council of Ministers. If the Council rejected the amendments proposed by the Parliament, there could be difficulties. It was important that MEPs should not get a feeling that their views were invariably rejected by the Council. The Lord Privy Seal commented that if the European Parliament enlarged the budget, the effect could be the same as if they had rejected it. This would be very awkward.

The Outgoing President of the Commission

The Prime Minister asked whether Mr. Jenkins would be giving an "end of term" report to the European Parliament. Madame Veil said this was not foreseen at present but might be a good idea. However, the European Parliament were really more interested in hearing the proposals of the new Commission than reports from the departing President.

/Sight of the

Sight of the European Parliament

Madame Veil said that it was essential for the European Parliament to have a single site. But it was very difficult to see how agreement on this could be achieved. The Prime Minister indicated sympathy with Madame Veil's description of the waste of energy, time and money involved in the present arrangements but agreed that it was at present difficult to see how agreement on a single site could be reached.

Enlargement

Madame Veil asked about the prospects for Portuguese and Spanish entry in 1983. The Prime Minister said that it might become necessary to think of getting Portugal in before Spain. It was very important for political reasons that Portuguese entry should not be delayed. She could see no reason why Portuguese entry should be held up for Spain. Madame Veil agreed about the importance of early entry for Portugal. But she wondered whether Spain would be prepared to accept that Portugal should have priority.

Commission Portfolios

Madame Veil said that the European Parliament would like to be consulted about the appointment of the new Commission. In particular they considered that there should be a woman on the Commission. The Prime Minister indicated sympathy with this view. However there did not seem to be many openings left. She had, for instance, been told that both the French Commissioners would be staying on. Madame Veil said that she did not think this was the case. The Prime Minister asked whether M. Gundelach would be retaining his portfolio. Madame Veil said that this was not yet clear. The Prime Minister said that we would like Mr Tugendhat to retain the budget portfolio although he would also be very well qualified for the energy portfolio.

I am sending copies of this letter to John Wiggins (HM Treasury), Kate Timms (MAFF), Jim Buckley (Lord President's Office), Julian West (Department of Energy) and David Wright (Cabinet Office).

Yours ever

Richard Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

✓ 16

MR. ALEXANDER

Visit by Mme Simone Veil

1. The Foreign Office rang today to confirm that Mme. Veil will wish to have with her in the meeting her Private Secretary and an interpreter Mrs. Valerie Landon.

Agree?

2. The other members of her party, namely Mr. John Taylor, Director General for Research and Documentation, Mrs. Anne Manson, A.P.S., and M. Francois Bordry, Press Attache, together with a gentleman from the Foreign Office who will be looking after them, have been told that they will have to wait outside the Cabinet Room.

4 November 1980

OK
Euron. Pol.
Miss Stephens.

Paul

Ed.
I miss you saw
helmet number
but.



Foreign and Commonwealth Office

London SW1A 2AH

4 November 1980

for briefing folder
Paul

Dear Michael,

Call by President of European Parliament,
5.15 pm Thursday 6 November

I enclose briefing for Mme Veil's call on the Prime Minister consisting of:-

- (i) a steering brief
- (ii) a more detailed brief
- (iii) a note on Mme Veil
- (iv) a copy of her programme

Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing St

Note
Briefing in folder
attached to this file.

VISIT OF PRESIDENT OF EUROPEAN PARLIAMENT

6-7 NOVEMBER

STEERING BRIEF FOR PRIME MINISTER

1. Madame Veil is to call on the Prime Minister at 5.15pm on Thursday 6 November; there is no agenda.
2. Madame Veil is coming as the guest of HMG as part of a round of visits to all the Community capitals, (except Paris) because of her background). She has been received by the Heads of State and of Governments in all the other Member States. She was a successful and powerful Minister in France and is now sensitive about the dignity of her position as President of the European Parliament. There are currently rumours that if there is a Ministerial reshuffle after the French Presidential elections she will be hoping to become Foreign or even Prime Minister.
3. During the period immediately after direct elections in June 1979 there tended to be a spirit of confrontation between the Council and Parliament as the latter flexed its muscles and tested its powers while the former was chary of the enthusiasms of the new Members. This spirit reached its head with the Parliament's rejection of the 1980 draft Budget.
4. Relations are now settling down, however, with each side trying harder to understand the other's point of view. The Parliament's relations are with the Council as a whole rather than with individual Member States. But there are several issues which affect us directly such as the need for the 1981 Budget to be adopted punctually to allow us our refunds during the current financial year or less directly, such as MEP's salaries, the seat of the Parliament or a common electoral system.
5. At the same time the UK has consistently made the point that we are anxious for close and cordial relations between the institutions and particularly between Council and Parliament.
6. It is therefore important that Madame Veil should be left in no doubt about the strength of our commitment to the Community and to good relations between its institutions, the importance we attach to the Parliament's role under the Treaties and our intention to make this commitment clear during our Presidency. By the same token the Prime Minister may wish to take the opportunity to make clear that where we

do take a restrictive line (eg. on MEP's salaries) it is not from any intrinsic hostility to the Parliament but for clear, political reasons.

7. A brief on the European Parliament and the main issues connected with it, a note on Madame Veil and a copy of her programme are attached.

