

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No.T.114a/pe1

TRANSLATION OF LETTER FROM FELIPE GONZALEZ TO PRIME MINISTER,
DATED 21.6.89

"Dear Prime Minister,

In a few days I will have the pleasure of receiving you in Madrid on the occasion of the European Council.

The Madrid Summit will take place at a particularly important time in the life of the the Community. We are, in fact, at the halfway point between adoption of the Single European Act and the objective of 1992. Moreover, the third direct elections to the European Parliament have just taken place which confirm the vitality of the proposals for the construction of Europe and which prompt a serious reflection on how to respond to the aspirations of our citizens. Finally, major changes are taking place in the international context - in which the Community has an increasingly important role to play - which give us renewed hope for the future.

It seems to me, therefore, that this is a good moment to discuss some fundamental issues to which we must give priority.

I think we must pay special attention to Economic and Monetary Union, in accordance with the decision that we took in Hanover to establish the Delors Committee. I also think that progress made in the implementation of the Single European Act means that we must discuss the rate at which the White Book on the Internal Market is being put into effect, as well as the social dimension of the Community. Finally, we must look at other areas of the application of the Single European Act and the conduct of the Twelve in the international sphere.

All these subjects will require appropriate political orientation by the European Council.

First, we must remember that, in political terms, a decision must now be made regarding Economic and Monetary Union. This requirement is not just a consequence of our Hanover agreement, but also of our commitment, expressed in the Single European Act, to the principle of Economic and Monetary Union. This question must be discussed in depth, and the Presidency therefore proposes to allow as much time and attention for it as necessary. For this reason, we will start discussion of this subject on the first day, after we have received Lord Plumb, President of the European Parliament. I hope that our discussion will allow substantial progress to be made.

We will then discuss the social dimension of the EC. The rapid progress made towards completion of the Internal Market has

.../...

● already given rise to debate in all Member States which clearly shows that we must also make progress in this field. It is politically necessary to respond to the concerns expressed about the future shape of the Community. I trust that we will be able to reach agreement on a sufficiently clear message - based on what is undoubtedly a common heritage of labour relations and social rights of our countries - although we may encounter some difficulties as to how to put it into effect. I intend to spend the necessary time on this subject, which will be the second important item on our agenda.

There is a third issue of great international sensitivity that must be discussed: the indebtedness of a certain number of middle-income countries. We cannot allow our meeting to pass without addressing this issue. We are all aware that, especially in Latin America, there is a link between the survival of stable democracy and a means to enable those countries to overcome their current economic and financial difficulties. I think it most desirable that the Twelve agree a common position on the eve of the discussions of this subject at the forthcoming Summit of the most industrialised nations.

My intention is that we discuss this over dinner, together with action by the Twelve on an international level - both in terms of the Community and of Political Cooperation.

I have also mentioned that it would be advisable to refer to other issues within the context of the implementation of the Single European Act. In accordance with past practice, the Presidency will present conclusions on certain points, which will reiterate the general need to support and strengthen current momentum. I think these points should include the following:

- An assessment of the implementation to date of the White Book on the Internal Market. I suggest the Commission be asked to present the proposals that are still outstanding as soon as possible, so that the 1992 objective can be reaffirmed.
- With regard to tax on savings, I should like to emphasise the need for the Community and member states to take the necessary action to ensure that fraud and tax evasion are tackled, particularly when the regulations on the free movement of capital come into force.
- With regard to audiovisual subjects we could indicate what progress has been made so far and also refer to the "assises" which will take place in France next Autumn.
- With regard to the free movement of persons we should express our support for the report of the Coordinators' Group (Palma de Mallorca Document), and give a political commitment to the application of the plan of action which it established.
- On environmental issues, the conclusions should reiterate the particular internal and international responsibility of the Community and record recent achievements. In this context, President Delors will present the Commission's ideas on the possibility of creating a European Environmental Agency.

- On the subject of Research, we should review the current position and emphasise the importance of the Council's work in reviewing the Framework Programme.

- Finally, the Presidency believes that we should give a further political impulse to the "Citizens' Europe". Progress made so far cannot be considered satisfactory. We should ask the Council, with the cooperation of the Commission, to make an inventory of what remains to be done, in order to implement the Adonnino report and adopt operational conclusions.

The Presidency is also preparing conclusions on the main areas of the external relations of the EEC, which will emphasise progress made and also our political support for certain lines of action. We shall concentrate on topics of greatest current interest (EFTA, Eastern Europe, the Uruguay Round, ACP, etc.). We shall also deal with the main issues of European Political Cooperation, which will have been prepared by the Foreign Ministers, paying particular attention to the Middle East.

