

# Thatcher loses vote on EEC 'new deal'

by George Jones and Brian Moynahan, Milan

MRS THATCHER suffered a damaging reverse at the Milan summit yesterday when the other heads of government overruled her objections to a conference to draw up a new treaty to relaunch the Common Market.

Britain, Greece and Denmark were outvoted 7-3 by the other EEC member states on a plan for an inter-governmental conference in October to prepare a draft treaty on European unity. This is believed to be the first time an EEC summit has taken a decision by majority vote.

The central aim of the new treaty will be to increase European unity, to speed up the EEC's cumbersome decision-making machinery, and to achieve more co-operation on foreign policy.

The vote brought to a head a long wrangle within the Com-

munity over its rebuilding and restructuring now that it is being expanded to 12 members with the inclusion of Spain and Portugal. Mrs Thatcher who had been ready to discuss ways of improving the Community, faced a humiliating rebuff.

She argued strongly against a new treaty, claiming that the Common Market's existing rules provided enough scope for change. A new treaty would require the British parliament's approval and would reopen deep divisions within British political parties over Common Market membership.

In the Commons last week, 19 Conservative MPs voted against latest proposals for increasing Britain's Common Market contribution. A new treaty would bring a much larger rebellion and give anti-marketters a field day for

opposition to the EEC.

Yesterday it was clear that Italy, France and West Germany were determined to force through their plans for a new conference on European unity. Yet Italy's prime minister, Bettino Craxi showed that despite British and other opposition to an inter-governmental conference, the EEC was legally entitled to hold one.

Foreign ministers from the seven countries supporting the conference - France, West Germany, Italy, Belgium, Holland, Luxembourg and the Irish Republic - would now draw up a mandate. The other three would be able to attend and state their views on the development of European unity.

The decision brought a blunt warning from Mrs Thatcher that Britain would not contemplate amendments to the original Treaty of Rome, under which Britain agreed to join the EEC 12 years ago. Mrs Thatcher was adamant that any changes could be achieved by "stretching" existing EEC treaties.

British officials said later that the conference would be a waste of time but London would participate. "All it will do is to delay essential decisions for another six to nine months. But if this is what the majority wants, then we will go along," one said.

Yesterday's split followed a behind-the-scenes row over allegations that France and West Germany had comman-

deered British proposals for improving decision-making in the Community.

France and West Germany arrived in Milan determined to resume their role as the EEC's principal architects and put their own proposals for reforming the Community and strengthening co-operation on foreign policy.

Surprised British officials said the plan bore a marked resemblance to proposals which Mrs Thatcher and Sir Geoffrey Howe, the foreign secretary, had put to other European leaders before the summit. The title had been changed, turning it into a fully-fledged Treaty of European Union.

At the centre of the argument is how the Community votes on controversial issues - and whether member states should still have the right to veto

proposals they consider to be against their vital national interests.

When the leaders resumed discussions yesterday morning, West Germany, with French support, produced a new plan effectively demanding an end to the veto and more majority voting on key issues. Countries unable to support decisions taken by a majority vote would not be required to implement them for a "limited period" - proposals which revived fears that the Common Market, soon to be enlarged to 12, will develop into a "two tier community".

● Mrs Thatcher and the Irish prime minister, Dr Garret FitzGerald failed to set a date for an Anglo-Irish summit to agree a new Northern Ireland peace initiative.