

Rhodes, 2 December 1988
(OR. f)

DRAFT CONCLUSIONS OF THE EUROPEAN COUNCIL

The European Council examined the prospects for the future development of the European Community and its place in the world on the basis of the experience acquired to date in the implementation of the Single European Act. Particular attention was given to the progress made in establishing the single market and developing accompanying policies to strengthen economic and social cohesion, bearing in mind at the same time the beneficial changes which have taken place in the world and especially in East-West relations. The European Council noted with particular satisfaction that the decisions adopted with a view to making a success of the Single European Act, which are now being implemented, have already contributed to the creation of favourable conditions for the smooth, steady and dynamic development of the Community as it moves towards 1992.

June
On the eve of the European elections in 1989, the European Council expressed its pleasure at the *increasingly* *constructive* co-operation with the European Parliament, which was a positive factor in achieving the objectives of the Single Act.

I. IMPLEMENTATION OF THE SINGLE ACT: STOCKTAKING

Establishment of the large market

The European Council took note of the report submitted by the Commission under Article 8b of the Single Act. The European Council noted with satisfaction that at the half-way stage towards the deadline of December 1992 half of the legislative programme necessary for the establishment of the large market

Titre 1 : This reference is Article 8 language,
but incomplete. It drops the caveat about
"in accordance with the provisions of the Treaty"
which effectively excludes controls on new
Article 8 EC citizens and on change, terrorists etc.

|| The simplest amendment would be not to
insist on the complete text, but instead
to go for a reference to it. The
deadline point is OK.

Para 2. "where necessary" makes this OK.

OK.

4 Harmonised Priorities reaffirmed

Transport is a gain for us : the rest is OK.

was already practically complete. This confirmed, if such confirmation were necessary, the irreversible nature of the movement towards a Europe without internal frontiers and bore witness to the will of the Community bodies to complete the task by the deadline set. The European Council notes that the process of completing the internal market has already created a new dynamism in the European economy by contributing to economic adjustment and an increase in growth rates.

The European Council would point out that the creation of the large market forms a whole and that maintenance of an overall approach is one of the conditions for success. It is therefore necessary to make progress in a balanced and co-ordinated fashion in all areas (free movement of goods, services and capital, free movement of persons) and to ensure that the appropriate harmonization or approximation is carried out where necessary.

The pace of work must be stepped up in future, because if account is taken of the time needed to transpose Community law into national legislation the Council in fact has only two years in which to meet the 1992 objective.

The European Council expects the Council rapidly to complete adoption of the texts completing the internal market in the priority areas identified by the European Council last June: public contracts, banking and financial services, the approximation of technical standards and intellectual property. At the same time, the European Council urgently appeals to the Council to step up its efforts in all areas where progress has not been so rapid. This applies particularly to transport and energy, animal and plant health controls and the free movement of persons. The European Council is aware that, in the latter area, the achievement of the Community's objectives, especially the area without internal frontiers,

Para 1 OK.

[The appointment of a co-ordinator is new]

Para 2. NB This is about indirect taxation.

[Hannover conclusions said "To the extent that harmonisation in the area of taxation is necessary... This text won't do because it assumed that some approximation is"]

|| The simplest amendment would be to delete the words "the approximation of" and "the".

The argument would be that we don't accept that artificial approximation in advance is necessary; market forces would do the trick post hoc (vide the Chancellor's Crite paper); this language pre-empt's that debate, yet to be settled in ECOFIN; so "the measures necessary" should be "any measures necessary".

Social

Para 1. "economic and social cohesion" isn't fun.

But the increase in the Structural Funds is our answer to anyone who maintains that this points for a need for more: a 4 year programme of increases is already agreed.

|| The text could be greatly improved by bringing the English text into line with the French - i.e. deleting "similar" and making the last line refer to "the" strengthening

P.3

is linked to progress in intergovernmental co-operation to combat terrorism, international crime, drug trafficking and trafficking of all kinds. This co-operation will be stepped up in order to achieve rapid and concrete results which will enable the Community, for its part, to take the necessary measures to turn Europe into a tangible reality for its citizens. To this end each Member State will appoint a person responsible for the necessary co-ordination.