VISIT OF PRESIDENT OF EUROPEAN PARLIAMENT, MADAME SIMONE VEIL
6 - 7 NOVEMBER

POINTS TO MAKE

General

1. Directly-elected Parliament now has over a year's experience. What lessons does Mme Veil draw? What are the prospects?

Powers

2. HMG see no case at present for extending EPs powers. Should learn to use fully existing powers and then, if appropriate, make case for their extension.
3. Growing influence of Parliament through MEP's access to national governments, Resolutions, questions to Commission and Council, etc.

Budget

4. Share Parliament's concern over balance of expenditure under the Budget. Anxious to avoid conflict this year and for 1981 Budget to be passed according to normal timetable.
5. But in a period of recession and public expenditure cut-backs in Member States same criteria must be applied to Community's budget. Cannot therefore agree to uncritical increases in Community expenditure and intend to stick to 1% VAT ceiling.
6. In Mme Veil's inaugural speech she suggested EP should play a full part in suggesting new financing methods to succeed current own resources arrangements. Had she anything in particular in mind?

Restructuring

7. Understand EP anxious to be associated with restructuring exercise. Agree appropriate for EP to be kept informed.

European Parliament's own Budget

8. Excessive provisions for staff and over-generous allowances can only create a bad public impression, lead to accusations of self-indulgence and reduce the credibility of the Parliament's claims to be the Community's budgetary watch-dog.

/Salaries

Salaries for MEPs

9. Not appropriate for European Parliament to press at this stage for control of own salaries, particularly if they were set at a level which led to substantial increases in some Member States.

10. UK would find it politically most difficult to accept any system which led to UK MEPs being paid more than or taxed differently from Members of the Parliament at Westminster.

Seat of European Parliament (if raised)

11. Decision is for all Member States to take. But understand Parliament's concern that present peripatetic existence leads to substantial waste of time, money and energy. Hope satisfactory solution can be found.

Common Electoral System

12. Will be interested to see what emerges from Parliament's sub-Committee but would have to consider particularly carefully any proposals which would involve a radical departure from our traditional electoral system.

Council/Parliament Relations

13. Important for major institutions of Community to work closely together rather than confront each other. Believe there is now greater understanding of each other's view-points by Parliament and Council than in period immediately following direct elections.

14. Within limits of the institutional relationship we shall be happy to do all we can to keep EP informed and take account of its views, particularly during UK presidency.

Reporting on European Council to European Parliament (if raised)

15. Prime Minister would be quite prepared to make statement to EP on European Council in UK Presidency. Questions due to be discussed at December European Council; shall have to see what line other Member States take.

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BACKGROUND

General

1. On the UK's accession to the Community in 1973 there were 198 Members of the European Parliament (MEPs), selected by nomination from national Parliaments and thus enjoying a dual mandate. The UK delegation was composed of 34 members of the Commons and Lords but the Labour MEPs did not take their seats until after the referendum in 1975. The UK delegation, who were used to Westminster methods, made an early and strong impact on the European Parliament's working methods. They brought more cut and thrust to what had previously been set-piece debates and, in particular, could take credit for the introduction of a question-time which more nearly resembled that at Westminster, allowing supplementary questions and more effective interrogation of Members of the Commission and representatives of the Council of Ministers.

2. In 1974 the European Council of Heads of State or of Government agreed that the Treaty provisions for direct elections to the European Parliament should be implemented. After the negotiations between the Member States were concluded in 1976, the first direct elections were held in June 1979, returning 410 MEPs, of whom the UK (like Germany, France and Italy) elects 81. At its first session in July 1980¹⁹ Madame Veil was elected President defeating Monsieur Gaston Thorn. The next direct elections will be held in 1984.

UK Membership

3. 60 Conservatives and 1 Ulster Unionist were elected and, with three Danes, form the European Democratic Group. The Group represents 15.5% of the seats and with 95% of its members coming from 1 party is the most homogenous Group in the Parliament. It is sometimes at a disadvantage by being considered to represent HMG, coming from the party of government, but makes up for this by being one of the most conscientious and best disciplined of the various Groups.

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4. The UK Labour MEPs (17 and 1 Social Democratic Labour Party) sit with the Socialist Group, the largest single Group in the Parliament (112) and the only one to draw adherents from all the Member States. Although supplying one sixth of the Group's membership the UK Labour contingent is, however, hampered by being dominated - at least nominally - by opponents of the Community; they have been in a particularly invidious position since the Labour Party Conference at Blackpool voted for UK withdrawal.

Powers of the European Parliament

5. A detailed note on the powers of the Parliament is attached at Annex A.

6. The UK, together with the rest of the Council, believes there is no case to be made at present for extending the Parliament's powers under the Treaties. (In the case of the UK any such extension would require the approval of Parliament). The Parliament, however, is anxious to increase its influence if not its formal powers.

7. In her inaugural speech on 18 July 1979 Madame Veil took a cautious line, however, calling on her fellow MEPs to give fresh impetus to European integration by cooperating closely with other Community institutions rather than by seeking to extend the Parliament's existing powers, and was careful to emphasise the responsibilities the Treaties lay down for each institution. (As President she can exercise considerable influence in the Parliament, although she cannot necessarily frustrate the will of a majority.)

