

UNCLASSIFIED  
FM UKREP BRUSSELS  
TO DESKBY 241700Z FCO  
TELNO 3056  
OF 241350Z OCTOBER 90  
INFO IMMEDIATE BONN, ROME  
INFO ROUTINE OTHER EUROPEAN COMMUNITY POSTS, WASHINGTON

FRAME GENERAL

SUMMARY

1. IN HIS TRADITIONAL PRE-EUROPEAN PRESS CONFERENCE IN STRASBOURG ON 24 OCTOBER, DELORS SAID THAT THE DECEMBER EUROPEAN COUNCIL, RATHER THAN THIS WEEKEND'S, SHOULD AIM TO SET A DATE FOR MOVING TO EMU STATE 2: AND THAT DISCUSSION IN ROME ON GATT AGRICULTURE WOULD BE UNDESIRABLE.

DETAIL

2. DELORS SAID THE EUROPEAN COUNCIL ON 27-28 OCTOBER WOULD DISCUSS THE GULF, EASTERN AND CENTRAL EUROPE, HIS ORAL REPORT ON THE SOVIET UNION, THE PREPARATION OF THE IGCS AND SITES. HE DID NOT FAVOUR A MAJOR DEBATE ON EMU, ON WHICH 'EVERYTHING HAD BEEN SAID'. HE WANTED A 2-HOUR DISCUSSION ON POLITICAL UNION, WHERE PREPARATION WAS LESS FAR ADVANCED.

3. IN RESPONSE TO PERSISTENT QUESTIONS ON EMU, DELORS SAID THAT THE SECOND ROME EUROPEAN COUNCIL SHOULD AIM TO SET A DATE AND OBJECTIVE CRITERIA (EG NATIONAL LEGISLATION BANNING MONETARY FINANCING OF BUDGET DEFICITS) FOR THE PASSAGE TO STAGE 2. BUT HE WOULD OPPOSE SETTING SUBJECTIVE CRITERIA WHICH WOULD REQUIRE A FURTHER COUNCIL DECISION. THIS WOULD GIVE MEMBER STATES A VETO. (COMMENT: THE IMPLICATION WAS THAT DELORS WOULD ALSO OPPOSE OBJECTIVE CRITERIA RELATED TO ECONOMIC CONVERGENCE). HE DREW A DISTINCTION BETWEEN A 2-SPEED EUROPE WHERE, EG, TWO COUNTRIES REFUSED TO SIGN A NEW TREATY, AND ARRANGEMENTS ALLOWING ALL COUNTRIES TO SIGN BUT PROVIDING FOR TRANSITIONAL PERIODS, AS SOME COUNTRIES HAD ON THE LIBERALISATION OF CAPITAL MOVEMENTS. ALL COUNTRIES WOULD HAVE TO MOVE TO STAGE 2 AT THE SAME TIME. TRANSITIONAL ARRANGEMENTS COULD ONLY APPLY FOR THE MOVE TO STAGE 3. ASKED MORE THAN ONCE HOW HIS SCENARIO WOULD WORK IN THE LIGHT OF THE BRITISH GOVERNMENT'S POSITION, DELORS WAS EVASIVE, REFUSING TO SAY CLEARLY WHETHER THE COMMUNITY COULD TAKE DECISIONS IN THIS FIELD ON ANY BASIS OTHER THAN UNANIMITY. HE



INDICATED HE WANTED TO AVOID ''DRAMA'' BROUGHT ABAOUT BY DISCUSSING EMU THIS WEEKEND.

4. ON GATT AGRICULTURE, HE SAID THAT DISCUSSION IN ROME WOULD BE ''DISASTROUS''. THE EUROPEAN COUNCIL MUST NOT BECOME A COURT OF APPEAL. THE DECISION, UNDER ARTICLE 113, COULD BE BY QUALIFIED MAJORITY. THE COMMISSION HAD DISCUSSED THAT MORNING THE GERMAN QUESTIONNAIRE ASKFING FOR CERTAIN ASSURANCES. THE COMMISSION BELIEVED IT COULD NOW PROVIDE THEM IN GENERAL TERMS, WITH A VIEW TO BRINGING FORWARD SPECIFIC PROPOSALS AFTER THE URUGUAY ROUND NEGOTIATIONS WERE OVER, (SO AGREEMENT COULD BE REACHED ON FRIDAY IN LUXEMBOURG).

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ADDITIONAL 1

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