With regard to the approximation of taxation, the Council is aware of the difficulty of the subject in its various aspects and at the same time of its importance for the creation of the large market. It hopes that the contacts taken up with Governments at the initiative of the Commission will permit a convergence of views and it calls on the Council to speed up its work so that the tax measures necessary for the establishment and operation of the internal market can be adopted in accordance with the timetable set.

mt 99

Social dimension

to the extent to which any are relevant

The European Council considers that progress in implementing the provisions of the Single European Act on the completion of the internal market must be accompanied by similar progress in implementing its provisions on social policy (Articles 118a and 118b) and by a strengthening of economic and social cohesion.

The Presidency drew the European Council's attention to the memorandum which it had circulated on this subject before the beginning of the Presidency.

French

and the proposals

Tweet 1: OK

Tweet 2: In substance undamaging: language gobblegook.

Better would be:

✓ "The extra growth arising from the Single Market, as the most effective means of combatting unemployment, ^{should} ~~will~~ benefit all ~~the~~ citizens"

[NB Hanover said: -

"By removing obstacles to growth, the Single Market offers the best prospect for promoting employment and increasing the general prosperity of the Community to the advantage of all its citizens.]

Sowed
much

Tweet 3: OK

Tweet 4: Good

Tweet 5: Over the top. A minor amendment perhaps feasible

Tweet 6: OK. Hanover did indeed commission Rob: no results yet to hand.

Completion of the Single Market cannot be regarded as an end in itself; it pursues a much wider objective, namely to ensure the maximum well-being of all, in line with the tradition of social progress which is part of Europe's history.

[This tradition of social progress should be a guarantee that all *citizens* *Reflect* ~~socio-professional categories~~ will have effective access to the direct benefits expected from the Single Market as a factor of economic growth, and the most efficient means of combating unemployment.]

The European Council notes that a start has already been made on applying the Single European Act and the guidelines deriving therefrom.

The European Council welcomes the progress made with the framework Regulation on health and safety at the workplace and calls on the Council to complete the establishment of this important aspect of the Community's social action without delay. *President*

The European Council would give a reminder of the *[E]* *[t]* increasing importance attaching to the systematic pursuit of a constructive dialogue between the two sides of industry at Community level *[E]* in accordance with Article 118b of the Treaty. This dialogue is *[a]* *[one significant way]* the essential means of ensuring the active involvement of both sides of industry in completion of the large market.

The European Council meeting in Hanover asked the Commission to carry out a comparative study of Member States' legislation on working conditions. The European Council notes that that study, which should enable the common "acquis" in this area to be identified, is in progress.

should aim at...

|| Tinet 1. : Best deleted in full

The argument here should be that
The European Council has not agreed
a need for a new "social charter";
The Commission may of course submit
whatever it wants; but the debate
cannot be prejudged now.

Tinet 2 : Good. This is our song.

Tinet 3. : No need to query this - add difficult to
do so since we're ready to agree that Health
and Safety Directive should go into '89.
The "necessary" qualification is useful.

Associated.

Tinet 1. : ^{Broadly} OK. "Timetary capacity" looks odd,
but shouldn't be queried, because it's
a direct Single European Act quote.
~~we don't~~ But the text would be improved
by bringing the English into line with
the French — "conditions", not "preconditions".

Tinet 2 : OK

Council of Europe

[Solidarity by compulsion]

As regards implementation of social rights, the European Council awaits such proposals as the Commission might consider useful to submit and which it feels could take the form of a European social charter.

calls upon

~~The Commission is to do its best to assist the~~
The European Council emphasizes that the Community's action should contribute towards enhancing available human resources and towards the preparation of change and future technical adjustments. Reform of training schemes, including vocational training, will be a determining factor in achieving these objectives.

The European Council requests the Council to examine the above proposals with a view to taking, in the course of 1989, the necessary decisions to guide Member States' action on social matters in relation with the single market.