Budget

8. In December 1979 the new, directly-elected Parliament wielded for the first time the Parliament's most important power and rejected the Community's 1980 draft Budget on the grounds that too much money was devoted to agriculture and not enough to other areas of expenditure, eg Regional or Social policies. Six months later, however, it climbed down and adopted a Budget which was virtually

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identical to that it had rejected; meanwhile Community expenditure had continued under the provision that in the event of the draft Budget's rejection the Commission may spend each month one-twelfth of what was entered in the previous year's Budget for any particular item.

9. Since there is only a token entry in the 1980 Budget for payment of refunds of the UK's contribution, we can receive nothing in 1981 until that year's Budget has been adopted. Given the Prime Minister's statement to Parliament that we should receive the bulk of our payments before the end of the current UK financial year (the Community's runs from 1 January to 31 December) any rejection by the European Parliament of the 1981 Budget (or serious delay in passing it) would be embarrassing and damaging.

10. The Parliament seems unlikely, however, at the moment to reject the 1981 Budget. A greater risk is that it will try to increase expenditure in those sectors over which it has the last word (essentially non-agriculture) beyond the maximum rate, leading to stalemate with the Council. The UK Conservatives in the European Democratic Group are, however, aware of this risk and the French MEPs, too, are likely in the main to try to avoid such an occurrence since they are generally responsive to the French Government's interests. Any delay in implementing the Budget would limit expenditure on agriculture; the French Government is anxious to avoid this in the run-up to an election.

11. Madame Veil will just have come from the Parliament's Budget session in Luxembourg, at which the Parliament will have proposed modifications to obligatory expenditure (mainly CAP) and amendments to non-obligatory (Regional, Social Funds etc). The Budget then comes back to the Council on 24 November, at which a qualified majority in favour of any modifications proposing increases is necessary for it to stand; modifications for decreases stand unless there is a qualified majority against them. Amendments proposing increases or decreases in non-obligatory expenditure stand unless there is a qualified majority against them. The Council has the last word on all proposed modifications to obligatory expenditure

/but

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but the Parliament can re-instate amendments at its 15-19 December session. If there is disagreement between the Council and Parliament at that stage (eg if the Parliament's proposals would take the Budget over the maximum rate) negotiations are held between the Council and a delegation from the Parliament to reach a compromise.


12. Another, if less pressing issue is restructuring of the Community Budget. Already in her inaugural speech Madame Veil had suggested that the Parliament should not confine itself only to the expenditure side of the Budget but should also concern itself with Community revenues; in particular it should play a full part in suggesting new financing methods to succeed the current Own Resources which are about to reach their limit. As part of the 30 May Agreement limiting the UK Budget contribution the Commission is obliged to make by end June 1981 proposals for restructuring the Community Budget; the Parliament has made it clear that it will wish to be associated with this exercise.

Budget of the European Parliament

13. Each Community institution is responsible for drawing up its own budgetary estimates. The Parliament's estimates for 1981 seemed excessively generous, particularly in relation to staff complements. Whereas, however, the Council has insisted on cuts in its own Budget and in that of the other institutions the Parliament's has gone unchecked, since no Member State was prepared to antagonise the Parliament. The UK did not press the point since our overwhelming interest is to ensure that the European Parliament does not reject or hold up the 1981 Budget, in case that jeopardises payment of our budget contribution refunds. But the fact remains that in a period of austerity and budgetary restraints, in the Community as a whole, the Parliament has not set a good example.

/Salaries

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Salaries

14. Madame Veil wrote to the President of the Council at the end of March 1980 to suggest that MEPs' salaries should be paid from Community funds. She proposed that they should be set at a given percentage of a Commissioner's or set independently; be paid from Community funds; and be subject to the national coefficient applied to the salaries of Community officials living and working in the different Member States. The Council has replied - to our satisfaction - that for the moment we should stick to the present system under which MEPs are paid at national rates from national exchequers and are subject to national taxation regimes, while allowances are the Parliament's responsibility. This system was agreed by the European Council and endorsed by an informal decision of the Council of Ministers in December 1978.

15. The Parliament, however, sees control of its own salaries as an important symbol of its independence from the Council. It has never formally agreed to the present system but only reluctantly acquiesced; it is unlikely to let the matter drop and will no doubt aim to have a Community-based system in place before the next direct elections. A working group of the Parliament's management committee has drafted a report which is likely to recommend that MEPs should receive salaries of between £19,000 and £23,000 and be subject to Community, not national taxation.

Allowances

16. MEPs' allowances are paid by the Parliament; a table comparing them to those enjoyed by UK MPs is at Annex B. HMG's view is that any excess of allowances over actual expenditure is liable to taxation.

Seat of the European Parliament

17. The present locations of the Community's institutions are formally provisional. The Parliament's Secretariat is in Luxembourg, its Committees meet in Brussels and its sessions are divided about 1 to 2 between Luxembourg and Strasbourg. This adds some 10% or

/over

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over £10 million to the Parliament's Budget, quite apart from the waste of time and energy.

18. In the face of growing pressure from the MEPs for a single working place, (and probably majority support for Brussels) France has proposed that Member States take a decision under Article 216 of the Treaty (which requires unanimity) to fix permanent seats for the Community institutions. In February 1980 the French Government signed an agreement with Strasbourg and the regional authorities undertaking to provide substantial investment to improve roads, railways and the economic infrastructure of the region. And at the instigation of the town a new office block for MEPs has been built at Strasbourg which gives each MEP his own office with bed and shower.