The points referred to in the two previous paragraphs relating to the implementation of the Single European Act and external relations should not pose any particular difficulties, and we could therefore deal with them on the second day when we discuss the conclusions.

I look forward to seeing you in Madrid,

Yours very sincerely,

Signed: Felipe González Márquez"



SPANISH AMBASSADOR

24 BELGRAVE SQUARE
LONDON SW1X 8QA

21 June 1989

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Dear Charles,

I enclose copy and unofficial translation of a letter which, in connection with the next meeting of the European Council in Madrid, the President of the Spanish Government is sending to the Prime Minister.

The original text has been passed this morning to your Embassy in Madrid.

Yours sincerely

PP

Ramón Ad. Aranda

José J. Puig de la Bellacasa

Charles Powell, Esq.
10 Downing St. SW 1



EL PRESIDENTE DEL GOBIERNO

Madrid, 21 de junio de 1989

Excma. Sra. Margaret Thatcher
Primer Ministro del Reino Unido de Gran Bretaña e
Irlanda del Norte
LONDRES

Señora Primer Ministro:

Dentro de unos días tendré la satisfacción de recibirle en Madrid, con motivo del Consejo Europeo.

La Cumbre de Madrid se produce en un momento especialmente relevante para la vida de la Comunidad. En efecto, nos encontramos a mitad del camino a recorrer entre la firma del Acta Unica y el objetivo de 1992. Además, se acaban de celebrar las terceras elecciones directas al Parlamento Europeo, que confirman la vitalidad del proyecto de construcción europea y nos empujan hacia una seria reflexión para dar respuestas a las aspiraciones de nuestros ciudadanos. Por último, el contexto internacional -en el que la Comunidad tiene un papel cada vez más relevante- está experimentando cambios sustanciales que permiten ver el futuro con renovada esperanza.

Me parece, en consecuencia, que éste es un buen momento para debatir algunas cuestiones esenciales a las que debemos dar prioridad.

Creo necesario que dediquemos especial atención a la Unión Económica y Monetaria, de acuerdo con la decisión que adoptamos en Hannover, al crear el Comité Delors. Por otra parte, pienso que los avances en el cumplimiento del Acta Unica Europea hacen necesario un debate sobre el grado de desarrollo del Libro Blanco sobre Mercado Interior, así como acerca de la dimensión social de la Comunidad. Finalmente, tendremos que examinar otros aspectos de la puesta en práctica del Acta Unica, así como perfilar la aportación de los Doce a la esfera internacional.

Todos estos aspectos exigirán las orientaciones políticas oportunas por parte del Consejo



EL PRESIDENTE DEL GOBIERNO

Europeo.

En primer lugar, por lo que se refiere a la Unión Económica y Monetaria, quisiera recordar que, en términos políticos, debemos adoptar ahora una decisión. Esta exigencia no sólo es consecuencia de nuestro acuerdo de Hannover, sino también de nuestro compromiso sobre el principio de Unión Económica y Monetaria inscrito en el Acta Unica. Esta cuestión exige un profundo debate, por lo que la Presidencia se propone dedicarle todo el tiempo y la atención que sean necesarios. Por ello, lo iniciaríamos el primer día, una vez que hayamos recibido a Lord Plumb, Presidente del Parlamento Europeo. Tengo la esperanza de que nuestra discusión permita avanzar sustancialmente en este asunto.

A continuación trataremos sobre la dimensión social de la Comunidad. El rápido progreso logrado en la puesta en práctica del Mercado Interior ya ha suscitado en todos los Estados miembros un debate que muestra claramente que hace falta avanzar también en este plano. Políticamente, es necesario dar respuesta a las preocupaciones que se manifiestan sobre la configuración futura de la Comunidad. Confío en que resulte posible ponernos de acuerdo sobre un mensaje suficientemente claro -basado en lo que, sin duda, constituye un patrimonio común de nuestros países en cuanto a las relaciones laborales y los derechos sociales- aunque podamos encontrar algunas dificultades en cuanto a la forma de materializarlo. Es mi intención dedicar el tiempo necesario a esta cuestión, que constituirá el segundo punto importante de nuestro orden del día.

Hay una tercera cuestión de gran sensibilidad internacional que requiere discusión: la situación de endeudamiento de cierto número de países de renta media. No podemos permitirnos dejar pasar nuestra reunión sin abordar este asunto. Todos somos conscientes de que, especialmente en América Latina, existe una vinculación entre la supervivencia de la estabilidad democrática y el hecho de posibilitar que esos países superen sus actuales dificultades económicas y financieras. Creo muy deseable que los Doce puedan adoptar una posición común en vísperas de los debates que sobre este tema tendrán lugar en la próxima Cumbre de los países más industrializados.

