

DRAFT PRESS CONFERENCE STATEMENT

21. jib
CN

THIS COUNCIL HAS HAD TO GRAPPLE WITH SOME VERY DIFFICULT ISSUES AFFECTING THE FUTURE OF THE COMMUNITY.

we have made
BUT ~~THERE HAS BEEN A WILL TO MAKE~~ AS MUCH PROGRESS AS WE CAN AT THIS STAGE, WHILE LEAVING LONGER TERM ISSUES FOR FURTHER DISCUSSION.

we have
~~AND WE HAVE~~ THROUGHOUT THE LAST SIX MONTHS - AND PARTICULARLY AT THIS MEETING - HAD THE BENEFIT OF AN EXCELLENT SPANISH PRESIDENCY.

BRITAIN HAS PLAYED A VERY ACTIVE PART IN ARRIVING AT CONCLUSIONS WHICH WE CAN ALL ACCEPT - ~~AND I CONSIDER THESE CONCLUSIONS FULLY SATISFACTORY.~~

LET ME TAKE YOU QUICKLY THROUGH THE MAIN ISSUES:

- WE HAVE A VERY GOOD REAFFIRMATION OF THE PRIORITY IMPORTANCE OF COMPLETING THE SINGLE MARKET, WITH THE EMPHASIS ON THE AREAS OF PARTICULAR INTEREST TO THE UNITED KINGDOM: FINANCIAL SERVICES, TECHNICAL STANDARDS, TRANSPORT, PUBLIC PURCHASING.

- IT IS ACCEPTED THAT THERE WILL NOT BE A WITHOLDING TAX, WHICH SOME HAD TRIED TO MAKE A CONDITION FOR THE ABOLITION OF FOREIGN EXCHANGE CONTROL. YOU WILL RECALL THAT ~~ALL~~ ¹⁹⁹² THE MAIN COUNTRIES ARE COMMITTED TO ABOLITION BY 1 JULY 1990

Palma
- WE HAVE ~~MUCH~~ WIDE ACCEPTANCE OF THE NEED TO KEEP ^{CHECKS} ~~CONTROLS~~ AT FRONTIERS AGAINST DRUGS, TERRORISM AND CRIMINALS, EXPRESSED IN THE REPORT OF THE CO-ORDINATORS GROUP WHICH THE EUROPEAN COUNCIL ACCEPTED, WHILE MAKING FREE MOVEMENT FOR LAW-ABIDING CITIZENS A GREATER REALITY.

ON THE POLITICAL SIDE WE HAVE ALL EXPRESSED OUR UTTER CONDEMNATION OF WHAT HAS HAPPENED IN CHINA AND SET OUT A NUMBER OF MEASURES WHICH WE HAVE ALL AGREED TO TAKE. WE HAVE ALSO REACHED CONCLUSIONS ON THE MIDDLE EAST, INCLUDING LEBANON.

BUT OF COURSE THE MAIN ISSUES HAVE BEEN ECONOMIC AND MONETARY MATTERS AND THE SOCIAL DIMENSION.

ON ECONOMIC AND MONETARY MATTERS THE MAIN PRACTICAL ACHIEVEMENT OF THIS COUNCIL HAS BEEN TO AGREE ON THE EARLY IMPLEMENTATION OF STAGE I OF THE DELORS REPORT.

~~LET ME JUST REMIND YOU WHAT~~ THIS INVOLVES: COMPLETION OF THE SINGLE MARKET, ABOLITION OF ALL FOREIGN EXCHANGE CONTROLS, A FREE MARKET IN FINANCIAL SERVICES AND STRENGTHENING OF COMPETITION POLICY (WHICH MEANS REDUCING SUBSIDIES). THESE ARE ALL THINGS FOR WHICH THE UNITED KINGDOM HAS CAMPAIGNED STRONGLY AND WHERE WE ARE WELL AHEAD OF OTHER MEMBERS OF THE COMMUNITY.

draws attention to the importance of it all member states
IT ALSO ~~INCLUDES THE COMPLETION OF THE EXCHANGE RATE MECHANISM~~ *joining of the EMS*. I MADE A STATEMENT ON THAT WHICH WAS RECEIVED POSITIVELY. *ERM 10 EMS*