Associated policies

The European Council recalls that a significant number of Community policies or projects are contributing, directly or indirectly, towards completion of the internal market or are linked to it in one way or another. It accordingly invites the Council to ensure that the necessary progress is made in the various sectors covered by the Single Act (structural policies, research and technology, monetary capacity) in order to ensure, in due course, all the [] preconditions enabling the Community to derive every possible benefit from the large market. *Gram.*

In connection with structural policies, the European Council notes with satisfaction that all the legislative texts on the reform of the various Funds

Tweet 2 : OK.

Tweet 3. : "Utmost" can be got rid off as a translation error : the French is "partimber" ("particular")

[Manon's language was : -

"They decided to entrust to a Committee the task of studying and proposing concrete stages leading towards this union."

So the substance is not new.]

Environment Perhaps worth adding

"The European Council welcomes the intention of the British Government to call a worldwide Conference on the ozone layer in London in March 1989."

[This is likely to be agreed : and particularly since the French want a similar reference to their Audio-visual Conference.]

(ERDF, SOCIAL FUND, EAGGF - GUIDANCE), will be adopted by the end of the year, so that they will be operational from 1989;

7-? March 1989
The European Council calls on the Commission to supplement its analysis of the macro-economic consequences of the internal market as regards its regional impact.

In regard to economic and monetary policy, the European Council is aware that this sector has both a direct and an indirect impact on the completion of the internal market. In this connection, it attaches the utmost importance to the work undertaken, at its request, by the DELORS Committee on the specific stages leading to economic and monetary union and to the conclusions to be drawn therefrom at the forthcoming European Council meeting in Madrid. *Gr, 1.7*

Environment

The European Council notes that efforts are actively being pursued at various levels and in different fora with a view to responding to ever-increasing concern over the threats to the environment. In this connection, the Council expresses satisfaction at the important decisions taken by the recent Environment Council.

The European Council considers that protection of the environment is a matter of vital significance to the Community and to the rest of the world, and urges the Community Institutions and the Member States to take every initiative and all essential steps, including at international level, reflecting the fundamental lines of the statement set out in Annex I. The European Council emphasizes the special importance of co-operation in this area with other European countries, i.e. both EFTA countries and East European countries.

*1989
Ozone layer conference
March 7th*

Transport.

- || Should be deleted.
No need for extra EC money in addition to
Structural Funds (and EIB)
Argument as in Brief.

Islands

- || Should be deleted.
Proposed limit vague. Argument as in Brief

Audio-Visual

Tier 1 broadly OK except for pooling effort. No
harm in increasing } effort (what the
strengthening }
[French might buy as an apparent
toughening.]

Transport infrastructures

consider
The European Council ~~feels~~ that the creation of major transport infrastructures is one method of speeding up the unification of the European economic area.

It has noted with interest the ideas put forward by the Commission on the subject. *possibilities* It requests the Council to consider with the Commission the preparation of an appropriate Community programme in this area. In the meantime it calls on the Council to adopt measures before the end of the year within the limit of the appropriations provided for that purpose in the budget.

Islands

also
The European Council recognizes the particular socio-economic problems of certain island regions in the Community. It therefore requests the Commission to examine these problems and submit any proposals which it deems useful.

Audiovisual

The substantial increase in the Community funds agreed in Feb 1988 provides scope for these matters to be addressed.
The European Council pointed out that it is extremely important to *strengthen* *1500* *to be taken* ~~pool~~ efforts to develop Europe's audiovisual capacity, whether with regard to the free movement of programmes, the promotion of the European high-definition television system or to a policy of encouraging creativity, production and broadcasting so as to provide an opportunity of demonstrating the richness and diversity of European culture.

High Def. T.V.
~~This decision~~

does not
~~seen as~~ *should not be*
~~authorised~~ *any operational*
~~outside the~~ *existing*
~~national~~ *funds*
discretion
Bangkok

It will also be necessary to study
carefully the matter of high-def. T.V.

Tinet. 1 : Good.

Tinet 2 : The French will fight for some
reference to their paper. It would
be entirely harmless if the paragraph

read : -

"The European Council noted and
endorsed"

~~The argument~~

[This too the French might buy as
an apparent toughening — No' it isn't]

Tinet 3 : Best omitted. Vague and meaningless.