19. It is a major interest of French policy to have the European Parliament's permanent seat established at Strasbourg. For our part we would in the long run like to see the Parliament established in Brussels but, given the strong interests of France and Luxembourg and the fact that the Treaty requires unanimity, we should avoid getting involved in the argument for as long as possible.

Common Electoral System

20. The first direct elections were held under national systems in each Member State but the Treaty requires the Parliament to make proposals to the Council for a common electoral system. A Sub-Committee of the Parliament is working on the subject but appears to be bogged down. It is almost certain to recommend a form of proportional representation; in 1979 the UK was the only Member State to use the simple majority, first past the post single-member constituency system. The sub-Committee's original aim was to produce a first draft for its main Committee by Christmas 1980, or there would be little time for first the Parliament as a whole to recommend a system to the Council, then for the latter to reach agreement and finally for the appropriate legislation to be passed in the Member States in time for the next elections in 1984. The timetable seems to have slipped, however.

/Council

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Council/Parliament Relations

21. The powers of the Community's institutions are laid down by the Treaties. Since direct elections, however, the Parliament has not only rejected the 1980 Budget but has shown itself anxious to have a greater say in various areas of Community activity in which the Treaties give it no or, at most, a minimal role. For example it has asked to be consulted over the appointment of the new Commission and its programme, to have the right to ratify the Community's trade and association agreements on which at the moment it is only consulted, is anxious for more account to be taken by the Council of its resolutions and opinions and would like to have a greater say in Political Cooperation, which is not Treaty-based at all. There are also questions such as MEPs' salaries, a common electoral system, or the Parliament's own seat which give rise to strong feelings.

22. There is thus a wide range of questions which can lead to friction between the Council and a Parliament anxious to extend its influence, if not its formal powers. At the informal meeting of Foreign Ministers on 26/27 October several Ministers expressed the fear that the Parliament might become unnecessarily resentful and antagonistic in its attitude towards the Council and that the balance of the Community's institutions might be upset. It was agreed that there was a general need to try to treat the Parliament more sympathetically.


UK Presidency

23. During our Presidency in the second half of 1981 we shall be responsible for the Council's relations with the Parliament. The areas of greatest interest to the Parliament will certainly be the Community structural review and 1982 Budget; other questions such as the common electoral system, seat of the Parliament or MEPs' salaries may also be active.

24. UK Ministers will be involved in the following activities with the Parliament:

/Inaugural

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Inaugural statement on Presidency programme;
Final statement on Presidency programme;
Report on European Council;
Council Question Time;
Political Cooperation: Question Time;
Political Cooperation: Colloquies;
Political Cooperation: Annual Report;
Budget Procedure;
Conciliation Procedure;
Informing the Parliament: Trade and Association Agreements.

25. These Presidency contacts with the Parliament will be an important opportunity to advance both the UK's and the Council's relations with the Parliament, but some of the questions will need careful handling. It has not yet been decided which Ministers will take on each activity.


Reporting on European Council to European Parliament

26. The Three Wise Men's Report on Community Institutions proposed that the President of the European Council should be prepared to report on its meetings to the European Parliament. The Prime Minister agreed with Lord Carrington's recommendation that she should be prepared to do so during our Presidency. The French, however, have insisted that the question is for the European Council as a whole to decide, that Giscard cannot appear before the European Parliament as he does not before the National Assembly and, therefore, no other Head of State or Government should do. M. Thorn raised the question with Lord Carrington on 27 October; Mme Veil may also refer to it.

Staffing Questions

27. Earlier this year we were approached by the Parliament to see whether we could supply a British Director-General who would be /responsible

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responsible for relations with the Council. We put forward several candidates but Mme Veil decided that since she was already having trouble with the unions over the Parliament's working place - the Secretariat is in Luxembourg so most staff live there, deplore the time and effort used in travelling to Strasbourg and are certainly not anxious to move there - she was not prepared to antagonise them further by parachuting in an outsider. If the question is revived, we should still be prepared to offer candidates.


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Powers of the European Parliament

A: Budgetary

1. The Parliament's rights in the budgetary field derive from the Treaty of Rome, as amended by two Budgetary Powers Treaties of 1970 and 1975. It has acquired further functions within the Treaty framework in documents agreed between the Institutions, eg. the Joint Declaration of 1975 on a conciliation procedure between Parliament and Council. The Parliament's powers are greatest and best established in the field of the Budget. The essential points are:

- (a) According to the Budgetary procedure laid down in Article 203 of the Treaty, when it receives the Commission's provisional draft Budget, as altered and 'established' by the Council, the Parliament can amend any provisions in it which are 'non-obligatory' - i.e. are not strictly necessitated by the Treaty of Rome or subsequent Acts. The precise definition of non-obligatory expenditure is a matter of disagreement between the Institutions. At present it is taken to cover almost all expenditure items except those connected with the CAP. The Parliament's amendments to non-obligatory expenditure can be challenged by the Council but the Parliament has the last word on them, subject to a ceiling on non-obligatory expenditure (the so-called maximum rate - calculated by the Commission) which can only be over-stepped by agreement of both Parliament and Council.
- (b) The Parliament can also propose to modify items of obligatory expenditure. If these modifications increase expenditure they fall unless approved by a majority vote in the Council. If they do not increase overall expenditure they stand unless rejected by the Council's majority vote.
- (c) The Parliament can also alter the Budget nomenclature during the budgetary process, eg. by adding new items of expenditure for new policies. The Parliament has claimed



and pass Resolutions on them within limits laid down in two letters from the President of the Council to the President of the Parliament. The Council has also agreed to hold regular colloquies with the Parliament on PoCo questions.

which can amend its own proposals in the light of the Parliament's views. The Council has gone on record as offering to let the Parliament know in each case whether and why it has departed from its Opinion on such matters but this rarely happens in practice.

