

PRIME MINISTER'S MEETING WITH HAUGHEY, 4 DECEMBER

POLITICAL UNION: SPEAKING NOTES

General

The UK want to sign a deal at Maastricht that will be acceptable to Parliament. We want an agreement, but not at any price. We want closer European cooperation, but cannot move too fast.

- Believe there is a greater realism in the negotiations now. UK and Ireland must work together to exploit this. Key areas of common ground: powers of the European Parliament, social policy, immigration, unnecessary extensions of competence.

- Still some significant changes needed for draft treaty before it could be agreed by us. But large parts of it are now broadly acceptable, eg the institutional provisions, including negative assent procedure; citizenship; some extensions of competence; and QMV (though Presidency texts still go to far on both); new chapters on a CFSP; and interior/justice cooperation.

- This is a considerable package. It gives a clear indication of where the Community is going. But if we try to move too far this time, we will risk upsetting the apple cart and making the next step even harder than this one.

Interior/Justice Cooperation

- Clearly we must work together to combat illegal immigration, abuse of asylum and organised crime. Welcome provisions for this in separate treaty chapter on interior/justice.

- Article A, (outside competence), covers all the important areas: asylum; immigration conditions of residence, combatting unauthorised immigration; combatting drug addiction and international fraud; judicial cooperation in civil and criminal matters; customs and police cooperation in preventing terrorism, drug trafficking and serious forms of international crime.

- Strong UK interest in extending existing cooperation, within the Union on this basis. Believe Ireland shares this view.

- But see no need to introduce Community competence here. Commission has no experience in this area; wrong to give ECJ jurisdiction over sensitive national issues like immigration and visa policy.

- Recognise importance to Germany in particular of immigration questions being handled within Community competence at some stage. We might accept a provision that this could happen in the future. But no need to have any issues within competence now.

Interior/Justice: Background

1. The Presidency text includes a separate pillar for interior/justice matters, including a substantial list of areas for inter-governmental cooperation in Article A. But some immigration matters (short-term immigration and visa issues) are placed within EC competence, with visas subject to QMV. A link between inter-governmental cooperation and the Treaty of Rome is also provided (Article K) which would enable other immigration/asylum issues to be brought within Community competence subject to a double-lock: unanimity and a national ratification procedure.

2. Ireland supports a separate inter-governmental pillar on interior/justice matters, but is prepared to see this merge into a single Community pillar in due course. They can therefore accept Article K and, albeit reluctantly, Article 100c, provided the latter contains no provision for QMV, a limitation on the role of the ECJ, and allows a right of initiative for member states as well as the Commission. Haughey made no mention of immigration/justice matters in his speech to the Dail on 28 November, beyond the structural point about pillars.

Social Policy

- No change in these treaty articles is justified. A key issue for UK.

- UK accepts Community social dimension, but this is adequately expressed already. These are primarily matters for national governments to decide. No wish to hinder other individual member states if they want to adopt national legislation. But cannot accept Community legislation which would undermine decade of political change in UK.

- Commission has already abused existing treaty provisions to introduce some directives by QMV where this is scarcely justified by treaty text. Draft Working Time directive a case in point.

- Cannot envisage extending further the scope for Commission abuse. Amendments to social chapters as now drafted, mixture of QMV, unanimity and derogations, cannot work in practice. Subsidiarity argues against treaty amendment.

Background

Social

The Presidency text proposes extensions of Community competence and QMV to cover a wide range of employment-related legislation, though some areas are reserved for unanimity and a few excluded from competence altogether.

Ireland support reinforcement of social chapter, but are concerned that amendments should work to Ireland's benefit. They want 'working conditions' redefined as 'physical conditions' and left under QMV, with the rest under unanimity. They support the principle of subsidiarity in the social area, allowing national decision-making where appropriate. They are strongly opposed to the draft working time directive.