The European Council requests the Council to speed up work on the "television without frontiers" Directive. It notes with interest the progress made in negotiations on the Council of Europe Convention which will make it possible to strengthen links with the other European countries.

The European Council was ^{noted} ~~favourably disposed to~~ ^{advised with interest} the communication from the French Government set out in Annex II, ^{ad endorsed} [which provides] for the convening next Spring of a meeting which will bring together all the parties concerned in the audiovisual sector in the Community, and also outside the Community, and, on the basis of the experience with Eureka, will seek to encourage the emergence of a strong European audiovisual market.

These measures form part of a more general framework of measures to strengthen the cultural identity of Europe, which might include measures in the sphere of the arts and languages. This line of action will be discussed at Community level, and in co-operation with the other countries in Europe.

The European Council believes that this initiative will help to strengthen the cultural identity of Europe.

None binding

HTJ.

① Adv. Technology

10-15 years
150 m.

② Cultural issue.

Adv.
Quota.
Legal in
Copyright.

③ Programmes.

③ How we organise: the 12

II. INTERNATIONAL ROLE OF THE EUROPEAN COMMUNITY

The European Council adopted a statement on the international role of the European Community.

DECLARATION ON THE ENVIRONMENT

1. Today's world is confronted by environmental problems of increasing magnitude. In the interests of sustained growth and a better quality of life, it is urgent to find solutions to such global issues as the depletion of the ozone layer, the rise in the temperature of the earth's atmosphere ("the greenhouse" effect), threats to the natural environment, the problem of water resources, soil erosion, safe management of toxic chemicals and waste, air pollution, particularly "acid rain", and problems of urban areas. Effective action will in many cases require better scientific research and understanding.
2. The goals of environmental protection laid down for the Community have recently been defined by the Single European Act. Some progress has been made in reducing pollution and in ensuring prudent management of natural resources. But these actions by themselves are not enough. Within the Community, it is essential to increase efforts to protect the environment directly and also to ensure that such protection becomes an integral component of other policies. Sustainable development must be one of the overriding objectives of all Community policies.
3. The expected achievement of the Single Market by 1992 and the accompanying economic growth offers both a challenge and an opportunity. Europe's industrial future and international competitiveness will depend in part on applying the high level of environmental protection foreseen in the Treaty. Special attention needs to be devoted to the seas and coastal regions of the Member States, which are of outstanding importance from the economic and ecological stand-point, particularly the Mediterranean region and the North Sea. The Community should redouble its efforts to protect these vital resources.
4. In the wider international context, the Community and the Member States are determined to play a leading role in the action needed to protect the world's environment and will continue to strive for an effective international response, particularly to such global problems as depletion of the ozone layer, the greenhouse effect and the ever-growing threats to the natural environment, thus contributing to a better quality of life for all the peoples of the world.

AUDIOVISUAL EUREKA
EIGHT PROPOSALS FOR RHODES

for the promotion, experimentation and development of
high-definition television

1. The European Standard and the European High-Definition Television System successfully demonstrated in Brighton on 23 September 1988 create a basis for the future of the European audiovisual industry. The Community should therefore work effectively and with determination to promote the said system among the other European States, notably those in Eastern Europe.
2. To this end, encouragement and support should be given to the Commission's initiative in creating a European Economic Interest Grouping (EEIG) whose task is, in particular, to devise the technical means whereby the European Standard can be demonstrated and promoted.

A demonstration will be organized at the next European Council in Madrid, in June 1989, and at the Summit of the seven industrialized countries in July 1989.

3. Outstanding cultural or sporting events (for example the 1992 Olympic Games) will be filmed with equipment using the European-standard digital-component system. These too will provide an opportunity for demonstrating the high definition system.

TOWARDS A EUROPEAN AUDIOVISUAL AREA

4. To give practical shape to the European Audiovisual Eureka initiative, a conclave will be held next spring, bringing together interested States and professionals concerned (public and private-sector broadcasters and

producers, writers, directors, advertisers, etc.). This "European Audiovisual Conclave" will be intended primarily for the Community, its Member States and the Commission; but it will also be open to other European countries, including Eastern European ones, according to arrangements to be worked out and in the same spirit as presided over the launch of Technological Eureka in 1985.