Es mi intención que tratemos durante la cena



EL PRESIDENTE DEL GOBIERNO

y la sobremesa este asunto, así como la actuación de los Doce -en la doble vertiente comunitaria y de la Cooperación Política- en el campo internacional.

He mencionado también la conveniencia de referirnos a otras cuestiones que se incluyen en el contexto de la realización del Acta Unica. De acuerdo con la práctica, la Presidencia presentará unas conclusiones sobre el desarrollo de determinados puntos, en las que se reiterará la necesidad general de apoyar y fortalecer el impulso actual. Entre estos puntos, pienso que deberíamos incluir los siguientes:

- Una valoración de la puesta en práctica del Libro Blanco sobre el Mercado Interior. Sugiero que se pida a la Comisión que presente, cuanto antes, las propuestas aún pendientes, de manera que pueda reafirmarse el objetivo 1992.
- En lo relativo a la fiscalidad sobre el ahorro, quisiera subrayar la necesidad de que la Comunidad y los países miembros tomaran las medidas necesarias para garantizar que se persiga el fraude y la evasión fiscal, especialmente, cuando entren en vigor las normas sobre liberalización de los movimientos de capitales.
- En cuanto al tema audiovisual podríamos señalar los progresos hechos hasta el presente y referirnos también a las "assises" que se celebrarán en Francia en el otoño.
- En lo referente a la libre circulación de personas deberíamos respaldar el informe del Grupo de Coordinadores (Documento de Palma de Mallorca), y adoptar el compromiso político de aplicación del programa de trabajo que en él se establece.
- En materia de Medio Ambiente, las conclusiones deberían reiterar la especial responsabilidad interna e internacional de la Comunidad y constatar los logros recientes. En este contexto, el Presidente Delors nos presentará las ideas de la Comisión sobre la posible creación de una Agencia Europea del Medio Ambiente.
- Por lo que se refiere a la Investigación, deberíamos pasar revista a la situación y subrayar la importancia del trabajo del Consejo en la revisión del Programa Marco.



EL PRESIDENTE DEL GOBIERNO

- Por último, la Presidencia estima que debemos dar un renovado impulso político a la "Europa de los Ciudadanos". El progreso realizado no puede considerarse satisfactorio. Deberíamos invitar al Consejo, con el concurso de la Comisión, a que efectúe un inventario de lo que aún queda por hacer, para poner en práctica el informe Adonnino y adopte conclusiones operativas.

La Presidencia prepara también conclusiones sobre las principales áreas de las relaciones exteriores de la CEE, en las que se subrayan los avances realizados y nuestro apoyo político a ciertas líneas de actuación. Nos centraremos en los temas de mayor actualidad (EFTA, Países de Europa del Este, Ronda Uruguay, ACP, etc.). Igualmente, trataremos los principales temas de la Cooperación Política Europea, que habrán sido preparados previamente por los Ministros de Asuntos Exteriores, con una especial atención a la cuestión de Oriente Medio.

Los puntos incluidos en los dos apartados anteriores referidos a la realización del Acta Unica y las relaciones exteriores no deberían plantear especiales dificultades, por lo que podríamos tratarlos el segundo día al discutir las conclusiones.

A la espera de nuestro próximo encuentro en Madrid, reciba un atento saludo.

Felipe González Márquez



Embajada de España

UNOFFICIAL TRANSLATION

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T114a/89

Subject: *Madrid
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THE PRIME MINISTER

Madrid, 21st June 1989

The Right Honourable
Mrs. Margaret Thatcher, PC, FRS, MP,
Prime Minister and
First Lord of the Treasury,
London

Dear Prime Minister,

Within a few days I shall have the great pleasure of welcoming you in Madrid, in connection with the European Council.

The Summit in Madrid is taking place at a particularly important moment in the life of the Community. In fact, we find ourselves half-way in the period that runs between the signing of the Single Act and the objective of 1992. In addition, we have just witnessed the third direct Elections to the European Parliament. These confirm the vitality of the plan for the construction of Europe, and lead us to serious considerations in order to enable us to respond to the aspirations of our citizens. Finally, the international context, in which the Community plays a more important part every day, is experiencing substantial changes which allow us to view the future with renewed hope.

Accordingly, I believe that this is a good moment to debate certain essential matters to which we should give priority.

I believe it to be necessary that we should give special attention to the Economic and Monetary Union in accordance with the decision taken in Hanover, when the Delors Committee was set up. On the other hand, I believe that the advances made in the implementation of the European Single Act make it necessary to discuss the degree of development of the White Paper on the Internal Market, as also to consider the social dimension of the Community. Finally, we shall have to examine other aspects of the implementation of the Single Act, as also to mould the degree of contribution of the Twelve in the international field.

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All these aspects will require the appropriate political bearings on the part of the European Council.

