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FRAME ECONOMIC

FM PARIS 051215Z JAN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 007 OF 5 JANUARY
INFO UKREP BRUSSELS
:INFO SAVING OTHER EC POSTS

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YOUR TELNO 684 OF 21 DECEMBER: APPOINTMENT OF M. ROLAND DUMAS

- 1. YOUR MESSAGE TO DUMAS WAS DELIVERED ON 21 DECEMBER. HE REPLIED ON 29 DECEMBER EXPRESSING APPRECIATION AND LOOKING FORWARD TO COOPERATING WITH YOU IN OVERCOMING CURRENT DIFFICULTIES AND PARTICIPATING IN THE CONSTRUCTION OF A STRONGER AND MORE UNITED EUROPEAN COMMUNITY. TEXT BY BAG TO BONE.
- 2.1 CALLED ON DUMAS YESTERDAY EVENING AND, AS AUTHORISED IN
 WALL'S LETTER OF 30 DECEMBER TO GARSIDE, CONFIRMED THE INVITATION
 TO HIM TO MAKE AN EARLY VISIT FOR TALKS WITH YOU AND MR RIFKIND.

 DUMAS ACCEPTED WITH ALACRITY. HE SAID HE WAS STILL FEELING HIS
 WAY AND WOULD LIKE VERY INFORMAL TALKS, NOT A MEETING ROUND THE
 TABLE. HE WOULD ALSO VERY MUCH HOPE TO MEET THE PRIME MINISTER IN
 THE COURSE OF HIS VISIT FOR A SIMILARLY INFORMAL EXCHANGE. IN
 SAID I WAS SURE YOU WOULD WANT TO TALK TO HIM ON PRECISELY THIS
 BASIS AND THAT I WOULD ENQUIRE ABOUT A POSSIBLE MEETING WITH THE
 PRIME MINISTER. II ASKED WHETHER PRESIDENT MITTERRAND HIMSELF HAD
 IT IN MIND TO TALK TO THE PRIME MINISTER AT AN EARLY STAGE DURING
 THE FRENCH PRESIDENCY. DUMAS SAID HE DID NOT KNOW BUT WOULD HAPPILY
 PUT THIS THOUGHT TO MITTERRAND IF WE WISHED. I SUGGESTED THAT
 THIS POINT MIGHT BE COVERED DURING HIS VISIT TO LONDON.

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3. I SHOULD BE GRATEFUL FOR DATES TO PUT TO DUMAS AND FOR GUIDANCE ON THE POSSIBILITY OF THE PRIME MINISTER'S SEEING HIM.

DETAIL AND COMMENT

4. DUMAS EMPHASISED HIS OWN CLOSE LINKS WITH BRITAIN AS A FORMER STUDENT OF THE LONDON SCHOOL OF ECONOMICS AND A FREQUENT VISITOR EVER SINCE. HE HOPED HE WOULD BE ABLE TO FIND TIME TO POP OVER TO LONDON REGULARLY EVEN AS A MINISTER. HE IS RELAXED, SILVER-TONGUED, APPARENTLY OPEN-MINDED AND WILL CERTAINLY BE VERY MUCH EASIER TO DEAL WITH THAN HIS PREDECESSOR. HIS ROLE IS NOT YET ENTIRELY CLEAR, PARTICULARLY IN RELATION TO CHEYSSON. I THINK HE SEES HIMSELF ESSENTIALLY AS THE PRESIDENT'S PERSONAL REPRESENTATIVE, LOOKING FOR WAYS THROUGH AND ROUND DIFFICULTIES, RATHER THAN AS THE HEAD OF A MAJOR PIECE OF THE FRENCH BUREAUCRACY. HE APPEARS TO BE LOOKING FOR QUICK RESULTS THROUGH HIS PERSONAL CONTACTS WITH OTHER GOVERNMENTS AND MAY UNDER-ESTIMATE THE DIFFICULTIES.