France is prepared to organize and host this Conclave.

5. With this end in view, each interested State and the Commission will appoint a head for Audiovisual Eureka at the earliest opportunity. The tasks of these representatives will be to conduct all necessary consultations with persons working in this field and to affirm the ambition of Audiovisual Eureka, which is to encourage the emergence of a strong European audiovisual market and foster the development of common policies for the purchase and production of programmes among both public and private-sector TV channels.
6. It will be necessary to mobilize the appropriate resources in support of public and private initiatives. France stands ready to provide substantial specific financing.
7. Initiatives taken by the Commission (such as the Media Plan) should be pursued and encouraged. France would like them to be extended to include the production and exchange of documentaries, school and university television programmes, and news magazines.
8. Filming of a major European work will start in 1989.

Not Conclude to date

European Political Cooperation,

Restreint
Draft (Rev.)

EUROPEAN COUNCIL
(Rhodes, 2-3 December 1988)

CONCLUSIONS

CYPRUS

The European Council had a discussion of the Cyprus problem. It acknowledged the fact that the tragic division of the island remains unchanged and reaffirmed the previous declarations of the Twelve, which support without any reservation the independence, sovereignty, territorial integrity and unity of Cyprus.

While expressing its satisfaction at the resuming of the intercommunal dialogue, the European Council expressed the wish that this dialogue should progress and lead rapidly to a solution of the problem, on the basis of the above principles and the relevant U.N. resolutions.

SN 4440/1/88

EUROPEAN COUNCIL
(Rhodes, 2-3 December 1988)

CONCLUSIONS

EAST-WEST RELATIONS

? Within the framework of East-West relations, the European Council had an in-depth discussion of the overall relations with the Soviet Union and the countries of eastern Europe based on various contributions concerning the political and economic fields. Ministers of Foreign Affairs have been entrusted with ensuring the necessary follow-up.

The European Council has approved a paragraph on East-West relations, to be included in the text of a declaration on the international role of the European Community and its Member States, which it has decided to make public at the end of its meeting in Rhodes.

EUROPEAN COUNCIL
(Rhodes, 2-3 December 1988)

CONCLUSIONS

LEBANON

The European Council reaffirmed the importance it attaches to the election of a President of the Lebanese Republic.

It supports the efforts which the Lebanese are currently undertaking in order to search for a consensus which constitutes the condition for the maintenance of the sovereignty, independence and territorial integrity of Lebanon.

The European Council considers it essential that the International Community continues to demonstrate an active interest in Lebanon and in the election of the President.

It expresses the view that the United Nations could in particular, if that would be useful, contribute to the satisfactory holding of the Presidential election.

EUROPEAN COUNCIL
(Rhodes, 2-3 December 1988)

CONCLUSIONS

MIDDLE EAST

The European Council had a thorough discussion on the situation in the Middle East. It reaffirmed the positions expressed by the Ministers of Foreign Affairs in their declaration of 21 November 1988.

And of 1.12.1988

1542

Transport and Islands

Tanaka
Pulaski

The European Council considers that the creation of major transport infrastructures is one method of speeding up the unification of the European economic area, and recognises the particular social-economic problems of certain island regions in the Community. The substantial increase in the structural funds agreed in February 1988 provides scope for ~~these~~ these problems to be addressed.

Andin

Polya

3 years

Stock

1 M. Program in Structural

From

Company

Admin

in structural funds -
term 1/2

French departments

Different economic problems

Additional Community Programme

5265m

If these proposals pay

new area

Highland Islands
Boat

Any financial possibly offered with the present
- consultants which have
already been done

Windsor

As regards the extent to which harmonisation in the area of taxation is necessary to ensure the establishment and functioning of the Internal Market in conformity with Article 99 of the Treaty, ^{the} the Council is aware of the difficulty of the subject in its various aspects. It hopes that the contacts taken up with governments at the initiative of the Commission ^{and the Commission propose it possible} will permit a convergence of views, and it calls on the Council to speed up its work.

So that the measures to the extent to which they are necessary for the establishment and operation of the internal market can be adopted in accordance with the timetable set.

With regard to the system of law and justice in the Community the Council hopes