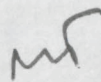


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EUROPEAN COUNCIL: MADRID: US MEDIA

1. MUCH OF THE MEDIA HAS REPORTED POSITIVELY ON THE OUTCOME OF THE EUROPEAN COUNCIL, THOUGH THERE ARE SOME STRONG DOUBTS ABOUT THE PRIME MINISTER'S APPROACH.
2. VIRTUALLY ALL THE COVERAGE EMPHASISES THE PRIME MINISTER'S ROLE. THE NEW YORK TIMES SAID THAT SHE HAD MADE, UNUSUALLY, THE CRUCIAL COMPROMISE WHICH ALLOWED THE MEETING TO CONCLUDE SUCCESSFULLY, RETREATING TO DO BATTLE ANOTHER DAY. HER TACTICAL RETREAT ON THE CURRENCY QUESTION CONCEALED SUCCESS IN PREVENTING THE MEETING FROM ADOPTING OUTRIGHT DELORS' THREE STAGE BLUEPRINT. THE WALL STREET JOURNAL CLAIMED THAT POLITICAL MOMENTUM HAD QUOTE FINALLY SWEEPED THE MOST RECALCITRANT MEMBER, BRITAIN, INTO THE NEGOTIATING PROCESS UNQUOTE. ALTHOUGH THE PRIME MINISTER OBJECTED TO MANY DETAILS OF THE DELORS' REPORT QUOTE NONETHELESS, THE LATEST MOVE ADDS A POWERFUL POLITICAL DIMENSION TO THE BORDER-REMOVING PROCESS. UNQUOTE. THE LOS ANGELES TIMES REPORTED THAT THE PRIME MINISTER DROPPED THE DISMISSIVE ATTITUDE THAT HAD CHARACTERISED MANY OF HER RECENT REMARKS ABOUT THE REPORT AND HAD QUOTE REAFFIRMED BRITAIN'S COMMITMENT TO THE IDEA OF MONETARY UNION AND FOR THE FIRST TIME PUBLICLY PRAISED PARTS OF THE REPORT UNQUOTE.
3. THE BALTIMORE SUN THOUGHT THE EUROPEAN COUNCIL INDICATED THAT THE DISTANT PROSPECT OF A UNITED STATES OF EUROPE WAS BECOMING A LITTLE MORE CREDIBLE. BUT THE PROCESS WOULD NOT BE EASY. THE PRIME MINISTER MIGHT BE RIGHT TO DOUBT THAT THE CREATION OF A COMMON BANKING AND CURRENCY SYSTEM WOULD BE ACCEPTABLE TO THE BRITISH AND SOME OTHER PARLIAMENTS. BUT THE MOMENTUM FOR EUROPEAN UNION WAS BUILDING PERCEPTIBLY, AND EVEN BRITAIN MIGHT NOT BE ABLE TO STAND ALOOF FROM THE ECONOMIC DYNAMO ITS CONTINENTAL NEIGHBOURS WERE CREATING.
4. THE WASHINGTON POST SAW QUOTE THE STRAINED COMPROMISE

UNQUOTE IN MADRID AS DEMONSTRATING A CLEAR IDEOLOGICAL SPLIT BETWEEN BRITAIN'S LIMITED DEFINITION OF EUROPEAN UNITY AND A BROADER CONCEPT ESPOUSED BY MOST OTHER EC MEMBERS. IT NOTED THAT THE PRIME MINISTER HAD ROUNDLY DISPUTED PREDICTIONS THAT THE PROCESS TOWARDS EMU WOULD GO FORWARD TO ITS CONCLUSION. 5. IN A HIGHLY CRITICAL ARTICLE FLORA LEWIS (NEW YORK TIMES) SAID THAT THE PRIME MINISTER REMAINED CLEARLY OUT OF STEP WITH THE RENEWED DETERMINATION OF THE OTHER MEMBERS TO COALESCE THEIR ECONOMIC POWER. QUOTE MRS THATCHER, LIKE MANY OTHERS, WORRIES ABOUT THE FUTURE DRIFT OF GERMANY. BUT HER ANTIDOTE IS TO CLING TO AN INCREASINGLY ILLUSORY SPECIAL RELATION BETWEEN BRITAIN AND AMERICA. UNQUOTE. THE DOMINANT CONTINENTAL VIEW WAS TO ANCHOR WEST GERMANY EVER MORE FIRMLY IN A WELL DEFINED ECONOMIC COMMUNITY. THIS WAS A LONG TERM STRATEGY OF GREAT IMPORTANCE TO AMERICA AS WELL. BUT QUOTE MRS THATCHER SEES ONLY IMMEDIATE POLITICAL MANOUVERING. THERE IS A MOVEMENT UNDER WAY BRINGING LONG TERM CHANGE IN THE EUROPEAN ORDER. MRS THATCHER'S LONELY ATTEMPT TO STOP THE TIDE IS MORE EVIDENCE THAT IT IS RUNNING. UNQUOTE.

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