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OF 262000Z JUNE 90
INFO PRIORITY EUROPEAN COMMUNITY POSTS, STRASBOURG, WASHINGTON
INFO PRIORITY UKDEL NATO, MOSCOW, ANKARA

FRAME GENERAL

DUBLIN TELS NOS 549 TO 559: EUROPEAN COUNCIL: 25/26 JUNE

1. THE SECOND IRISH EUROPEAN COUNCIL RAN TO TIME AND TO FORM: THAT IS TO SAY THAT MOST ITEMS INCLUDING THE TWO ICS'S GAVE RISE TO PREDICTABLE AND LARGELY UNREMARKABLE DISCUSSION AND EASILY AGREED CONCLUSIONS, WHILE ONE ITEM, ASSISTANCE TO THE SOVIET UNION, WHICH MADE A LATE APPEARANCE ON THE AGENDA AND WHICH HAD NOT BEEN PROPERLY PREPARED AT ANY LEVEL, PROVED DIFFICULT TO HANDLE AND CONTENTIOUS IN DISCUSSION.

2. THERE WAS SINGULARLY LITTLE SUBSTANTIVE DISCUSSION OF EITHER EMU OR POLITICAL UNION, ALMOST AS MUCH BEING DEVOTED TO DISENTANGLING HAUGHEY/ANDREOTTI CONFUSION OVER WHICH DAY IN DECEMBER THE CURTAIN WAS TO BE RUNG UP ON WHICH CONFERENCE (EMU: 13 DECEMBER, POLITICAL UNION 14 DECEMBER) AS TO THE SUBJECT MATTER OF THE CONFERENCE THEMSELVES.

3. THE PRIME MINISTER'S INTRODUCTION OF OUR NEW THINKING ON THE 'HARD ECU' AND A EUROPEAN MONETARY FUND AROUSED MORE INTEREST THAN COMMENT. WHAT COMMENT THERE WAS TENDED TOWARDS A BLEND OF CAUTION ABOUT THE TECHNICAL DETAIL AND WELCOME FOR THIS CLEAR EVIDENCE THAT WE WERE ENGAGING OURSELVES MORE FULLY THAN BEFORE IN THE DEBATE ABOUT EMU WHICH IS GOING TO BULK VERY LARGE IN THE COMMUNITY'S LIFE OVER THE NEXT YEAR OR SO. IT WILL BE IMPORTANT NOW TO FOLLOW THIS UP BOTH AT THE TECHNICAL AND THE POLITICAL LEVEL IN BILATERAL CONTACTS WITH THE MEMBER STATES AND THE COMMISSION, IN ADDITION TO THE NOT USUALLY VERY REWARDING SET PIECE COLLECTIVE DISCUSSIONS IN ECOFIN AND THE MONETARY COMMITTEE. THESE CONTACTS WILL NOT PROVE EASY GOING, AS THE VARIOUS CRITIQUES WHICH ARE ALREADY EMERGING FROM THE BUNDESBANK AND THE BELGIAN MINISTRY OF FINANCE, DEMONSTRATE. BUT, IF WE DO NOT SET OUT TO EXPLAIN OUR APPROACH IN A SYSTEMATIC AND CONVINCING MANNER, IT WILL BE ALL TOO EASY FOR THOSE WHO DO NOT WANT TO TAKE IT SERIOUSLY TO ARGUE THAT IT IS A PURELY TACTICAL MANOEUVRE.