- (c) The Parliament may pass Resolutions on any subject whether it has the right to express an Opinion or not. The Council takes note of such 'own initiative' Resolutions, but so far this has largely been a formality.
- (d) The Parliament can hold a debate on any subject and ask Presidency Ministers to attend. The practice is for at least one Minister to attend each Parliament plenary Question Hour at which the Presidency (for the Council) and Commission are obliged to answer oral questions. Ministers may also be invited to Parliament Committee sessions.
- (e) The Parliament may pass a vote of censure on the Commission by a majority of two-thirds of its Members, in which case the Commission must resign. (Treaty of Rome. This power has never been used).
- (f) The Parliament has to be consulted (Budgetary Powers Treaty 1975) before the Council appoint new Members of the European Court of Auditors.
- (g) The Council must consult the Parliament before concluding association agreements. (Treaty of Rome). Non-treaty arrangements have been made between the Institutions to allow the Parliament to be informed on negotiations for trade and co-operation as well as association agreements ('Luns' and 'Westerterp' procedures).
- (h) Since Political Co-operation (POCO) falls outside the Treaty framework the Parliament has by definition no Treaty rights in this sphere. The Council has however agreed to let certain forms of contact develop. Thus the Parliament can put questions to the Council on PoCo matters, debate these

that such inscription in the Budget provides sufficient authority for the expenditure to take place. The Commission (endorsed by the Council) take the view that in some cases it does, but generally expenditure cannot take place until the Council has embodied the new policy in a legislative act. The contradiction between the institutions' views has not yet come to a head.

- (d) It is the Parliament which adopts the Budget (Budgetary Powers Treaty of 1970). This is the only Act of a legislative nature the Parliament is empowered to take.
- (e) The Parliament also has the power to reject the entire draft Budget by a majority of its members and two-thirds of the votes cast (Budgetary Powers Treaty, 1975). It did so with the 1980 Budget in December 1979.
- (f) Under the Joint Declaration of March 1975 the Parliament has a particular right to consultation on proposed legislative Acts which have appreciable financial implications or are not required by Treaty (i.e. the same definition as for non-obligatory expenditure). If the Council proposes to act contrary to the Parliament's Opinion the Parliament can request the Council to meet it first to discuss the disputed points in a 'conciliation committee'. The Council has the formal last word, but the expectation is that at least some of the disputed points will be resolved by compromise.

B: Other

- 2. (a) On legislation outside the Budget the Parliament's role is limited in the Treaties to delivering Opinions. Many Treaty articles specify that the Council can only take action after receiving such an Opinion from the Parliament.
- (b) Action on the Parliament's Opinions not falling into the 'concilable' category depends mainly on the Commission,

PAY AND ALLOWANCES OF MPs AND MEPs

| | <i>MP (Paid by UK Exchequer)</i> | <i>MEP (Paid from European Parliament Funds)</i> |
|-----------------------|--|--|
| Salary | £9,450 pa Notes (1) Abated for Ministers (2) Supplement of £546 for members representing London constituencies. | £9,450 pa Notes (1) Dual mandate members receive $\frac{1}{3}$ (ie £3,150) in addition to full MP's salary. (2) Paid by United Kingdom Government, under s. 1 of the European Assembly (Pay and Pensions) Act 1979. |
| Pension | Number of years served $\frac{\quad}{60}$ x salary on retiring Contribution of 6 per cent. of salary annually. | None, but Secretary of State may by Order make provision, under s. 4 of the European Assembly (Pay and Pensions) Act 1979. |
| Travel allowances ... | Allowed for travel: (a) between Westminster and constituency (untaxed) (b) between Westminster and home (taxed) (c) between constituency and home (taxed) (d) within constituency (untaxed) (e) between constituency and local and regional offices of government agencies relevant to the constituency (untaxed). (f) limited free travel for wives. Mode of transport allowed: (i) by car—flat rate allowance of 18.7p per mile—by most direct route, or (ii) by first class rail, or (iii) by air, up to limit of corresponding first class rail fare and (iv) by sea, as necessary. | Allowed for travel: (a) to each meeting of Parliament from notional point of departure half way between national Parliament seat and MEP's home address. (b) between place of arrival and place of work, during meetings of the Parliament (c) other travel, with prior authorisation, to attend meetings of other community bodies or as a Parliament representative. Mode of transport allowed: (i) normal flat rate of 0.34 EUA per km (about 15p per mile) for first 400 km and 0.13 EUA per km (about 5p per mile) for subsequent km (ii) official cars from place of arrival to place of work—free up to 20 km, thereafter MEP must contribute 0.3 EUA per km (about 13.5p per mile), or (iii) free taxi, up to 20 km (iv) outside EEC, air fare by most direct route. |

Plus up to £100 per month for constituency travel.

