

to Mr. Walker

1. MR. ALEXANDER

2. PRIME MINISTER

Mr. Gundelach telephoned Mr. Walker's Private Secretary this afternoon and reported on a conversation he had had with the French Fisheries Minister, M. Le Thule.

M. Le Thule had said that the French Government expected the Common Fisheries Policy to be entirely settled at the next Fisheries Council on Monday "in view of the parallelism of the Foreign Council". (Mr. Gundelach did not know precisely what was meant by this phrase.)

Mr. Gundelach had replied that he would have to move delicately at Monday's Council meeting. M. Le Thule said that, if a settlement was not possible on Monday, then it would have to be reached at the following Fisheries Council meeting on 22 July. Mr. Gundelach had responded to this that the Foreign Affairs Council had said that a settlement must be reached by the end of the year. To this, Le Thule replied that it must be settled much sooner than this. If it was not, then the French Government would re-open the decision on the Budget.

Mr. Gundelach commented that this intervention by Le Thule seemed to be on the instructions of M. Barre, and that it was a reflection of the general dissatisfaction in France with the Budget outcome.

*Have phoned
Mr. Walker.
Settlement can't be
concluded unless they
accept our needs for
proportional access
not*

13 June 1980

TELEPHONE CONVERSATION BETWEEN MR GUNDELACH AND MR WATERS -
13 JUNE 1980

Mr Gundelach telephoned on 13 June to speak to the Minister. In his absence, he spoke to me.

He said that he was concerned at the hard line being taken by the French Government. The French Fisheries Minister was interpreting "parallelism" of the Foreign Affairs Council to mean that all the outstanding issues of the Common Fisheries Policy should be resolved at the Council meeting this week. Mr Gundelach said that he had explained to Mr Le Theule that he would be taking a cautious and careful approach to the current Council so as to get the best outcome and that Mr Le Theule had understood these explanations. However, Mr Le Theule had reduced his expectations only to the extent of deferring the entire settlement to the July 22 Council. Despite Mr Gundelach's argument that the Foreign Affairs Council had committed the Community to seek decisions by the end of the year, Mr Le Theule remained adamant that the French Government, and the French Prime Minister, expected decisions to be reached straight away.

Mr Gundelach said that he was getting similar noises, though not so sharp, from Germany. The Germans, however, were more likely to be sensible in the end and their interest was in seeing signs of progress. The French attitude had its roots in the French Prime Minister's discontent with the budget solution.

I promised to pass the message to the Minister and arranged for the Minister to speak to Mr Gundelach on Friday night from his home. I said to Mr Gundelach that a satisfactory settlement on an appropriate basis within the time scale envisaged by the French Government would, of course, be welcome to the British Government. However, I agreed with him that it was very difficult to discern such a prospect.

G R Waters

G R WATERS
16 June 1980

Mr Mason + 1

cc Miss Rabagliati
Mr Steel
Mr Sadowski
Mrs Brock
Mr Kelsey
Mr Packer
Mr Dawes
PS Lord Privy Seal
Mr Alexander - No 10
Mr Wright - Cabinet Office

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