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MR POWELL

People's Europe
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EUROPEAN COUNCIL, 29-30 MARCH

At her briefing meeting this morning the Prime Minister asked that we should redraft the second indent in the section on the Committee on People's Europe in the Steering Brief (pages 23-24). I propose:-

" - my representative made clear that he supported the Committee's view that there should be a timetable for the completion of the single market for goods and services. This is a priority objective for the Community. We should have done it long ago. He did not endorse the Commission's proposal for a "Europe without frontiers" by 1992. We cannot have a Europe totally without frontiers so long as we have to face the vital issues of drugs, terrorism and illegal immigration. We should not underrate the importance of these points for our people. Furthermore, national tax rates and arrangements are the responsibility of member states themselves. They differ widely and are not going to be changed. The common market for goods and services does not depend on tax harmonisation."

I am sending copies to Colin Budd (FCO), Rachel Lomax (Treasury) and to Sir Robert Armstrong.

D F Williamson

D F WILLIAMSON

27 March 1985

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