Co-operation
In the first place, as regards the Economic and Monetary Union, I would like to recall that in political terms we must now come to a decision. This necessity is not only a consequence of our agreement in Hanover, but also of our undertaking in respect of the principle of the Economic and Monetary Union embodied in the Single Act. This question requires serious debate, and for this reason the Presidency proposes to allocate to it all the time and attention that may be necessary. Thus we would begin with this matter on the first day, as soon as we have welcomed Lord Plumb, President of the European Parliament. I am hopeful that our discussions will allow substantial advances in this field.

Following upon that subject, we shall deal with the social dimension of the Community. The rapid progress which has been achieved in the putting into practice of the Internal Market has already given rise to discussion within all the member States; and this shows very clearly that it is necessary also to advance in this area. Politically we are required to find answers to the concern which is evidenced in respect of the future form which the Community is to take. I am confident that it will be possible to reach agreement on a message which is sufficiently clear, based on what is undoubtedly the common heritage of our respective countries as regards labour relations and social rights. Even so, we might be confronted with some difficulties in respect of the way in which we are to render it effective. It is my intention to devote whatever time may be required for this matter, which will be the second important subject of our Agenda.

There is a third question of great international sensibility which requires discussion: namely the debate outstanding on a certain number of countries of medium income. We cannot allow our meeting to conclude without dealing with this matter. We are all aware that particularly in Latin America there is a link between the survival of democratic stability and the ability to provide solutions for those countries, so that they may overcome their current economic and financial problems. I believe it to be very desirable that the Twelve should adopt a common position prior to the debates which are to take place on this subject, in the coming Summit of the more industrialised nations.

It is my intention to deal with these matters during the dinner, and later post-prandial conversations; as also the up-dating, as regards the Twelve, in the double aspect of Community and political co-operation in the international field.

I have also mentioned the advisability of referring to other matters which are included in the context of implementation of the Single Act. Pursuant to current practice, the Presidency will present certain conclusions on the development of particular points, and it will be stressed that there is a general necessity to support and fortify the current impetus. Among these points I believe that we should include the following:

- An appreciation of the implementation of the White Paper on the Internal Market. I suggest that the Commission be requested to present, as soon as possible, those proposals which are still pending so that the objective 1992 may be reaffirmed.
- As regards taxation of savings, I would wish to underline the necessity for the Community and the member Nations to take such measures as may be required in order to guarantee that fraud and tax evasion shall be prosecuted, in particular when the rules in relation to the liberalisation of the movement of capital become effective.
- As regards the matters relating to Audio-Visuals, we could place on record the progress that has been made up to the present time, and refer also to the "assises" which will take place in France in the Autumn.
- As regards the free circulation of persons, we should back the Report of the Group of Coordinators (Palma de Mallorca document) and agree such a political compromise as may be suitable for the application of the work programme established therein.
- In connection with the Environment, the Conclusions should re-affirm the special internal or international responsibilities of the Community, and place on record current successes. In this context President Delors will provide us with the ideas of the Commission as regards the possible setting up of a European Agency for the Environment.
- As regards Investigation, we should review the present situation, and underline the importance of the work of the Council in its study of the framework programme.
- Finally, the Presidency is of the view that we must give fresh political impetus to the 'Europe of the Citizens'. The progress that has taken place cannot be deemed to be satisfactory. We should invite the Council, together with the co-operation of the Commission, to prepare an inventory of what has still to be done, in order to render the 'Adonnino Report' effective and record the appropriate operative conclusions.

The Presidency is also preparing conclusions in respect of the principal areas of external relations of the EEC, in which the progress which has been made is underlined, as also our political support of certain modes of conduct. We will concentrate on matters of greater topicality (EFTA, countries of Eastern Europe, Uruguay Round, ACP, etc.). In like manner we will deal with the principal subjects of European Political Co-operation. These will have been prepared earlier by the Ministers of Foreign Affairs, with particular emphasis on the question of the Middle East.

The matters included in the two paragraphs above, in their reference to the implementation of the Single Act and external relations, should not give rise to any particular difficulties. Accordingly, we could deal with them on the second day, when we discuss conclusions.

I await our early meeting in Madrid.

With kind regards.

Yours sincerely,

Felipe González Márquez

EL PRESIDENTE DEL GOBIERNO

Madrid, 21 de junio de 1989

Excmo. Sra. Margaret Thatcher,
Primer Ministro del Reino Unido de Gran Bretaña e
Irlanda del Norte
LONDRES

Soñora Primer Ministro:

Dentro de unos días tendré la satisfacción de recibirle en Madrid, con motivo del Consejo Europeo.

