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FM COPENHAGEN 241340Z JUN 85
TO IMMEDIATE FCO
TELEGRAM NUMBER 147 OF 24 JUNE
AND TO PRIORITY UKREP BRUSSELS

RUN UP TO MILAN

SUMMARY

1. SCHLUETER HOPES AT MILAN TO BE ABLE TO HIDE BEHIND THE UK POSITION ON THE MAJOR ISSUES OF THE DEVELOPMENT OF THE COMMUNITY. DANISH POSITIONS ON THE DEVELOPMENT OF EUROPE REMAIN GENERALLY NEGATIVE.

DETAIL

2. I WENT OVER THE GROUND WITH THE PRIME MINISTER'S ADVISER ON COMMUNITY AFFAIRS (NEHRING) ON 19 AND 20 JUNE. I HAVE ALSO SPOKEN WITH OESTROEM MOELLER. NEHRING SAID THAT SCHLUETER REGARDED OUR PROPOSALS AS HELPFUL TO HIM AT MILAN, AND HOPES THAT THEY WILL FORM THE FOCAL POINT OF THE MEETING. SCHLUETER WAS NOW ENGAGED IN A SERIES OF DISCREET CONTACTS WITH THE SOCIAL DEMOCRATIC LEADER, JOERGENSEN, IN AN ATTEMPT TO ENSURE THAT THE MARKET COMMITTEE (WHICH MEETS TO REVIEW HIS MANDATE ON 27 JUNE) WOULD GIVE HIM SUFFICIENT ROOM FOR MANOEUVRE TO GO ALONG IN GENERAL WITH OUR PROPOSALS ON POLITICAL COOPERATION AND INSTITUTIONAL REFORM AND WITH THE COMMISSION'S PROPOSALS ON THE INTERNAL MARKET. A MEETING ON 20 JUNE HAD BEEN DISAPPOINTINGLY SHORT AND UNCONCLUSIVE AND HAD CONSISTED MAINLY OF AN EXPOSITION OF THE VARIOUS IDEAS BEING FLOATED IN THE RUN UP TO MILAN BUT NOTABLY OUR OWN. JOERGENSEN WAS NON-COMMITTAL BUT NOT NEGATIVE. A SUBSEQUENT MEETING OF THE FOLKETING FOREIGN POLICY COMMITTEE TO DISCUSS OUR DRAFT AGREEMENT ON POLITICAL COOPERATION HAD HOWEVER GONE QUITE WELL. THERE WOULD BE A FURTHER MEETING WITH THE SOCIAL DEMOCRATS THIS WEEK.

COMMENT

3. THE DANES HAVE APPARENTLY SEIZED ON THE UK PROPOSALS AS A LIFEBOAT FOR MILAN. BY GIVING THEM A GENERAL WELCOME, SCHLUETER HOPES TO BE ABLE TO APPEAR AS FLOATING WITH THE TIDE OF OPINION RATHER THAN DRAGGING HIS FEET ON THE BOTTOM. HE HOPES THAT DISCUSSION WILL CONCENTRATE ON THE BROAD PRINCIPLES OF OUR PROPOSALS BUT THAT DETAILED WORK WILL BE REFERRED TO SOME OTHER FORUM. THE MARKET COMMITTEE WILL MAKE DIFFICULTIES FOR HIM OVER SEVERAL ASPECTS OF OUR PROPOSALS EG THE MILITARY ASPECTS OF THE POCO AGREEMENT AND THE ABSTENTATION CLAUSE IN THE DECISION TAKING PROPOSALS. THERE ARE PROBLEMS IN THE COMMISSION'S INTERNAL MARKET PAPER BUT HERE THE DANES DID NOT SEE THEMSELVES AS ISOLATED. SCHLUETER APPARENTLY BELIEVES THAT HE HAS A CHANCE OF PULLING THE SOCIAL DEMOCRATS WITH

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HIM TO FULL APPROVAL AT THE DECEMBER COUNCIL OF AN AGREEMENT ON POLITICAL COOPERATION ON THE LINES OF OUR PROPOSAL AND TO INSTITUTIONAL REFORM ALSO ON THE LINES OF OUR IDEAS. MEANWHILE I DETECT CONCERN AMONGST OFFICIALS THAT OUR PROPOSALS MAY NOT BE OUR FINAL POSITION AND THAT WE MAY BE WILLING TO MAKE CONCESSIONS TO THE COMMUNITY MAXIMALISTS WHICH WOULD LEAVE THE DANES BEHIND.

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