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TO DESKBY 061030Z FCO  
TELNO 2577  
OF 060930Z SEPTEMBER 89  
INFO PRIORITY EUROPEAN COMMUNITY POSTS

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FRAME ECONOMIC

ECONOMIC AND MONETARY UNION

1. WHEN I CALLED ON THE PRESIDENT OF THE COMMISSION ON 6 SEPTEMBER TO DELIVER THE PRIME MINISTER'S MESSAGE ABOUT WESTERN SUPPORT FOR POLAND, DELORS HIMSELF RAISED ECONOMIC AND MONETARY UNION AND THE FRENCH PRESIDENCY INITIATIVE IN CALLING TOGETHER A HIGH LEVEL GROUP OF PERSONAL REPRESENTATIVES ON 5 SEPTEMBER.

2. DELORS SAID HE HAD BEEN COMPLETELY OPPOSED TO THE IDEA OF CALLING TOGETHER A HIGH LEVEL GROUP OF PERSONAL REPRESENTATIVES AT THIS STAGE AND REGARDED IT AS A MOST UNFORTUNATE ERROR. IT WAS LARGELY THE RESULT OF A PIECE OF VICIOUS TURF FIGHTING BETWEEN BEREGEVOY AND DUMAS.

3. DELORS SAID HE MOST PARTICULARLY WANTED US TO KNOW THAT HE WOULD REMAIN COMPLETELY FAITHFUL TO WHAT HAD BEEN DECIDED AT MADRID AND WOULD NOT DEVIATE FROM THAT. ABOVE ALL WE COULD BE SURE THAT HE WOULD NOT SEEK TO MAKE HIS OWN REPORT THE SOLE BASIS OF FURTHER DISCUSSION. IT HAD BEEN AGREED AT MADRID THAT IT WAS ONLY A BASIS AND THE DISCUSSION NOW, PARTICULARLY THE DISCUSSION AT POLITICAL LEVEL BETWEEN THE FINANCE MINISTERS, MUST BE AN OPEN ONE WITH FULL CONSIDERATION BEING GIVEN TO OTHER APPROACHES. THAT WAS THE SPIRIT IN WHICH HE HIMSELF WOULD SPEAK AT ANTIBES.

4. AS TO WHAT HE WOULD SAY AT ANTIBES HE HAD DECIDED, ON REFLECTION, AND GREATLY TO BEREGEVOY'S DISMAY AND IRRITATION, THAT HE WAS NOT PREPARED TO CIRCULATE ANY DOCUMENT BEFORE ANTIBES. TO HAVE DONE SO WOULD HAVE BEEN TO FORMALISE THE QUESTIONS HE INTENDED TO ADDRESS AND THE VERY TENTATIVE ANSWERS WHICH HE INTENDED TO GIVE HIMSELF TO THESE QUESTIONS. BUT HE WOULD GIVE ME LATER TODAY, EITHER ORALLY OR ON TWO SIDES OF A SHEET OF PAPER, THE BROAD LINES OF HOW HE INTENDED TO HANDLE THE QUESTION OF THE LATER STAGES OF EMU AT ANTIBES.

5. I SAID TO DELORS THAT THERE WAS NO MISUNDERSTANDING IN LONDON

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ABOUT THE COMMISSION'S POSITION. WE KNEW THAT THEY HAD NOT FAVOURED THE ESTABLISHMENT OF THIS GROUP EITHER IN JULY OR LATER. BUT I WOULD NOT CONCEAL THAT THE WAY THE MATTER HAD BEEN HANDLED BY THE FRENCH PRESIDENCY HAD LEFT AN EXTREMELY BAD TASTE. MOREOVER IN MY PERSONAL VIEW, IT WAS MORE LIKELY TO RETARD RATHER THAN ACCELERATE THE WORK IN HAND. TO GIVE BUT ONE EXAMPLE THE ANTIBES MEETING ITSELF WHICH WOULD OTHERWISE HAVE CONCENTRATED ON THE FUNDAMENTAL (FOLLOWING WORD UNDERLINED) ISSUES, WOULD NOW NO DOUBT BE DEVOTED IN PART AT LEAST, TO A TIRE SOME AND UNNECESSARY ARGUMENT ABOUT THE GROUP, ITS ORIGIN AND ITS REMIT. THE JUSTIFICATIONS GIVEN FROM THE FRENCH SIDE FOR THE TIMING AND REMIT OF THE GROUP WERE TOTALLY UNCONVINCING.

6. I ADDED THAT I WAS SURE THE CHANCELLOR WOULD GREATLY WELCOME HAVING SOME ADVANCED KNOWLEDGE OF THE WAY DELORS INTENDED TO ADDRESS THE ISSUES AT ANTIBES. I DID NOT BELIEVE IT WAS OUR INTENTION TO COME FORWARD THERE WITH A COMPLETE ALTERNATIVE BLUE PRINT. BUT WE DID BELIEVE THAT THERE WERE IMPORTANT ALTERNATIVE WAYS OF APPROACHING MANY OF THE ISSUES COVERED IN THE ORIGINAL DELORS GROUP REPORT WHICH NEEDED TO BE FULLY DISCUSSED AND CONSIDERED AT A POLITICAL LEVEL.

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ADDITIONAL 1

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