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FRAME GENERAL

FROM UKREP BRUSSELS

FOREIGN AFFAIRS COUNCIL 13 JUNE : PREPARATION FOR EUROPEAN COUNCIL

SUMMARY

1. GENSCHER (PRESIDENCY) AND DELORS (COMMISSION) EXPLAINED THEIR THINKING ON FAMILIAR LINES. GENERAL AGREEMENT THAT INTERNAL MARKET (REVIEW AND PRIORITIES), THE SOCIAL DIMENSION AND MONETARY DEVELOPMENTS WOULD BE THE MAIN COMMUNITY SUBJECTS. COMMISSION TO REPORT ON ECONOMIC AND SOCIAL SITUATION AND BLACK ECONOMY. DELORS MENTIONS CRIME CONTROL AND DELINQUENCY, CITIZENS EUROPE AND ENVIRONMENTAL POLICY AS OTHER POSSIBLE SUBJECTS.

DETAIL

2. GENSCHER SAID THAT HANOVER SHOULD LOOK AT THE PROSPECTS FOR EUROPEAN INTEGRATION - IT SHOULD SET PRIORITIES FOR THE MEDIUM TERM FOR THE INTERNAL MARKET, FOR THE SOCIAL DIMENSION, WHICH WOULD FIGURE UNDER THE GREEK AND SPANISH PRESIDENCIES, AND FOR MONETARY MATTERS: ON THIS LATTER AREA THE PRESIDENCY WOULD INFORM MEMBER STATES IN GOOD TIME OF THE INITIATIVES THE PROPOSED. ON THE ECONOMIC AND SOCIAL SITUATION, THEY EXPECTED THE COMMISSION TO GIVE AN ORAL PRESENTATION. THE CHANCELLOR WOULD REPORT ON THE ECONOMIC SUMMIT. POLITICAL COOPERATION WOULD BE DONE BY FOREIGN MINISTERS OVER DINNER AND TAKEN UP BY THE EUROPEAN COUNCIL THE NEXT MORNING. THE CHANCELLOR WOULD SEND A LETTER TO HIS COLLEAGUES ON 23 JUNE SETTING OUT HIS VIEWS ON SUBJECTS FOR DISCUSSION.

3. DELORS (COMMISSION) SAID IT WAS IMPORTANT FOR THE COUNCIL TO RESOLVE THE REMAINING PROBLEMS ON FUTURE FINANCING IN THE COURSE OF TOMORROW. ON THE INTERNAL MARKET PROGRESS UNDER THE GERMAN PRESIDENCY ON 3 KEY DIRECTIVES - MUTUAL RECOGNITION OF DIPLOMAS, LIBERALIZATION OF CAPITAL MOVEMENTS AND ROAD TRANSPORT PLUS A PACKAGE AT THE INTERNAL MARKET COUNCIL WOULD BE A VERY POSITIVE SIGN. HE SUPPORTED THE IDEA OF PREPARING A TIMETABLE OF INTERNAL

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MARKET PRIORITIES UP TO THE END OF 1992 IF THE GREEK, SPANISH AND FRENCH PRESIDENCIES AGREED. THIS SHOULD PICK OUT STRATEGIC PRIORITIES. IT WAS ALSO NECESSARY TO SEND A POLITICAL SIGNAL TO WORKERS AND EMPLOYERS THAT WHAT WAS BEING DONE TO IMPLEMENT THE SINGLE EUROPEAN ACT WOULD NOT INCREASE UNEMPLOYMENT. THERE WAS PROVISION FOR TAKING UP THESE MATTERS UNDER ARTICLES 117, 118A AND 118B. BUT IT WAS NOT NECESSARY FOR THE HEADS OF STATE TO DISCUSS THIS IN DETAIL. ON MONETARY DEVELOPMENTS THE COMMISSION HAD STUDIED THE VARIOUS IDEAS WHICH HAD BEEN FLOATED BY INDIVIDUALS AND GOVERNMENTS. THE ULTIMATE GOAL OF ECONOMIC AND MONETARY UNION AND THE COMMON CURRENCY WOULD TAKE TIME. EXPERTS NEEDED TO DISCUSS DETAILED QUESTIONS INCLUDING THE ROLE OF THE ECU AND HOW TO MANAGE A COMMON CURRENCY.