4. IN THE DEBATE ON POLITICAL UNION NO NEW IDEAS WERE PUT ON THE TABLE. WE WERE MERCIFULLY SPARED FURTHER FRANCO-GERMAN SURPRISES. WHETHER THE UNDOUBTED DIFFERENCES BETWEEN THEM WILL PREVENT ANY FURTHER JOINT DEVELOPMENT OF THEIR THINKING REMAINS AN OPEN QUESTION: ONE FACTOR IN THIS EQUATION WILL BE THE SUCCESS WITH WHICH WE OURSELVES PURSUE A DIALOGUE WITH EACH OF THEM IN THE MONTHS AHEAD. WE WILL NOW NEED TO DEVELOP OUR OWN THINKING ON THE IDEAS WE HAVE PUT FORWARD. BUT I DO NOT THINK THE TIME IS YET RIGHT FOR TABLING PROPOSALS IN WRITING, LET ALONE FOR PROPOSING TREATY AMENDMENTS. IN THE NEXT PHASE WE WILL NEED TO EXPOSE THE WEAKNESSES IN THOSE IDEAS OF OTHERS WHICH WE DISLIKE, AS WELL AS DEVELOPING THE CASE IN FAVOUR OF OUR OWN: AND ABOVE ALL WE SHALL NEED TO BUILD ALLIANCES, BOTH POSITIVE AND NEGATIVE, SO AS TO ENSURE THAT, WHEN THE IGC ACTUALLY OPENS, WE ARE AS WELL PLACED AS POSSIBLE. IN ALL THESE PROCESSES A CERTAIN FLEXIBILITY IN OUR THINKING AND OUR PRESENTATION WILL BE AN ASSET.

5. THE SINGLE MARKET DISCUSSION AND, ABOVE ALL, THE RELEVANT WRITTEN CONCLUSIONS WENT ALMOST EXACTLY AS WE WOULD HAVE WISHED. ALL OUR PRIORITIES WERE ENDORSED. THE ABSOLUTE MINIMUM NUMBER OF HOSTAGES TO FORTUNE FOUND THEIR WAY IN. THE STAGE IS WELL SET FOR SUSTAINED PRESSURE ON IMPLEMENTATION IN THE PERIOD UP TO AND AT THE DECEMBER EUROPEAN COUNCIL IN ROME.

6. HAUGHEY'S MUCH-TOUTED ENVIRONMENTAL CHARTER EMERGED FROM THE HANDS OF SENIOR OFFICIALS AS A SLIMMED-DOWN DECLARATION AND WAS THEN PUMPED UP A LITTLE BIT AGAIN THANKS TO DUTCH/GERMAN INSISTENCE ON THE NEED TO SAY AND DO MORE ABOUT TROPICAL RAIN FORESTS. ONE REASONABLY HARMLESS REFERENCE TO ENVIRONMENTAL RIGHTS CREEPT IN. I SUSPECT THAT THIS DECLARATION IN CONTRAST TO THE SUBJECT OF THE ENVIRONMENT ITSELF, WILL NOT HAVE A LONG SHELF LIFE.

7. ON FRONTIERS AND DRUGS, TWO ISSUES WHICH USED TO PLAGUE US A GOOD DEAL AT EUROPEAN COUNCILS, THE IMPROVEMENTS IN OUR TACTICAL SITUATION THAT HAVE COME ABOUT SINCE SUBSTANTIAL INTER-GOVERNMENTAL COORDINATION GOT UNDER WAY IN THE COORDINATORS, IMMIGRATION AND CELAD GROUPS WERE AGAIN EVIDENT AND DEMONSTRATED THE WISDOM OF OUR PLAYING AN ACTIVE ROLE IN ALL THESE FORA. OUR INITIATIVES FOR EARLY DECISIONS ON A EUROPEAN DRUG INTELLIGENCE UNIT AND FOR A POMPIDOU GROUP CONFERENCE ON DRUGS WITH THE EAST EUROPEAN COUNTRIES WERE ENDORSED. THE RECENT SIGNATURE OF THE SCHENGEN AGREEMENT IS, HOWEVER, A REMINDER OF THE RISK OF 'TWO-SPEED EUROPE' TENDENCIES EMERGING AGAIN IN THIS SECTOR.

8. THE PRESIDENCY PERFORMANCE ON THE SITES OF INSTITUTIONS CAN ONLY BE DESCRIBED AS PUSILLANIMOUS. WITH HEAVY FRENCH PRESSURE BEHIND THE SCENES DISCOURAGING ANY INITIATIVE, THE ITEM WAS ALLOWED TO SLIP PAST THE SCHEDULED TIME ON THE FIRST AFTERNOON AND PAST THE HEADS OF GOVERNMENT DINNER. THERE WAS THEN A PERFUNCTORY DISCUSSION WHEN THE CONCLUSIONS WERE TAKEN AND HAUGHEY PASSED THE POISONED CHALICE WITH RELIEF TO ANDREOTTI.