La Cumbre de Madrid se produce en un momento especialmente relevante para la vida de la Comunidad. En efecto, nos encontramos a mitad del camino a recorrer entre la firma del Acta Unica y el objetivo de 1992. Además, se acaban de celebrar las terceras elecciones directas al Parlamento Europeo, que confirman la vitalidad del proyecto de construcción europea y nos empujan hacia una seria reflexión para dar respuestas a las aspiraciones de nuestros ciudadanos. Por último, el contexto internacional -en el que la Comunidad tiene un papel cada vez más relevante- está experimentando cambios sustanciales que permiten ver el futuro con renovada esperanza.

Me parece, en consecuencia, que éste es un buen momento para debatir algunas cuestiones esenciales a las que debemos dar prioridad.

Creo necesario que dediquemos especial atención a la Unión Económica y Monetaria, de acuerdo con la decisión que adoptamos en Hannover, al crear el Comité Delors. Por otra parte, pienso que los avances en el cumplimiento del Acta Unica Europea hacen necesario un debate sobre el grado de desarrollo del Libro Blanco sobre Mercado Interior, así como acerca de la dimensión social de la Comunidad. Finalmente, tendremos que examinar otros aspectos de la puesta en práctica del Acta Unica, así como perfilar la aportación de los Doce a la esfera internacional.

Todos estos aspectos exigirán las orientaciones políticas oportunas por parte del Consejo

EL PRESIDENTE DEL GOBIERNO

Europeo.

Cooperación.

En primer lugar, por lo que se refiere a la Unión Económica y Monetaria, quisiera recordar que, en términos políticos, debemos adoptar ahora una decisión. Esta exigencia no sólo es consecuencia de nuestro acuerdo de Hannover, sino también de nuestro compromiso sobre el principio de Unión Económica y Monetaria inscrito en el Acta Única. Esta cuestión exige un profundo debate, por lo que la Presidencia se propone dedicarle todo el tiempo y la atención que sean necesarios. Por ello, lo iniciaremos el primer día, una vez que hayamos recibido a Lord Plumb, Presidente del Parlamento Europeo. Tengo la esperanza de que nuestra discusión permita avanzar sustancialmente en este asunto.

A continuación trataremos sobre la dimensión social de la Comunidad. El rápido progreso logrado en la puesta en práctica del Mercado Interior ya ha suscitado en todos los Estados miembros un debate que muestra claramente que hace falta avanzar también en este plano. Políticamente, es necesario dar respuesta a las preocupaciones que se manifiestan sobre la configuración futura de la Comunidad. Confío en que resulte posible ponernos de acuerdo sobre un mensaje suficientemente claro -basado en lo que, sin duda, constituye un patrimonio común de nuestros países en cuanto a las relaciones laborales y los derechos sociales- aunque podamos encontrar algunas dificultades en cuanto a la forma de materializarlo. Es mi intención dedicar el tiempo necesario a esta cuestión, que constituirá el segundo punto importante de nuestro orden del día.

Hay una tercera cuestión de gran sensibilidad internacional que requiere discusión: la situación de endeudamiento de cierto número de países de renta media. No podemos permitirnos dejar pasar nuestra reunión sin abordar este asunto. Todos somos conscientes de que, especialmente en América Latina, existe una vinculación entre la supervivencia de la estabilidad democrática y el hecho de possibilitar que esos países superen sus actuales dificultades económicas y financieras. Creo muy deseable que los Doce puedan adoptar una posición común en vísperas de los debates que sobre este tema tendrán lugar en la próxima Cumbre de los países más industrializados.

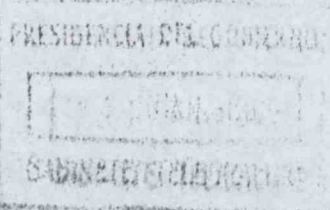
Es mi intención que tratemos durante la cena

EL PRESIDENTE DEL GOBIERNO

y la sobremesa este asunto, así como la actuación de los Doce -en la doble vertiente comunitaria y de la Cooperación Política- en el campo internacional.

He mencionado también la conveniencia de referirnos a otras cuestiones que se incluyen en el contexto de la realización del Acta Única. De acuerdo con la práctica, la Presidencia presentará unas conclusiones sobre el desarrollo de determinados puntos, en las que se reiterará la necesidad general de apoyar y fortalecer el impulso actual. Entre estos puntos, pienso que deberíamos incluir los siguientes:

