

h *Petermann / Gardner*
ANNEX I
delly chos *h*

- I came to Milan with one objective - to move the Community decisively forward.
- I came with the aim of taking decisions, or at the very least, providing strategic direction for final decisions in Luxembourg in December.
- I came with my own ideas to back up these objectives. *- Pension*
- We have made some progress, though we unhappily got bogged down in what I think was an irrelevance and perhaps a recipe for Community paralysis. This was the concentration purely on questions of procedure and whether or not to hold a conference which several member states called for without any clear strategy for its outcome or what it hopes to achieve. *19C*
- This is unfortunate because the Community needs action and development; not procrastination and a refusal to face up to the real issues.
- We shall of course take part in an Intergovernmental Conference. We shall discharge our responsibilities under the Treaty.
- BUT let no-one be in any doubt that the key steps taken by the Council today are those which make it a more credible political and economic force in the world. *Sadly the only sign when*
- I refer to the impetus for:
 - i) real progress towards completion of the internal market which is crucial if we are to create more jobs and wealth; I should point out that the Treaty Articles lay down absolutely the requirement for a general common market in goods and services;

ii) the development of a technological Community which would again put us in a stronger position to compete with the USA and Japan; There was general support for a formal and binding agreement to consult together on all major international issues including political and economic aspects of security, though what we wanted was agreement now, not another round of talks.

- I hope that, in spite of the distraction of an Intergovernmental Conference, we can take the outstanding decisions in December. I believe we can.
- This has therefore been a difficult and frustrating Council. But we have done some other useful work, namely on Japanese trade and hijacking/terrorism.
- My case for increasing the pressure on the Japanese Government to open up its market, liberalise its financial markets and price the yen more realistically, was well received.
- I am sure M. Delors will put all those points very forcibly to Mr Nakasone when he visits Europe next month.
- Could I however emphasise one point? My aim - and that of the Community - is to reverse any protectionist tide, not to increase it. But we must get over to our Japanese friends the urgent need for action if the tide is to be made to ebb.
- Finally, I would just like to select one other topic from the many covered by this busy Council. It is terrorism. We have seen several - too many - instances of this in recent weeks and the Council has wholeheartedly condemned them.

(iii)

- But condemnation is easy. What matters is what we do to prevent it - hijacking, piracy in the air, terrorism in its many forms.

 - A great deal is happening in a whole host of forums. The Summit 7; ICAO - International Civil Aviation Organisation; IATA - International Air Transport Association; Vice President Bush's tour of Europe. We need to make sure all this is brought together in an effective counter-terrorist programme.

 - The Council has pledged itself to do all it can to help in the drive to combat international violence. And I pledge Britain's wholehearted support. As you know, we have no truck with terrorists or hijackers. They know where they stand with us.
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Under Article 236, any member state can make proposals to amend the Treaty and of course these have to be considered. But any actual amendments to the Treaty have to be agreed by common accord - that is to say all member states and their Parliaments.

No-one has been at all precise as to what amendments they wish to propose. I remain unconvinced that any amendment of the Treaty is necessary when so many key provisions of the Treaty bearing directly on completion of a genuinely free internal market for goods and services have simply not been implemented.