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TO IMMEDIATE FCO

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INFO PRIORITY UKREP BRUSSELS, PARIS, ROME, MADRID

EC SUMMIT: FRG PRESS REACTION

SUMMARY

1. FRG MEDIA UNANIMOUSLY WELCOME RESULTS OF THE MADRID SUMMIT. FOCUS OF COMMENT IS WAY AHEAD NOW ON EMU. SPECULATION THAT THE ROAD WILL BE ARDUOUS AND SLOW. AWARENESS THAT UK NOT ISOLATED. SOCIAL DIMENSION REPORTED IN LOW KEY.

DETAIL

2. TODAY'S HEADLINES EMPHASISE THE COMPROMISE REGARDING EUROPEAN MONETARY UNION AND THE DECISION TO START THE FIRST PHASE IN JULY 1990.

3. THE MEDIA SEE THE OUTCOME WITH SURPRISE, PLEASURE AND RELIEF. THERE HAD BEEN SPECULATION BEFORE THE SUMMIT THAT A ROW WAS INEVITABLE AND THAT A COMPROMISE, PARTICULARLY ON EMU, WOULD NOT BE ACHIEVED. IN THE AFTERMATH OF THE AGREEMENT, EDITORIALS ANALYSE THE REASONS FOR THE SUCCESSFUL OUTCOME.

4. THE FRANKFURTER ALLGEMEINE (CONSERVATIVE), THE FRG'S MOST IMPORTANT DAILY, WHICH HAS BEEN SYMPATHETIC TO THE PRIME MINISTER'S PRAGMATIC APPROACH TO MONETARY UNION, SUGGESTS THAT THE AGREEMENT WAS A TYPICAL EC COMPROMISE. WHILST THE AIM OF EMU HAS BEEN ACCEPTED, SUBSTANCE AND TARGET DATES HAVE NOT BEEN SETTLED. THE COURSE MATTERS WILL NOW TAKE IS PREDICTABLE: MRS THATCHER WILL STICK TO PRAGMATISM, OTHERS (PARTICULARLY THE FRENCH AND GERMANS) WILL PRESS FOR AN EARLY INTER-GOVERNMENTAL CONFERENCE WITH BINDING DATES AND AIMS. THE PATH AHEAD WILL BE LONG AND ARDUOUS BUT THERE CAN BE NO TURNING BACK, EVEN FOR THE UK. DIE WELT (CONSERVATIVE), THE STUTTGARTER ZEITUNG (LIBERAL) AND OTHERS EVOKE THE IMAGE OF A TRAIN MOVING FORWARDS, ALTHOUGH ONE NEWSPAPER SUGGESTS THE SPEED WILL BE SLOWER THAN SOME WANTED.

5. ONE PROMINENT THEME IS THE SUPPORT FOR THE BRITISH POSITION FROM THE NETHERLANDS, DENMARK AND LUXEMBOURG. THE GENERAL ANZEIGER (INDEPENDENT) AND OTHERS SUGGEST THAT THESE THREE COUNTRIES HAVE

TAKEN UP POSITIONS AIMED AT PREVENTING THE ISOLATION OF BRITAIN IN THE COMMUNITY. THE FRANKFURTER RUNDSCHAU (LEFT OF CENTRE) RELATES THIS TO COMMON RESISTANCE TO FRANCO-GERMAN COLLABORATION. THE NEWSPAPER ALSO SPECULATES THAT THERE IS GROWING COVERT RESISTANCE TO GERMAN DOMINANCE IN THE EC UNDER COVER OF THE FRANCO-GERMAN ALLIANCE. THE FRG'S STRONGER INTERNATIONAL ROLE CREATES UNEASE AMONG PARTNERS. GERMAN PRUDENCE IS THEREFORE ALL THE MORE IMPORTANT. KOHL IS SAID TO HAVE HELD BACK IN ORDER NOT TO ISOLATE THE PRIME MINISTER. ~~~~~

6. SOME NEWSPAPERS REPORT AGREEMENT BY ALL BUT THE UK TO CONTINUE WORK ON THE SOCIAL CHARTER. THERE IS NO CRITICAL COMMENT. THE FRANKFURTER RUNDSCHAU COMMENTS IN AN EDITORIAL THAT IT WAS THE STRENGTH OF AND PRESSURE FROM FRG TRADES UNIONS WHICH MADE KOHL ALMOST THE ONLY SPOKESMAN FOR THE SOCIAL DIMENSION.

7. THE MEDIA ARE UNANIMOUS IN SEEING THE ATMOSPHERE AT MADRID AS GOOD. THE PRIME MINISTER IS DESCRIBED AS 'RADIATING GOODWILL', 'PEACEFUL' AND 'CHARMING'. OPINION IS DIVIDED ON WHO WON: THE SUDDEUTSCHE ZEITUNG SAYS 'THATCHER PREVAILS' AND 'EC MAKES ACCOMMODATIONS TO THATCHER'S RESERVATIONS'. HOWEVER THE FRANKFURT ALLGEMEINE SAYS KOHL AND MITTERRAND PREVAILED OVER MRS THATCHER AND RELATE THIS TO THE CONSERVATIVE SHOWING IN THE EUROPEAN ELECTIONS.

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