- Una valoración de la puesta en práctica del Libro Blanco sobre el Mercado Interior. Sugiero que se pida a la Comisión que presente, cuanto antes, las propuestas aún pendientes, de manera que pueda reafirmarse el objetivo 1992.
- En lo relativo a la fiscalidad sobre el ahorro, quisiera subrayar la necesidad de que la Comunidad y los países miembros tomasen las medidas necesarias para garantizar que se persiga el fraude y la evasión fiscal, especialmente, cuando entren en vigor las normas sobre liberalización de los movimientos de capitales.
- En cuanto al tema audiovisual podríamos señalar los progresos hechos hasta el presente y referirnos también a las "asises" que se celebrarán en Francia en el otoño.
- En lo referente a la libre circulación de personas deberíamos respaldar el informe del Grupo de Coordinadores (Documento de Palma de Mallorca), y adoptar el compromiso político de aplicación del programa de trabajo que en él se establece.
- En materia de Medio Ambiente, las conclusiones deberían reiterar la especial responsabilidad interna e internacional de la Comunidad y constatar los logros recientes. En este contexto, el Presidente Delors nos presentará las ideas de la Comisión sobre la posible creación de una Agencia Europea del Medio Ambiente.
- Por lo que se refiere a la Investigación, deberíamos pasar revista a la situación y subrayar la importancia del trabajo del Consejo en la revisión del Programa Marco.



DEL GOBIERNO
DE ESPAÑA

EL PRESIDENTE DEL GOBIERNO

- Por último, la Presidencia estima que debemos dar un renovado impulso político a la "Europa de los Ciudadanos". El progreso realizado no puede considerarse satisfactorio. Deberíamos invitar al Consejo, con el concurso de la Comisión, a que efectúe un inventario de lo que aún queda por hacer, para poner en práctica el informe Adonnino y adopte conclusiones operativas.

La Presidencia prepara también conclusiones sobre las principales áreas de las relaciones exteriores de la CEE, en las que se subrayan los avances realizados y nuestro apoyo político a ciertas líneas de actuación. Nos centraremos en los temas de mayor actualidad (EFTA, Países de Europa del Este, Ronda Uruguay, ACP, etc.). Igualmente, trataremos los principales temas de la Cooperación Política Europea, que habrán sido preparados previamente por los Ministros de Asuntos Exteriores, con una especial atención a la cuestión de Oriente Medio.

Los puntos incluidos en los dos apartados anteriores referidos a la realización del Acta Unica y las relaciones exteriores no deberían plantear especiales dificultades, por lo que podríamos tratarlos el segundo día al discutir las conclusiones.

A la espera de nuestro próximo encuentro en Madrid, reciba un atento saludo.

Felipe González

Felipe González Márquez

TELEFONO
CORREO

CONFIDENTIAL

033024
MDHIAN 0238

CONFIDENTIAL
FM MADRID
TO DESKBY 211230Z FCOLN
TELNO 630
OF 211100Z JUNE 89
AND TO IMMEDIATE UKREP BRUSSELS
AND TO PRIORITY EC POSTS

MIPT

1. FOLLOWING IS TRANSLATION OF LETTER FROM FELIPE GONZALEZ TO
PRIME MINISTER, DATED 21 JUNE 1989:

BEGINS

'DEAR PRIME MINISTER,

IN A FEW DAYS I WILL HAVE THE PLEASURE OF RECEIVING YOU IN MADRID ON
THE OCCASION OF THE EUROPEAN COUNCIL.

THE MADRID SUMMIT WILL TAKE PLACE AT A PARTICULARLY IMPORTANT TIME
IN THE LIFE OF THE COMMUNITY. WE ARE, IN FACT, AT THE HALFWAY POINT
BETWEEN ADOPTION OF THE SINGLE EUROPEAN ACT AND THE OBJECTIVE OF
1992. MOREOVER, THE THIRD DIRECT ELECTIONS TO THE EUROPEAN
PARLIAMENT HAVE JUST TAKEN PLACE WHICH CONFIRM THE VITALITY OF THE
PROJECT FOR THE CONSTRUCTION OF EUROPE AND WHICH PROMPT A SERIOUS
REFLECTION ON HOW TO RESPOND TO THE ASPIRATIONS OF OUR CITIZENS.
FINALLY, MAJOR CHANGES ARE TAKING PLACE IN THE INTERNATIONAL CONTEXT
- IN WHICH THE COMMUNITY HAS AN INCREASINGLY IMPORTANT ROLE TO PLAY
- WHICH GIVE US RENEWED HOPE FOR THE FUTURE.

IT SEEMS TO ME, THEREFORE, THAT THIS IS A GOOD MOMENT TO DISCUSS
SOME FUNDAMENTAL ISSUES TO WHICH WE MUST GIVE PRIORITY.