MP (Paid by UK Exchequer)

- Subsistence allowance ... Allowed for:
- (a) Provincial member with London home staying overnight to carry out Parliamentary duties in constituency.
 - (b) Provincial member with constituency home staying overnight in London or elsewhere in the constituency on Parliamentary business.
 - (c) Member with home neither in London nor in constituency, either for nights in London or for nights in the constituency (ie not for both).

Rate:
Maximum £3,866 pa

- Research and secretarial allowance
- Allowed for general office expenses, research and secretarial assistance necessarily and exclusively incurred on Parliamentary duties.
Maximum £4,600 pa
Members liable to pay National Insurance contributions of employees.

- Miscellaneous allowances
- (a) Free stationery, free inland telephone and postal service from the Palace of Westminster.
 - (b) severance grant equivalent to 3 months salary if Member loses his seat following a General Election or if displaced following boundary changes

MEP (Paid from European Parliament Funds)

- (1) 92 EUA (£59) per day of registered attendance at meetings of Parliament and its organs and for up to 4 days (or cost of alternative return travel) in between meetings.
- (2) Outside EEC, 60.95 EUA (£39) per day plus free accommodation.

- (i) Flat rate allowance of 500 EUA (£308) per month paid directly to the MEP.
 - (ii) Further 400 EUA (£246) per month paid on declaration of expenditure.
 - (iii) Up to 1,800 EUA (£1,108) per month paid on submission of employment contracts.
- Total maximum is 32,400 EUA (£19,935) pa Employees responsible for their own taxes, social security payments, etc.

- (a) free telephone calls from Parliament
- (b) free medical treatment required in attending a meeting or journeying to do so, up to BF100,000 (about £1,550) per illness
- (c) free accident and property insurance cover
- (d) life assurance premiums paid during MEP's term of office DM20,000 (£5,000) and bonuses and interest paid at age 60, or (if later) after 10 years' service.

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MADAME SIMONE VEIL (Pronounced as in English word 'veil')

President of the European Parliament since July 1979

French. Born 1927 in Nice, of Jewish parents. Deported and imprisoned by the Nazis in Auschwitz and Bergen-Belsen in 1944-45, surviving the rest of her family. On her return studied Law and Political Science before entering the Ministry of Justice in 1957. 1970-74 Secretary-General of the Conseil Supérieur de la Magistrature, the first woman to occupy this post. Appointed Minister of Health May 1974. In June 1979 elected to European Parliament in first direct elections (Liberal and Democratic Group) and President the next month. Term of office is expected to run for two and a half years.

Madame Veil's career in the Ministry of Justice was brilliant but discreet. She specialised in social affairs, particularly in legislation concerning family life. She was co-author in 1969 of a book on the medical, social and psychological aspects of adoption. As Minister of Health she was an outstanding success. In 1974 she courageously carried through the French Parliament the controversial Bill to reform the abortion laws and won universal respect for her performance. She has often been talked of as a possible Prime Minister. After an unsteady start as President of the Parliament she has increasingly asserted her authority and, with her strong and independent mind, should certainly not be regarded as a tool of the French Government.

Madame Veil attends a Reform synagogue in Paris but does so discreetly. She is by no means an ardent Zionist. Nor is she an ardent advocate of feminist causes for their own sake.

She is married to Antoine Veil, Managing Director of the airline company UTA and a Centrist municipal councillor for Paris. They have three sons.

In March 1977 she paid a successful visit to the UK as the guest of Mr Ennals; in June and July 1980 she was awarded honorary degrees at Cambridge and Edinburgh respectively. She speaks reasonably good English.

VISIT OF HER EXCELLENCY MADAME SIMONE VEIL, PRESIDENT OF THE
EUROPEAN PARLIAMENT, TO THE UNITED KINGDOM: 6 - 7 NOVEMBER

Thursday 6 November

11.30 am Arrive BA 305 from Paris
Drive to hotel: Claridges

1.55 pm Leave hotel

2.15 pm The Rt Hon David Steel MP: Leader, Liberal Party
House of Commons

3.15 pm Prime Minister's Question Time

4.30 pm The Speaker, the Rt Hon George Thomas MP

5.15 pm The Prime Minister: No 10 Downing Street
Return to Hotel

7.45 pm Leave hotel

8.00 pm for 8.15 pm Dinner given by Lord Chancellor: Lancaster House
Black Tie

Friday 7 November

8.55 am Leave hotel

9.15 am Chairmen, House of Commons and House of Lords
Select Committees on Europe; House of Lords

10.30 am Mrs Gwyneth Dunwoody MP: Labour Party;
House of Commons

11.30 am Secretary of State for Foreign and Commonwealth
Affairs; Foreign and Commonwealth Office

12.20 pm Audience with Her Majesty The Queen,
Buckingham Palace

1.00 for 1.15 pm Lunch given by Secretary of State for Foreign
and Commonwealth Affairs
1 Carlton Gardens

3.00 pm Press Conference:
Office of European Parliament, 2 Queen Anne's Gate

4.15 pm National Gallery;
Trafalgar Square

6.15 pm Leave for airport

7.30 pm Leave: AF 879 to Paris



Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01- 233 5729

Mr Alexander

OK?

OK

Post

ep.

