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22 June 1984

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P Wray Esq
Head of Public Affairs Department
Imperial Chemical Industries PLC
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Dear Mr Wray,

THE FONTAINEBLEAU EUROPEAN COUNCIL

Thank you for your letter of 20 June with a copy of the aide memoire from the "Groupe des Présidents des Grandes Entreprises Européennes". The United Kingdom intends, in the discussion on the future development of the Community at Fontainebleau, to continue to press hard for measures which will genuinely ensure the operation of the internal market. It is probable that the Prime Minister will again indicate those priorities and areas which in our view should be tackled quickly.

I am sending copies to Sir Crispin Tickell (FCO) and to Mary Lackey (DTI).

Yours sincerely

D F WILLIAMSON

bc: Mr Powell, No 10 Downing Street
Mr Renwick, FCO

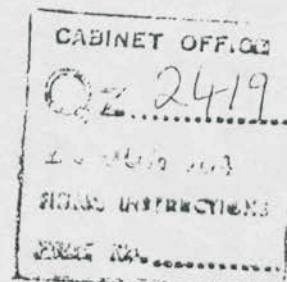
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Mr D F Williamson CB
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| Your ref | Our ref | Tel ext | Date |
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| | MPW/SH | 3274 | 20 June 84 |

Dear Mr Williamson

THE FONTAINEBLEAU EUROPEAN COUNCIL

Prior to the Athens European Council last December, I wrote to you (my letter of 2 December last) in relation to a group of Chairmen of some 20 major industrial companies (the so-called "Groupe des Présidents des Grandes Entreprises Européennes").

The Group, of which our Chairman John Harvey-Jones is a member, is aware of proposals from the Commission based on an initiative by Commissioner Narjes relating to the Consolidation of the Internal Market.

The Group of Chairmen, in support of this initiative, set up a task force which has produced an aide memoire on the Commission's communication which highlights particular areas of concern.

Mr Harvey-Jones has asked me, in his absence, to forward a copy of the aide memoire to you. While being well aware of HMG's positive attitude on internal market questions, we feel it may nevertheless be helpful for you to have a copy of the Group's comments and to communicate it, if you feel it appropriate, to Ministers attending the Fontainebleau Council.

For your information, I have written in similar terms to Crispin Tickell at the FCO and Mary Lackey at the DTI.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'M P Wray'.

M P Wray
Head of Public Affairs Department

cc: Mr J H Harvey-Jones

ANNEXE 2.GROUPE DES PRESIDENTS DES GRANDES ENTREPRISES EUROPEENNES

Aide-mémoire on the Commission's communication
 "La Consolidation du Marché Intérieur" (COM(84)305)

1. The Commission has prepared a comprehensive package of proposals to carry forward the integration of the EEC's internal market. It calls upon the Council to adopt certain measures before the end of 1984 and the remainder during 1985. The measures in question - (well over 100 in all) - are set out in two annexes to the Commission document. The Commission's objective - although it is not expressed in the document itself - is to make substantial and rapid progress before the accession of Spain and Portugal which is still scheduled for 1986 and which, it is feared, will inevitably slow down the pace. The Commission's proposals will be put forward to the next EEC Summit in Fontainebleau on 25-26 June.
2. The Groupe des Présidents has already stressed the urgent need for action on the internal market. It accordingly supports the Commission's initiative in this area.

3. The principle of delegation

A feature of the Commission's proposals which is particularly welcome is the recognition of the need to delegate authority. The Community's normal decision making processes are ill suited to the detailed and often technical issues involved in the regulation of the internal market. The Commission suggests that it could be given more freedom than now to legislate within the scope of framework directives emanating from the Council. Furthermore, in the matter of health and safety regulations and of technical standards, the Commission itself intends to delegate increasingly to private standards institutes the task of working out the details of new regulations.

4. Electronic data processing.

A similar process of delegation would be desirable in relation to frontier controls. At present, information about any consignment which crosses an internal frontier is generated in the first instance by the parties to the commercial transaction. The information then has to be transposed and adapted to the requirements of the customs authorities. If there existed standard definitions for all the required elements of data - and given the increasing use of the electronic processing for commercial data - the customs requirements could become an automatic by-product of the commercial transactions. The Commission's proposals are regrettably silent on the whole question of electronic data processing. The CADDIA system (Coopération dans l'Automatisation des Données et de la Documentation dans l'Importation-Exportation et l'Agriculture) is not even mentioned.

- To make progress on the elimination of Monetary Compensation Amounts (MCAs). The Council has already agreed, in principle, to phase out MCAs over a 3-year period (para 40).
- To make progress in the liberalisation of public purchasing in the telecommunications sector (para 64).

6. The avoidance of over-regulation

Finally, increasing emphasis must be placed on the elimination of unnecessary and obsolete regulations and on the progressive simplification of those that remain. The Commission's recognition of this need (paras 10, 11 and 43) is welcome.

- PGWW/LL