

UNCLASSIFIED  
FM BONN  
TO IMMEDIATE FCO  
TELNO 1161  
OF 111603Z SEPTEMBER 90  
INFO PRIORITY UKREP BRUSSELS, ROME  
INFO ROUTINE OTHER EC POSTS

YOUR TELNO 497 TO ROME: INFORMAL ECOFIN

## SUMMARY

1. FRG PRESS HIGHLIGHTS DIFFERENCES OVER TIMING OF STAGE TWO. EDITORIAL COMMENT NOTES THAT POSITIONS HAVE SHIFTED AND SUPPORTS A CAUTIOUS APPROACH.

## DETAIL

2. THE INFORMAL ECOFIN RECEIVED WIDE COVERAGE IN THE GERMAN PRESS ON 10/11 SEPTEMBER. PROMINENT FACTUAL REPORTS EMPHASISED THAT THE MAJORITY OF FINANCE MINISTERS OPPOSED DELORS' PROPOSAL THAT THE SECOND STAGE OF EMU SHOULD BEGIN ON 1 JANUARY 1993. WAIGEL WAS QUOTED AS SAYING THAT IT MADE NO SENSE TO PUT THE TIMETABLE UNDER PRESSURE. POEHL WAS REPORTED TO HAVE SAID THAT THE CONTENT OF THE SECOND STAGE MUST BE CLEAR BEFORE FIXING ITS STARTING DATE. WHILE HE WAS NOT AGAINST A NEWLY-DEFINED AND HARDER ECU, A 13TH CURRENCY AND A NEW INSTITUTION TO ISSUE IT MADE NO SENSE AND WAS A DETOUR WHICH HE DID NOT RECOMMEND. SOME PAPERS SPECULATED ON THE POSSIBILITY OF ANOTHER INFORMAL ECOFIN BEFORE THE IGC.

3. THOSE PAPERS WHICH COMMENTED GENERALLY SUPPORTED THE MORE CAUTIOUS PACE NOW ADVOCATED BY THE FINANCE MINISTRY AND THE BUNDESBANK, CITING THE NEED TO ENSURE STABILITY. GREATER ECONOMIC CONVERGENCE AND CONTROL OF BUDGET DEFICITS WERE NEEDED BEFORE PROGRESSING TOWARDS THE SECOND STAGE. COMMENTATORS RECOGNISED THAT THERE HAD BEEN A SHIFT IN POSITIONS. NOTING THAT THE UK NO LONGER REGARDED TREATY AMENDMENT AS UNTHINKABLE, THE LIMITED CIRCULATION BOERSEN ZEITUNG (SPECIALIST STOCK EXCHANGE DAILY) SAID THAT A REDEFINITION OF THE ECU WAS WORTH CONSIDERING AS PART OF THE EMU PROCESS. DIE WELT (CONSERVATIVE) POINTED OUT THAT THE BUNDESBANK HAD SHIFTED ITS POSITION TOWARDS THE UK PROPOSALS FOR COMPETING CURRENCIES BECAUSE IT WANTED TO MAINTAIN A STRONG MONETARY POLICY, BUT THAT IT WOULD NEVER ACCEPT SUBSTITUTION OF THE DEUTSCHMARK BY THE HARD ECU. THE FRANKFURTER RUNDSCHAU (WELL-INFORMED, LEFT OF CENTRE) SAID THAT THE UK PROPOSALS WERE AIMED AT DEFERRING EMU UNTIL

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