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FRAME ECONOMIC

STRASBOURG EUROPEAN COUNCIL : DANISH VIEWS

SUMMARY

1. SCHLUTER AND ELLEMANN-JENSEN GO TO STRASBOURG IN GOOD HEART AFTER RECENT POLITICAL SUCCESSES. DENMARK WILL SUPPORT THE ADOPTION OF THE SOCIAL CHARTER AND THE CALLING OF AN IGC WITH A WIDE (OR ELSE OPEN) MANDATE.

DETAIL

2. NEAR THE END OF A YEAR IN WHICH HIS ROOM FOR MANOEUVRE SEEMED TO BE STEADILY CONTRACTING (AND AFTER CHAIRING 57 INTER-PARTY MEETINGS), SCHLUTER ACHIEVED A BREAK-THROUGH ON 1 DECEMBER WHEN HE PUT TOGETHER A NON-SOCIALIST MAJORITY FOR THE FINANCE BILL DUE FOR ADOPTION ON 14 DECEMBER. THE SPECTRE OF A JANUARY ELECTION WHICH HAD LOOMED FOR SOME TIME HAS THEREFORE DISAPPEARED. ELLEMANN-JENSEN'S PARTY, VENSTRE, PUT UP A GOOD SHOWING IN LAST MONTH'S LOCAL ELECTIONS (UNLIKE SCHLUTER'S CONSERVATIVES) AND IS DOING BETTER THAN THE OTHER GOVERNMENT PARTIES IN THE OPINION POLLS.

EMU

3. IT IS ASSUMED IN DENMARK THAT A DECISION TO CALL AN IGC WILL BE TAKEN AT STRASBOURG. SCHLUTER HOPES THERE WILL BE CONSENSUS ON THIS. THE FOLKETING HAS INSTRUCTED THE GOVERNMENT TO WORK FOR A BROAD MANDATE INCLUDING RELATIONS WITH EFTA AND EASTERN EUROPE AS WELL AS QUALIFIED MAJORITY VOTING ON ENVIRONMENT AND LABOUR MARKET MINIMUM STANDARDS. ELLEMANN-JENSEN TOLD COMMUNITY AMBASSADORS TODAY (5 DECEMBER) THAT DENMARK WOULD SUGGEST THAT THE ENTIRE SOCIAL DIMENSION SHOULD BE ON THE AGENDA, THOUGH MORE OPTICAL EFFECT THAN WITH A VIEW TO WIDE-RANGING TREATY CHANGES. THE ALTERNATIVE TO A WIDE MANDATE WOULD BE AN OPEN ONE. ALLOWING ALL COUNTRIES TO PURSUE SUBJECTS DEAR TO THEM AT THE IGC. THE GOVERNMENT MAY HAVE PROBLEMS

IN THE FOLKETING IF THE EVENTUAL MANDATE DOES NOT ALLOW FOR DEBATE ON THE ABOVE ELEMENTS. ELLEMANN-JENSEN THOUGHT A MANDATE CONFINED TO EMU WOULD CONVEY THE WRONG SIGNAL AT THE PRESENT TIME.

4. WHILE DENMARK REJECTS ANY AUTOMATIC COMMITMENT TO THE LATER STAGES OF THE DELORS PLAN, THERE IS A WIDESPREAD PERCEPTION HERE THAT THE COUNTRY HAS LITTLE SOVEREIGNTY IN THE MONETARY AREA TO LOSE AND THAT NEW COMMUNITY INSTITUTIONS COULD GIVE IT A VOICE IN DECISIONS AFFECTING IT WHICH THE BUNDESBANK CURRENTLY TAKES ON ITS OWN. THE UK PAPER ON AN ALTERNATIVE APPROACH TO EMU IS REGARDED AS BEING ON THE TABLE. BUT THE GOVERNMENT DOES NOT SEE IT AS REPRESENTING A TRUE ALTERNATIVE TO DELORS.

SOCIAL CHARTER

5. DANISH MINISTERS SEE THE CHARTER AS A BROAD POLITICAL STATEMENT AND FIND IT ACCEPTABLE ALTHOUGH 'NOT (NOT) TAILORED FOR DANISH CONDITIONS ' (AS THE NEW LABOUR MINISTER PUTS IT), THEIR ENDORSEMENT OF IT IS AN IMPORTANT PART OF THEIR STRATEGY FOR BRINGING THE SOCIAL DEMOCRATS TO ACQUIESCE IN FURTHER DEVELOPMENT OF THE COMMUNITY. DANISH UNIONS NOW THINK THEY CAN USE THE COMMUNITY TO STRENGTHEN THEIR HAND AGAINST BOTH EMPLOYERS AT HOME AND CHEAP LABOUR ABROAD. THERE IS LESS RESISTANCE HERE THAN THERE USED TO BE TO THE OCCASIONAL EXTENSION OF COMMUNITY COMPETENCE IF IT SEEMS THAT PRACTICAL ADVANTAGE COULD BE DERIVED FROM IT.

SINGLE MARKET

6. DENMARK (WHICH HAS AN EXCELLENT RECORD ON IMPLEMENTATION) WOULD BE LIKELY TO FAVOUR OUR IDEA OF A PACKAGE DEAL. NONE OF THE ELEMENTS WE ENVISAGE CAUSES DENMARK SERIOUS PROBLEMS.

EASTERN EUROPE

7. FOR HISTORICAL AND GEOGRAPHICAL REASONS DENMARK TAKES A CLOSE INTEREST IN EASTERN EUROPE (ESPECIALLY IN THE BALTIC REPUBLICS). THEY HAVE SET UP THEIR OWN FUND TO PROMOTE DANISH INVESTMENT AND HAVE PUBLICLY SUPPORTED THE FRENCH PROPOSAL FOR A EUROPEAN DEVELOPMENT BANK.

WILLIAMS

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