9. ON THE EXTERNAL FRONT MUCH WENT INTO THE CONCLUSIONS EITHER WITHOUT DISCUSSION (EFTA, URUGUAY ROUND, MEDITERRANEAN, CENTRAL AND EASTERN EUROPE) OR VIRTUALLY ON THE NOD AFTER CAREFUL PREPARATION AT POLITICAL DIRECTOR AND FOREIGN MINISTER LEVEL (ANTI-SEMITISM DECLARATION, NON-PROLIFERATION, CSCE). A SHORT DECLARATION ON CYPRUS, WHICH WILL CERTAINLY CAUSE PAIN IN ANKARA, WAS AGREED WHEN IT BECAME CLEAR THAT EXASPERATION WITH DENKTASH'S STUBBORNNESS AND A DESIRE TO ENCOURAGE THE NEW GREEK GOVERNMENT'S PROCLAIMED INTENTION OF IMPROVING ITS RELATIONS WITH TURKEY THREATENED TO LEAVE US IN A MINORITY OF ONE. ON SOUTH AFRICA, FRANCO-GERMAN UNWILLINGNESS TO OFFER DE KLERK ANY ENCOURAGEMENT BEYOND WORDS, MEANT THAT THE BACK MARKERS (IRELAND, DENMARK) CAME UNDER NO PRESSURE TO RELAX SANCTIONS. BUT THE DEBATE (AND THE CONCLUSIONS) EDGED IN OUR DIRECTION: AND THERE WERE ENCOURAGING SIGNS THAT NOT ONLY DE MICHELIS BUT ANDREOTTI ARE KEEN TO USE THE ITALIAN PRESIDENCY AND FURTHER DEVELOPMENTS IN SOUTH AFRICA TO BREAK THE PRESENT LOG JAM.

10. DISCUSSION OF POSSIBLE ASSISTANCE TO THE SOVIET UNION MONOPOLISED THE HEADS OF GOVERNMENT DINNER AND A GOOD CHUNK OF THE NEXT MORNING. BOTH THE GERMANS AND THE FRENCH SEEMED TO WANT A DECISION THERE AND THEN TO OFFER SUBSTANTIAL COMMUNITY ASSISTANCE, INCLUDING SHORT TERM CREDITS (THE FRENCH POSITION WAS NOT EASY TO READ BECAUSE FOR THE EARLY PART OF THE MEETING THEY WERE PEDDLING A RATHER CONSERVATIVE TEXT, CLOSE TO OUR OWN THINKING, AND MITTERRAND'S EXPRESSED VIEWS MAY HAVE CONTAINED A GOOD ELEMENT OF GRANDSTANDING. THEY PICKED UP SOME SPANISH, GREEK AND ITALIAN SUPPORT. OUR OWN INSISTENCE THAT RIGOROUS ANALYSIS MUST PRECEDE ANY DECISIONS ON ASSISTANCE, THAT SUCH ASSISTANCE MUST BE LINKED TO EFFECTIVE MARKET-ORIENTED REFORM IF IT WAS NOT TO BE WASTED, THAT THE DEBATE AT HOUSTON SHOULD NOT BE PRE-JUDGED AND THAT THE ANALYSIS NEEDED TO BE CONDUCTED WITH A FULL INPUT FROM THE INTERNATIONAL FINANCIAL INSTITUTIONS AND NOT JUST FROM THE COMMISSION, EVOKED PLENTY OF PRIVATE SUPPORT BUT LESS PUBLIC BACKING. IN THE END, AFTER SOME DISTINCTLY ILL-TEMPERED EXCHANGES, CONCLUSIONS WERE COBBLED TOGETHER THAT PLEASED NOBODY VERY MUCH BUT LEANED MORE TO THE

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CAUTIOUS END OF THE SPECTRUM. THESE CONCLUSIONS AND THE DEBATE THAT PRECEDED THEIR ADOPTION WIL NOT MAKE DISCUSSION OF THIS ISSUE AT HOUSTON ANY EASIER. HANDLING THIS EXERCISE IN FUTURE IN SOME KIND OF G24 FRAMEWORK NOW SEEMS TO OFFER THE BEST CHANCE OF ACHIEVING CONDITIONALITY AND AVOIDING DECOUPLING BETWEEN THE COMMUNITY ON THE ONE HAND AND THE US AND JAPAN ON THE OTHER.

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