

CONFIDENTIAL
FM COPENHAGEN
TO DESKBY 221230Z FC0
TELNO 213
OF 221055Z JUNE 89
INFO IMMEDIATE UKREP BRUSSELS, MADRID
INFO PRIORITY OTHER EC POSTS

FRAME ECONOMIC

EUROPEAN COUNCIL MADRID : DANISH POSISTION

SUMMARY

1. DENMARK REMAINS FIRM AGAINST AUTOMATIC COMMITMENT TO EMU STAGES 2 AND 3 BUT CAN NOW ACCEPT SOCIAL CHARTER CONCEPT SCHLUTER'S DOMESTIC POSITION WEAKENED.

DETAIL

2. THE DANISH POSITION FOR MADRID WILL NOT BE FINALISED UNTIL SCHLUTER HAS MET THE FOLKETING MARKET COMMITTEE ON 23 JUNE. BUT ON EMU THE GOVERNMENT REMAINS BOUND BY THE FOLKETING'S RESOLUTION (MY TELNO 171) REJECTING THE COMMITMENT CALLED FOR IN PARAGRAPH 39 OF THE DELORS REPORT. OUR OFFICIAL CONTACTS, INCLUDING ORSTROM-MOLLER, CONSIDER HOWEVER THAT SCHLUTER WOULD NOT BE PRECLUDED FROM GOING ALONG WITH CONCLUSIONS REAFFIRMING THE GOAL OF EMU WITH EVENTUAL TRANSITION TO STAGES 2 AND 3 PROVIDED IT WAS CLEAR THAT THIS TRANSITION WAS SUBJECT TO NEW DECISIONS BY THE COUNCIL OF MINISTERS. DANISH MINISTERS WOULD BE EXTREMELY RELUCTANT TO SEE AN EARLY INTERGOVERNMENTAL CONFERENCE AND OFFICIALS HERE DO NOT EXPECT THIS TO BE THE RESULT OF MADRID BUT THEY WOULD NOT RULE OUT REFERENCES TO THE EVENTUAL SUMMONING OF SUCH A CONFERENCE. THEY ARE CLEAR THAT FOR ECONOMIC REASONS DENMARK IN THE LAST RESORT CANNOT AFFORD TO BE SEPARATED FROM THE FRG.

3 SOCIAL CHARTER. CONTRARY TO ELLEMANN-JENSEN'S EXPECTATION (MY TELNO 207), THE DANISH GOVERNMENT HAS SUCEEDED IN OBTAINING THE ENDORSEMENT OF EMPLOYERS AS WELL AS UNIONS OF THE SOCIAL CHARTER CONCEPT AND CAN SIGN UP TO THE CONCLUSIONS OF THE SOCIAL AFFAIRS COUNCIL OF 12 JUNE. BUT DENMARK WOULD STILL HAVE DIFFICULT WITH ANY OBLIGATION TO LEGISLATE IN SOCIAL AREAS TRADITIONALLY LEFT HERE TO NEGOTIATION BETWEEN THE TWO SIDES OF INDUSTRY.

4. OSRTROM-MOLLER THINKS AUDIO-VISUAL WILL BE THE THIRD MOST IMPORTANT SUBJECT AT MADRID. THE DANES ARE INTERESTED IN PROMOTING NON-EC INVOLVEMENT, ESPECIALLY THE NORDICS, BUT POSSIBLY EASTERN EUROPEANS.

5. FRAUD. SCHLUTER HAS BEEN BRIEFED TO GIVE GENERAL SUPPORT TO THE PRIME MINISTER IF SHE DECIDES TO RAISE THE MATTER.

6. AFTER THE EUROPEAN ELECTIONS (MY TELNO 212) ELLEMANN-JENSEN SHOULD BE EVEN CHIRPIER THAN USUAL. BUT SCHLUTER SUFFERED A CONSIDERABLE SETBACK. HE HAS HIS WEDDING ON 11 AUGUST TO LOOK FORWARD TO BUT THEREAFTER FACES PROTRACTED NEGOTIATIONS OVER REFORM OF TAXATION AND PUBLIC EXPENDITURE WHICH HE WILL ENTER IN A WEAKENED POSITION. AT MADRID HE WILL WANT TO AVOID STIRRING UP NEW CONTROVERSY HERE AND WILL HAVE TO BALANCE THE POLITICAL NEED TO WATER DOWN CONCLUSIONS ON DELORS AGAINST THE ECONOMIC NEED NOT TO BE SEPARATED FROM HIS ERM PARTNERS.

WILLIAMS

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Mr Ian Beaumont
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by hand pm 22/6/89

*Just out
to note X
AG*

MADRID: SOCIAL CHARTER

Mr G Reid of Dept of Employment asked that this 'mock up' of the Madrid 'Social Progress' press pack be sent to 10 Downing Street and brought to Mr Powell's attention. I understand that Mr Powell has already indicated that it is in order for us to proceed with the already-delayed printing of the pack, even though the Prime Minister has not yet seen it.

Mr Ingham saw a draft at a meeting he attended in Mr Lavelle's office yesterday.

The arrangement is that 100 sets of the text pages will be available at the briefing to take place at FCO tomorrow morning.

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500 sets of the complete pack will be delivered, by Saturday am, for the Prime Minister's plane to Madrid.

RICHARD SMITH

~~detain copies from Graham Reid~~

~~Carson Hse x5824~~