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FM UKREP BRUSSELS
TO DESKBY 031800Z FCO
TELNO 3308
OF 031800Z NOVEMBER 89
INFO ROUTINE EUROPEAN COMMUNITY POSTS

MS

FRAME ECONOMIC
FRAME SOCIAL

MY TELNO 3304: EMU AND SOCIAL CHARTER

1. I CALLED LATE ON THE AFTERNOON OF 3 NOVEMBER ON THE PRESIDENT OF THE COMMISSION WHO HAD JUST RETURNED TO BRUSSELS FROM HIS 1-2 NOVEMBER HOLIDAY.

2. DELORS SAID HE HAD ONLY HAD TIME SO FAR TO SKIM THROUGH THE CHANCELLOR'S PAPER ON AN EVOLUTIONARY APPROACH TO EMU AND DID NOT THEREFORE WISH TO COMMENT TO ME ON THE SUBSTANCE. THERE WERE ONE OR TWO PHRASES WHICH HE FELT WERE A LITTLE OVER-CRITICAL OF THE DELORS GROUP REPORT. IN PARTICULAR HE FELT IT WAS SOMETHING OF A CARICATURE TO DESCRIBE IT AS CENTRALISING IN INTENT. NEVERTHELESS THE LAST THING HE INTENDED TO DO NOW WAS TO BEGIN A SEMANTIC DEBATE OR TO GET INTO A BEAUTY CONTEST OVER WHICH OF THE TWO DOCUMENTS WAS THE MORE AUTHORITATIVE.

3. I SAID I WAS GLAD TO HEAR THIS INITIAL RECTION. THE ESSENTIAL THING NOW WAS TO ORGANISE A SERIOUS AND MEASURED DISCUSSION WITHIN THE COMMUNITY INSTITUTIONS ON THE DIFFERENT APPROACHES TO ECONOMIC AND MONETARY UNION. NOTHING WOULD BE MORE DAMAGING THAN AN EFFORT, SAY BY THE FRENCH PRESIDENCY, BOTH TO PRESS FOR THE EARLY FIXING OF A DATE FOR AN INTER-GOVERNMENTAL CONFERENCE AND TO SEEK TO ARGUE THAT THE ONLY BASIS FOR FURTHER DISCUSSION WAS THE DELORS REPORT AND THE QUESTIONS DRAWN UP BY THE HIGH LEVEL GROUP. DELORS RESPONDED POSITIVELY. AS I KNEW FROM WHAT HE HAD SAID LAST WEEK TO COREPER, HE WAS NOT CARRYING A TORCH FOR THE FRENCH PRESIDENCY. HE HAD RECENTLY TOLD PRESIDENT MITTERRAND IT WAS A LONG WAY SHORT OF PERFECTION AND HE HAD BEEN SHOCKED. THE QUESTION OF WHETHER OR NOT A DATE FOR THE IGC OR PERHAPS A TIMESCALE, SAY 'IN THE AUTUMN OF 1990', COULD BE AGREED IN STRASBOURG, DEPENDED CRUCIALLY ON THE GERMAN ATTITUDE. BUT WHETHER OR NOT A DATE WAS AGREED IN STRASBOURG HE SAW A CLEAR NEED TO CONINUE A SERIOUS DISCUSSION OF THE DIFFERENT APPROACHES TO ECONOMIC AND MONETARY UNION IN THE MONTHS THAT FOLLOWED. THERE MUST BE NO MORE HIGH LEVEL GROUPS DESIGNED TO BRING ABOUT QUICK

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PROCEDURAL FIXES. THERE MUST BE A PROCESS BY WHICH THE MINISTERS OF FINANCE AND THE MINISTERS OF FOREIGN AFFAIRS EACH IN THEIR COUNCILS COULD GET TO GRIPS WITH THE VERY DIFFICULT POLITICAL ISSUES POSED BY ECONOMIC AND MONETARY UNION. HE INTENDED TO SPEAK TO PRESIDENT MITTERRAND IN THIS SENSE ABOUT THE HANDLING OF THE EUROPEAN COUNCIL.

4. ON THE SOCIAL CHARTER DELORS SAID THAT HE HAD NOTED AND WELCOMED THE CALM, LOW-KEY WAY IN WHICH THE DISCUSSION ON 30 OCTOBER IN THE SOCIAL AFFAIRS COUNCIL HAD GONE AND ALSO THE INDICATIONS THAT MR FOWLER HAD GIVEN TO THE PRESS THAT OUR OPPOSITION WAS TO THIS SOCIAL CHARTER AND NOT TO ANY SOCIAL CHARTER. HE HOPED THAT THE FRENCH PRESIDENCY WOULD NOW UNDERTAKE SOME QUIET BILATERAL DIPLOMACY WITH THE UK TO SEE WHETHER, BY MEANS OF SOME ADDITIONS AND SUBTRACTIONS FROM THE PRESENT TEXT A SOCIAL CHARTER WHICH COULD BE ACCEPTED BY ALL TWELVE MEMBER STATES COULD BE AGREED. ON THIS TOO HE INTENDED TO SPEAK TO PRESIDENT MITTERRAND AND TO ENCOURAGE HIM IN THAT SENSE ALTHOUGH HE DID NOT BELIEVE THERE WOULD BE MUCH DIFFICULTY IN PERSUADING HIM THAT THAT WAS THE BEST WAY TO HANDLE THE ISSUE. THERE WAS PLENTY OF TIME BETWEEN NOW AND STRASBOURG TO WORK UP A TEXT WE COULD LIVE WITH. DELORS SAID HE HOPED WE WOULD IN DUE COURSE LET HIM KNOW THE KEY POINTS OF OMISSION AND INCLUSION: HE WOULD THEN TRY TO ENSURE THERE WAS NO UNHELPFUL INTERFERENCE FROM THE COMMISSION SIDE.

5. DELORS ADDED THAT IN THE CONTEXT OF THE COMMISSION'S ACTION PROGRAMME ON THE SOCIAL DIMENSION, HE INTENDED TO ASK MS PAPANDREOU TO INCLUDE MEASURES RELATING TO WORKER SHAREHOLDERS. IT WAS ESSENTIAL TO DEMONSTRATE THAT THE COMMUNITY'S SOCIAL DIMENSION REFLECTED THE POLICIES IN THIS AREA OF ALL MEMBER STATES.

6. IN CONCLUSION DELORS SAID HE HAD BEEN REFLECTING ON THE HANDLING OF THE STRASBOURG EUROPEAN COUNCIL. HE FELT MORE AND MORE CONVINCED, PARTICULARLY IN THE LIGHT OF THE PROSPECTIVE BUSH/GORBACHEV MEETING, THAT IT WOULD MAKE SENSE TO CONCENTRATE A GOOD DEAL OF THE TIME ON EAST/WEST ISSUES AND THE COMMUNITY'S RESPONSE TO POLAND AND HUNGARY'S REFORM EFFORTS. THESE WERE SERIOUS AND IMPORTANT ISSUES ON WHICH THERE WAS BROAD AGREEMENT IN THE COMMUNITY. DISCUSSION WAS THEREFORE LIKELY TO BE CONSTRUCTIVE AND NOT DIVISIVE AS IT INEVITABLY WOULD BE ON THE OTHER TWO MAIN SUBJECTS, EMU AND THE SOCIAL CHARTER.

7. RESIDENT CLERK: PLEASE ADVANCE TO PS AND PS/MR MAUDE.

HANNAY