4. THESE 3 ISSUES (INTERNAL MARKET, SOCIAL MATTERS AND MONETARY DEVELOPMENTS) SHOULD BE DISCUSSED ON THE FIRST AFTERNOON. THERE WOULD BE A DOCUMENT ON THE ECONOMIC AND SOCIAL SITUATION BUT HE WOULD ALSO MAKE AN ORAL PRESENTATION WHICH WOULD GO FURTHER. HE WOULD TALK ABOUT THE BLACK ECONOMY AND UNEMPLOYMENT STATISTICS. OTHER POSSIBLE SUBJECTS INCLUDED PEOPLE'S EUROPE AND QUESTIONS ARISING FROM DISCUSSION IN THE POMPIDOU AND TREVI GROUPS ABOUT CRIME CONTROL AND DELINQUENCY. SOME HAD ALSO SUGGESTED THAT THERE SHOULD BE A REPORT ON ENVIRONMENTAL POLICY.

5. SOLBES (SPAIN) SAID IT WOULD BE HELPFUL TO KNOW MORE PRECISELY WHAT THE PRESIDENCY HAD IN MIND FOR THEIR PRIORITIES FOR THE NEXT THREE PRESIDENCIES. EACH EUROPEAN COUNCIL SHOULD CONSIDER WHAT REMAINED TO BE DONE BY 1992. FRAU ADAM-SCHWAETZER SAID SHE ACCEPTED THAT SUCCESSIVE PRESIDENCIES MUST WORK TOGETHER.

6. I SAID THERE WERE THREE OBJECTIVES IN THE INTERNAL MARKET WHICH NEEDED TO BE DISTINGUISHED: MEASURES TO BE AGREED BY THE TIME OF HANOVER INCLUDING LIBERALIZATION OF CAPITAL MOVEMENTS, MUTUAL RECOGNITION OF DIPLOMAS AND ROAD TRANSPORT: THE AGENDA UP TO 1992: AND PRIORITIES FOR RESOLUTION IN THE NEXT 18 MONTHS. I EXPLAINED THE PRIORITIES THE PRIME MINISTER HAD SET OUT IN HER REPLY TO CHANCELLOR KOHL. ON MONETARY DEVELOPMENT I EMPHASIZED THE IMPORTANCE OF CARRYING FORWARD THE IMPORTANT PRACTICAL STEPS OF THE LAST YEAR. WE WOULD LIKE TO SEE: GREATER USE OF THE PRIVATE ECU, STRENGTHENING THE BALANCE OF THE SYSTEM BY SHIFTING THE WEIGHT OF INTERVENTION MORE TO COMMUNITY CURRENCIES AND LESS TO DOLLARS, AN INCREASE IN CROSSHOLDINGS OF CURRENCIES BY EC MEMBERS AND GREATER BALANCE IN INTERVENTION ARRANGEMENTS. WORK ON IDEAS FOR THE FUTURE SHOULD BE DONE BY THOSE WITH EXPERTISE. ON THE SOCIAL DIMENSION I AGREED WITH

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DELORS THAT WE NEEDED TO EXPOUND THE VIRTUES OF THE SINGLE MARKET TO THE SOCIAL PARTNERS AND TO EXPLAIN TO THEM THAT IT INVOLVED NOT JUST GROWTH BUT ALSO MORE JOBS. AT THE SAME TIME WE MUST AVOID INCREASING THE BURDENS ON BUSINESS. WE SHOULD ENCOURAGE SOCIAL DIALOGUE BUT STOP SHORT OF IMPOSING REGULATION ON MANAGEMENT AND UNIONS.

7. PANGALOS (GREECE) SAID WE MUST MAKE AN EFFORT TO RESOLVE THE PROBLEMS LEFT OVER FROM THE BRUSSELS EUROPEAN COUNCIL. IF IT COULD NOT BE DONE TODAY, IT WOULD HAVE TO BE DONE AT HANOVER - GREECE DID NOT WANT THIS SUBJECT SURFACING DURING THEIR PRESIDENCY. THE SINGLE EUROPEAN ACT REQUIRED A REVIEW AT THE END OF 1988. THIS DID NOT RULE OUT A TIMETABLE FOR THE NEXT 18 MONTHS BUT THE GREEKS HAD ALREADY ESTABLISHED A PROGRAMME FOR THE NEXT SIX MONTHS. CALAMIA (ITALY) AGREED WITH THE BROAD APPROACH OF THE PRESIDENCY BUT SAID THAT ITALY SAW SOCIAL ASPECTS AS CENTRAL. THE END 1988 REPORT ON THE INTERNAL MARKET WOULD BE A CRUCIAL LANDMARK. THE PRIORITIES FOR 18 MONTHS SHOULD STRESS STRATEGIC AREAS NOT LIST A COMPLEX MASS OF DIRECTIVES.

8. SUMMING UP FRAU ADAM-SCHAETZER SAID THAT THE COUNCIL SHOULD DISCUSS GENERAL MATTERS NOT DETAILED PROBLEMS. THE POINTS MADE BY MEMBER STATES WOULD BE BORNE IN MIND.

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