

**STATEMENT BY THE PRIME MINISTER:
MONDAY 1 NOVEMBER
SPECIAL MEETING OF THE EUROPEAN COUNCIL AND MEETING
WITH THE IRISH PRIME MINISTER IN BRUSSELS
ON 29 OCTOBER 1993**

With permission Madam Speaker, I shall make a statement on the Special Meeting of the European Council in Brussels on the 29th October which I attended with my right hon Friend the Foreign Secretary, and also on my separate meeting in Brussels with the Irish Prime Minister.

The documents issued by the European Council, and the Joint Statement which I issued with the Taoiseach, have been placed in the Library of the House.

Madam Speaker, agreement was reached at the European Council on a number of important points:

- It was decided that later this month Finance Ministers would consider a draft White Paper by the European Commission setting out proposals on growth, competitiveness and employment. The UK has already put forward suggestions for the White Paper;
- the European Council renewed its commitment to secure a global agreement in the Uruguay Round trade talks before the December deadline;
- the Council agreed to provide extra help to small and medium sized businesses by widening the criteria for loans by the European Investment Bank;

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- the future location of a number of European Community institutions was decided. Some of these decisions were long overdue. Of the main institutions, it was agreed that the headquarters of the European Monetary Institute will be in Germany, the European Medicines Evaluation Agency in the United Kingdom, EUROPOL in the Netherlands and Trade Marks Office in Spain. The decision to locate the European Medicines Evaluation Agency should reinforce Britain's position as the centre of the European pharmaceutical industry.
- on Bosnia, the Council agreed to try to improve access for aid supplies as winter approaches. We are seeking credible assurances from the warring factions that they will not block access routes. The Council is also looking for more funding and troop contributions from outside the European Community, to supplement the huge efforts made in particular by Britain and France;
- work on the Former Yugoslavia was identified as one possible area for "joint action" in foreign policy. The European Council also asked Foreign Ministers to consider joint action in support of the Middle East peace process, and to contribute to election monitoring by the United Nations in South Africa and Russia;
- under the Interior and Justice pillar, the Council asked Ministers to bring forward proposals for cooperation in the fight against international crime and drugs, and over asylum and immigration problems. We agreed that the Europol Drugs Unit should be up and running within 12 months.

Madam Speaker, no-one at the Council was in any doubt that our highest priority is to restore sustainable, non inflationary growth and increase employment. I argued that the European Community had to confront its own structural weaknesses which had led to a falling share of world markets and, by comparison with the OECD average, the loss of an estimated 9 million jobs since 1980.

The quickest boost to growth and employment will be to secure a GATT agreement. It was also generally agreed that the Community needed to make its labour markets more flexible; to cut red tape nationally and in Brussels; to encourage investment; and to create the right climate for new and growing businesses.

I believe economic convergence is a helpful objective for each Member State of the Community: it will assist in keeping inflation and interest rates as low as possible as well as controlling public borrowing and debt. In our discussions, I made clear again that I considered the timetable for EMU Stage 3 - a stage to which we are of course not committed - to be unrealistic.

Madam Speaker, public opinion and the recession have changed attitudes within the Community.

- Subsidiarity, for example, now has very strong support. Over the past two years the European Commission has halved the number of proposals it has brought forward for new Community rules and regulations. In December we shall be looking for specific proposals to cut back existing European Community law.
- There is increasing emphasis on intergovernmental cooperation - with decisions taken by consensus - on both foreign and home

affairs. We operate by agreement and not only through the Treaty of Rome and the European Commission.

The European Council was concerned to respond to criticisms that arose across Europe during the debate on Maastricht. The Council declared:

"we wish to introduce greater transparency, openness and decentralisation in our procedures. We want a Europe close to the citizen and intervening only where necessary to pursue our common interests."

Madam Speaker, we have argued long and hard for this approach. I thoroughly welcome it.

Northern Ireland

Madam Speaker, following the European Council Meeting I had a bilateral discussion with the Irish Prime Minister.

Mr Reynolds gave me an account of the report given to him by the Hon Member for Foyle, together with the assessment which the Irish Government had made in the light of it. He did not pass the report itself to me. We acknowledged the Hon Member for Foyle's courageous efforts but agreed that the report could not in itself be a basis for action. We agreed that the two Governments should continue to work together on the following basis:

- Northern Ireland's situation should never be changed by violence or the threat of violence;

- any settlement must depend on consent freely given;
- negotiations on a settlement could only involve constitutional politicians;
- there could be no secret agreement or understanding between governments and organisations supporting violence as a price for its cessation;
- those claiming a serious interest in advancing the cause of peace in Ireland should renounce for good the use of or support for violence;
- if and when such a renunciation of violence had been made and sufficiently demonstrated, new doors could open and both governments would wish to respond to the new situation which would arise.

The terrible events in Northern Ireland since our meeting have further underlined the urgent need for this process to succeed.

As the House will know, last Saturday evening two gunmen fired indiscriminately in a crowded bar in Greysteel, County Londonderry. Seven people died - ranging in age from 19 to 81 years - and eleven were injured. A claim of responsibility for this appalling act was subsequently made by the Ulster Freedom Fighters. The Royal Ulster Constabulary, who acted with exemplary speed and skill, have arrested nine people in connection with the attack.

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Madam Speaker, this - like the Shankill Road bombing and the six other terrorist murders in Northern Ireland last week - was a barbarous and despicable attack on innocent and peaceable citizens. The whole House will wish to extend its profound sympathy to the victims' families and friends.

Less than 24 hours later an RUC officer was shot and critically injured in Newry. This once again reminds us of the enormous debt we owe to that brave gallant force.

These murders will bring the terrorists no advantage, but only the prospect of long years in prison.

- Terrorism will not alter the constitutional guarantee we have given the people of Northern Ireland.
- It will not defeat the security forces.
- It will not deflect us from the search for the fair and lasting peace that the people of Northern Ireland deserve.

Madam Speaker, the Joint Statement with the Irish Prime Minister provides a clear basis for progress. Both Governments are committed to the Talks process. The principle of consent must be at the heart of any settlement, as the Irish Deputy Prime Minister made clear last week when he acknowledged the right of Unionists to give or withhold that consent. This clearly points towards constitutional reform in the Irish Republic at the right time and in the right circumstances.

Madam Speaker, the Government will now intensify its efforts to find a basis for the constitutional parties in Northern Ireland to carry forward the talks process.

My RHF the Secretary of State for Northern Ireland will hold further discussions with the Irish Deputy Prime Minister in a meeting of the inter-governmental conference later this week.

We are determined to do all that we can to bring peace to Northern Ireland. The further killings that occurred over the weekend make that search for peace all the more urgent.