WE HAVE ALSO AGREED TO DO FURTHER WORK ON WHAT MIGHT EVENTUALLY FOLLOW STAGE I. BUT WE HAVE REACHED NO CONCLUSIONS ABOUT THAT. WE HAVE ACCEPTED THE DELORS REPORT AS A GOOD BASIS FOR THIS FURTHER WORK - BUT NOT THE ONLY BASIS.

the progressive restriction of IT WILL BE POSSIBLE TO BRING IN OTHER IDEAS AND OTHER APPROACHES *for* TO ECONOMIC AND MONETARY UNION. BUT LET ME EMPHASISE THAT THERE IS ABSOLUTELY NOTHING AUTOMATIC ABOUT GOING BEYOND STAGE I. ALL THAT IS FOR FUTURE DECISION.

THIS FURTHER WORK WILL OF COURSE BE DIFFICULT: THERE ARE SUBSTANTIAL DIFFERENCES OF VIEW. BUT ~~WE GO INTO IT IN GOOD FAITH AND~~ WE SHALL OF COURSE SET OUT BRITAIN'S VIEWS CLEARLY AND VIGOROUSLY.

conditions for ON SOCIAL MATTERS, OF COURSE WE ACCEPT THAT THERE IS A SOCIAL DIMENSION TO THE SINGLE MARKET. THE CONCLUSIONS CONTAIN A VERY SATISFACTORY RECOGNITION THAT THE HIGHEST PRIORITY IS *creating* JOB CREATION. WE DO NOT BELIEVE THAT THE PROPOSED SOCIAL CHARTER WOULD HELP JOB CREATION, AND THAT IS WHY WE COULD NOT ACCEPT THE CONCLUSIONS OF THE JUNE SOCIAL AFFAIRS COUNCIL, AND HAVE CONFIRMED THAT REFUSAL HERE.

WE BELIEVE THAT BY IMPOSING EXTRA BURDENS ON BUSINESS IT WOULD MAKE THE COMMUNITY LESS COMPETITIVE. THERE ARE VERY DIFFERENT TRADITIONS OF HOW WE HANDLE THESE THINGS IN DIFFERENT MEMBER STATES AND WE DO NOT ACCEPT THE NEED TO HAVE IT ALL DETERMINED FROM THE CENTRE.

THE CONCLUSIONS DO BRING OUT A VERY IMPORTANT POINT, NAMELY THAT NATIONAL LEGISLATION AND ~~COLLECTIVE BARGAINING~~ ^{and voluntary agreements} HAVE JUST ~~HAVE~~ ^{HAVE} ~~AS IMPORTANT A ROLE~~ ^{A LEGITIMATE ROLE} WE WOULD SAY MORE IMPORTANT - THAN COMMUNITY LEGISLATION. WE SHALL BE PUTTING THIS POINT OF VIEW VERY STRONGLY IN THE FURTHER DISCUSSIONS WHICH ARE ~~ENVISAGED~~ ^{WILL TAKE PLACE}.

in achieving the Community's social dimension
TO SUM UP, WE HAVE AGREED AT THIS COUNCIL ON WHAT CAN BE DONE NOW AND WE HAVE SET THE SCENE FOR FURTHER DISCUSSION OF OTHER ISSUES OVER THE ~~NEXT FEW MONTHS~~ ^{AND YEARS AHEAD}. YES, THERE ARE VERY DIFFICULT ISSUES TO BE RESOLVED ON WHICH VIEWS DIFFER WIDELY. BUT LET ME JUST REMIND YOU JUST HOW MUCH BRITAIN HAS CONTRIBUTED TO SHAPING THE COMMUNITY OVER THE PAST FEW YEARS - REFORM OF THE CAP, ESTABLISHING THE SINGLE MARKET, AND GETTING THE BUDGET RIGHT. WE SHALL BE JUST AS ACTIVE AND JUST AS VIGOROUS IN FIGHTING BRITAIN'S CORNER IN FUTURE DISCUSSION.

NOW MAY I HAVE YOUR QUESTIONS.

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recd

~~K.H.~~

M.H.

Robert Union

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Agreement

Never met w