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EUROPEAN MONETARY COOPERATION : DELORS REPORT

SUMMARY

1. TIETMEYER ARGUES THAT THE ISSUES OF COMMITMENT TO EMU AND TRANSFER OF SOVEREIGNTY NEED NOT CAUSE DEADLOCK ON THE DELORS REPORT. HE BELIEVES THAT PROGRESS TOWARDS EMU ENJOYS WIDESPREAD DOMESTIC POLITICAL SUPPORT. AS YET NO CLEAR INDICATION OF GERMAN APPROACH TO DISCUSSION AT MADRID.

DETAIL

2. I CALLED ON TIETMEYER (STATE SECRETARY, FEDERAL FINANCE MINISTRY) ON 3 MAY. HIS COMMENTS ABOUT THE DELORS REPORT GENERALLY FOLLOWED THOSE HE MADE IN THE MONETARY COMMITTEE THE PREVIOUS DAY (FCO TELNO 124 TO UKREP BRUSSELS). HE DID NOT AGREE THAT THE PRIOR COMMITMENT TO EMU STATED IN THE REPORT WAS A DIFFICULTY. IT WAS IMPORTANT TO HAVE A CLEAR IDEA OF WHERE THE PROCESSES IDENTIFIED IN STAGE ONE, MANY OF WHICH WERE ALREADY HAPPENING, MIGHT LEAD. IN THIS RESPECT, THE REPORT ACHIEVED FOR EMU WHAT HAD ALREADY BEEN DONE FOR THE SINGLE MARKET. NOR DID HE AGREE WITH ME THAT THE ISSUE OF SOVEREIGNTY WAS AS DIFFICULT AS IT MIGHT SEEM. THE REPORT DID INDEED ENVISAGE A MAJOR TRANSFER OF RESPONSIBILITY FROM NATIONAL GOVERNMENTS TO A CENTRAL INSTITUTION. BUT THAT HAD ALREADY HAPPENED IN A NUMBER OF AREAS: TRADE AND AGRICULTURAL POLICY, FOR EXAMPLE. AND IT WAS PERFECTLY POSSIBLE TO TAKE SOME OF THE STEPS ENVISAGED FOR STAGE ONE BEFORE COMMITMENTS TO EMU WOULD BE NEEDED.

3. TIETMEYER SAID THAT HE DETECTED NO DIFFERENCE IN ATTITUDE BETWEEN THE NEW FEDERAL FINANCE MINISTER, WAIGEL, AND HIS PREDECESSOR, STOLTENBERG. DETAILED CONSIDERATION OF THE REPORT HAD NOT YET BEEN UNDERTAKEN BY MINISTERS COLLECTIVELY BUT OVERALL THE COALITION WAS SATISFIED WITH THE REPORT, THOUGH HE IMPLIED THAT GENSCHER MIGHT WANT TO MOVE FASTER THAN WAIGEL. FOR KOHL, THE SINGLE MARKET AND THE PROCESS OF EUROPEAN INTEGRATION WERE POLITICALLY IMPORTANT. HE WOULD PROBABLY CONSIDER EMU AS PART OF THIS PROCESS, AS WOULD THE MAN IN THE STREET. GERMAN INDUSTRY WOULD SEE MANY ADVANTAGES IN ECONOMIC AND MONETARY UNION, AND THEY WOULD SUPPORT PROGRESS TOWARDS IT.

4. TIETMEYER MADE PLAIN THAT THE GERMANS DO NOT YET HAVE A CLEAR IDEA OF HOW THEY WILL PLAY MADRID, NOR HOW THE REPORT SHOULD BE TAKEN FORWARD AFTER THE EUROPEAN COUNCIL. HE IS AWARE OF UK CONCERNS AND IS INCLINED TO LOOK FOR WAYS OF EASING OUR PROBLEMS. AS AT THE MONETARY COMMITTEE HE WAS VERY CAUTIOUS ABOUT THE NEED FOR AN INTER-GOVERNMENTAL CONFERENCE. HE IDENTIFIED THE NEED TO SAFEGUARD THE AUTONOMY OF DECISIONS ON MONETARY POLICY, FREE FROM POLITICAL INTERFERENCE, AS A MAJOR GERMAN PREOCCUPATION.

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