Cohesion

- Cohesion best pursued by sound macro-economic and monetary policies. Disbursements from structural funds already substantial: on a par with Marshall aid. We can offer little but the prospect of moving the new cohesion chapter
- Recognise continuing importance of cohesion provisions to a number of member states. Therefore willing to make an effort to accept the Presidency's amendments to cohesion provisions in the treaty (subject to one or two small changes).
- But cannot accept Spanish demands for major increase in Community spending in this IGC. Must remit these issues, without prejudicing the outcome, to next year's future financing negotiations.
- At most, we could accept non-committal declaration.

The Irish will not be aware that we have seen this draft.

Background

Cohesion

The key subject for Ireland at Maastricht. We can offer little but the prospect of agreeing the new cohesion chapter (subject to some necessary amendments), and perhaps a support non-prejudicial declaration.

The Irish have given the Dutch a draft Protocol on cohesion (during Lubbers' visit to Dublin on 22 November). The protocol would be binding on member states (unlike a declaration). It proposes, inter alia :

- a significant increase in the financial resources allocated to cohesion, including the structural funds;
- link with EMU;
- progressivity of resources;
- widening of eligibility criteria for finance from the structural funds (including counter-part financing).

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Competence and Subsidiarity

- Deletion of four marginal texts a significant improvement. No need to have texts on everything.
- Principle of subsidiarity should apply. Glad that good text now looks set to be in treaty. Hope you will support. Important principle.
- Willing to see extension of competence in areas such as health and education, with some QMV, eg on the environment (but not for fiscal/energy measures).
- But concerned about potential costs of some competence chapters. In particular must retain unanimity for development, networks, and research and development. QMV could lead to higher costs and distortion of national policies.
- Difficulty with text on industry. This is contrary to free market principles of Treaty, contrary to principle of subsidiarity and to broad acquis of the Single Market, which has been a success for the Community.
- Must preserve unanimity for tax (Article 99).

Background

Competence and Subsidiarity

Ireland supports the principle of subsidiarity, or though they would prefer to see it in the preamble for fear that it becomes a general "escape clause" to block the Community's further development.

The Irish had problems with the energy text (now deleted). They are doubtful about the industry text and would prefer it dropped. Ireland is in favour of wider use of QMV, although its use in some expansive areas, eg Networks/environment will depend on the extent to which extra funding is forthcoming. Like us they want unanimity for R and D.

Ireland itself promoted texts on health, education and culture. We can now accept provisions for the first two in the draft treaty, but not for culture which we wish to see deleted.

Ireland shares our desire to see Article 99 (tax) preserved in its present form. The proposed reference to Article 101 may introduce QMV in this area by the backdoor, and should go.

European Parliament

- Earlier ambitious proposals for "co-decision" now whittled down. Negative assent procedure now acceptable to all, (including Germany).
- We are willing to accept its inclusion provided scope is strictly limited. We have proposed Article 100a legislation (subject to some practical limitation), R and D (if unanimity retained) and environment multi-annual programmes, (but not on the basis of the current text).
- This limited scope itself is not without its difficulties. Presidency proposals to extend it further are too ambitious. Further extension particularly undesirable in areas of significant expenditure - development, networks - or in areas where we have problems with the texts themselves - eg social. We cannot be expected to make a double jump.
- Rest of package to increase non-legislative powers of the EP acceptable. Taken as a whole these measures will represent an important step forward, not least in monitoring finances and the Commission.
- Declaration on role of national parliaments an important counter-balance.

Background

European Parliament

The Irish start from a position close to our own on the question of legislative powers for the EP. They wish to maintain the institutional balance. Though now reconciled to accepting the mechanism of negative assent they have problems over the scope. They have doubts about accepting it (with QMV) in R and D and environment because of the potential expense. They worry that measures might be brought forward under Article 100A combined with elements from elsewhere in the Treaty (eg social) and are therefore wary of extension here too. They do not support extension to development or to new competence chapters, but are more relaxed about it applying to Networks or cohesion, provided the funds are forthcoming.

On the non-legislative side, Ireland favours closer links between national parliaments and the EP, and supports moves to make the Commission more acceptable.

Chapeau

- Cannot sign an agreement with "federal" in it. Sure an alternative formula can be found, based on "ever closer union".