I THINK WE MUST PAY SPECIAL ATTENTION TO ECONOMIC AND MONETARY
UNION, IN ACCORDANCE WITH THE DECISION THAT WE TOOK IN HANOVER TO
ESTABLISH THE DELORS COMMITTEE. I ALSO THINK THAT PROGRESS MADE IN
THE IMPLEMENTATION OF THE SINGLE EUROPEAN ACT MEANS THAT WE MUST
DISCUSS THE RATE AT WHICH THE WHITE BOOK ON THE INTERNAL MARKET IS
BEING PUT INTO EFFECT, AS WELL AS THE SOCIAL DIMENSION OF THE
COMMUNITY. FINALLY, WE MUST LOOK AT OTHER ASPECTS OF THE APPLICATION
OF THE SINGLE EUROPEAN ACT AND THE CONDUCT OF THE TWELVE IN THE
INTERNATIONAL SPHERE.

ALL THESE SUBJECTS WILL REQUIRE APPROPRIATE POLITICAL ORIENTATION BY

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CONFIDENTIAL

THE EUROPEAN COUNCIL.

FIRST, WE MUST REMEMBER THAT, IN POLITICAL TERMS, A DECISION MUST NOW BE MADE REGARDING ECONOMIC AND MONETARY UNION. THIS REQUIREMENT IS NOT JUST A CONSEQUENCE OF OUR HANOVER AGREEMENT, BUT ALSO OF OUR COMMITMENT, EXPRESSED IN THE SINGLE EUROPEAN ACT, TO THE PRINCIPLE OF ECONOMIC AND MONETARY UNION. THIS QUESTION MUST BE DISCUSSED IN DEPTH, AND THE PRESIDENCY THEREFORE PROPOSES TO ALLOW AS MUCH TIME AND ATTENTION FOR IT AS NECESSARY. FOR THIS REASON, WE WILL START DISCUSSION OF THIS SUBJECT ON THE FIRST DAY, AFTER WE HAVE RECEIVED LORD PLUMB, PRESIDENT OF THE EUROPEAN PARLIAMENT. I HOPE THAT OUR DISCUSSION WILL ALLOW SUBSTANTIAL PROGRESS TO BE MADE.

WE WILL THEN DISCUSS THE SOCIAL DIMENSION OF THE EC. THE RAPID PROGRESS MADE TOWARDS COMPLETION OF THE INTERNAL MARKET HAS ALREADY GIVEN RISE TO DEBATE IN ALL MEMBER STATES WHICH CLEARLY SHOWS THAT WE MUST ALSO MAKE PROGRESS IN THIS FIELD. IT IS POLITICALLY NECESSARY TO RESPOND TO THE CONCERNS EXPRESSED ABOUT THE FUTURE SHAPE OF THE COMMUNITY. I TRUST THAT WE WILL BE ABLE TO REACH AGREEMENT ON A SUFFICIENTLY CLEAR MESSAGE - BASED ON WHAT IS UNDOUBTEDLY A COMMON HERITAGE OF LABOUR RELATIONS AND SOCIAL RIGHTS OF OUR COUNTRIES - ALTHOUGH WE MAY ENCOUNTER SOME DIFFICULTIES AS TO HOW TO PUT IT INTO EFFECT. I INTEND TO SPEND THE NECESSARY TIME ON THIS SUBJECT, WHICH WILL BE THE SECOND IMPORTANT ITEM ON OUR AGENDA.

THERE IS A THIRD ISSUE OF GREAT INTERNATIONAL SENSITIVITY THAT MUST BE DISCUSSED: THE INDEBTEDNESS OF A CERTAIN NUMBER OF MIDDLE-INCOME COUNTRIES. WE CANNOT ALLOW OUR MEETING TO PASS WITHOUT ADDRESSING THIS ISSUE. WE ARE ALL AWARE THAT, ESPECIALLY IN LATIN AMERICA, THERE IS A LINK BETWEEN THE SURVIVAL OF STABLE DEMOCRACY AND A MEANS TO ENABLE THOSE COUNTRIES TO OVERCOME THEIR CURRENT ECONOMIC AND FINANCIAL DIFFICULTIES. I THINK IT MOST DESIRABLE THAT THE TWELVE AGREE A COMMON POSITION ON THE EVE OF THE DISCUSSIONS OF THIS SUBJECT AT THE FORTHCOMING SUMMIT OF THE MOST INDUSTRIALISED NATIONS.

MY INTENTION IS THAT WE DISCUSS THIS OVER DINNER, TOGETHER WITH ACTION BY THE TWELVE ON AN INTERNATIONAL LEVEL - BOTH IN TERMS OF THE COMMUNITY AND OF POLITICAL COOPERATION.

