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FM LUXEMBOURG 261640Z MARCH 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 35 OF 26 MARCH

LUXEMBOURG PRIME MINISTER

HD WED
HD ECDE
HD ERD, HD News Dept.
PS (6)
PS/LPS (3)
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PS/MITURD
N. Hamay
N. Goodison
RC

NO. 100DS.

1. I THINK THE PRIME MINISTER WILL FIND MONSIEUR WERNER MORE THAN USUALLY SUBDUED AT NEXT WEEK'S EUROPEAN COUNCIL.

2. HE IS MAINLY BOTHERED ABOUT THE LUXEMBOURG FRANC FOLLOWING THE DEVALUATION. HE IS JUST STARTING A RENEGOTIATION OF THE MONETARY ASSOCIATION WITH BELGIUM WHICH WILL BE HARD SLOGGING. HE IS HAVING TROUBLE WITH HIS UNIONS OVER WAGES, FUTURE OF STEEL INDUSTRY AND JOBS. AND HIS YOUNGER DEMOCRATIC PARTY COALITION PARTNERS ARE RESTIVE. BUT HE STILL DOMINATES THE POLITICAL SCENE HERE. HE STILL HANKERS AFTER THE DEVELOPMENT OF THE EMS. HE STILL THINKS GASTON THORN TALKS TOO MUCH. HE LOOKS FORWARD TO HIS VISIT TO LONDON IN OCTOBER. MADAME WERNER'S HEALTH IS NOT TOO GOOD.

THOMAS

NNNN

SENT/RECD AT 26 1645Z SJW/