



Foreign and Commonwealth Office

London SW1A 2AH

29 November 1988

Dear Charles

Rhodes European Council:
Letter from Papandreou

Thank you for your letter enclosing the eve of Council agenda letter from the President of the European Council.
/ I attach an annotated version of Papandreou's text, which contains no surprises, and necessitates no changes to the briefing which we have already sent to you. We see no need for the Prime Minister to reply.

You will have seen, from the press and UKREP
/ Telno 3609 (copy enclosed), that M Delors took a helpful line at his pre-Rhodes press conference yesterday.

I am sending a copy of this letter to Alex Allan (HMT), Neil Thornton (DTI) and Roger Lavelle (Cabinet Office).

Converser,

L Parker

(L Parker)
Private Secretary

COMMENTARY

Acceptable reference to recent European Council decisions as basis for progress to completion of Single Market. The phrase "Europe without frontiers" is a short-hand reference to the Single European Act which in fact contains qualifications. The text itself refers to establishment of an area without frontiers in accordance with the provisions of this Treaty (ie recognising the right to retain restrictions on grounds, inter alia, of public morality, public security and public health). The SEA also has accompanying declarations safeguarding Member States' rights to take measures against terrorism, crime, drug trafficking and illegal immigration, and undertaking to co-operate in these fields.

HELLENIC REPUBLIC
MINISTRY OF FOREIGN AFFAIRS

Dear Prime Minister

It is a particular honour and pleasure for me to welcome you to Rhodes for our meeting within the framework of the European Council on 2 and 3 December.

Our meeting in Rhodes is taking place at a time when the European Community would seem to have embarked on a steady course towards the achievement of the goals we agreed when we adopted the Single European Act. The decisions we took at recent European Councils for the successful implementation of the provisions of the Single Act, together with the recent progress achieved in the Council of Ministers as regards the adoption of implementing regulations for the Structural Funds in order to strengthen economic cohesion, provide a sound framework for the accomplishment of our objectives for 1992, which are to culminate in a "Europe without frontiers" on the basis of the gradual process towards European Union.

Our meeting is also taking place at a time when in other parts of Europe and in the wider international context, particularly important changes are taking place in the advancement of values and aspirations which open up hopeful prospects for humanity with the consolidation of peace, security, stability and the principles of democracy, human rights and dignity.

Unwelcome reference to defining "new objectives" since the emphasis should be on getting on with the mainstream 1992 priorities as established at Hanover. But if the next paragraph is read as explaining what this means, there should be no difficulty.

Sound approach to progress on the Single Market.

The right priorities for social issues: measures to combat unemployment etc. Useful that the disagreeable dogs (worker participation) did not bark here.

These changes require, in my opinion, in addition to the political reaffirmation of some of our aims, the definition of new objectives in the context of a more general examination of progress in the further development of the Community, bearing in mind experience to date with the application of the Single Act, both as regards its provisions concerning completion of the internal market and as regards its provisions on the strengthening of economic and social cohesion, the implementation of the Articles concerning workers' health, social security and protection, the development of environmental policy, etc. At the same time, as a creative response to changes in the international situation, we should re-examine and reaffirm the position of the European Community in the world.

I would therefore propose that we begin our work on Friday afternoon, after our discussion with the President of the European Parliament, Lord Plumb, with an examination of the prospects for the further development of the Community, concentrating on the following topics: progress towards achieving the internal market, taking into account the report which the Commission has prepared on the basis of Article 8b of the Single European Act. Our discussions should be in the nature of a mid-term review, since we are already half way towards 1992. We should assess the progress which has been made, identify any delays or difficulties, and reaffirm our political will to achieve the objective of the single market, outlining for this purpose the appropriate guidelines.

At the same time, we should examine the social dimensions of the internal market in the context of a wider attempt to create the conditions for the single social area. In this context we should seek the most effective means of creating new jobs, combatting unemployment, providing vocational training and ensuring the protection and health of workers on the basis of a wider political and economic consensus.

Acceptable paragraph on the environment: as we would wish, no reference to Pangalos's idea of setting up a High Level Group.

Given that Papandreou was bound to refer to a range of issues, the reference is generally acceptable. We shall need to watch out for any bids for more money.

Monetary: acceptable, since we know Delors will stick to a procedural report.

International issues: generally acceptable. But we must ensure the right division of labour. We prefer the original Greek proposal that Foreign Ministers should discuss the text of the statement over dinner, for approval by Heads of Government next day; leaving Heads of Government free to concentrate on transatlantic relations and East/West over dinner.

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I then should like to invite you to deal with the problems of the environment which are becoming ever more acute worldwide, basing the discussion on the text of the statement prepared for us by the Ministers for the Environment. I believe that by making full use of the relevant provisions of the Single Act the Community can play a more effective role in tackling these problems.

I also feel that we should discuss the important subject of the development of the audio-visual media within the Community and also the progress made in implementing the research and technology programme. I think, too, that we should turn our attention to the question of transport infrastructure as a basic accompanying measure to the internal market and also to the particular problems facing certain islands in the Community.

In the evening, before dinner, the President of the Commission, Mr Delors will make an oral report on the progress of the Commission's work on monetary union and on the economic situation in the Community.

During dinner I propose that we have an exchange of views on the Community's international role, with the aim of adopting the text of a statement setting forth the basic principles governing our relations with third countries with a view to strengthening the position of the Community in the international arena, in co-operation, of course, with all the other countries and organisations.

We shall also consider any current international issues which we feel should be discussed within the framework of European Political Co-operation, such as East-West relations, the Middle East, etc.

(There were three EP Resolutions calling mainly
for progress on the Single Market, social
issues, monetary cooperation etc.)

On the morning of the second day the Presidency will as usual submit to you the draft conclusions and the final draft of the statement on the Community's international role, which we will then discuss with a view to final adoption.

Dear Colleague,

I hope that our meeting in Rhodes will represent a valuable contribution to the advancement of European unification by reaffirming, reinforcing and adopting aims and objectives that will lead to the realisation of our common ideals and to the strengthening of our international position and our political credibility. In this connection I would refer also to the Resolution concerning the European Council in Rhodes which the European Parliament adopted at its last plenary sitting.

I look forward to meeting you in Rhodes.