

C-106

The Rt. Hon. Lord Young of Graffham Secretary of State for Trade and Industry

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12 September 1988

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Our ref Your ref

Date

PRIME MINISTER'S SPEECH ON EUROPE

I am sorry that due to an oversight my letter to you of today's date was not copied, as it should have been, to Stephen Wall (FCO), Alex Allan (HM Treasury), Brian Hawtin (MOD), Shirley Stagg (MAFF) and Roger Lavelle (Cabinet Office). Copies go to them with this letter.

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PRIME MINISTER'S SPEECH ON EUROPE

In your letter of 31 August you asked for comments on your draft of the Prime Minister's speech at Bruges. I explained to you that my Secretary of State would not be able to consider this until his return from New Zealand at the weekend. He has now been able to do so - and to see the revised version commended by the Foreign Secretary, sent to you with Stephen Wall's letter of 7 September.

My Secretary of State believes that this will be an important speech, which will set the tone, in Europe and at home, for our efforts on the Single Market and our approach to international agricultural issues, for some time to come. He agrees with the Foreign Secretary that there was some risk that your draft would set off an unproductive debate which would distort the real message of the speech. He therefore endorses the revised version proposed by the Foreign Secretary.

My Secretary of State particularly welcomes the emphasis in the speech (and in the Prime Minister's speech to the Scottish CBI) on the deregulatory, liberalising approach to the Single Market. He believes that we do have an opportunity to take the lead in the Community to ensure that this pro-competitive approach is adopted throughout the EC. Indeed, many of the recent decisions taken by the Community - such as those on road haulage and capital liberalisation - show that our message is spreading and that the commission can often be our strongest allies. The Bruges speech will give another boost to the UK's positive and practical approach, which we will be able to build on in some of the difficult discussions ahead on

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Single Market issues over the next few months. This is all the more important following Delores unfortunate speech at the Trade Union Conference.

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