30/10

Miss Caroline Stephens
No 10 Downing Street

Your reference

Our reference

Date 30 October 1980

Dear Miss Stephens,

CALL OF PRESIDENT OF EUROPEAN PARLIAMENT ON THE PRIME MINISTER :
5.15 pm Thursday 6 November

1. The Lord Privy Seal's Office have confirmed that the Lord Privy Seal will be present when Mme Veil calls on the Prime Minister, as you requested. If for any reason he is unable to do so his office will let you know.
2. You said that otherwise only the Prime Minister's DS would be present; Mme Veil will therefore be accompanied by her DS, M Francois Scheer. The other members of her party (Mr John Taylor, Director General for Research and Documentation in the Parliament Secretariat, Mrs Anne Manson, APS, M Francois Bordry, Press Attaché and Mrs Anne Giannini, her own interpreter) will, you said, be able to wait in an ante-room.

Yours sincerely,

John Poston

J Poston
European Community Department (Internal)

cc: H Wickstead Esq, APS/LPS
J N T Spreckley Esq, ECD(I)

File

1) BF

28/10/80 for brief
Gunn PA

2) BF

5/11/80 for Mtg.

24 July 1980

VISIT BY MADAME SIMONE VEIL

The Prime Minister has seen your letter to me of 23 July about Madame Veil's visit. The Prime Minister would be happy to see Madame Veil at 1630 on Thursday 6 November.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

TGR

RESTRICTED



Prime Minister

①

Foreign and Commonwealth Office

You would conveniently see Madame

London SW1A 2AH

Veil on the afternoon of Nov 6. Appt? 23 July 1980

23 July 1980

Phoned Yes not
- 23/7

Dear Michael,

Visit by the President of the European
Parliament, Madame Simone Veil

✓ The President of the European Parliament will be paying an official visit to the UK for twenty-four hours over 6/7 November. The Foreign and Commonwealth Secretary has agreed to act as Madame Veil's official host. It would on precedent be appropriate for her to call on the Prime Minister during the visit; such calls would also demonstrate the importance HMG attach to the Parliament following direct elections in June 1979. A call might also furnish an occasion to help prepare the way for a good working relationship between the UK Presidency of the Council of Ministers and the Parliament during the second half of 1981.

Lord Carrington very much hopes that this will prove possible. If the Prime Minister agrees in principle, we shall be in touch later about the details.

Yours etc

(P Lever)
Private Secretary

Michael Alexander Esq
10 Downing Street
London

RESTRICTED

File

Suro PA

TRAP



10 DOWNING STREET

THE PRIME MINISTER

27 May 1980

Dear Jim

Thank you for your letter of 16 May about Madame Veil's visit to this country on 5 June. Unfortunately my diary is completely full on that day. However, the Lord Privy Seal is seeing her and, as you know, we are already discussing with Madame Veil's office the dates for her official visit later in the year.

Yours ever

Margaret

It is about the worst day she could have chosen.

Jim Scott-Hopkins, Esq., MEP

80



10 DOWNING STREET

PRIME MINISTER

VISIT BY MADAME VEIL

The Foreign Office are in touch with Madame Veil's office about her visit to London later in the year. They see no need for you to receive her on 5 June. Your diary is in any case already very full on that day.

A handwritten signature in dark ink, appearing to be 'Aunt', with a horizontal line underneath.

23 May 1980



16th May, 1980

5th Floor
32 Smith Square
Westminster
London SW1

Telephone: 222 9000

Dear Prime Minister,

Madame Simone Veil, the President of the European Parliament, is coming to the United Kingdom on 5th June, when she will be going to Cambridge to receive an honorary degree there.

I hope it will be convenient for her to pay a courtesy call on you during her short time in London.

Yours ever,

Jim Scott-Hopkins

JIM SCOTT-HOPKINS

The Rt. Hon. Mrs. Margaret Thatcher, MP,
10 Downing Street,
LONDON, S.W.1.

2 April 1980

Visit of President of the European Parliament

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute to her of 1 April about the possible visit by Madame Veil to this country. She agrees that the Foreign and Commonwealth Secretary should proceed as proposed in the final paragraph of his minute.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

SL



PM/80/24

PRIME MINISTER

Prime Minister
 Agree that Lord Carrington
 should issue invitation as proposed
 in para 4?

Yes
 [Signature]

Visit of President of the European Parliament

1. On 11 March your Private Secretary told my office that you would prefer to wait until the outcome of the European Council was clear before deciding whether or not to invite the President of the European Parliament to this country.

2. Now that the European Council has been postponed, I think that we ought to go ahead with the invitation soon rather than delay further. I have also had a letter from Jim Scott-Hopkins, saying that the President wants to visit all the Parliaments of the Member States and asking us to invite her.

3. As our policy is to remain in the Community, we must be scrupulous in carrying out the normal exchanges within it, of which this is one. We would create a bad impression, and perhaps give rise to ill-founded doubts about our attitude to the Community, were we to appear to be the only country not inviting Mme Veil - and now that Jim Scott-Hopkins is on to the question it would soon become known that we were hesitating. While the Parliament is not directly involved with our budget negotiations we will need their sympathy and help, particularly when it comes to the consideration of draft Community instruments to put a solution into effect. Even if we were having a major row with our partners, we would still want to enlist what support we could from the Parliament; and a visit by Mme Veil would serve to demonstrate at such a time our fundamental attachment to the Community. So in my view we can, and should, go ahead with this regardless of the stage we may have reached on the budget by the time the visit actually takes place.

