

UNCLASSIFIED

FM PARIS

TO PRIORITY F.C.O

TELNO 340

OF 211738Z MARCH 90

INFO PRIORITY BONN, UKREP BRUSSELS

INFO ROUTINE OTHER E.C POSTS

FRAME GENERAL

ECONOMIC AND MONETARY UNION

SUMMARY

1. DUMAS, SUPPORTED BY MITTERRAND, SUGGESTS BRINGING FORWARD DATE OF I.G.C IN RESPONSE TO FASTER GERMAN UNIFICATION. SOME PRESS SPECULATION ABOUT A DEAL IN THE OFFING, GIVING THE GERMANS SOMETHING ON CONCLUDING THE I.G.C AND ON POLITICAL UNION IN RETURN FOR AN EARLIER I.G.C.

DETAIL

2. IN A RADIO INTERVIEW ON 20 MARCH DUMAS SUGGESTED THAT TO AVOID THE COMMUNITY GETTING BOGGED DOWN AS A RESULT OF ACCELERATED GERMAN UNIFICATION THREE AGENDAS NEEDED WORKING ON: THE PREPARATION OF THE SINGLE MARKET: EMU, ON WHICH MOVEMENT COULD BE FASTER, INCLUDING BRINGING FORWARD THE DATE OF THE I.G.C: AND POLITICAL UNION, WHERE FRANCE WAS ALSO READY FOR PROGRESS. ASKED WHETHER HE WAS ABLE TO ANNOUNCE A FRENCH INITIATIVE HE SIMPLY REPLIED THAT THERE WAS HIGH LEVEL CONSIDERATION OF THESE SUBJECTS, INCLUDING BY MITTERRAND. FRANCE WAS AT THE FOREFRONT OF THOSE TAKING INITIATIVES AND HE DUMAS, HAD BEGUN CONSULTATIONS WITH PARTNERS AMONG THE TWELVE.

3. IN A JOINT PRESS CONFERENCE WITH PRESIDENT HAVEL LATER THE SAME DAY MITTERRAND WAS ASKED ABOUT DUMAS' SUGGESTION FOR BRINGING FORWARD THE I.G.C. MITTERRAND REPLIED THAT THE CIRCUMSTANCES WERE CHANGING AND THAT HE CONTINUED TO BELIEVE THAT IT WAS DESIRABLE TO ACCELERATE THE TIMETABLE. IN THE COURSE OF THE SAME CONFERENCE MITTERRAND CONFIRMED THAT HE FAVOURED A TIGHTENING OF THE COMMUNITY AROUND STRONGER STRUCTURES.

COMMENT

4. THERE IS PRESS SPECULATION (PROBABLY BASED ON BRIEFING) THAT THE FRENCH GOVERNMENT IS PLANNING TO RESPOND TO THE PROSPECT OF FASTER GERMAN UNIFICATION - WHICH BOTH MITTERRAND AND DUMAS HAVE SALUTED - BY PUSHING FOR FASTER EUROPEAN INTEGRATION AND TRYING TO

INJECT NEW LIFE INTO THE FRANCO-GERMAN RELATIONSHIP. THIS IS ACKNOWLEDGED TO HAVE COME UNDER STRAIN. (SEE FOR EXAMPLE THE ARTICLE BY CLAIRE TREAN IN LE MONDE OF 21 MARCH).

5. THE GIST OF THE PRESS COMMENTS IS THAT FRANCE SHOULD LOOK TO IMPROVE THE STATE OF PARIS / BONN RELATIONS AND NOT THINK THAT ALTERNATIVE ALLIANCES WITH WITH E.G MOSCOW, WARSAW OR LONDON CAN SUBSTITUTE FOR THE CENTRALITY OF THE FRANCO-GERMAN RELATIONSHIP.

6. ON EMU, THE PRESS SPECULATE ABOUT A POSSIBLE DEAL INVOLVING THE GERMANS AGREEING TO BRING FORWARD THE DATE OF THE OPENING OF THE I.G.C IN RETURN FOR MOVEMENT BY THE FRENCH IN SETTING A DATE FOR WORK TO CONCLUDE AND ALSO MOVEMENT ON POLITICAL UNION. THIS MIGHT INVOLVE MEASURES TO DEMOCRATISE AND GIVE SOME FURTHER RESPONSIBILITY TO THE COMMUNITY INSTITUTIONS (INCLUDING EXAMINATION OF THE ROLE OF THE EUROPEAN PARLIAMENT AND STRENGTHENING THE EUROPEAN EXECUTIVE, ALTHOUGH NOT NECESSARILY THE COMMISSION). CLARIFICATION TO BE GIVEN SHORTLY. IN ADDITION, IT IS OBSERVED THAT THE FRENCH HOPE THAT THE PROCESS OF GERMAN UNIFICATION WILL CAUSE THE BUNDESBANK TO SEEK FURTHER COOPERATION WITH THE OTHER COMMUNITY CENTRAL BANKS AND THAT THIS IN ITSELF WILL GIVE EMU A BOOST.

FERGUSSON

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