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5. HE ACKNOWLEDGED THAT OVER THE YEARS HE HAD ABSORBED SOME TYPICAL FRENCH PREJUDICES ABOUT BRITAIN AND THE COMMUNITY: THAT WE HAVE ALWAYS SOUGHT TO DILUTE THE COMMUNITY INTO A FREE-TRADE AREA AND UNDO THE CAP AND THAT WE ARE ONLY REALLY INTERESTED IN ' GETTING OUR MONEY BACK ... HE DID NOT HOWEVER CONTEST MY EXPLANATION OF OUR POLICIES ON THESE AND A RANGE OF OTHER MATTERS. I WOULD NOT EXPECT HIM TO BE FULLY CONVINCED, THOUGH HE GAVE THE IMPRESSION THAT HIS ONLY OBJECT WAS TO LEARN THE FACTS AND TO FIND WAYS OF WORKING CONSTRUCTIVELY TOGETHER. I EXPLAINED TO HIM IN PARTICULAR WHY WE REQUIRE A DURABLE BUDGET SETTLEMENT AT AN ADEQUATE LEVEL AND ASKED WHAT WAS THE REAL DIFF: CULTY WHICH PRESIDENT MITTERRAND SAW IN ACCEPTING THIS. HE SAID HE THOUGHT THAT MITTERRAND'S DIFFICULTIES REFLECTED IN PART FRENCH ATTACHMENT TO JURIDICAL PRINCIPLES AND IN PART THE ROLE HE HAD PLAYED IN CREATING THE COMMUNITY DURING DISCUSSIONS IN THE MID-50S: HE FELT INSTINCTIVELY THAT ANY SORT OF JUSTE RETOUR WAS UNDOING THE COMMITMENTS UNDERLYING THE ROME TREATY. (INCIDENTALLY DUMAS GOES THE WHOLE HOG IN APPLYING THE TERM JUSTE RETOUR TO ANY REFUND, HOWEVER SMALL).

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6. I ARGUED THAT WE WERE NOT SEEKING TO REVISE THE COMMITMENTS IN THE ROME TREATY, BUT TO BRING UP-TO-DATE THE FINANCIAL ARRANGEMENTS CREATED IN 1969. SOME WANTED TO MODIFY THEM BY BREACHING THE 1 PERCENT VAT CEILING AND THIS WAS THE RIGHT TIME TO REMEDY THEIR DEFECTS. IT WAS A SPECIFIC AND MANAGEABLE PROBLEM WHICH SHOULD NOT BE CONFUSED BY PROPAGANDA ABOUT UNDOING THE ROME TREATY, THE CAP OR THE CUSTOMS UNION ETC. IT IS DIFFICULT TO BE SURE BUT IT THINK DUMAS WAS ATTRACTED BY THE IDEA OF NARROWING THE PROBLEM AND PLAYING DOWN THE IDEA OF GREAT PRINCIPLES BEING AT STAKE THOUGH HE ALMOST CERTAINLY AT THIS STAGE HAS LITTLE OR NO IDEA OF WHAT MITTERRAND MIGHT ULTIMATELY BE PREPARED TO ACCEPT.

7. I ASKED DUMAS WHAT IMPORTANCE HE GAVE TO THE EUROPEAN ELECTIONS AS A FACTOR IN THE TIMING OF THE NEGOTIATIONS. SURPRISINGLY, HE DID NOT SEEN TO HAVE FOCUSSED ON THIS QUESTION. I SAID THAT SOME MIGHT FIND IT DIFFICULT TO MAKE CONCESSIONS AS JUNE APPROACHED. HE REPLIED THAT THE SUCCESS OR FAILURE OF THE FRENCH PRESIDENCY IN CUTTING THROUGH THE TANGLE WOULD BE APPARENT BY THE MARCH EUROPEAN COUNCIL. HE APPARENTLY HOPES TO SORT A WAY THROUGH THE DIFFICULTIES BY THEN EVEN IF THE DETAILS ARE LEFT UNTIL LATER.

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18. HIS ROLE

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BUT HE SPOKE WITH ENTHUSIASM ABOUT THE GROWING BILATERAL UNDERSTANDING WITH THE UK AND OF SUCCESS ALREADY ACHIEVED IN RELATION TO DEFENCE MATTERS, THE MIDDLE EAST, THE FALKLANDS AND EVEN GRENADA AND VOICED HIS HOPE THAT THIS COULD BE DEVELOPED AND EXPANDED IN THE EUROPEAN FRAMEWORK. HE IS ALSO HOPEFUL FOR NEW COMMUNITY POLICIES IN INDUSTRY AND RESEARCH, WHERE I TOLD HIM WE HAD PLENTY OF POSITIVE IDEAS. HE IS AN ENTUSIAST FOR "WARNABLE GEOMETRY", WHILE AGREEING WITH MY COMMENT THAT THIS IS ESSENT ALLY A MATTER OF GETTING ON WITH PRACTICAL PROJECTS, SUCH AS INDUSTRIAL COOPERATION, BETWEEN INTERESTED MEMBERS OF THE COMMUNITY.

9. ON THE BASIS OF THIS CONVERSATION AND OF CONTACTS WITH ELYSEE STAFF MY IMPRESSION IS THAT MITTERRAND IS LOOKING TO DUMAS TO PULL RABBITS OUT OF THE HAT AND THAT DUMAS WILL AT LEAST PROVE TO BE AN EFFECTIVE CHANNEL OF COMMUNICATIONS TO THE PRESIDENT.

FCO PASS SAVING ATHENS, BONN, BRUSSELS, COPENHAGEN, DUBLING, THE HAGUE, LUXEMBOURG, ROME

FRETWELL

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