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2.

4. If you agree, I will write to Mme Veil straight away to invite her but proposing that the visit should take place after the summer holidays.

A handwritten signature in blue ink, appearing to be 'C' with a horizontal line underneath.

(CARRINGTON)

Foreign and Commonwealth Office

1 April 1980

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EWOP

11 March, 1980.

Visit by the President of the
European Parliament

The Prime Minister has seen your letter to me of 10 March proposing that Madame Simone Veil should be invited to pay a visit to this country in the autumn. The Prime Minister would prefer to wait until the outcome of the next European Council is clear before deciding whether or not to issue an invitation.

I am sending a copy of this letter to David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

KAB

Paul Lever, Esq.,
Foreign and Commonwealth Office.



Prime Minister (1)

Foreign and Commonwealth Office

London SW1A 2AH

Algeria A?

10 March 1980

Paul - 10/3

Wait until the outcome of the next European Council, not.

Dear Michael,

Visit by the President of the European Parliament

Madame Simone Veil is the first President of the directly elected European Parliament. Only the UK and Denmark of the Community member states have not yet invited her for an official visit. In those she has already visited (Ireland, Luxembourg, Italy, Belgium) she saw the Heads of State and of Government and she also saw President Carter in Washington in January.

Her two immediate predecessors visited this country at the beginning and end of 1977 respectively. The one saw The Queen and senior Ministers, including the Secretary of State for Foreign and Commonwealth Affairs, and also the Lord Chancellor and Speaker, while the other saw The Queen Mother and had other high level meetings.

The Government's policy is to encourage good, practical working relations between the Community institutions and between the Parliament and the Member States. A high level visit by Madame Veil would give us an excellent opportunity to show the importance we attached to the establishment and maintenance of these good relations and to the Community more generally.

We should be grateful to know whether the Prime Minister agrees that Madame Veil should be invited to come and that a programme should in principle include calls on The Queen, herself, the Foreign and Commonwealth Secretary and other appropriate Ministers and public figures.

A |

If the Prime Minister agrees, we believe we should aim for a visit in the autumn. An earlier one (perhaps May) would have the advantage of showing the President and other Member States that we were not opposed to the Parliament and were anxious to receive her here. But a visit at that time would fall between two European Councils, at a time which could be difficult for our relations with the Community. The atmosphere might not be easy. Later in the year seems a better prospect, but the invitation would issue immediately,

I am sending a copy of this letter to David Wright, Cabinet Office.

Yours etc

Paul
(P Lever)

Private Secretary

M O'D B Alexander Esq
10 Downing Street
London



Europea
Post
(2)

10 DOWNING STREET

Premier Minister

Further to our discussion
on Saturday, you will probably
be content to learn that
Madame Simone Weil will not
after all be visiting London.

[Handwritten signature] *[Handwritten signature]* 5/11



Foreign and Commonwealth Office

London S.W.1

30 October 1979

Mr new banking
to *Point 4/11*
 Dear Michael,

President of the European Parliament: Possible Call on the Prime Minister

You asked whether, when Madame Simone Veil, President of the European Parliament, visits London on 10 November, she should call on the Prime Minister.

The Foreign and Commonwealth Secretary believes that it would be useful for the Prime Minister to see Madame Veil. Her election as President was in large part due to support from the European Democratic Group (British Conservatives). As President Giscard's former Minister of Health, Madame Veil is a prominent politician in her own right.

The call would give the Prime Minister an opportunity to reaffirm to the head of a major Community Institution HM Government's commitment to the Community and our determination to play a constructive role in it; she would also be able to explain to Madame Veil the facts about our budget contribution and the changes we require.

We are considering separately the possibility of inviting Madame Veil on a formal visit to the United Kingdom; both her immediate predecessors paid such visits. We shall submit advice in due course.

I enclose a personality note on Madame Veil prepared prior to her election as President to the Parliament.

Yours etc

Paul

Paul Lever

M O'D B Alexander Esq
 10 Downing Street

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VEIL, SIMONE

Minister of Health.

Born 1927 in Nice, of Jewish parents. Deported and interned by the Nazis at Ravensbruck. On her return studied Law and Political Science before entering the Ministry of Justice in 1957. Member of the cabinet of M Pleven. 1970-74 Secretary-General of the Conseil Supérieur de la Magistrature, the first woman to occupy this post. Member of the Conseil d'Administration of the ORTF 1972-74. Appointed to present post May 1974.

Madame Veil's career in the Ministry of Justice was brilliant but discreet. She specialised in social affairs, particularly in legislation concerning family life. She was co-author in 1969 of a book on the medical, social and psychological aspects of adoption. As Minister of Health she has been an outstanding success, and is frequently referred to as "le seul homme au gouvernement". In 1974 she courageously carried through Parliament the controversial Bill to reform the abortion laws and won universal respect for her performance. She has often been talked of as a possible Prime Minister but has steadfastly refused to align herself to any political party and prefers to remain "above politics".

Madame Veil has combined her career with a successful family life. In 1946 she married Antoine Veil, an Inspecteur des Finances who is managing director of the airline company UTA and a Centrist municipal councillor for Paris. They have three sons.

In March 1977 she paid a successful visit to the UK as the guest of Mr Ennals. She speaks reasonably good English.

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