I HAVE ALSO MENTIONED THAT IT WOULD BE ADVISABLE TO REFER TO OTHER ISSUES WITHIN THE CONTEXT OF THE IMPLEMENTATION OF THE SINGLE EUROPEAN ACT. IN ACCORDANCE WITH PAST PRACTICE, THE PRESIDENCY WILL PRESENT CONCLUSIONS ON CERTAIN POINTS, WHICH WILL REITERATE THE

GENERAL NEED TO SUPPORT AND STRENGTHEN CURRENT MOMENTUM. I THINK THESE POINTS SHOULD INCLUDE THE FOLLOWING:

- AN ASSESSMENT OF THE IMPLEMENTATION TO DATE OF THE WHITE BOOK ON THE INTERNAL MARKET. I SUGGEST THE COMMISSION BE ASKED TO PRESENT THE PROPOSALS THAT ARE STILL OUTSTANDING AS SOON AS POSSIBLE, SO THAT THE 1992 OBJECTIVE CAN BE REAFFIRMED.
- WITH REGARD TO TAX ON SAVINGS, I SHOULD LIKE TO EMPHASISE THE NEED FOR THE COMMUNITY AND MEMBER STATES TO TAKE THE NECESSARY ACTION TO ENSURE THAT FRAUD AND TAX EVASION ARE TACKLED, PARTICULARLY WHEN THE REGULATIONS LIBERALISING CAPITAL MOVEMENTS COME INTO FORCE.
- WITH REGARD TO AUDIOVISUAL SUBJECTS WE COULD INDICATE WHAT PROGRESS HAS BEEN MADE SO FAR AND ALSO REFER TO THE ''ASSISES'' WHICH WILL TAKE PLACE IN FRANCE NEXT AUTUMN.
- WITH REGARD TO THE FREE MOVEMENT OF PERSONS WE SHOULD EXPRESS OUR SUPPORT FOR THE REPORT OF THE COORDINATORS' GROUP (PALMA DE MALLORCA DOCUMENT), AND GIVE A POLITICAL COMMITMENT TO THE APPLICATION OF THE PLAN OF ACTION WHICH IT ESTABLISHED.
- ON ENVIRONMENTAL ISSUES, THE CONCLUSIONS SHOULD REITERATE THE PARTICULAR INTERNAL AND INTERNATIONAL RESPONSIBILITY OF THE COMMUNITY AND RECORD RECENT ACHIEVEMENTS. IN THIS CONTEXT, PRESIDENT DELORS WILL PRESENT US WITH THE COMMISSION'S IDEAS ON THE POSSIBILITY OF CREATING A EUROPEAN ENVIRONMENTAL AGENCY.
- ON THE SUBJECT OF RESEARCH, WE SHOULD REVIEW THE CURRENT POSITION AND EMPHASISE THE IMPORTANCE OF THE COUNCIL'S WORK IN REVIEWING THE FRAMEWORK PROGRAMME.
- FINALLY, THE PRESIDENCY BELIEVES THAT WE SHOULD GIVE A FURTHER POLITICAL IMPULSE TO THE ''CITIZENS' EUROPE''. PROGRESS MADE SO FAR CANNOT BE CONSIDERED SATISFACTORY. WE SHOULD ASK THE COUNCIL, WITH THE COOPERATION OF THE COMMISSION, TO MAKE AN INVENTORY OF WHAT REMAINS TO BE DONE, IN ORDER TO IMPLEMENT THE ADONNINO REPORT AND ADOPT OPERATIONAL CONCLUSIONS.

THE PRESIDENCY IS ALSO PREPARING CONCLUSIONS ON THE MAIN AREAS OF THE EXTERNAL RELATIONS OF THE EEC, WHICH WILL EMPHASISE PROGRESS MADE AND ALSO OUR POLITICAL SUPPORT FOR CERTAIN LINES OF ACTION. WE SHALL CONCENTRATE ON TOPICS OF GREATEST CURRENT INTEREST (EFTA,

EASTERN EUROPE, THE URUGUAY ROUND, ACP, ETC). WE SHALL ALSO DEAL WITH THE MAIN ISSUES OF EUROPEAN POLITICAL COOPERATION, WHICH WILL HAVE BEEN PREPARED BY THE FOREIGN MINISTERS, PAYING PARTICULAR ATTENTION TO THE MIDDLE EAST.

THE POINTS REFERRED TO IN THE TWO PREVIOUS PARAGRAPHS RELATING TO THE IMPLEMENTATION OF THE SINGLE EUROPEAN ACT AND EXTERNAL RELATIONS SHOULD NOT POSE ANY PARTICULAR DIFFICULTIES, AND WE COULD THEREFORE DEAL WITH THEM ON THE SECOND DAY WHEN WE DISCUSS THE CONCLUSIONS.

I LOOK FORWARD TO SEEING YOU IN MADRID.

YOURS VERY SINCERELY,

SIGNED FELIPE GONZALEZ MARQUEZ''
ENDS.

GORDON LENNOX

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