- Concerned present draft will make chapeau subject to ECJ jurisdiction. This would make the European Convention on Human Rights (ECHR) directly applicable in all member states. Hope you will support amendment to final articles of treaty to make clear ECJ is excluded from chapeau.

Background

Chapeau

Ireland share our concern that the ECHR (mentioned in the chapeau) should not become directly applicable in member states. We will therefore be counting on their support at Maastricht for the necessary amendment to the Treaty's final articles (ie a new article excluding ECJ jurisdiction from CFSP, interior/justice and the chapeau).

(iii) status questions to be outside CFSP (and, for those states concerned, responsibility of WEU).

(iv) (if raised) Compatibility with the common defence policy which eleven member states already have in NATO is fundamental: principle of compatibility reaffirmed by Eleven at Rome Summit, and vital to avoid duplication in European defence. This cannot be left ambiguous.

(v) (if raised) WEU - in Declaration agreed in July - regards itself as "fully part of the process of European integration". UK no strong views whether or not it should be so described in Union Treaty; but important for some of our partners.

Defence

- Believe - on basis of discussion of latest Presidency draft at Conclave - that agreement is close.
- But UK, like Ireland, unwilling to see defence included in CFSP now. Hope that we can therefore stick together in pressing for:
 - (i) as Gerry Collins suggested at Conclave, longer-term perspective (not "eventual formulation") of common defence policy (NOT "common defence"); and
 - (ii) defence questions to be outside CFSP (and, for those states concerned, responsibility of WEU).
- Irish-British common ground here on which we should build.
- [if raised] Compatibility with the common defence policy which eleven Member States already have in NATO is fundamental: principle of compatibility reaffirmed by Eleven at Rome Summit, and vital to avoid duplication in European defence. This cannot be left ambiguous.
- [if raised] WEU - in Declaration agreed in July - regards itself as "fully part of the process of European integration". UK no strong views whether or not it should be so described in Union Treaty; but important for some of our partners.

Defence: Background

1. "Neutrality" is one of the fundamental principles of Ireland's foreign policy, and one which helps distinguish it from the United Kingdom. The Irish have expressed concern in low-key fashion about the proposed Treaty article on defence. But, at the Conclave on 2 December, the Irish Foreign Minister, Gerry Collins, argued strongly for:

(a) the "formulation of a common defence policy" to be described as a "long-term objective";

(b) the WEU not to be described as "an integral part of the process leading to European Union"; and

(c) compatibility with NATO to be dropped, or put in a separate declaration.

We can support (a), are neutral on (b) and opposed to (c).

CFSP

- Believe a stronger common foreign and security policy in all our interests. Firmly support it.
- As part of that, support joint action. This must be workable in practice: hence, we support changes made to the text at the Conclave to make joint action specific in scope, time limited and capable of review when circumstances change to a substantial degree.
- It will be important that any list of subjects for joint action does not contradict these factors ie subjects should not be too broad or vague and the list should not be annexed to the Treaty (which would set it in stone).
- Continue to believe QMV would be a mistake. Understand Ireland is now prepared to concede QMV. In what circumstances is Ireland prepared to see it used? How can implementing decisions be defined and distinguished from decisions of substance?
- CFSP text represents a substantial increase in obligations on member states across the board: in cooperation as well as joint action. Believe it would be right to recognise this by including a supreme national interest clause: as term suggests, it would be for use only in exceptional circumstances.

CFSP: BACKGROUND

1. Ireland tends to have a broadly similar approach to European Political Cooperation as the UK: committed to strengthening it; aware of its limits and limitations; unenthusiastic about agreeing action to demonstrate European virility, rather than because the action is right and realistic.

2. This has made the Irish allies - if wobbly ones - in the CFSP debate. They support CFSP continuing to have an inter-governmental character. They always accepted joint action but were the first to propose that time limitation of joint action should be a possibility (as it now is in the text). Until recently, they have opposed any use of QMV in CFSP. They appear now to have conceded this point but remain allies in opposing its use "as a general rule". They might be amenable to the idea of a supreme national interest let-out clause, particularly as the price of acceptance of QMV.